

Making digital transition work for all SMEs



The webinar looked at the state of digital transformation in European regions, taking stock of the latest research showing an increasing digital divide across European regions and urban-rural communities. Invited speakers shared their views on how public authorities at all levels can facilitate the digital transition of small and medium enterprises (SMEs), showcasing some best practices and collaboration initiatives from the European Entrepreneurial Regions.

In the opening session, Mr **Ivan Štefanec**, Member of the European Parliament and President of [SME Europe](#), identified three topics crucial for accelerating the digital transition of SMEs – the need to work on the digital infrastructure, digital skills and the legal framework for the digital economy.

Ms **Outi Slotboom** from the European Commission's DG GROW provided some facts and figures explaining why small businesses tend to lag behind in digital transition. She indicated that EU programmes and instruments had to be designed in a way to address diverse needs of SMEs – addressing advanced companies with more sophisticated digital solutions and, on the other hand, providing more basic forms of support for traditional companies.

Mr **Eddy Van Hijum**, member of the CoR and rapporteur on the SME Strategy, said that *European programmes should strike a balance between supporting R&D and innovation of front runners in advanced technologies and providing more conventional support for the application of proven digital technologies in smaller businesses and family firms in various sectors*. Mr Van Hijum highlighted the importance of involving local and regional authorities in the development and implementation of national recovery plans, also in their parts related to digitalisation.

The first panel session of the webinar was dedicated to the presentation of preliminary results of the study run by the European Committee of the Regions ECON commission on '*The state of digital transformation at regional level and COVID-19 induced changes to economy and business models, and their consequences for regions*'. Representatives of the Formit Foundation (Ms **Simona Cavallini**) and Eurochambres (Mr **Christoph Riedmann**) revealed concerns over the growing territorial digital divide in Europe. The final report, expected to be published by mid-July, proposes a framework for measuring digital preparedness in regions, identifies the specific contextual conditions which are needed to favour the digital transformation of SMEs and analyses the type of support local and regional authorities may provide. The study builds on a survey responded by 87 entities (LRAs, chambers of commerce, etc.) from 21 EU countries and further illustrations through 8 in-depth case studies.

Reacting to the study results, Mr **Dan Dalton** from Allied for Start-ups, said

that the pandemic has emphasised the importance of digitalisation in the economy and created new market opportunities for start-ups across Europe. He stressed the importance of public financing to be used as a framework to unlock private investment and to address market failures, such as digital infrastructure in rural areas.

The second panel session provided an opportunity to look in a greater detail into regional instruments supporting digitalisation of SMEs, building on the collaboration and best practices in the European Entrepreneurial Regions (EER).

The session started with a presentation by Ms **Anne-Marie Sassen** from the European Commission's DG CONNECT, focussing on ways how EU instruments such as Digital Innovation Hubs (DIHs), clusters and industry alliances can foster digital transition of SMEs. Ms Sassen has particularly highlighted the ongoing [pre-selection process for EDIHs](#) , explaining the added value of promoting networking of EDIHs, clusters and Europe Enterprise Network offices to offer a seamless service to SMEs on the ground.

Mr **Vincent Duchêne** from the Idea Consult, partner in the ongoing collaboration project of the EER regions, presented a framework of the EER regions' collaboration in the area of digital transition. The main focus of the cooperation in this area is currently on the future collaboration between EDIHs.

Further presentations from representatives of the **North Brabant** (EER 2013), **Lower Austria** (EER 2017) and **Silesia** (EER 2021-22) delivered an insight into some best practices for supporting SMEs by regional authorities, using available EU programmes. Speakers highlighted the key objectives and benefits resulting from cross-regional cooperation on digitalisation.

In the conclusion, Mr **Michael Murphy**, President of the CoR ECON commission, said that, *in order to meet the objectives of Europe's Digital Decade, public authorities in the EU need a multi-level, collaborative and inclusive approach to promote digital transition and digital cohesion in the EU, wisely using the resources of the MFF and the Recovery and Resilience Facility* . Mr Murphy said that the digital adoption and catch-up of existing SMEs should be among the top priorities in the new EU digital programmes.

□□□□□□□□ The final report of the CoR/Eurochambres on '*The state of digital transformation at regional level and COVID-19 induced changes to economy and business models, and their consequences for regions*' will be published by mid-July and you will receive a link by e-mail.

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[#CoRplenary: Local leaders to discuss democracy, the European way of life, and the Conference on the Future of Europe](#)



Also on #CoRplenary agenda: Resolution on cross-border cooperation, and recommendations on Green Deal dossiers, digital services, smart mobility, and regional airports.

Three vice-presidents of the European Commission will address the European Committee of the Regions on 30 June, discussing efforts to strengthen and deepen democracy, build inclusive societies, and improve EU legislation. Vice-President Věra Jourová will present the European Democracy Action Plan to empower citizens and build more resilient democracies, Vice-President Margaritis Schinas will highlight the role of education and culture in protecting the European way of life, while Vice-President Maroš Šefčovič will set out the European Commission's work programme as well as the Commission's efforts to embed strategic foresight into its work. Members of the CoR will also discuss the Conference on the Future of Europe with the three MEPs leading the work of the European Parliament in the EU-wide consultation.

[Follow the plenary on the CoR website](#)

30 June: Debate with Maroš Šefčovič, Vice-President of the European Commission, on better regulation, foresight and the European Commission's work programme

[Maroš Šefčovič](#), Vice-President of the European Commission, will update local and regional leaders on the progress of the EU's Better Regulation Agenda, including the EU's efforts to improve outreach to regions and other stakeholders and how the Commission is seeking to integrate strategic foresight its agenda. He will also discuss the European Commission's Work Programme 2022; the CoR will at the plenary session adopt a resolution on the Work Programme. CoR contributions to the Better Regulation Agenda include its pioneering feedback mechanism, RegHub 2.0.

30 June: Debate with Margaritis Schinas, Vice-President of the European Commission, on promoting the European way of life

The CoR will welcome [Margaritis Schinas](#), Vice-President of the European Commission for Promoting our European Way of Life, to its plenary for a debate on the role of education and culture in creating inclusive societies.

30 June: Debate with members of the executive board members of the Conference on the Future of Europe

MEPs [Manfred Weber](#) (DE/EPP), [Guy Verhofstadt](#) (BE/RE), and [Iratxe García](#)

[Pérez](#) (ES/S&D) will join the European Committee of the Regions to discuss the recently launched Conference on the Future of Europe. The Conference will entail months consultations to identify areas of life on which citizens would like to see the EU focus its work, leading to a set of recommendations for EU decision-makers in spring 2022. The three MEPs are members of the Conference's executive board. The CoR, which is organising citizens' dialogues across the Union as part of its contribution to an open, inclusive, transparent and structured debate, will be represented by 18 members in the Conference's concluding plenary.

30 June: Debate with Věra Jourová, Vice-President of the European Commission, on the European Democracy Action Plan

[Věra Jourová](#), Vice-President of the European Commission for Values and Transparency, will on 30 June discuss the European Democracy Action Plan, which seeks to protect the integrity of electoral processes, involve and empower the public, strengthen the media, and address challenges such as disinformation. At the plenary, CoR members will adopt recommendations on the European Democracy Action Plan drafted by Alexandra Dulciewicz (PL/EPP), mayor of Gdańsk, and recommendations on the EU's strategy to strengthen the application of the EU Charter of Fundamental Rights, drafted by Jean-Luc Vanraes (BE/RE), member of Uccle Municipal Council.

KEY DEBATES

- Wednesday, 30 June, 3.00 p.m.: Debate on Better Regulation, Foresight and the European Commission Work Programme for 2022, with Maroš Šefčovič, Vice-President of the European Commission for Interinstitutional Relations and Foresight.
- Wednesday, 30 June, 4.00 p.m.: Debate on promoting European values through culture and education, with Margaritis Schinas, Vice-President of the European Commission for Promoting our European Way of Life.
- Wednesday, 30 June, 5.30 p.m.: Debate on the Conference on the Future of Europe, with MEPs Manfred Weber (DE/EPP), Guy Verhofstadt (BE/Renew Europe), and Iratxe García Pérez (ES/S&D).
- Wednesday, 30 June, 6.20 p.m.: Debate on the European Democracy Action Plan, with Věra Jourová, Vice-President of the European Commission for Values and Transparency.

RESOLUTIONS FOR ADOPTION

- On the European Commission Work Programme for 2022.
- On the Future of Cross-Border Cooperation.

OPINIONS FOR ADOPTION

- European Democracy Action Plan. *Rapporteur*: [Alexandra Dulciewicz](#) (PL/EPP), mayor of Gdańsk.
- Communication on the new strategy to strengthen the application of the EU Charter of Fundamental Rights. *Rapporteur*: [Jean-Luc Vanraes](#) (BE/RE), member of Uccle Municipal Council.
- On the Digital Services Act and the Digital Markets

Act. Rapporteur: [Rodi Kratsa](#) (EL/EPP), Governor of Ionian Islands Region.

- □An Action Plan for the Social Economy. Rapporteur: [Mikel Irujo Amezaga](#) (ES/EA), Director-General for External Action of the Government of Navarre.
- □Future plan for care workers and care services – local and regional opportunities in the context of a European challenge. Rapporteur: [Heinrich Dorner](#) (AT/PES), member of the State Government of Burgenland.
- **Delivering on the Sustainable Development Goals by 2030.** Rapporteur: [Ricardo Rio](#) (PT/EPP), Mayor of Braga.
- **Forging a climate-resilient Europe – the new EU Strategy on Adaptation to Climate Change.** Rapporteur: [Markku Markkula](#) (FI/EPP), Chair of the Espoo City Board and President of the Helsinki Region.
- □Stepping up Europe's 2030 climate ambition towards COP26. Rapporteur: [Vincent Chauvet](#) (FR/RE), Mayor of Autun.
- □Resilience of critical entities. Rapporteur: [Mario Guarente](#) (IT/ECR), Mayor of Potenza.
- □Revised Trans-European Energy Infrastructure Regulation fit for the Green and Digital Transition. Rapporteur: [Robert Sorin Negoită](#) (RO/EPP), Mayor of District 3, Bucharest Municipality.
- □Sustainable and Smart Mobility Strategy. Rapporteur: [Robert Van Asten](#) (NL/RE), Alderman of The Hague.
- **The future of regional airports- challenges and opportunities.** Rapporteur: [Władysław Ortyl](#) (PL/ECR), President of the Podkarpackie Region and president of the ECR group.
- □Renewed partnership with the Southern Neighbourhood: A new Agenda for the Mediterranean. Rapporteur: [Vincenzo Bianco](#) (IT/PES), member of Catania Municipal Council.

Practical information:

- Location: Hybrid online and in-person – Jacques Delors Building (Room JDE 52), European Committee of the Regions, rue Belliard 99-101, 1040 Brussels
- Date: Wednesday, 30 June – Thursday, 1 July 2021.
- Background material: The plenary [agenda](#) and [opinions](#), with amendments.
- Webstreaming: On the [website](#) of the CoR.
- App: The European Committee of the Regions app is downloadable via the Apple App Store and the Google Play Store.

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The CoR welcomes the agreement keeping regional and local communities at the heart of EU agricultural policy



□ The efforts of the European Committee of the Regions contributed to ensure that regions remain key actors in shaping, implementing and assessing CAP strategic plans.

□□□ **Local communities' needs will weigh more in the future Common Agricultural Policy (CAP) investment decisions and regions will be among leading actors in shaping, implementing and assessing the national CAP strategic plans. This crucial result was achieved thanks to the work of the CoR, its intense cooperation with the European Parliament and – more recently – with the EU Commission. Regional and local leaders are ready to use the new CAP to deliver the Green Deal on the ground but urge Member States to set adequate rules to make this happen. □**

[Apostolos Tzitzikostas](#), President of the CoR, said: " *The voice and commitment of EU's regional and local leaders have made a difference in the final deal on the future CAP. The reform proposed in 2018 by the previous Commission risked undermining the impact of this crucial policy with a heavy centralisation. Thanks to our mobilisation and the decisive cooperation with the European Parliament, we can now reassure our citizens: the new EU's agricultural policy will listen to them and not be a territorially blind, top-down policy. Only a renewed partnership among EU, national and regional institutions can boost the recovery of rural areas and the greening of Europe's agriculture. "*

The full involvement of regional authorities in the preparation and governance of the CAP plans, the possibility for Member States to designate Regional Managing Authorities for CAP interventions established at regional level and the setting up of regional monitoring committees constitute a clear improvement to the initial proposal of the CAP Strategic plan regulation. The preparation of Strategic plans is mandatory for Member States in order to benefit from the CAP financial resources.

"The proposal put forward by the CoR to include quantified environmental targets to be reached by 2027 in the CAP Strategic Plans regulation was not taken up. We therefore call on the EU Ministers for Agriculture to make the CAP a key instrument for delivering the European Green Deal: the national strategic plans should be approved by the Commission under the condition that they comply with the green deal objectives ", underlined [Guillaume Cros](#) (FR/Greens), Vice-President of the Regional Council of Occitanie and CoR rapporteur on the CAP reform.

The CoR welcomes the agreement reached on the common organization of the markets (CMO). As requested by the CoR, measures, such as the voluntary

reduction of production, will be possible without waiting for another crisis. " A large proportion of farmers are selling their products at a loss and have an income which fails to reflect the value of their work. In the absence of fair farm prices and with no economic recognition, young people will continue to shun farming. In a volatile market, market regulation is more effective and less costly than the retroactive triggering of measures " explains **Guillaume Cros**.

Background information:

The CAP Strategic Plan regulation will define governance of the future CAP within the framework of the New Delivery Model. The European Committee of the Regions has repeatedly voiced its concerns regarding the lack of a common vision on the role of regional authorities in the governance of the future CAP. In the letters, co-signed by [Apostolos Tzitzikostas](#), President of the CoR, and [Ulrika Landergren](#) (SE/RE), Chair of the CoR's Commission for Natural Resources (NAT), the CoR called for European regions to play a key role in CAP management and for delivery to be kept up and even bolstered, particularly for the second pillar, so that policy choices can be tailored at a local level.

CoR members asked for the introduction of a clear role for regional authorities in the management of rural development interventions, [supported by the European Parliament in its resolution on the Common Agricultural Policy](#) .

On Monday 21 June, the European Court of Auditors released a [special report](#) stating that, during the programming period 2014-20, the CAP missed its objective of making the EU agriculture more climate-friendly as it mostly finances measures with a low potential to mitigate climate change.

The [regional and local barometer](#) published by the [European Committee of the Regions](#) in October 2020 found that 33% of EU citizens want regions and towns to have more influence on EU agricultural and rural development policy.

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European Council conclusions on COVID-19 and migration, 24 June 2021



I. COVID-19

1. The European Council welcomes the good progress on vaccination and the overall improvement in the epidemiological situation, while stressing the need to continue vaccination efforts and to be vigilant and coordinated with regard to developments, particularly the emergence and spread of variants.

2. The agreements reached on the EU Digital COVID Certificate and on the revision of the two Council Recommendations on travel within the EU and on non-essential travel into the EU will facilitate safe cross-border travel. Member States will apply them in a manner that ensures the full return to free movement as soon as the public health situation allows.

3. The European Council reaffirms the EU's commitment to international solidarity in response to the pandemic. Ongoing work to help boost global production of vaccines and universal access to them, in particular through COVAX, should be swiftly taken forward. All producing countries and manufacturers should actively contribute to efforts to increase worldwide supply of COVID-19 vaccines, raw materials, treatments and therapeutics, and coordinate action in case of bottlenecks in supply and distribution.

4. The European Council welcomes the decision adopted by the 74th World Health Assembly to set up a special session of the World Health Assembly in November 2021 on a Framework Convention on Pandemic Preparedness and Response. The EU will continue working towards an international treaty on pandemics.

5. The European Council discussed the initial lessons that can be learned from the pandemic on the basis of the report by the Commission. It invites the incoming Presidency to take work forward in the Council to enhance our collective preparedness, response capability and resilience to future crises and to protect the functioning of the internal market.

[...]

III. MIGRATION

11. The European Council discussed the migration situation on the various routes. While the measures taken by the EU and Member States have brought down the overall irregular flows in recent years, developments on some routes give rise to serious concern and require continued vigilance and urgent action.

12. In order to prevent loss of life and to reduce pressure on European borders, mutually beneficial partnerships and cooperation with countries of

origin and transit will be intensified, as an integral part of the European Union's external action. The approach will be pragmatic, flexible and tailor-made, make coordinated use, as Team Europe, of all available EU and Member States' instruments and incentives, and take place in close cooperation with the UNHCR and IOM. It should address all routes and be based on a whole-of-route approach, tackling root causes, supporting refugees and displaced persons in the region, building capacity for migration management, eradicating smuggling and trafficking, reinforcing border control, cooperating on search and rescue, addressing legal migration while respecting national competences, as well as ensuring return and readmission. To this end, the European Council:

- calls on the Commission and the High Representative, in close cooperation with Member States, to immediately reinforce concrete actions with, and tangible support for, priority countries of origin and transit;

- calls on the Commission and the High Representative, in close cooperation with Member States, to put forward action plans for priority countries of origin and transit in autumn 2021, indicating clear objectives, further support measures and concrete timelines;

- invites the Commission to make the best possible use of at least 10% of the NDICI financial envelope, as well as funding under other relevant instruments, for actions related to migration, and to report to the Council on its intentions in this respect by November.

13. The European Council condemns and rejects any attempt by third countries to instrumentalise migrants for political purposes.

[Visit the meeting page](#)

[New instrument for modern and reliable customs control equipment](#)



The Council and the European Parliament today signed the regulation establishing the instrument for financial support for customs control equipment. The new instrument aims to ensure that customs authorities at the EU's external borders are properly equipped so that the customs union can function smoothly.

The customs control equipment instrument will support the purchase, maintenance and upgrade of the equipment needed for efficient and effective customs controls. It can be used to fund items such as x-ray scanners, radiation detectors, automated number plate recognition systems and mobile laboratories for analysis of goods samples.

The instrument is a part of the long-term EU budget for 2021-2027 and has a financial envelope of about €1 billion. The equipment purchased under this instrument will mainly be used for customs controls, although it may also be used occasionally for additional purposes, such as to support the national border management authorities in carrying out checks on persons.

Background

The customs union is essential for the proper functioning of the single market, as the goods that enter one member state can then move freely within the Union. The instrument will contribute to keeping citizens safe and secure without impeding legitimate trade with third countries.

Custom duties account for 13% of the total EU budget revenue. Modern and reliable control equipment at the external border will help the customs authorities to protect the financial and economic interests of the Union, ensure the safety and security of citizens, and protect the Union from unfair and illegal trade, such as counterfeiting of goods.

This regulation, together with the 'Customs' programme for cooperation in the field of customs, forms a solid basis for the continuous development of the customs union under the 2021-2027 multiannual financial framework. The 'Customs' programme, adopted in March, supports cooperation between customs authorities across the Union and allows the joint development and operation of pan-European IT systems.

The regulation will apply retroactively from 1 January 2021.