European Commission

ROADMAP	
Roadmaps aim to inform citizens and stakeholders about the Commission's work in order to allow them to provide feedback and to participate effectively in future consultation activities. Citizens and stakeholders are in particular invited to provide views on the Commission's understanding of the problem and possible solutions and to make available any relevant information that they may have.	
TITLE OF THE INITIATIVE	Digital Compass Policy Programme
LEAD DG – RESPONSIBLE UNIT	DG CNECT – B and D
LIKELY TYPE OF INITIATIVE	Politically Sensitive Important (PSI) / Decision
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A. Context, Problem definition and Subsidiarity Check

Context

The Communication "2030 Digital Compass: the European way for the Digital Decade", adopted on 9 March 2021, presented a vision for Europe's digital transformation by 2030.

The Communication indicated that a **Digital Compass Policy Programme** would set the focus on delivery and commitment towards the common digital targets. A set of digital principles would also be formulated in the form of a joint inter-institutional solemn declaration of the European Commission, the European Parliament and the Council, based on a proposal from the European Commission.

The Communication, stressing the crucial need to ensure involvement and commitment of the public and of all stakeholders, announced several consultation and stakeholder engagement actions, in particular a dedicated stakeholder forum.

The European Council of 25 and 26 March 2021 invited the Council "to swiftly examine [the Digital Decade Communication] and prepare the envisaged Digital Compass Policy Programme". It also underlined the need to enhance Europe's digital sovereignty and to accelerate the 'twin transition', including through appropriate vehicles to support Multi-Country projects. The political impetus called for an acceleration of Europe's digital transformation, intensifying actions defined in the strategy for Shaping Europe's digital future, and building on existing policy proposals (e.g. the Data Governance Act, the Digital Services Act, the Digital Markets Act and those under the Cybersecurity Strategy), and Union budget instruments (e.g. Cohesion programmes, the Technical Support Instrument and the Digital Europe Programme).

In response to this call, the Digital Compass Policy Programme would set up a governance framework for structured cooperation between the Commission and the Member States to achieve the Digital Decade's targets, foster digital capacities and monitor progress on digital principles. It would translate the EU's digital ambition into concrete actions leading to recommendations when needed. The governance should include a monitoring system with a set of indicators based on an enhanced Digital Economy and Society Index (DESI), annual reporting to Parliament and Council, coordination of Multi-Country Projects and monitoring of Digital Principles.

Problem the initiative aims to tackle

Digital technologies have become an imperative for working, learning, entertaining, socialising, shopping and accessing everything from health services to culture. A new digital divide has emerged, not only between some well-connected urban areas and rural and remote territories, but also between those who can fully benefit from an enriched, accessible and secure digital space with a full range of services, and those who cannot. The pandemic has also exposed the vulnerabilities of our digital space and its dependencies on non-European technologies.

In order to address these challenges, additional efforts are needed to achieve the EU's ambitious goals and targets of digital transition and investment set out in the Communication, in a way that benefits everyone. For that, tangible monitoring, reporting and governance mechanisms should be established and aligned with existing structures.

The EU should aim to achieve digital leadership and the capacity to develop and deploy **strategic cutting-edge**

digital technologies at sufficient scale, to empower and offer wider choice of products and services to citizens and businesses, as well as to address any strategic weaknesses, vulnerabilities and high-risk dependencies. Resilient, secure, sustainable and trustworthy infrastructures and technologies can become decisive enablers to ensure respect of European values and rules, allowing people to reach out beyond specific territories, social positions or community groups.

Until now, a variety of mechanisms has been used for different projects and investments. However, a gap was revealed in the Commission's and Member States' toolbox to coordinate 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. While a strong single market, fair competition and trade policy are critical assets for the EU's economic success and resilience, a scale-up of investments is necessary with the joint involvement of public and private actors, including through Multi-Country Projects. Such projects would be decisive to achieve the targets and to allow the EU to develop critical technologies and address the lack of digital sovereignty.

Basis for EU intervention (legal basis and subsidiarity check)

The legal bases for intervention are Article 114 and Article 173(3) of the Treaty on the Functioning of the European Union (TFEU). Accordingly, the initiative seeks to increase harmonisation of the internal market and ensure that the conditions necessary for the competitiveness of the Union's industry are in place.

The initiative is in an area of shared competence with relevant cross-border and transnational problems to address.

The digital transformation concerns all policy areas and requires joint actions from a variety of stakeholders, as well as the involvement of the Member States.

The challenges outlined above, e.g. achieving digital sovereignty, require a rapid and coordinated response of the EU. Subscribing to common principles, pooling of public and private resources, building capacity and deploying technologies broadly across the Union could strengthen the entire European economy and would allow it to compete globally and shape the global digital transformation according to the European common fundamental values and rights.

Action at EU level could best drive favourable regulatory environment, governance structures, standardization and necessary public support to achieve the targets, the vision and technological capabilities deployments, which are necessary to incentivise the private investments needed to build advanced digital capacities. This is essential if we are to generate the economies of scale and the critical mass necessary for developing and deploying cutting-edge capacities, thereby limiting, if not completely avoiding, the fragmentation of efforts across the EU and suboptimal national solutions.

To achieve these goals, a comprehensive, dedicated governance framework is an essential instrument for the efficient and effective coordination of wider policy actions, including monitoring of implementation of necessary digital legislation, within the EU's strategy for digital transformation.

B. What does the initiative aim to achieve and how

Following up on the Communication on Europe's digital decade, the Digital Compass Policy Programme would aim to establish a robust framework to deliver on the vision set by the Communication, following the roadmap there established and confirming the EU's common ambitions towards a 'twin transition', the measurable targets and the strong focus on the governance structure. Notably, the Programme would aim to establish:

- An obligation for the Commission and Member States to cooperate in order to support and achieve the **set of concrete targets** for each of the four cardinal points set in the Communication, which translates the EU's ambition for a successfully digitised Europe by 2030 into common concrete objectives.
- A **governance structure to attain these targets including a monitoring and reporting system** and a mechanism to enable the Commission to engage with Member States through close **cooperation and coordination with the objective of taking joint commitments** as well as possible measures at EU and national level, also taking into account the implementation of other digital policies and initiatives. Such a governance structure should enable all actors, in particular the Commission and the Member States to track progress towards targets through a 'traffic light' scoreboard at EU level and identify gaps and strategic dependencies as well as the availability of key enabling resources (such as radio spectrum) in order to specify and make adjustments when needed. It would allow to assess the areas with insufficient development at the level of Member States, including for instance lack of action or incomplete implementation of key regulatory proposals. The underlying indicators for monitoring the targets at EU level and the digitalisation trends at national level would be part of an enhanced Digital Economy and Society Index (DESI).
  - o The Commission would inform the European Parliament and the Council through regular annual reporting (European State of the Digital Decade Report - ESDDR).
  - o The report would trigger a collaborative analysis between the Commission and the Member States to identify solutions addressing weaknesses and to propose targeted actions for effective remedies. The Digital Compass Policy Programme would also monitor the implementation of

digital principles and Multi-Country Projects.

- o While the Digital Decade governance would be set up on a self-standing basis, with the Commission being empowered to undertake an operational follow-up together with Member States, and to provide recommendations, its outcome would also feed, as appropriate, into the European Semester exercise, and would be aligned with the Recovery and Resilience Facility process.
- **A mechanism** to incentivise Member States to work together and organise with them Multi-Country Projects to build Europe's digital capacities in critical areas, and accelerate large technological projects that are necessary for Europe's digital transition and industry transformation. Such a mechanism would build on lessons learnt from existing projects, including from the implementation of such projects under the Recovery and Resilience Facility and IPCEIs, and on the assessment of options, such as feasibility and features of specific instrument, as part of the future proposal for the Digital Policy Programme. Such an efficient mechanism for deploying and operating multi-country projects would require a number of combined features as described in the Communication, including in particular, the possibility to be set up swiftly and flexibly while making sure that projects remain open to all interested Member States and the role of the Commission to ensure openness and coordination with EU programmes and policies, pooling of EU, national and private funding, alignment with agreed EU priorities and regulations, including competition and State aid rules, coordination with EU programmes and policies, and capacity to procure and operate multi-country infrastructures and pan-European services of public interest.
  The Commission's Communication listed already the areas of Multi-Country Projects discussed with the Member States as part of the preparation of the national Recovery and Resilience plans. The possibility to use such a mechanism for projects in other fields could be explored.
- **A stakeholder forum** would be established in line with the Communication and composed of private and public actors. It would gather technical input and conduct outreach activities. It would also be consulted for the purposes of identifying necessary measures to accelerate digitalisation and their implementation. The engagement of the stakeholders in the Digital Compass process, would benefit from synergies such as the digital transformation of industrial ecosystems, when relevant. The need for **an expert group** on the Digital Compass would also be explored. This group could support the Digital Compass implementation, while being aligned with the work of existing expert groups on related digital policies. The Expert Group would ensure that all Member States are involved transparently and openly in the collaborative process.

C. Better regulation

Consultation of citizens and stakeholders

In line with better regulation requirements, the consultation on this roadmap would be open for a four week feedback period. The Commission would encourage all stakeholders to provide input on the purpose and scope of the Digital Compass Policy Programme.

The Commission also launched a targeted consultation on the Digital Compass Policy Programme which is available on the [consultation page](#) of the Commission website "A Europe fit for the digital age". A synopsis report, a summary of all consultation activities' results, would be published on the same page.

The Commission launched also [a public consultation](#) in view of the preparation of a proposal for an inter-institutional solemn declaration on a set of digital principles that would allow to inform people engaging in the digital environment, providing a reference for stakeholders, namely policy makers and digital operators. The Commission has also organised discussions, including a high level event ([Digital Assembly](#) on 1-2 June), and is organizing workshops and citizen dialogues in Member States.

Evidence base and data collection

There is already a solid and wide set of evidence in support of the approach for a Digital Compass Policy Programme proposed in the Communication, including among others, a study by McKinsey from September 2020, "[Shaping the digital transformation in Europe](#)" that presents an in-depth analysis of the challenges ahead for the EU on its digital transformation and of the actions needed.

On targets and indicators, the Digital Compass Policy Programme would build notably on the [Digital Economy and Society Index (DESI)](#). Several data sources already exist based on evidence from Eurostat, and as appropriate from the National Interoperability Framework Observatory, regulators and on other regular studies, as well as upcoming initiatives such as the monitoring of the Berlin Declaration commitments. The Commission also set out strategic guidance for the implementation of the Recovery and Resilience Facility in its 2021 Annual Sustainable Growth Strategy. The proposal would also build on the evidence and data collected during the preparation of the Green Deal, which demonstrated the important role of digital in ensuring a successful green transition, and on the latest deliverables of the Radio Spectrum Policy Group (RSPG) and the evidence gathered therein.