

REPORT

A New Deal for Emerging Technologies Where will the money come from in the new MFF?

Tuesday 11th of December 2018, 8:30 – 10:00
Permanent Representation of the Slovak Republic to the EU

- **Think Visegrad platform and the Permanent Representation of the Slovak Republic to the European Union organized a working breakfast titled „A New Deal for Emerging Technologies: Where will the money come from in the new MFF?“ on December 11, 2018. The event aimed at highlighting the Visegrad perspective on the very topical issue of emerging technologies in the context of the new budget period 2021 - 2027. Discussion covered perspectives of the European Commission, private sector and V4 member states, as well as presentation of a recent study on the state of play of new technologies in the V4 countries**

The first to take the floor was the H.E. Mrs. **Petra Vargová**, Deputy Permanent Representative of Slovakia to the EU. She opened the discussion by welcoming everyone on behalf of the current Slovakian V4 presidency and stressed that the Visegrad Group countries wish to play a constructive role in the debate on a digital transformation in Europe. She pointed out few examples (such as the hot story of one global telecommunication's giant from China, whose top representative has been recently arrested in Canada; or a hegemony the US major tech companies have over our European ICT infrastructures) to highlight the importance of financing the digital transformation in Europe. Application of emerging technologies will play a crucial role to improve Europe's vulnerable and fragile position is on the world technical scene.

Next to speak was Mr. **Carl-Christian Buhr**, Deputy Head of Cabinet of Commissioner Mariya Gabriel (Digital Economy and Society). In his speech, he focused on the importance of convergence and making sure that the EU's next steps will benefit all citizens. He acknowledged the unequal situation of various regions and even research centres in terms of digitalisation and capacities, noting there is a lot of unfulfilled potential especially in the Eastern part of the EU. For that reason, Mr. Buhr said, the Digital Europe program provides funds for supporting digital skills and Digital Innovation Hubs to be created across the EU, with support adequate to the needs. He mentioned while combining various funds can be an administrative pain, it is necessary to consider various variables.

Second introductory speech was given by Mr. **Patrice Chazerand**, Policy Director at DigitalEurope in charge of Digital Economy and Trade Groups. He started with two articles of faith. Firstly, that quality research is what drives the industry and therefore the emphasis and focus should be put on competitiveness. At the same time, cohesion is a core prerequisite for an ever-closer union and the two need to be kept in balance. Mr. Chazerand observed that while ICT in general tends to blur borders, the evaluations of programs such as Horizon 2020 show that geographical differences cannot be overlooked and must be addressed. It is clearly seen on the perceived tension between directly managed programs and those with national envelopes in the current negotiations. He concluded with underlining the need to balance excellence and cohesion and called on the V4 countries to make sure they get a bigger share of the directly managed programs, while not neglecting the emphasis on excellence.

The panel discussion consisting of V4 representatives followed after the introductory remarks. The panel featured Mr. **Radoslav Repa**, First Secretary in charge of Information Society, Digital Agenda, Digital Single Market and Cyber Issues at the Permanent Representation of Slovakia to the EU; Mrs. **Justyna Romanowska**, Head of the Information Society and Telecommunication Section at the Permanent Representation of Poland to the EU and Mr. **Mihály Bajnóczi**, Head of the competitiveness, growth, industrial policy, SME policy and tourism Unit at the Hungarian Permanent Representation to the EU. The debate was moderated by Mrs. **Zuzana Stuchlíková**, Head of Brussels office of EUROPEUM Institute for European Policy.

Mrs. **Romanowska** opened the panel by stating that the current MFF proposal by the European

Commission is a good step for a digital transformation. She then focused on a specificity of Poland. As a big member state, Poland benefits greatly from the Cohesion Policy. It is currently lacking behind in using funds from directly managed programs, but she stressed that there is time until 2021 to work on changing the mindset. She mentioned three pillars needed for the digital transformation: infrastructure, skills and financial means.

Mr. **Repa** agreed with Mrs Romanowska on the main points, noting that the V4 region shares the same problems, since it has similar socioeconomic and historical background. Calling the region a “tiger” in the field of technologies, he stressed two fundamental challenges. Firstly, the procedural one concerns a need to coordinate the digital agenda between different Council formations and subsequent need for greater efficiency. The second challenge, he observed, is related to combining the funds as a result of this cross-cutting theme. V4 countries are currently net contributors to the directly managed programs as they receive back way less than other member states. He further said that there is great need for neutral and flexible legislation – neutral in order to serve all EU-27 and flexible to allow for incorporating new big tech themes which we may not be able to imagine now. He concluded by saying that the Digital Single market has been a great success and will look forward to the political debates on the future of the field, held under the Romanian presidency.

Mr. **Bajnóczi** noted that while the directly managed programs are surely useful in addressing certain issues, even the Cohesion Policy offers tools to specifically target digital agenda. At the same time, he agreed with the other speakers that there is a need to become competitive, mostly by spreading

awareness of the programs and changing the attitude of potential recipients.

In the second round of questions, speakers focused more on opportunities brought forward by the new proposal. Mrs. Romanowska stated that in the land of digital technologies, tomorrow is already the future and it is very hard to predict. However, she picked open data as the topic of the future and demonstrated on the Polish example how having well prepared legislation in place can lead to successful economic result in the sphere of data-related businesses. Mr. Repa followed up on the example by stressing that while digital economy tends to be industry-driven, impulses coming from governments can stimulate it. He also highlighted the importance of infrastructure and skills in seeing widespread benefits of digitalization. Single Digital Gateway regulation can serve as an example of EU-driven revolution in e-government. He concluded by expressing a hope that the current MFF negotiations will not end as the CEF case in 2013, when the final budget presented barely 10% of the originally proposed sum. Mr. Bajnóczi echoed his support for

bigger infrastructure projects and joint research centers, in order to maximize the results.

Next to take the floor was Kryštof Kruliš from the Association for International Affairs (Czech Republic). He presented a new study „Digital New Deal for V4: How do we stand with new technologies?“, conducted in cooperation with researchers from all four Visegrad countries. The study mapped the state of the play of new technologies and new trends by interviewing several stakeholders in the region. He started by saying that the EU is not seen as a global leader – nor even a serious competitor – on the global tech scene and is more perceived as a slow adopter of change. The V4 region presents an interesting case in this sense, as lower starting point allows for quicker adoption of certain technologies – for example contactless payment methods. He also noted that experience of economic transformation can be useful while undergoing the digital transformation. Mr. Kruliš mentioned also other aspects that set the V4 region apart – low unemployment rates, industrial basis of the economy or a close ties to Germany.