ERHVERVSMINISTERIET

The Danish Government's response to the targeted consultation on the 2030 Digital Compass

General comments

The Danish Government welcomes the Commission's communication on the 2030 Digital Compass. Digitalisation is vital for our economic and societal development, security and safety and we share the ambition of pursuing digital policies that empower people and businesses to seize a human-centered, sustainable and more prosperous digital future. To achieve this ambition, we need a common vision and direction which supports and accelerates the digital transformation in Europe, where responsibility, safety and security go hand in hand with innovation and growth. In parallel, the transition to a green and sustainable society is a key priority. Therefore, we find it of utmost importance that the communication's initiatives support a climate-neutral and circular economy.

On this basis, we support the ambition of a digitally sovereign Europe that is self-determined and open. Digital sovereignty is not about shielding ourselves unnecessarily from the outside world or becoming completely independent, but about strengthening our own capacity to develop technology and digital solutions and ensure that our security and values are the foundation of the EU's digital future.

A fair and competitive digital single market must be the foundation for strengthening the EU's digital competitiveness and digital sovereignty. A more coherent digital single market is a prerequisite for spurring digitalisation across Europe and the societal challenges stemming from digitalisation is best addressed through joint efforts within this remit.

In addition to improving the digital single market, we recognize that there may be a need for targeted efforts that promote strong technological capabilities and competences in certain critical technologies. The identification of critical technologies and related high-risk dependencies must be based on a thorough and transparent analysis with clear criteria. Such thorough assessment should also assess the available measures at hand in order to ensure the proportional level of action. Hence, not every sector and technology can or should be regarded as critical. It must furthermore be ensured that our actions safeguard key principles in the digital single market and that the resilience of the EU must be ensured through a strengthening and diversification of global supply – not by phasing out global value chains. Such systematic assessment must be part of the 2030 Digital Compass.

In general, we support the four cardinal points covering competences, infrastructure, businesses and public services, as these constitute a solid, horizontal starting point for setting an ambitious direction for our digital transformation. It is important that the specific targets are result-based, future-proof and lead to real value for citizens and companies. Therefore, the specific targets should concisely describe the end goal, but not the specific technique, measure nor method as to achieve the target. Furthermore, as the Digital Compass sets targets for 2030, a midterm evaluation of the targets must be incorporated in order to make sure that the targets are still relevant – also in the light of technological progress.

It is important to have a solid governance structure in place. In this regard, it is imperative that the governance structure sets the overall strategic direction, but that there should be room for manoeuvre at national level – both in terms of the possibility to set a higher level of ambition as well as to ensure flexibility to make use of the mix of measures that are deemed most useful in each member state. Furthermore, the division of competences between the EU and the member states must be respected in the implementation.

As the establishment of the 2030 Digital Compass is a horizontal agenda covering most aspects of the digital sphere and thereby demands great coordination between different areas, we attach great importance to the close involvement of member states in order to set the right targets as well as to ensure co-ownership.

Specific comments

Rolling out high-speed broadband and 5G
Overall, we agree that there is a need for rolling out high-speed broadband and 5G as broadly as possible. However, before discussing or launching new initiatives, the ongoing implementation of recently adopted acts and their effects such as the Electronic Communications Code and its several common European measures should be taken into account.

When setting new pan-European targets for broadband coverage, it is necessary to take into account the fact that not all households will have reached access to speeds of 100 Mbit/s by 2025. Therefore, a new broadband strategy should also focus on ensuring that all households get access to the current broadband coverage target in order to ensure that all European citizens have access to a high-capacity broadband connection.

Furthermore, it is important to have national flexibility within the general EU framework, as this should enable member states to take national circumstances such as differences in mobile broadband coverage into account.

In this respect, we do not support a further harmonisation of spectrum administration, including the licensing procedures, as this would only benefit the bigger actors on the European telecom market and risk inappropriate consolidation and weakened competition.

Fostering digital transformation of businesses

We support the objective of strengthening the digital transformation of businesses and believes that this should be carried out on the basis of a comprehensive strategy which strengthens companies' competences and improves their ability to scale across borders. In this respect, it is furthermore essential that SMEs are able to take advantage of the digital transformation. Establishing the European Digital Innovation Hubs is one concrete initiative to ensure broad uptake of digital technologies, but initiatives to support SMEs in this process must be continuously factored in in the process of the Digital Compass.

Furthermore, besides setting targets for businesses' adoption of technologies, we would also underline the need to focus on innovation as well as the general framework conditions in the digital single market. In order to implement a truly digital single market, it is therefore important to monitor its progress with related key performance indicators. Such indicators could be tracking the development in regulatory barriers within the Digital Single Market, the amount of cross-border e-commerce or the development of market shares for European digital businesses.

Digitalisation of public services

Regarding the digitalisation of public services, there must also be a focus on quality indicators such as privacy, security and user friendliness. Such indicators should be among the guiding posts towards the targets of the Digital Compass in order to achieve the Commission's vision of an accessible, easy-to-use, efficient, personalised and highly secure digital public sector.

It is not a given that any key public service provided online at the national level is also relevant for cross-border access. We need a more agile, user-centric and user-driven approach to find an appropriate level of key public services which is based on user demand and well-functioning technical solutions that enables cross-border interoperability. Furthermore, we are currently evaluating whether the European Digital Identity Wallet can be a tool for prioritising cross-border access to high-demand digital services."

Semiconductors

We support the target of strengthening Europe's capacities to produce sem-iconductors. The current crisis with businesses all over the world struggling due to the shortage in supply of semiconductors underlines the essential role semiconductors play in the modern economy and stresses the need for enhanced resilience in this area. An ambitious and achievable target regard-ing Europe's technological capacities to produce semiconductors could play an important role in these efforts.

Further elements which should be reflected in the specific targets

The dimensions of cybersecurity and data ethics seem to be missing in the targets, especially given the importance of this aspect for our digital econ-omy and society. We would suggest adding key performance indicators concerning cybersecurity and data ethics respectively in order to monitor progress as well as to enable a high level of cybersecurity and promote responsible and human-centered solutions. The key performance indicators for cybersecurity could e.g. measure the extent to which EU enterprises implement cybersecurity measures, as well as the extent to which enter-prises make employees aware of their obligations in cybersecurity issues. For data ethics, we propose a key performance indicator which measures the extent to which EU enterprises have formulated a data ethical code of conduct.

Another area is the synergy between the green and digital transition. This element figures in the description of the different targets but is not estab-lished as a self-standing target. In our view, this synergy should have more prominent place in the Digital Compass and a specific target should be de-veloped.

Furthermore, given that trust and innovation are two sides of the same coin as well as a prerequisite for accelerating the digital transformation, we would like to see a greater reflection of trust in the targets. We support the annual Eurobarometer exercise dedicated to monitor Europeans' percep-tion of digitalisation and how it is serving them in order to monitor the implementation of digital principles, also refer to the Danish response to this consultation. However, in our view, such exercise should be coupled with concrete key performance indicators concerning trust. Both DESI as well as OCED's Digital Toolkit contain relevant indicators, for example individuals experienced abuse of personal information or individuals not buying online due to payment security concerns.

Multi-country projects should solely address potential gaps

Strengthening the digital single market through the continued focus on highspeed network as well as stronger capabilities in terms of advanced

technologies, competences, business transformation and public transformation should be at the centre of our efforts. We would therefore call for a holistic approach to strengthening these aspects, where investments are one part of the recipe, but not the entire recipe.

From our perspective, we have not seen the concrete need for a new specific mechanism concerning multi-country projects and would emphasize that financing is provided for within the agreed multiannual financial framework 2021-2027, including through established financing instruments. If gaps exist in terms of existing instruments and if a new mechanism should be needed, it would be essential to establish a transparent, structured and open framework in full compliance of competition and state aid rules as well as existing instruments.

Establishing a governance structure with flexibility and no "one size fits all"

The governance structure and its monitoring should focus on the progress with the targets and principles - rather than compliance with the broader EU digital policies. The governing objective must be to monitor progress in the member states, but it would also be beneficial to compare the digital transition in Europe with other parts of the world such as the US and China in a systemic manner.

The follow-up exercise concerning annual reporting as well as cooperation and coordination between the Commission and the member states should feed into the European semester. Thereby, it should be based on existing mechanisms as well as competences between the Commission and the member states. The usage of the well-functioning process of the semester should furthermore acknowledge the flexibility of member states in terms on how to achieve the targets, as challenges differ between member states, thereby leaving a "one size fits all"-model not appropriate for this follow-up exercise.

With these points, we stand ready to engage in the discussions actively and constructively on the 2030 Digital Compass. Furthermore, we reserve the right to submit further comments at a later stage.