DIGITALEUROPE

DIGITALEUROPE's Position on EU funding for digital skills in the next EU budget 2021-2027

Brussels, 8 October 2018

INTRODUCTION

The digital transformation has a far-reaching impact on Europe and its citizens, in all aspects of social and economic life. It presents a major opportunity for Europe's competitiveness; however, challenges go along with it and Europe has to address them accordingly. In particular, Europe must ensure that the workforce and all citizens have the appropriate digital skills for all dimensions of live and work. The current digital skills gap slows down Europe's growth, hampers competitiveness and innovation capacity, and raises the risk of a digital divide in society. European startups, small, medium and large enterprises do not innovate as fast as they want because of lack of talent and insufficient digital skills development.

We acknowledge the fact that the European Union acts upon increased innovation and employability, modernising education and training systems through the diverse portfolio of EU funds and programmes. The support is reaching tens of thousands of local, regional, national and Europe-wide projects, and millions of Europeans.

The European Social Fund+, the European Regional Development Fund, the Digital Europe Programme and the Erasmus Programme will **represent the most significant funding opportunities in 2021-2027 to bridge the digital skills gap.** Those EU funds and programmes can make a difference, therefore the negotiations of the Multiannual Financial Framework (MFF) are a unique opportunity to ensure that their potential for helping Europeans with acquiring digital skills is recognised and blockers are eliminated.

DIGITALEUROPE calls on the Council, the European Parliament and the Member States to take into consideration the DIGITALEUROPE's recommendations discussed in this paper while developing their own position on the European Commission's proposals for regulations for the European Social Fund+, the European Regional Development Fund, the Common Provisions, the Digital Europe Programme and the Erasmus Programme.

GENERAL RECOMMENDATIONS FOR THE EU FUNDS AND PROGRAMMES:

- We welcome the budget proposal focusing on the European digital economy. The MFF's ambition is a step in the right direction for boosting digital skills of the European population. Without **strong leadership at the EU-level**, investments in those skills may not happen to the scale needed. It is important that in the budget's perspective 2021-2027 all the funds and programmes fully achieve their objectives and potential blockers are eliminated.

- **Digital inclusion**. Basic digital skills are a must for everyone to be an active citizen of the society. However, for the effective employability programmes in the era of digital transformation, the EU funds and programmes need to support **also digital skills on medium and advanced levels**. It is key for the digital skills of all levels to be accommodated in every local and regional programmes and projects, where the most successful employability interventions happen.

- **Lifelong learning is the key to secure employability**. The current and future employees need to continuously update their skills and acquire new skills to stay relevant on the labour market. Skills become obsolete when one stops learning, and it is true for all dimensions of life and work. The gains from investment into technology innovation can be achieved only if there are enough people with the right skills to make best use of it. It is vital to encourage more organisations to offer training and skills development for the employed individuals to fully embrace the new solutions and to deploy them as fast as possible.

- **Teachers, educators and trainers** should also benefit from the modernisation of education and training systems, and receive up to date training, coaching or additional education supported by the EU interventions. It is even more critical to enable 'train-the-trainer' programmes to ensure skills proliferation at scale.

- A **high-quality assurance of training provided is of the utmost importance,** ideally digital skills training should be authorised or certified by relevant public or private entities, and compliant with the European standards (such as the European e-Competence Framework etc.).

- The real market cost of training related to ICT is high. Therefore, **the EU rules applicable to funds and programmes need to reflect market reality** as much as possible, also taking into account better and more transparent planning of the calls for proposals.

- There is a need for **greater engagement of the private sector**. Partnerships with the private sector actors (potential employers, private education and training providers) ensures market relevance, faster and more efficient technology and know-how transfer from the industry to academia, education institutions and better-fitted skills acquisition by the students and educators.

- DIGITALEUROPE strongly **supports the synergies: complementing priorities and corresponding objectives between different EU funds and programmes in the area of digital skills** visible in the proposals for the next long-term EU budget.

DETAILED RECOMMENDATIONS FOR EU FUNDS AND PROGRAMMES

1. European Social Fund+

DIGITALEUROPE welcomes the proposal for the European Social Fund Plus (EFS+), Europe's main instrument for investing in human capital. We recognise the ESF+ contribution to increasing socio-economic convergence between Member States since its creation in 1957. As one of the Structural Funds, the EFS+ is perfectly designed to link the European Union's priorities and national conditions. Every year tens of thousands of local, regional and national employment-related projects co-funded by the EFS are directly reaching millions of Europeans.

It is important that in the perspective 2021-2027 the ESF+ fully achieves its specific objectives and potential blockers are eliminated. The co-funded programmes in shared management should address the accelerating pace of technology innovation, the demographic and socio-economic challenges in Europe, the digital transformation, and the 4th industrial revolution that all together result in new business models creation and unprecedented market disruption.

At DIGITALEUROPE, we think the recipe for today's challenges on the labour market is to concentrate on lifelong learning and education and training modernisation in order to offer Europeans of all social and demographic groups the basic, medium and advanced digital skills they need to be successful in both private and professional life. We also believe that the ESF+ should be an instrument of support not only for the less developed regions of the EU. The exact same challenges are affecting all Member States, regardless if they are more or less developed compared to the EU average.

Specific recommendations for the European Social Fund+

DIGITALEUROPE recognises **the enormous potential of the ESF+** with its proposed budget of €100 billion (in current prices) for 2021-2027 **for boosting employability and improving the education and training systems**. Moreover, shared management increases ownership of the EU objectives, as the Member States also contribute with national budget allocation and share the decision-making power and responsibility together with the European Commission.

DIGITALEUROPE strongly welcomes the European Commission's **efforts to simplify and enhance synergies** between complimentary EU instruments aimed at investing in people in the next long-term EU budget 2021-2027. We consider as positive development that following funds and programmes: the Youth Employment Initiative (YEI); the Fund for European Aid to the Most Deprived (FEAD); the Employment and Social Innovation (EaSI) programme and the Programme for the Union's action in the field of health (the Health Programme) will be **merged into the ESF+**. Also, we **support the measures** taken by the European Commission **to speed up the ESF+'s implementation by decreasing some administrative requirements**, for instance dropping the requirement to notify the designation of managing authorities to the EC.

As the **digital skills** are widely recognised as **fundamental for employability of all Europeans**, DIGITALEUROPE strongly welcomes the definition of **'key competences'** whereby digital, technology and engineering have been listed. We consider it to be an excellent way to recognise these skills' **value on the labour market**, and not only in the information and communications technology industry, but in practically every other sector across the entire economy (vide: Digital Single Market).

DIGITALEUROPE urges the Council, the European Parliament and the Member States to **continue ensuring that the ESF+ will support digital skills development on basic, medium and advanced levels**. It is clear that while the basic digital skills are 'a must' for every European in order to be an active citizen of the society, only the basic skills will not be sufficient for any effective employability programmes in the era of digital transformation and industry disruption. All ESF+ interventions should start with basic digital skills but cannot stop at it. In particular, many target audiences will require increased efforts to bring them up to speed with skills sought after by potential employers (i.e. blue-collar workers in restructuring industries, migrants, young NEET's etc.). In fact, by 2021 many Millennials, from a digital native generation, will enter the labour market and the support required for them will much go beyond the basic digital skills.

DIGITALEUROPE strongly **welcomes all proposed specific objectives** of the ESF+. We applaud the specific objectives enumerated in Article 4 (1): (iv) "*improving the quality, effectiveness and labour market relevance of education and training systems, to support acquisition of key competences including digital skills*" and (vi) "*promoting lifelong learning, notably flexible upskilling and reskilling opportunities for all taking into account digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility*". We consider these objectives as highly relevant for the labour market of tomorrow and for the digital transformation affecting the work of the future.

The era of employment for life is long over. The average person changes jobs at least several times during his or her career, therefore **current and future employees need to continuously upskill and/or acquire new skills to stay up to date and stay employable**. Never the essence of 'lifelong learning' has been of a greater importance. It is vital not only to promote lifelong learning, but also encourage more enterprises to offer training for the employed individuals as part of their continuous employees' skills development plans. It is important for the ESF+ and national instruments act upon reskilling the employees as in 2017, only 21% companies in the EU provided ICT training to their personnel[1]. **To encourage more SME's** (startups in particular) **to invest more into employees' skills development, w**e strongly recommend **state aid exemption for any SME that will receive ESF+ support to train their employees.** The European Union needs to be bold in helping SME's become more competitive in the global digital economy by providing more flexible state aid schemes for training. Therefore, more effective lifelong learning policies for SME's should be applied at the EU and national levels.

1DESI 2018, Eurostat, available online: http://ec.europa.eu/information_society/newsroom/image/document/2018-20/2_desi_report_humancapital_B5DC055D-DD1E-51CD-229138BE55F9AE8A_52247.pdf

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We welcome the emphasis in the proposal on **flexible upskilling and reskilling opportunities for all, taking into account digital skills**.

DIGITALEUROPE would like to highlight the importance of a **high-quality assurance in training.** We would like to suggest inclusion of recognised industry-led certification into training opportunities provided by the ESF+. Certification offers a common language and facilitates the comparison of different qualifications awarded in Europe and globally. Specifically, for ICT related training, the **industry-led certification** is an efficient way to validate training programmes' quality. There is an increased correlation between the training delivered and the acquired skills' validation through a certification. Quality training delivered by experienced instructors allows students to be successful at passing certification exams and provides potential employers with practical means to evaluate candidate's actual skills and competences. Industry-led certification ensures the transfer of up to date technology knowledge directly from and by technology creators. Moreover, industry skills recognition makes it transferrable immediately across the EU and beyond. Most of the industry-led certification are already or should become compliant with the European standards, such as the European e-Competence Framework etc.

DIGITALEUROPE supports the proposed types of financing for grants including the use of lump sums, flat rates and unit costs, as well as financing not linked to costs as envisaged. At the same time, we would like to point out that **the real market cost of training related to ICT is high** (applicable for the medium and advanced digital skills needed for reskilling the workforce and the unemployed). ICT related training cost at medium and advanced levels is significantly higher than the average of CVT (Continued Vocational Training) as reported by Eurostat, which calculates together in one category a variety of training types: basic, soft skills, non-certified, certified etc.)[2]. Therefore, relevant employability programmes that are co-funded by the ESF+ and include medium and advanced digital skills training should provide more flexible measures for lump sums, flat rates and unit costs. We recommend such programmes to rely on draft budgets designed on case-by-case basis, as opposed to rely on simplified statistical or historical data. It is especially valid for programmes that are innovative and applies training schemes that have not had any prior data.

The digital skills gap applies not only to the lack of skills among the unemployed, candidates and current employees. **Teachers, educators and trainers should also benefit** from the modernisation of education and training systems and receive up to date training, coaching or additional education.

The **eligibility and financing rules** such as unit costs and/or lump sums applicable in the EU policies and projects are often directly incorporated by Member States as rules applicable in their own national programmes funded fully by national sources. It is key to ensure that those **EU rules reflect market reality** as much as possible, such that the financing guidance takes into consideration the real market cost of ICT training due to reasons mentioned above, as well as importance of providing digital skills training on all levels from basic, through medium to advanced. Other biding documents following the ESF+ regulation such as implementing provisions, national eligibility rules and programme guides should follow this regulation, without creating additional national rules and

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2 Eurostat, Cost of CVT courses by type and size class - cost per training hour, available online: http://ec.europa.eu/eurostat/web/products-datasets/-/trng_cvt_20s

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administrative burden, as those are obstacles preventing the Fund from achieving its objectives and limit its efficiency.

We urge the Member States to **design their national eligibility rules in a forward-looking manner and consider allowing innovative education and training operating models becoming part of the national systems**. We welcome open and transparent rules for eligibility of private training providers that are based on international standards (such as ISO for education and training providers) as opposed to using archaic and regional rules allowing only regional or local training providers to register and be eligible for government or EU funding. We acknowledge the need for training programmes to be local and close to the beneficiaries, however limiting eligibility rules only to local or regional providers is not relevant in the global economy and prevents the same beneficiaries from accessing most up to date and innovative skills, that usually are offered by technology creators or international private education and training providers.

We strongly call for **increasing the minimum thresholds for unit costs in the case of technology-based training (medium and advanced digital skills training)** due to the increase in average unit cost per hour observed over the past few years. In June 2018 the average EU training direct cost per hour has been at the level of €25[3] as compared to the average training unit cost for 2014-2020 that has not exceeded €13-15 across all the countries implementing ESF.

Having the EU subsidiarity principle at heart, DIGITALEUROPE believes that the adjustment of the average training unit cost per Member States should not always rely only on country specific statistics and/or historical data, since some of the less developed markets data is well below the EU average. Especially, in the area of advanced technology innovation training and employability programmes the cost of specialised training delivery is not going to be less expensive in less developed Member States and will continue to present similar cost or even higher as in the rest of the more developed Member States. Therefore, significant decrease in training unit cost eligible for ESF+ support in some of the Member States based only on their statistical data will equal blocking these countries' population from accessing the best in class knowledge and skills and will continue delaying their convergence with the rest of the EU territories.

DIGITALEUROPE recommends **expanding the list of eligible contributions from a third party for the benefit of the participants** - Article 14 (2). We believe that contribution in kind coming from third party organisations in the form of tangible assets or intangible assets of a fixed value, especially from the private sector actors, may significantly increase the project added value and therefore should be considered as eligible for support. With the skills gap having a real impact on private sector, we are seeing more and more private stakeholders willing to contribute in this area and as such those stakeholders should be eligible for complimentary support and encouraged to provide meaningful contribution to the EFS+ beneficiaries.

DIGITALEUROPE would like to encourage **engaging more private sector in the implementation of the ESF+** to ensure market relevance, access to the latest technology solutions and quality assurance of the interventions. The partnership with relevant private sectors stakeholders should help with faster

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[3] Eurostat 2018: Cost of CVT courses by type and size class - cost per training hour Jun-18:
 http://ec.europa.eu/eurostat/web/products-datasets/-/trng_cvt_20s.

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technology knowledge transfer to the labour market. Private sector is defined here as both potential employers and/or technology creators/providers as well as private education and training providers. Regarding the proposed operational objectives of the ESF+, DIGITALEUROPE would recommend to also support the networking, sharing, development and co-design of employment and social innovation best practices, role models and technology transfer **allowing commercial models to become affordable and socially purposeful**. The commercial training and recruitment models (such as hire-and-train models) in which potential employers are investing into sourcing and training candidates before hiring them, are examples of a solution to bridge the skills gap on the market. Usually such solutions are affordable for big multinational enterprises. SME's continue to suffer from difficulty to hire well-skilled candidates. The EFS+ should enable experimenting with such employability programmes, partnering between private and public actors to scale such solutions and make it affordable for SME's. Successful commercial training and recruitment models should be eligible for EFS+ support to transfer the know-how and allow SME's access such solutions at a lower cost compared to market conditions for big multinational enterprises.

DIGITALEUROPE strongly **supports the synergies between different EU funds and programmes in the area of digital skills**. We endorse the possibility for programmes in Member States to continue to combine ESF+ and ERDF funding through multi-fund programmes. We welcome corresponding objectives in the ESF+ and Erasmus and efforts to enhance cooperation between both instruments. Complementarities and synergies between the ESF+ and the Digital Europe Programme should be ensured to the benefits of both programmes, providing all Europeans with the digital skills (including the medium and advanced digital skills) needed to progress their careers, and reskill from other professions onto digital labour market.

2. European Regional Development Fund

DIGITALEUROPE strongly welcomes the proposal for the European Regional Development Fund (ERDF) for the period 2021-2027. The ERDF aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. Management of the ERDF is shared between the EU and the Member States, with individual EU countries distributing funds and managing expenditure.

Specific recommendations for the European Regional Development Fund

DIGITALEUROPE believes that with the proposed more than €190 billion for 2021-2027 allocated in the ERDF, the Fund can significantly contribute to reducing unemployment by helping people with acquiring job-ready skills and by boosting competitiveness of enterprises and advancing their digital transformation. Most relevant for digital skills investment from five main objectives of the Structural Funds are "objective 1"- "Smarter Europe" and "objective 4" on "implementing the European Pillar of Social Rights".

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As a largely infrastructure and productive investment fund, the ERDF has received in the new proposal a significant enhancement by adding **the support for education, lifelong learning and training into its portfolio of interventions**. DIGITALEUROPE strongly welcomes this positive adjustment as it enables **both ERDF and EFS+ complementary priorities in a shared management structure**.

DIGITALEUROPE endorses the interlinks between specific objectives and policy objectives of the ERDF, especially reflected in the Article 4 (1) "Scope of the support from the ERDF": "*In order to contribute to the specific objective under PO 1 set out in point (a) (iv) of Article 2(1), **the ERDF shall also support training, life long learning and education activities***". We welcome the recognition of training, lifelong learning and education as an important area of investment and strengthening the ERDF's capacity to support it. It is important that Member States take advantage of this opportunity (in addition to the infrastructure investment). We would like to highlight the value of the digital skills development as they are transversal skills required in the digital transformation era to achieve social and economic change, employment, technology innovation, facilitating career transitions in the Digital Single Market, social and digital inclusion and active citizenship.

Member States should acknowledge and prioritise the investment related to **the digital transformation**, the 4th industrial revolution and digital inclusion. Digital transformation and the 4th industrial revolution are affecting every aspect of socio-economic life in Europe. It is imperative for ERDF and all other EU programmes and funds to support Member States' ambitions for catching up and enabling further development and competitiveness in the economy undergoing innovation and disruption at an unprecedented pace.

The infrastructure investment representing innovative technology solutions, can only be successful if next to the incremental spend on infrastructure, a comprehensive education and training activities are planned to secure smooth technology adoption and usage. **Personnel affected by the innovative infrastructure investment needs to be provided with training plans to fully embrace the new solutions and to be able to deploy it as fast as possible** (i.e. hospital equipment investment combined with a thorough training plan for the technology end users: doctors, nurses and other hospital personnel).

Digital inclusion is key for the prosperity in Europe. All Europeans should benefit from the digital world, which provides unparalleled opportunities for self-development and creates challenges for those who don't have digital skills. ERDF specific objectives should incorporate digital inclusion as one of the important components of investment across the infrastructure, employment and education, training and lifelong learning. Capturing digital inclusion in the ERDF actions should help preventing the raise of a digital divide on the labour market, in education and in the society in general.

DIGITALEUROPE welcomes the **support for the European Urban Initiative**. Urban areas represent the highest concentration of population, skills, jobs and opportunities. Successful European Urban Initiative should account also for the training and education component to facilitate urban population continuing to be the learning population and increase the levels of education and

lifelong learning as new technologies and innovation are being introduced in these areas at fastest pace.

3. Regulation laying down common provisions on the ERDF, the ESF+, the CF, and the EMFF – "the Common Provisions"

The comments below are applicable to the proposal for the regulation laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.

The proposal for the regulation on Common Provisions sets out rules for the period 2021-2027 for seven European Funds delivered through shared management to ensure their coordinated and harmonised implementation. In the context of the digital skills the proposed regulation shapes financial rules and common provisions applicable to the two most significant funds: the European Social Fund+ and the European Regional Development Fund.

Specific recommendations for the Common Provisions

DIGITALEUROPE welcomes the simplification from eleven to five thematic objectives for the shared management funds. **The proposed five thematic objectives reflect the most current challenges for the EU** integration and the Digital Single Market implementation.

We find **the in-depth mid-term review in 2024 as a pivotal solution for the MFF** to become flexible enough and accommodate any future challenges should they occur in the course of the MFF implementation.

We strongly **support the simplification of financing rules**, especially when it comes to grants and operations not exceeding €200,000.00 (which is a 100% increase vs. the previous CPR 2014-2020: vide €100,000.00 limitation for lump sums).

We **urge for the Common Provisions to enable better rules for the call for proposals planning on annual basis**. As early as possible, the calendar of upcoming calls for proposals should be published to allow as many potential applicants and consortia to consider project submission.

Publication of annual calendar should be combined with allowing for more time to prepare proposals once the official call is published. Extending the minimum timeframe for the publication of the call for proposals' summary will increase the chances **to receive more proposals representing highest quality and achieving the best results of an intervention**.

We would like to highlight **the importance of calculating the rates for unit costs, flat rates and lump sums based on real time market situation and pricing for services delivery**. Today's labour market is being disrupted by the digital transformation and 4th industrial revolution. As one of its biggest challenges is the digital skills gap, we should anticipate a greater focus on digital skills projects that aim at equipping Europeans with skills most relevant for the employers and providing the

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candidates with a skillset helping them to land a job. The real market cost of ICT related training at medium and advanced levels is significantly higher than the average of CVT (Continued Vocational Training) as reported by Eurostat, which calculates the rates by including in one category a variety of training types (basic, soft skills, non-certified etc.)[4]. The cost of training in digital, especially for advanced digital skills, is higher than for other training due to: scarce number of specialised teachers/educators, equipment required for training reflected in cost of facilities, higher cost of manuals that accompany trainings and finally cost of certification exams (for both teachers and student after the course).

We strongly **call for increasing the minimum thresholds for unit costs in the case of technology-based training** (digital skills training) due to the increased average unit cost per hour over the past few years. In June 2018 the average EU training direct cost per hour has been at the level of €25[5] as compared to the average training unit cost for 2014-2020 that has not exceeded €13-15 across the all countries implementing ESF.

4. Digital Europe Programme

DIGITALEUROPE welcomes the Digital Europe Programme. This new instrument is an important step for the European Union to deliver on the digital transformation, the Digital Single Market and a competitive Europe.

DIGITALEUROPE recognises the need to address cooperatively and in a coordinated way the issue of critical investments in several digital challenges: artificial intelligence, cybersecurity, advanced digital skills, high performance computing and interoperable solutions in areas of public interest. Without a joint action at the EU-level, these investments may not happen to the scale needed. Multi-lateral coordinated action can also foster a more balanced geographical distribution of investments across the Union.

Specific recommendations for the Digital Europe Programme

DIGITALEUROPE **supports the first ever programme with a clear objective of promoting advanced digital skills**, focused on those related to the programme's scope, namely high-performance computing, big data analytics, cybersecurity, distributed ledger technologies, robotics and artificial intelligence.

DIGITALEUROPE acknowledges that all pillars of investment covered by the Digital Europe Programme are interlinked and interdependent. However, **the proposed budget of nearly €700 million for skills** (representing around 7% of the Programme's total amount of €9.2 billion), **seems**

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[4] Eurostat, Cost of CVT courses by type and size class - cost per training hour: http://ec.europa.eu/eurostat/web/products-datasets/-/trng_cvt_20s
[5] Eurostat 2018: Cost of CVT courses by type and size class - cost per training hour Jun-18:
http://ec.europa.eu/eurostat/web/products-datasets/-/trng_cvt_20s.

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rather low considering that the overall Programme's budget will be divided by 27 Member States and also taking into account the high cost of such specialised trainings/courses (consider relatively higher cost of advanced technical training given scarce trainer resources and the cost of knowledge transfer in the area of innovation technologies), etc. Digital skills are of major importance to transform European businesses to the digital realm.

DIGITALEUROPE welcomes the proposed actions for financial intervention to reinforce advanced skills capacity building, namely advanced technical training, traineeships, bootcamps and master/specialised courses. It should be noted that ensuring **a high-quality assurance of such courses is of the utmost importance**: ideally, training should be authorised or certified and compliant with the European standards (such as the European e-Competence Framework etc.). Close collaboration and/or co-accreditation of industry-led certification as well as alignment with the NQF/EQF based qualifications should be encouraged. At DIGITALEUROPE we strongly believe that only close collaboration with the digital industry in the area of technology and skills diffusion can guarantee success of the Programme's interventions as well as smooth and fast knowledge transfer to the market. Therefore, the Programme's interventions should be validated for the quality, possible redundancy of efforts, and actively seeking synergies with other developments in the technology innovation arena.

Students, IT professionals, the workforce, entrepreneurs, SME leaders and graduates are among the target groups that will be able to benefit from the Programme's actions for advanced digital skills. DIGITALEUROPE would like to encourage to **put emphasis and to include teachers, trainers and educators in those target groups**. It is important to help education and training systems to build capacity for effective teaching of advanced digital skills. One of the key components of the program should be also the 'train the trainer' type of activities in order to scale the advanced digital skills across broadest population possible.

DIGITALEUROPE **endorses the idea of establishing a network of Digital Innovation Hubs (DIH)**. Legal entities wishing to take up the role of a DIH will be designated or selected through an open and competitive procedure, under the criteria suggested in the proposal. The DIH network should be designed based on the principle of working hand-in-hand with industry representation in order to support the skills relevant for the industry needs. It is suggested that each DIH should incorporate industry representation as key partners to ensure innovation technology transfer at fastest pace.

DIGITALEUROPE **supports the proposal of including in the implementation** of the Digital Europe Programme co-investments with Member States and, when needed, with **the private sector**. The financial support to third parties provided by the Digital Innovation Hubs is foreseen to fulfil the objective 4, advanced digital skills.

DIGITALEUROPE strongly supports the aim of **Digital Europe Programme to be complementing other EU funds and programmes in the area of digital skills**. Specifically, we welcome corresponding objectives in the European Social Fund+ and Erasmus. At the same time, we strongly urge the European Social Fund+ to support not only the basic digital skills as they will not be sufficient when it comes to effective employability local or regional programmes. It is advised for the Digital Europe Programme's regulation to directly link and complement the pan-European efforts for bridging the

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advanced digital skills gap with the European Social Fund+ objectives and initiatives, supporting the youth, unemployed and any kind of underprivileged with relevant digital skills, including the medium and the advanced digital skills to progress their careers and/or reskill from other professions onto the digital labour market.

Overall, DIGITALEUROPE considers the European Commission's proposal for a regulation establishing the Digital Europe programme for the period 2021-2027 as positive and **we kindly urge the Council and the European Parliament to safeguard – or even to increase – the proposed budget**.

5. Erasmus programme

The proposal for a regulation establishing 'Erasmus': the Union programme for education, training, youth and sport and repealing Regulation (EU) No 1288/2013 earmarks €30 billion for 2021-2027. The Erasmus programme is best known for its mobility component which offers young people possibility to study, train, gain work experience and volunteer abroad. The programme also facilitates transnational partnerships, cooperation for innovation, exchange of good practices and policy reforms. With policy objectives in the field of education and training, the programme has a huge potential for improving education systems across Europe.

Specific recommendations for Erasmus Programme

DIGITALEUROPE welcomes the increase in budget for Erasmus programme. We strongly support the long-standing track record of Erasmus in **helping Member States to modernise education systems in Europe and enable Europeans' mobility**.

Overall, we would like to **highlight the need for greater engagement of the private sector** as essential for more comprehensive partnership that can ensure market relevance, faster and more efficient technology and know-how transfer from the industry to academia, education institutions and back to the industry, as well as better skills acquisition by the students and educators. Private sector actors should represent both potential employers and private education and training providers.

With the continued attention to quality assurance and high-level education methodology scrutiny, the Member States should not skip on following **the disruption happening in the education industry due to the digital transformation**. The formal education has been hugely enriched by **private education and training providers** experimenting with curriculum and education delivery modalities and mechanics. Globally recognised universities and institutes are partnering today with private industry to enable more people accessing knowledge anytime anywhere. Innovators such as EdX, Coursera, Khan Academy, OpenClassRooms etc. are significantly changing the learning ecosystem. Europe has to catch up and benefit more from such innovation solutions in order to keep up and continue to compete in the global economy for talent, skills and workforce quality.

We strongly believe that **a default partnership with private sector** will speed up and make effective **an innovation transfer and reality check** vs. the labour market's requirements. A minimum one

private sector actor shall be included in every consortium formed to deliver on projects' objectives (in particular for the 'Key Action 2'). Such requirement should help achieve the programme goals such as **equipping Europeans with the skills needed in a society that is increasingly mobile, multicultural and digital, ensuring quality and market relevance** of above-mentioned actions.

Among education and training providers for the actions under 'Key Action 3', special focus should be paid to **the private education and training providers and the so called EdTech startups environment**. EdTech industry is a dynamic and vibrant ecosystem that innovates in the area of education delivery modalities as well as **disrupting the ways people are learning new skills and apprehending the knowledge**. It allows students to access curriculum at their own pace and from anywhere and anytime they want.

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ABOUT DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies.

DIGITALEUROPE's members include in total over 35,000 ICT Companies in Europe represented by 63 Corporate Members and 39 National Trade Associations from across Europe. Our website provides further information on our recent news and activities: http://www.digitaleurope.org

DIGITALEUROPE MEMBERSHIP

Corporate Members

Adobe, Airbus, Amazon, AMD, Apple, Bosch, Bose, Brother, Canon, Cisco, Dell, Dropbox, Epson, Ericsson, Fujitsu, Google, Hewlett Packard Enterprise, Hitachi, HP Inc., Huawei, IBM, Intel, JVC Kenwood Group, Konica Minolta, Kyocera, Lenovo, Lexmark, LG Electronics, Loewe, Mastercard, Microsoft, Mitsubishi Electric Europe, Motorola Solutions, MSD Europe Inc., NEC, Nokia, Nvidia Ltd., Océ, Oki, Oracle, Panasonic Europe, Philips, Pioneer, Qualcomm, Ricoh Europe PLC, Samsung, SAP, SAS, Schneider Electric, Sharp Electronics, Siemens, Sony, Swatch Group, Tata Consultancy Services, Technicolor, Texas Instruments, Toshiba, TP Vision, VMware, Western Digital, Xerox, Zebra Technologies.

National Trade Associations

Austria: IOÖ
Belarus: INFOPARK
Belgium: AGORIA
Bulgaria: BAIT
Croatia: Croatian Chamber of Economy
Cyprus: CITEA
Denmark: DI Digital, IT-BRANCHEN
Estonia: ITL
Finland: TIF

France: AFNUM, Syntec Numérique, Tech in France
Germany: BITKOM, ZVEI
Greece: SEPE
Hungary: IVSZ
Ireland: TECHNOLOGY IRELAND
Italy: Anitec-Assinform
Luxembourg: APSI
Lithuania: INFOBALT
Netherlands: Nederland ICT, FIAR **Poland:** KIGEIT, PIIT, ZIPSEE
Portugal: AGEFE
Romania: ANIS, APDETIC

Slovakia: ITAS
Slovenia: GZS
Spain: AMETIC
Sweden: Foreningen Teknikföretagen i Sverige, IT&Telekomföretagen
Switzerland: SWICO
Turkey: Digital Turkey Platform, ECID
Ukraine: IT UKRAINE
United Kingdom: techUK

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