



2018/0227(COD)

13.7.2018

*****I**

DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council
establishing the Digital Europe programme for the period 2021-2027
(COM(2018)0434 – C8-0256/2018 – 2018/0227(COD))

Committee on Industry, Research and Energy

Rapporteur: Angelika Mlinar

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act**Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council establishing the Digital Europe programme for the period 2021-2027 (COM(2018)0434 – C8-0256/2018 – 2018/0227(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0434),
 - having regard to Article 294(2) and Articles 172 and 173(3) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0256/2018),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy (A8-0000/2018),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation Recital 7 a (new)

Text proposed by the Commission

Amendment

(7 a) For the implementation of the Programme, it is a prerequisite to invest in infrastructure in order to ensure an appropriate level of connectivity through 5G and ultra-fast broadband networks.

Or. en

Amendment 2

Proposal for a regulation Recital 7 b (new)

Text proposed by the Commission

Amendment

(7 b) Europe has to make decisive investments in its future, building strategic digital capacities in order to benefit from the digital revolution. A substantial budget (of at least 9.2 billion euro) must be ensured at EU level for this purpose, which must be complemented by sizable investment efforts at national and regional level.

Or. en

Amendment 3

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10 a) Together with the general objective of digital transformation, the Programme should contribute to the Union's strategic autonomy. Therefore, only entities established in the Union

should be eligible for support and comply with the applicable security rules, in particular with rules on protection of classified information against unauthorised disclosure and including compliance with any relevant national and Union law.

Or. en

Amendment 4

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) A central role in the implementation of the Programme should be attributed to Digital Innovation Hubs, which should stimulate the broad adoption of advanced digital technologies by industry, by public organisations and academia. A network of Digital Innovation Hubs should ensure the widest geographical coverage across Europe⁵⁹. A first set of Digital Innovation Hubs will be selected based on Member States' proposals and then the network will be enlarged through an open and competitive process. The Digital Innovation Hubs will serve as access points to latest digital capacities including high performance computing (HPC), artificial intelligence, cybersecurity, as well as other existing innovative technologies such as Key Enabling Technologies, available also in fablabs or citylabs. They shall act as **single-entry points** in accessing tested and validated technologies and promote open innovation. They will also provide support in the area of advanced digital skills. The network of Digital Innovation Hubs should also contribute to the participation of the outermost regions in the Digital Single Market.

Amendment

(11) A central role in the implementation of the Programme should be attributed to **European** Digital Innovation Hubs, which should stimulate the broad adoption of advanced digital technologies by industry, by public organisations and academia. A network of **European** Digital Innovation Hubs should ensure the widest geographical coverage across Europe⁵⁹. A first set of **European** Digital Innovation Hubs will be selected based on Member States' proposals and then the network will be enlarged through an open and competitive process. The **European** Digital Innovation Hubs will serve as access points to latest digital capacities including high performance computing (HPC), artificial intelligence, cybersecurity, as well as other existing innovative technologies such as Key Enabling Technologies, available also in fablabs or citylabs. They shall act as **one-stop-shops** in accessing tested and validated technologies and promote open innovation. They will also provide support in the area of advanced digital skills. The network of **European** Digital Innovation Hubs should also contribute to the participation of the outermost regions in the Digital Single Market.

⁵⁹ As indicated in the Communication on Digitising European Industry (COM(2016) 180 final)

⁵⁹ As indicated in the Communication on Digitising European Industry (COM(2016) 180 final)

Or. en

Amendment 5

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) The high performance computing and the related data processing capacities in the Union should allow to ensure wider use of high performance computing by industry and, more generally, in areas of public interest in order to seize unique opportunities that supercomputers bring to society as regards health, environment and security as well as competitiveness of industry, notably small and medium-sized enterprises.

Amendment

(16) The high performance computing and the related data processing **and storage** capacities in the Union should allow to ensure wider use of high performance computing by industry and, more generally, in areas of public interest in order to seize unique opportunities that supercomputers bring to society as regards health, environment and security as well as competitiveness of industry, notably small and medium-sized enterprises. ***The Union needs to acquire world-class supercomputers, secure its supply system and deploy services for simulation, visualisation and prototyping while ensuring a HCP system in accordance with Union values and principles.***

Or. en

Amendment 6

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) The support to the Union's intervention in this area was expressed by the Council⁶⁰ and, by the European Parliament⁶¹. Moreover, in 2017 nine

Amendment

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Member States signed the EuroHPC Declaration⁶², a multi-government agreement where they commit to collaborate with the Commission to build and deploy state-of-the-art HPC and data infrastructures in Europe that would be available across the Union for scientific communities, public and private partners.

Member States signed the EuroHPC Declaration⁶², a multi-government agreement where they commit to collaborate with the Commission to build and deploy state-of-the-art HPC and data infrastructures in Europe that would be available across the Union for scientific communities, public and private partners ***and strengthening the EU-added value.***

60

61

62

Or. en

Amendment 7

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) For the high performance computing specific objective a joint undertaking is deemed the most suited implementation mechanism, in particular to coordinate national and Union strategies and investments in high performance computing infrastructure and research and development, pool resources from public and private funds, and safeguard the economic and strategic interests of the Union⁶³. Moreover, high performance computing competence centres in Member States will provide high performance computing services to industry, academia and public administrations.

⁶³ Impact Assessment accompanying the document "Proposal for a Council Regulation on establishing the EuroHPC Joint Undertaking"

Amendment

(18) For the high performance computing specific objective a joint undertaking is deemed the most suited implementation mechanism, in particular to coordinate national and Union strategies and investments in high performance computing infrastructure and research and development, pool resources from public and private funds, and safeguard the economic and strategic interests of the Union⁶³. Moreover, high performance computing competence centres in Member States will provide high performance computing services to industry, ***including SMEs and start-ups***, academia and public administrations.

⁶³ Impact Assessment accompanying the document "Proposal for a Council Regulation on establishing the EuroHPC Joint Undertaking"

(<https://ec.europa.eu/digital-single-market/en/news/proposal-council-regulation-establishing-eurohpc-joint-undertaking-impact-assessment>)

(<https://ec.europa.eu/digital-single-market/en/news/proposal-council-regulation-establishing-eurohpc-joint-undertaking-impact-assessment>)

Or. en

Amendment 8

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) In its resolution of 1 June 2017 on digitising European industry⁶⁴ the European Parliament highlighted the importance of a common European cybersecurity approach, recognising the need to raise awareness and considered cyber-resilience as a crucial responsibility for business leaders and national and European industrial security policymakers.

⁶⁴ Document ref. A8-0183/2017, available at:
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2017-0240>

Amendment

(21) In its resolution of 1 June 2017 on digitising European industry⁶⁴ the European Parliament highlighted the importance of a common European cybersecurity approach, recognising the need to raise awareness and considered cyber-resilience as a crucial responsibility for business leaders and national and European industrial security policymakers, ***as well as the implementation of security and privacy by default and by design.***

⁶⁴ Document ref. A8-0183/2017, available at:
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2017-0240>

Or. en

Amendment 9

Proposal for a regulation Recital 27

Text proposed by the Commission

(27) In its resolution of 1 June 2017 on digitising European industry⁶⁷ the European Parliament stated that education,

Amendment

(27) In its resolution of 1 June 2017 on digitising European industry⁶⁷ the European Parliament stated that education,

training and lifelong learning are the cornerstone of social cohesion in a digital society.

training and lifelong learning are the cornerstone of social cohesion in a digital society. ***It furthermore demanded that the gender perspective would be incorporated in all digital initiatives, emphasizing the need to address the severe gender gap within the ICT sector, since this is essential for Europe's long-term growth and prosperity;***

⁶⁷ Document ref. A8-0183/2017, available at:
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2017-0240>

⁶⁷ Document ref. A8-0183/2017, available at:
<http://www.europarl.europa.eu/sides/getDoc.do?type=TA&language=EN&reference=P8-TA-2017-0240>

Or. en

Amendment 10

Proposal for a regulation Recital 27 a (new)

Text proposed by the Commission

Amendment

(27 a) In its resolution of 28 April 2016 on gender equality and empowering women in the digital age the European Parliament underlined the need of collecting gender-disaggregated data on the use of ICT, and of developing targets, indicators and benchmarks to track the progress of women's access to ICT and promote best practices examples among companies;

Or. en

Amendment 11

Proposal for a regulation Recital 27 b (new)

Text proposed by the Commission

Amendment

(27 b) In its resolution of 21 December 2015, Towards a Digital Single Market Act, the European Parliament fully supported and encouraged a digital entrepreneurial culture for women, as well as their integration and participation in information society.

Or. en

Amendment 12

Proposal for a regulation Recital 34 a (new)

Text proposed by the Commission

Amendment

(34 a) On 6 October 2017, EU Ministers in Tallinn stated that the European digital strategy should be based on collaboration and interoperability, including the use of open licensing policies and open standards. The programme should, therefore, encourage open source solutions in order to allow reuse, increase trust and secure transparency. This will have a positive impact on the sustainability of funded projects.

Or. en

Amendment 13

Proposal for a regulation Recital 46

Text proposed by the Commission

Amendment

(46) The power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission

(46) The power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission

concerning amendments to Annex II to review and/or complement the indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

concerning amendments to ***Annexes I and II*** to review and/or complement the indicators. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

Or. en

Amendment 14

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) ***This Regulation respects*** fundamental rights and ***observes*** the principles ***recognised in*** the Charter of Fundamental Rights of the European ***Unions***, notably those referred under Articles [8], [11], [16], [21], [35], [38] and [47] regarding the protection of personal data, the freedom of expression and information, the freedom to conduct business, the prohibition of discrimination, healthcare, consumer protection and the right to effective remedy and fair trial. ***The Member States must apply this Regulation in a manner consistent with these rights and principles***’.

Amendment

(47) ***Actions which fall within the scope of the Programme should respect*** fundamental rights and ***observe*** the principles ***acknowledged in particular by*** the Charter of Fundamental Rights of the European ***Union***, notably those referred under Articles [8], [11], [16],[21], [35], [38] and [47] regarding the protection of personal data, the freedom of expression and information, the freedom to conduct business, the prohibition of discrimination, healthcare, consumer protection and the right to effective remedy and fair trial. ***Such actions should be in conformity with any legal obligation including international law and with any relevant Commission decisions, as well as with ethical principles, which include avoiding any breach of research integrity.***

Amendment 15

Proposal for a regulation Recital 47 a (new)

Text proposed by the Commission

Amendment

(47 a) In April 2018 the Commission committed ^{1a} to set up a framework for stakeholders and experts to develop draft Artificial Intelligence guidelines in cooperation with the European Group on Ethics in Science and New Technologies; the Commission will support national and EU-level consumer organisations and data protection supervising authorities in building an understanding of AI-powered applications with the input of the European Consumer Consultative Group and the European Data Protection Board.

^{1a} Communication of 25.4.2018 on Artificial Intelligence for Europe, COM(2018)237 final, available at:[http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2018/0237/COM_COM\(2018\)0237_EN.pdf](http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2018/0237/COM_COM(2018)0237_EN.pdf)

Or. en

Amendment 16

Proposal for a regulation Recital 48

Text proposed by the Commission

Amendment

(48) Third countries which are members of the European Economic Area (EEA) may participate in Union programmes in the framework of the cooperation established under the EEA

deleted

agreement, which provides for the implementation of the programmes by a decision under that agreement. A specific provision should be introduced in this Regulation to grant the necessary rights for and access to the authorizing officer responsible, the European Anti-Fraud Office (OLAF) as well as the European Court of Auditors to comprehensively exert their respective competences.

Or. en

Amendment 17

Proposal for a regulation

Article 2 – paragraph 1 – point e

Text proposed by the Commission

(e) 'Digital Innovation Hub' means legal entity designated or selected in an open and competitive procedure in order to fulfil the tasks under the Programme, in particular providing access to technological expertise and experimentation facilities, such as equipment and software tools to enable the digital transformation of the industry.

Amendment

(e) '**European** Digital Innovation Hub' means ***existing or new*** legal entity ***or a consortium of legal entities*** designated or selected in an open and competitive procedure in order to fulfil the tasks under the Programme, in particular providing access to technological expertise and experimentation facilities, ***open to SMEs, scale-ups and public administrations across the EU***, such as equipment and software tools to enable the digital transformation of the industry, ***as well as facilitating access to finance. The Hubs shall act as one-stop-shops where companies - especially SMEs, startups and mid-caps – can get help to improve their business, production processes, products and services by means of digital technology. The Hubs shall offer support to companies to make sure that their employees' skills match the expertise required to handle the available digital technology; they should also coordinate with education institutions and companies to support on-the-job training for students;***

Amendment 18

Proposal for a regulation

Article 2 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(f a) 'European Partnership' means an initiative where the Union, together with private and/or public partners (such as industry, research organisations, bodies with a public service mission at local, regional, national or international level or civil society organisations including foundations, SMEs organisations), commit to jointly support the development and implementation of digital innovation and technological deployment activities, including those related to market, regulatory or policy uptake;

Or. en

Amendment 19

Proposal for a regulation

Article 2 – paragraph 1 – point f b (new)

Text proposed by the Commission

Amendment

(f b) 'small and medium-sized enterprises' or 'SMEs' means small and medium-sized enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC;

Or. en

Amendment 20

Proposal for a regulation

Article 2 – paragraph 1 – point f c (new)

Text proposed by the Commission

Amendment

(f c) 'consortium' means a collaborative grouping of undertakings constituted to carry out an action under the Programme.

Or. en

Amendment 21

Proposal for a regulation

Article 3 – paragraph 1 – introductory part

Text proposed by the Commission

1. The Programme has the following general objective: to support the digital transformation of the European economy and society and bring its benefits to European citizens and businesses. The Programme will:

Amendment

1. The Programme has the following general objective: to support the digital transformation of the European economy and society and **to** bring its benefits to European citizens and businesses, **as well as to reinforce the strategic autonomy of the European Union**. The Programme will:

Or. en

Amendment 22

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) widen their diffusion and uptake in areas of public interest and the private sector.

Amendment

(b) widen their diffusion and uptake in areas of public interest and the private sector, **including the digital transformation of services of public interest and the digitisation of industry**.

Or. en

Amendment 23

Proposal for a regulation

Article 3 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(b a) support the uptake of advanced digital skills for the labour force and students, while counterbalancing non take-up of up-skilling and re-skilling opportunities based on gender.

Or. en

Amendment 24

Proposal for a regulation

Article 4 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) deploy, coordinate at the Union level and operate an integrated world-class exascale⁷⁷ supercomputing and data infrastructure in the Union that shall be accessible ***on a non-commercial basis*** to public and private users and for publicly funded research purposes;

(a) deploy, coordinate at the Union level and operate an integrated world-class exascale⁷⁷ supercomputing and data infrastructure in the Union that shall be accessible to public and private users and for publicly funded research purposes;

⁷⁷ Billions of billions of floating operations per second

⁷⁷ Billions of billions of floating operations per second

Or. en

Amendment 25

Proposal for a regulation

Article 4 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The actions under this specific objective High Performance computing shall be implemented mainly through the Joint

Or. en

Amendment 26

Proposal for a regulation

Article 5 – paragraph 1 – point a

Text proposed by the Commission

(a) build up and strengthen core artificial intelligence capacities in the Union, including data resources and libraries of algorithms in compliance with data protection legislation;

Amendment

(a) build up and strengthen core artificial intelligence capacities in the Union, including data resources and libraries of algorithms in compliance with data protection legislation ***and based on security and privacy by design***;

Or. en

Amendment 27

Proposal for a regulation

Article 5 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(c a) facilitating integration of technologies in value chains, development of innovative business models, and shortening the time passed from innovation to industrialisation;

Or. en

Amendment 28

Proposal for a regulation

Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The actions under this specific objective Artificial Intelligence shall be implemented exclusively through direct management by the European Commission or an existing executive Agency such as the Innovation and Networks Executive Agency (INEA) on the basis of a cost-benefit analysis.

Or. en

Amendment 29

Proposal for a regulation

Article 6 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(d a) raise public awareness on the role of human behaviour in maintaining a high level of cybersecurity, and supporting access to the right knowledge and training for citizens.

Or. en

Amendment 30

Proposal for a regulation

Article 6 – paragraph 1 – point d b (new)

Text proposed by the Commission

Amendment

(d b) improve resilience against cyber-attacks, to increase risk awareness and knowledge of basic security processes among users, particularly SMEs and start-ups, to ensure that companies have basic levels of security, such as end-to-end encryption of data and communications and software updates, and to encourage the use of the security-by-design and by

default.

Or. en

Amendment 31

Proposal for a regulation Article 6 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The actions under this specific objective Cybersecurity and trust shall be implemented primarily through the European Cybersecurity Industrial, Technology and Research Competence Centre and the Cybersecurity Competence Network in accordance with [forthcoming Cybersecurity Competence Industrial, Technology and Research Centre Regulation, reference to be added]

Or. en

Amendment 32

Proposal for a regulation Article 7 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The financial intervention by the Union under Specific Objective 4. Advanced Digital skills shall support the development of advanced digital skills in areas supported by this programme, thus contributing to increase Europe's talent pool, fostering greater professionalism, especially with regard to high performance computing, big data analytics, cybersecurity, distributed ledger technologies, robotics and artificial intelligence. The financial intervention shall pursue the following operational objectives:

The financial intervention by the Union under Specific Objective 4. Advanced Digital skills shall support the development of advanced digital skills in areas supported by this programme, thus contributing to increase Europe's talent pool, fostering greater professionalism ***on a gender equal footing***, especially with regard to high performance computing, big data analytics, cybersecurity, distributed ledger technologies, robotics and artificial intelligence. The financial intervention shall pursue the following operational objectives:

Amendment 33

Proposal for a regulation

Article 7 – paragraph 1 – point a

Text proposed by the Commission

(a) support the design and delivery of long-term trainings and courses for students, IT professionals and the workforce;

Amendment

(a) support the design and delivery of long-term trainings and courses for students, ***teachers, educators***, IT professionals and the workforce;

Or. en

Amendment 34

Proposal for a regulation

Article 7 – paragraph 1 – point b

Text proposed by the Commission

(b) support the design and delivery of short-term trainings and courses for entrepreneurs, small business leaders and the workforce;

Amendment

(b) support the design and delivery of short-term trainings and courses for entrepreneurs, small business leaders, ***including startupper***s and the workforce;

Or. en

Amendment 35

Proposal for a regulation

Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The actions under this specific objective Advanced Digital Skills shall be implemented primarily through European Digital Innovation Hubs and competence centres to ensure the widest geographical coverage across Europe.

Amendment 36

Proposal for a regulation

Article 8 – paragraph 1 – point b

Text proposed by the Commission

(b) deploy, operate and maintain trans-European interoperable Digital Service Infrastructures (including related services) in complementarity with national and regional actions;

Amendment

(b) deploy, operate and maintain trans-European interoperable ***state-of-the-art*** Digital Service Infrastructures (including related services) in complementarity with national and regional actions;

Or. en

Amendment 37

Proposal for a regulation

Article 8 – paragraph 1 – point e

Text proposed by the Commission

(e) support the uptake of advanced digital and related technologies, including in particular high performance computing, artificial intelligence, cybersecurity and future emerging technologies by the Union industry, notably SMEs;

Amendment

(e) support the uptake of advanced digital and related technologies, including in particular high performance computing, artificial intelligence, cybersecurity and future emerging technologies by the Union industry, notably SMEs ***and start-ups***;

Or. en

Amendment 38

Proposal for a regulation

Article 8 – paragraph 1 – point g

Text proposed by the Commission

(g) ensure a continuous capacity at the Union level to observe, analyse and adapt to fast-evolving digital trends, as well as

Amendment

(g) ensure a continuous capacity at the Union level to observe, analyse and adapt to fast-evolving digital trends, as well as sharing and mainstreaming best practices

sharing and mainstreaming best practices;

and facilitating cross-fertilisation between the different national initiatives,

Or. en

Amendment 39

Proposal for a regulation

Article 8 – paragraph 1 – point h

Text proposed by the Commission

(h) support cooperation towards achieving a European ecosystem for trusted infrastructures using distributed ledger services and applications, including support for interoperability and standardisation and fostering the deployment of EU cross-border applications;

Amendment

(h) support cooperation towards achieving a European ecosystem for trusted infrastructures using distributed ledger services and applications, including support for interoperability and standardisation and fostering the deployment of EU cross-border applications *based on security and privacy by design*;

Or. en

Amendment 40

Proposal for a regulation

Article 8 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The actions under this specific objective Deployment, best use of digital capacities and Interoperability shall be implemented primarily through European Digital Innovation Hubs and competence centres.

Or. en

Amendment 41

Proposal for a regulation

Article 8 a (new)

Article 8 a

Ethics

Actions carried out under the Programme shall comply with ethical principles and relevant national, Union and international legislation, including the Charter of Fundamental Rights of the European Union and the European Convention on Human Rights and its Supplementary Protocols. Particular attention shall be paid to the principle of proportionality, the right to privacy, the right to the protection of personal data, the right to the physical and mental integrity of a person, the right to non-discrimination and the need to ensure high levels of human health protection.

Entities participating in the action shall provide an ethics self-assessment identifying and detailing all the foreseeable ethics issues related to the objective, implementation and likely impact of the activities to be funded.

Proposals shall be systematically screened to identify those actions raising complex or serious ethics issues and submit them to an ethics assessment, especially for objective 2, Artificial Intelligence in line with the European Commission Communication on Artificial Intelligence for Europe¹a. The ethics assessment shall be carried out by the Commission unless it is delegated to the funding body. The Commission and the funding bodies shall ensure the transparency of the ethics procedures as much as possible.

Entities participating in the action shall obtain all approvals or other mandatory documents from the relevant national, local ethics committees or other bodies such as data protection authorities before the start of the relevant activities. Those documents shall be kept on file and provided to the Commission or funding

body upon request.

If appropriate, ethics checks shall be carried out by the Commission or funding body. For serious or complex ethics issues, the checks shall be carried out by the Commission unless it is delegated to the funding body. Ethics checks shall be carried out with the support of ethics experts.

Actions which are not ethically acceptable may be rejected or terminated at any time.

^{1a} Reference doc. COM(2018)237 final, available at:[http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2018/0237/COM_COM\(2018\)0237_EN.pdf](http://www.europarl.europa.eu/RegData/docs_autres_institutions/commission_europeenne/com/2018/0237/COM_COM(2018)0237_EN.pdf)

Or. en

Amendment 42

Proposal for a regulation Article 10

Text proposed by the Commission

Amendment

Article 10

deleted

Third countries associated to the Programme

The programme shall be open to:

- 1. Members of the European Free Trade Association, which are members of the European Economic Area, in accordance with the conditions laid down in the European Economic Area agreement;*
- 2. Acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for their participation in Union programmes established in the respective framework*

agreements and Association Council Decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and them;

3. Countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council Decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;

4. Third countries in accordance with the conditions laid down in a specific agreement covering the participation of the third country to any Union programme, provided that the agreement

— ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;

— lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article [21(5)] of [the new Financial Regulation] ;

— does not confer to the third country a decisional power on the programme;

— guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

Or. en

Amendment 43

Proposal for a regulation

Article 11 – paragraph 1

Text proposed by the Commission

1. The Union may cooperate with ***third*** countries ***mentioned in Article 10***, ***with*** other third countries and ***with*** international organisations or bodies established in those countries, in particular within the framework of the Euro-Mediterranean and Eastern Partnerships and with neighbouring countries, in particular those of the Western Balkans and Black Sea regions. Without prejudice to Article [19], related costs shall not be covered by the programme.

Amendment

1. The Union may cooperate with:

(a) associated countries, in particular Members of the European Free Trade Association, which are members of the European Economic Area, in accordance with the conditions laid down in the European Economic Area agreement;

(b) other third countries and international organisations or bodies established in those countries, in particular within the framework of the Euro-Mediterranean and Eastern Partnerships and with neighbouring countries, in particular those of the Western Balkans and Black Sea regions.

Without prejudice to Article [19], related costs shall not be covered by the programme.

Or. en

Amendment 44

Proposal for a regulation

Article 11 – paragraph 2

Text proposed by the Commission

2. The cooperation with third countries and organisations mentioned in paragraph 1 under Specific Objective 3. Cybersecurity and Trust shall be subject to Article [12].

Amendment

2. The cooperation with third countries and organisations mentioned in paragraph 1 under Specific Objective **2. *Artificial intelligence and Objective 3.*** Cybersecurity and Trust shall be subject to Article [12].

Or. en

Amendment 45

**Proposal for a regulation
Article 12 – paragraph 1**

Text proposed by the Commission

1. Actions carried out under the Programme shall comply with the applicable security rules and in particular the protection of the classified information against unauthorised disclosure, including compliance with any relevant national and Union law. ***In case of actions carried out outside the Union, it is necessary that, in addition to the compliance with above requirements, a security agreement must have been concluded between the Union and the third country in which the activity is conducted.***

Amendment

1. Actions carried out under the Programme shall comply with the applicable security rules and in particular the protection of the classified information against unauthorised disclosure, including compliance with any relevant national and Union law.

Or. en

Amendment 46

**Proposal for a regulation
Article 12 – paragraph 3**

Text proposed by the Commission

3. Where appropriate, the Commission or funding body shall carry out a security scrutiny for proposals raising

Amendment

3. Where appropriate, the Commission or funding body shall carry out a security scrutiny for proposals raising

security issues .

security issues. *The Commission shall always carry out a security scrutiny where the applicants are legal entities established in a EU Member States that do not have a Foreign Direct Investment screening mechanism in place.*

Or. en

Amendment 47

Proposal for a regulation Article 12 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. *Where appropriate, the Commission shall systematically screen proposals to identify those actions raising complex or serious ethics issues as referred to in (Article 8 new).*

Or. en

Amendment 48

Proposal for a regulation Article 12 – paragraph 5

Text proposed by the Commission

Amendment

5. *The work programme may also provide that legal entities established in associated countries and legal entities established in the EU but controlled from third countries are not eligible for participation in all or some actions under Specific Objective 3 for security reasons. In such cases calls for proposals and calls for tenders shall be restricted to entities established or deemed to be established in Member States and controlled by Member States and/or nationals of Member States.*

deleted

Or. en

Amendment 49

Proposal for a regulation

Article 13 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. The actions supported by this programme are complementary to those supported by the ESF, ERDF and Horizon Europe programmes. In particular, the programme will complement the European Regional Development fund (ERDF) and the Horizon Europe Programme in the establishment of European Digital Innovation Hubs and support of innovative actions;

Or. en

Amendment 50

Proposal for a regulation

Article 13 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1 b. The programme will particularly have synergies with CEF-2 in order to ensure of investment in connectivity through 5G and ultra-fast broadband networks as an instrument for convergence and ensuring a robust digital infrastructure network;

Or. en

Amendment 51

Proposal for a regulation

Article 13 – paragraph 1 c (new)

Text proposed by the Commission

Amendment

1 c. All potential synergies between Euro HPC and Union and national research programmes should be explored and promoted. The Joint Undertaking should collaborate with existing leading research and development structures, such as the European Technology Platform for high performance computing value PPP;

Or. en

Amendment 52

**Proposal for a regulation
Article 15 – paragraph 1 a (new)**

Text proposed by the Commission

Amendment

European Partnerships shall:

a) Be established in cases where they will more effectively achieve objectives of Digital Europe Programme than the Union alone;

(b) Adhere to the principles of Union added value, transparency, openness, impact, leverage effect, long-term financial commitment of all the involved parties, flexibility, coherence and complementarity with Union, local, regional national and international initiatives;

(c) Be time limited and include conditions for phasing-out the Programme funding.

Or. en

Amendment 53

**Proposal for a regulation
Article 15 – paragraph 1 b (new)**

Text proposed by the Commission

Amendment

Provisions and criteria for their selection, implementation, monitoring, evaluation and phasing-out are set out in (Reference to be added).

Or. en

Amendment 54

Proposal for a regulation Article 16 – title

Text proposed by the Commission

Amendment

Digital Innovation Hubs

European Digital Innovation Hubs

Or. en

Amendment 55

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. During the first year of the implementation of the Programme, an initial network of Digital Innovation Hubs shall be established.

1. During the first year of the implementation of the Programme, an initial network of ***European*** Digital Innovation Hubs shall be established.

Or. en

Amendment 56

Proposal for a regulation Article 16 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) appropriate competences related to the functions of the Digital Innovation

(a) appropriate competences related to the functions of the ***European*** Digital

Hubs;

Innovation Hubs, *as defined in article 2*;

Or. en

Amendment 57

Proposal for a regulation Article 16 – paragraph 4

Text proposed by the Commission

4. Additional Digital Innovation Hubs shall be selected on the basis of an open and competitive process, in such a way to ensure the widest geographical coverage across Europe. The number of entities of the network shall be proportional to the population of a given Member States and there shall be at least one Digital Innovation Hub per Member State. To address the specific constraints faced by the EU outermost regions, specific entities may be nominated to cover their needs.

Amendment

4. Additional **European** Digital Innovation Hubs shall be selected on the basis of an open and competitive process, in such a way to ensure the widest geographical coverage across Europe. The number of entities of the network shall be proportional to the population of a given Member States and there shall be at least one Digital Innovation Hub per Member State. To address the specific constraints faced by the EU outermost regions, specific entities may be nominated to cover their needs. ***The Hubs should be established on a geographical balanced way, inside the Member States but also within the Union.***

Or. en

Amendment 58

Proposal for a regulation Article 16 – paragraph 6 – introductory part

Text proposed by the Commission

6. The Digital Innovation Hubs which receive funding shall be involved in the implementation of the Programme to:

Amendment

6. The **European** Digital Innovation Hubs which receive funding shall be involved in the implementation of the Programme to:

Or. en

Amendment 59

Proposal for a regulation

Article 16 – paragraph 6 – point a

Text proposed by the Commission

(a) provide digital transformation services - including testing and experimentation facilities - targeted towards SMEs **and** midcaps, also in sectors that are slow in the uptake of digital and related technologies;

Amendment

(a) provide digital transformation services - including testing and experimentation facilities - targeted towards SMEs, midcaps **and start-ups**, also in sectors that are slow in the uptake of digital and related technologies;

Or. en

Amendment 60

Proposal for a regulation

Article 16 – paragraph 6 – point b

Text proposed by the Commission

(b) transfer expertise and know-how between regions, in particular by networking SMEs **and** midcaps established in one region with Digital Innovation Hubs established in other regions which are best suited to provide relevant services;

Amendment

(b) transfer expertise and know-how between regions, in particular by networking SMEs, midcaps **and start-ups**, established in one region with Digital Innovation Hubs established in other regions which are best suited to provide relevant services;

Or. en

Amendment 61

Proposal for a regulation

Article 16 – paragraph 6 – point c

Text proposed by the Commission

(c) provide thematic services, including services related to artificial intelligence, high performance computing and cybersecurity and trust to the administrations, public sector organisations, SMEs **and** midcaps.

Amendment

(c) provide thematic services, including services related to artificial intelligence, high performance computing and cybersecurity and trust to the administrations, public sector organisations, SMEs, midcaps **and start-**

Individual Digital Innovation Hubs may specialise in specific thematic services and do not need to provide all thematic services mentioned in this paragraph;

ups. Individual Digital Innovation Hubs may specialise in specific thematic services and do not need to provide all thematic services mentioned in this paragraph;

Or. en

Amendment 62

Proposal for a regulation

Article 16 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6 a. The European Digital Innovation Hubs may also cooperate with the European Institute of Innovation and Technology set up in 2008 in particular the EIT Digital as well as the Digital Innovation Hubs set up under Horizon 2020.

Or. en

Amendment 63

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. Only actions contributing to the achievement of the objectives referred to in Article [3] and Articles [4]-[8] shall be eligible for funding.

1. Only actions contributing to the achievement of the objectives referred to in Article [3] and Articles [4]-[8] shall be eligible for funding ***in accordance with the general objectives set out in Annex I.***

Or. en

Amendment 64

Proposal for a regulation

Article 18 – paragraph 2 – point a – point ii

Text proposed by the Commission

Amendment

(ii) a third countries associated with the Programme; **deleted**

Or. en

Amendment 65

Proposal for a regulation

Article 18 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) any legal entity created under Union law or any international organisation. **deleted**

Or. en

Amendment 66

Proposal for a regulation

Article 18 – paragraph 3

Text proposed by the Commission

Amendment

3. Legal entities established in a third country which is not associated to the Programme are exceptionally eligible to participate in specific actions where this is necessary for the achievement of the objectives of the Programme. **deleted**

Or. en

Amendment 67

Proposal for a regulation

Article 18 – paragraph 4

Text proposed by the Commission

4. Natural persons ***shall not*** be eligible, ***except*** for grants awarded under Specific Objective 4. Advanced digital skills.

Amendment

4. Natural persons ***who reside in a Member State may*** be eligible for grants awarded ***only*** under Specific Objective 4. Advanced digital skills.

Or. en

Amendment 68

**Proposal for a regulation
Article 18 – paragraph 5**

Text proposed by the Commission

5. The work programme may provide that participation is limited to beneficiaries established in Member States only, ***or to beneficiaries established in Member States and specified associated or other third countries for security reasons or actions directly related to EU strategic autonomy.***

Amendment

5. The work programme may provide that participation is limited to beneficiaries established in Member States only.

Or. en

Amendment 69

**Proposal for a regulation
Article 18 – paragraph 6**

Text proposed by the Commission

6. ***Legal entities established in a third country which is not associated to the programme should in principle bear the cost of their participation.***

Amendment

deleted

Or. en

Amendment 70

Proposal for a regulation

Article 19 – paragraph 1

Text proposed by the Commission

Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation.

Amendment

Grants under the Programme shall be awarded and managed in accordance with Title VIII of the Financial Regulation ***and in accordance with the specification under each objective.***

Or. en

Amendment 71

Proposal for a regulation

Article 20 – paragraph 1 – introductory part

Text proposed by the Commission

1. The award criteria shall be defined in the work programmes and in the calls for proposals, taking into account at ***the minimum*** the following elements:

Amendment

1. The award criteria shall be defined in the work programmes and in the calls for proposals, taking into account at ***least*** the following elements:

Or. en

Amendment 72

Proposal for a regulation

Article 20 – paragraph 1 – point e

Text proposed by the Commission

(e) ***where applicable***, the economic, ***social***, climate ***and*** environmental impact, ***and*** accessibility;

Amendment

(e) the economic, climate, environmental ***and social*** impact, ***in particular promoting*** accessibility ***and equal gender educational and professional opportunities***;

Or. en

Amendment 73

Proposal for a regulation

Article 20 – paragraph 1 – point h a (new)

Text proposed by the Commission

Amendment

(h a) where applicable, the freedom for re-use and adaptation of the projects' results.

Or. en

Amendment 74

Proposal for a regulation

Article 23 – paragraph 3

Text proposed by the Commission

Amendment

3. The ***first multiannual work programme*** shall focus on the activities set out in the Annex and ensure that the actions thereby supported do not crowd out private financing. ***Subsequent work programmes may include activities not set out in the Annex provided that they are consistent with the objectives of this Regulation, as set out in Articles [4 – 8].***

3. The ***work programmes*** shall focus on the activities set out in the Annex ***I*** and ensure that the actions thereby supported do not crowd out private financing.

Or. en

Amendment 75

Proposal for a regulation

Article 23 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3 a. The Commission shall be empowered to add up delegated acts in accordance with Article 27 to amend Annex I to review or complement the activities set out therein in a manner consistent with the objectives of this

Or. en

Amendment 76

Proposal for a regulation Article 27 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in **Article 24** shall be conferred on the Commission until 31 December 2028.

Amendment

2. The power to adopt delegated acts referred to in **Articles 23 and 24** shall be conferred on the Commission until 31 December 2028.

Or. en

Amendment 77

Proposal for a regulation Article 27 – paragraph 3

Text proposed by the Commission

3. The delegation of power referred to in **Article 24** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

3. The delegation of power referred to in **Articles 23 and 24** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Or. en

Amendment 78

Proposal for a regulation Article 27 – paragraph 6

Text proposed by the Commission

6. A delegated act adopted pursuant to **article 24** shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Amendment

6. A delegated act adopted pursuant to **Articles 23 and 24** shall enter into force if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Or. en

EXPLANATORY STATEMENT

The Digital Europe Programme for the period 2021-2027 proposed by the Commission on 6 June 2018 lays down the objectives of the programme, the budget for the 2021 - 2027 period, the forms of European Union funding and the rules for providing such funding.

The Rapporteur endorses the overall objective of the proposed programme to support the digital transformation of the European economy, industry and society. The programme should bring benefits to European businesses and citizens. It shall reinforce Europe's capacities in key digital technology areas through large-scale deployment and widen their diffusion and uptake in both areas of public interest and private sector. However, taking into account the specificity of certain objectives, the Rapporteur believes that on top of the digital transformation, the Programme overall aim is to create capabilities and reinforce strategic autonomy of the EU.

The current state of digitalisation of EU economy, industry and society is not sufficient to answer to the political ambition of the Digital Single Market. There is still an important gap to cover through substantial and better European investment, in order to achieve the common goal and fully benefit from the EU added value. The Rapporteur would like to underline that this proposal is the first pan-European digital programme; it should be seen as a major step for strengthening and improving Europe leading position.

The programme has five specific objectives, and the difference among them is reflected in their specific envelopes. Since a wide variety of activities could be financed through this programme, its implementation could lead to the dilution of the main goal of the programme itself, which is to build capabilities in the EU. The Rapporteur would like to remain very vigilant, and, therefore, proposes that the work programmes will be drafted under the scrutiny of the European Parliament.

This Programme should be a veritable tool to strengthen EU independence, notably in the area of the Specific Objectives 1, 2 and 3 (High Performance Computing, Artificial Intelligence and Cybersecurity and Trust). EU strategic autonomy is essential to ensure concrete freedom of action at global level; it can only be achieved by better cooperation between Member States and undertakings, which must be based in the Member States.

Specific Objective 4 (Advanced Digital Skills) is essential to support the success of the first three Objectives, by ensuring that the current and future labour force will easily acquire advanced digital skills by offering students, graduates, and workers the means to acquire and develop these skills, no matter where they are in the EU.

Specific Objective 5 (Deployment, better use of digital capacities and interoperability) is crucial to expand the best use of digital capacities (notably High Performance Computing, Artificial Intelligence and Cybersecurity) across the economy, including the deployment of interoperable solutions in areas of public interest, and facilitate access to technology and knowhow for all businesses, including SMEs and start-ups, and citizens.

The Rapporteur would therefore like to clarify that the eligible entities should be established in the EU. The cooperation with third countries in the specific context of this programme

seems inappropriate.

The Rapporteur also believes that, due to the sensitivity and the ongoing consultations on the Specific Objective 2 (Artificial Intelligence), the selected projects would need to respect ethical requirements, as it is the case in other MFF files such as Horizon Europe and the European Defence Programme.

The European Digital Innovation Hubs are meant to carry out targeted programmes to help European industry, including SMEs and start-ups, and public administrations to equip their personnel with the needed advanced skills to be able access the new opportunities offered by supercomputing, artificial intelligence and cybersecurity. SMEs, start-ups and public administrations will also have the possibility to access to technological expertise and experimentation facilities, but also receiving advice to better assess their business case of digital transformation projects. They are today one of the key elements of the Digitising European Industry strategy. The Rapporteur believes that it is of utmost importance to support the establishment of a European Digital Innovation Hubs network. This network should extend to the widest geographical coverage across Europe but also at national level to meet the concrete needs. The establishment of at least one European Digital Innovation Hub in each region will be a priority.

The overall budget of the programme of EUR 9.1940.0000 should be considered as the minimum amount to steer the Digital Europe Programme towards success. The Rapporteur considers that the amount proposed by the Commission seems potentially limited, taking into account the overall ambition and challenges that cannot be foreseen now, being the Programme a new one and being impossible to assess ex ante the precise needs of each individual objective.

Finally, the Rapporteur is well aware of the Union and the Member States budgetary limits and investments efforts, which is why the implementation of this Programme cannot overlook the commitment to the most efficient management of the funds. Accordingly, a key element will be to realise synergies between the Programme and the other EU funding under the next MFF.

The Rapporteur believes that the funds' de-compartmenting will make investments more effective and provide better value, notably by amplifying the impact of EU-level digital investments on the ground, while national and regional digital investment will be able to better complement the EU programmes.