The role of cohesion policy in promoting innovative and smart transformation and regional ICT connectivity

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The Committee on Regional Development adopted an own-initiative report by Cristina MAESTRE MARTÍN DE ALMAGRO (S&D, ES) on the role of cohesion policy in promoting innovative and smart transformation and regional ICT connectivity.

The EU's ambition is to deliver digital policies that empower citizens and businesses to achieve a sustainable and prosperous digital future in all regions. The digital transformation must be equitable and inclusive. It must go hand in hand with the ongoing green transition.

The level of broadband coverage in Europe shows that there is still a need for massive investment, especially in rural areas, where 10% of households are not covered by any type of fixed network and 41% have no fast broadband technology of any kind. Moreover, only 17% of small and medium-sized enterprises have succeeded in integrating digital technologies into their business, while 54% of large enterprises have done so.

Cohesion policy for the period 2021-2027 and the challenges of the twin transition

The report highlighted the role that the new cohesion policy can play in advancing the twin digital and green transition. It called on the Council and the Commission to set more ambitious targets for the digital development of all EU regions. It called for a **European Digital Action Plan** for all regions with mid-term targets, measures for 2025 and specific recommendations for the Union and Member States to achieve concrete results by 2030.

The report highlighted the need to:

- ensure **consistency between the many EU programmes and initiatives** to foster digitalisation and improve synergies with cohesion policy instruments accordingly;

- provide the necessary funding for the development and maintenance of environmentally sustainable and affordable transport links;

- providing less developed regions of the Union with tailor-made assistance to strengthen their administrative capacity, knowledge and technology-driven expertise;

- supporting the development of digital solutions for climate change prevention and mitigation.

Bridging the digital divide

Concerned about the digital divide that still exists within and between Member States, Members recalled that future ERDF-Cohesion Fund investment should support the **development of high-speed digital infrastructure networks**, with priority given to rural areas. They called on Member States to invest in targeted upskilling and educational measures.

Member States are invited to:

- make the most effective use of the financial resources available to them under the European Structural and Investment Funds and NextGenerationEU to provide regions with the targeted support they need to catch up and overcome the digital divide in rural areas and between generations;

- support the deployment of very high-capacity networks with adequate public funding schemes in areas not served by the market and offering cross-sectoral and comprehensive solutions, such as smart villages and rural innovation hubs.

An inclusive and equitable digital transformation

The report stressed the need for a sustainable and inclusive digitisation process that is socially and economically just and leaves no one behind. It recalled that the success of the digital transition relies on the principle of a stable and affordable high-capacity internet connection. It highlighted the digital connectivity challenges faced by Europe's peripheral regions, including its islands.

The increased use of digital solutions as a result of the COVID-19 pandemic has exacerbated existing inequalities caused by digital divides between population groups. In this context, Members called on the Commission to propose a directive on minimum standards and conditions for **fair telework**.

Digitisation of small and medium-sized enterprises (SMEs) and public services

Members called for effective digital transformation and cutting red tape, with measures to improve access and public services in all Member States, and for measures to increase the digital skills of public sector workers. They stressed the need to close the digital skills gap among health professionals and to empower patients, especially the elderly and socially disadvantaged, to use digital health.

Regions are invited to develop **SME-oriented innovation strategies** in line with the research and innovation strategies for smart specialisation. Regretting that the vast majority of SMEs in the EU have not yet fully embraced the digital transition, Members asked the Commission to ensure that Member States use their operational programmes to target SMEs in areas with lower digital development.

Promoting skills for the digital age

Members called for the progressive implementation of the Commission's Digital Education Action Plan for the period 2021-2027 to promote better digital skills. The acquisition of lifelong digital skills and media literacy and from an early age should be promoted. The Commission is invited to provide **incentives to support digital skills** and media literacy programmes and initiatives in schools, vocational schools and universities. Members also stressed the importance of ESF+ in funding projects that help workers or the unemployed to acquire new skills.

Member States and the Commission are invited to use the ESF+ and ERDF to adopt measures to address the digital skills gap between rural and urban dwellers, as well as between generations, and to provide employment opportunities in regions threatened by depopulation.

The report stressed the need to invest in digital infrastructure using the ERDF-CF and the InvestEU programme, which builds on initiatives to promote digital skills, such as the Digital Education Action Plan 2021-2027.