Digital Innovation Hubs in Digital Europe Programme – Current status

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Questions?

Please use the chat!

(will answer at the end)

European Commission

To help businesses big and small to harness the full potential of AI, we will invest in a network of local digital innovation hubs and in centres of excellence for advanced research and education.

Digital Innovation Hubs are at the core of European digital policy
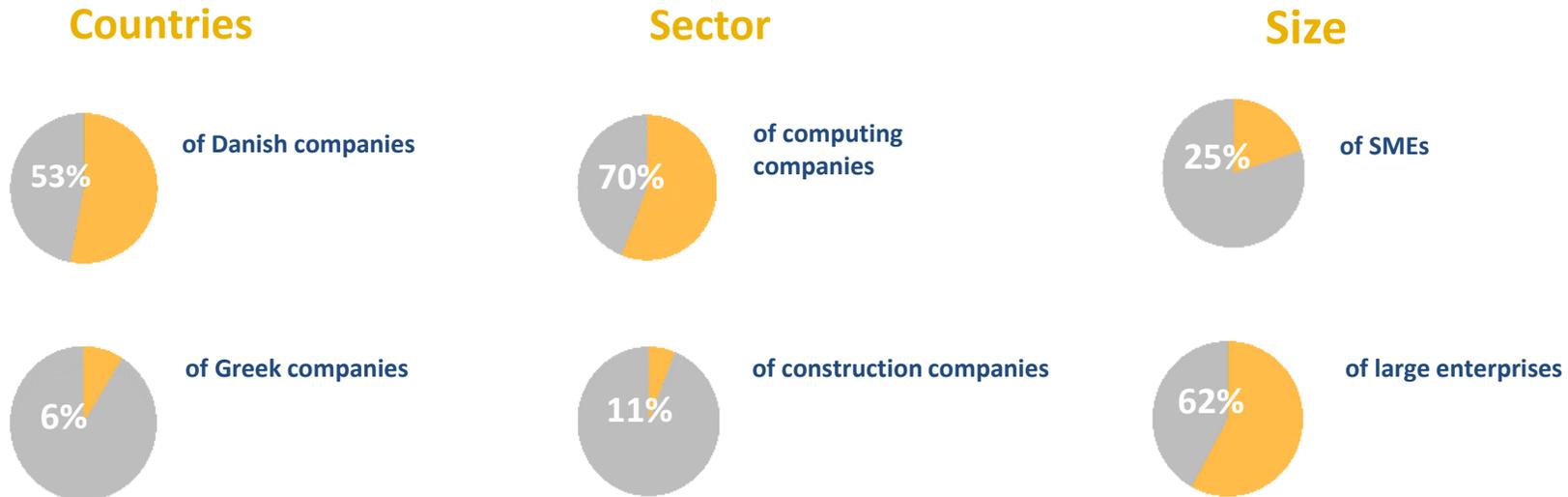
Enterprises with High levels of Digital Intensity

Year:2019

European Commission, Digital Scoreboard
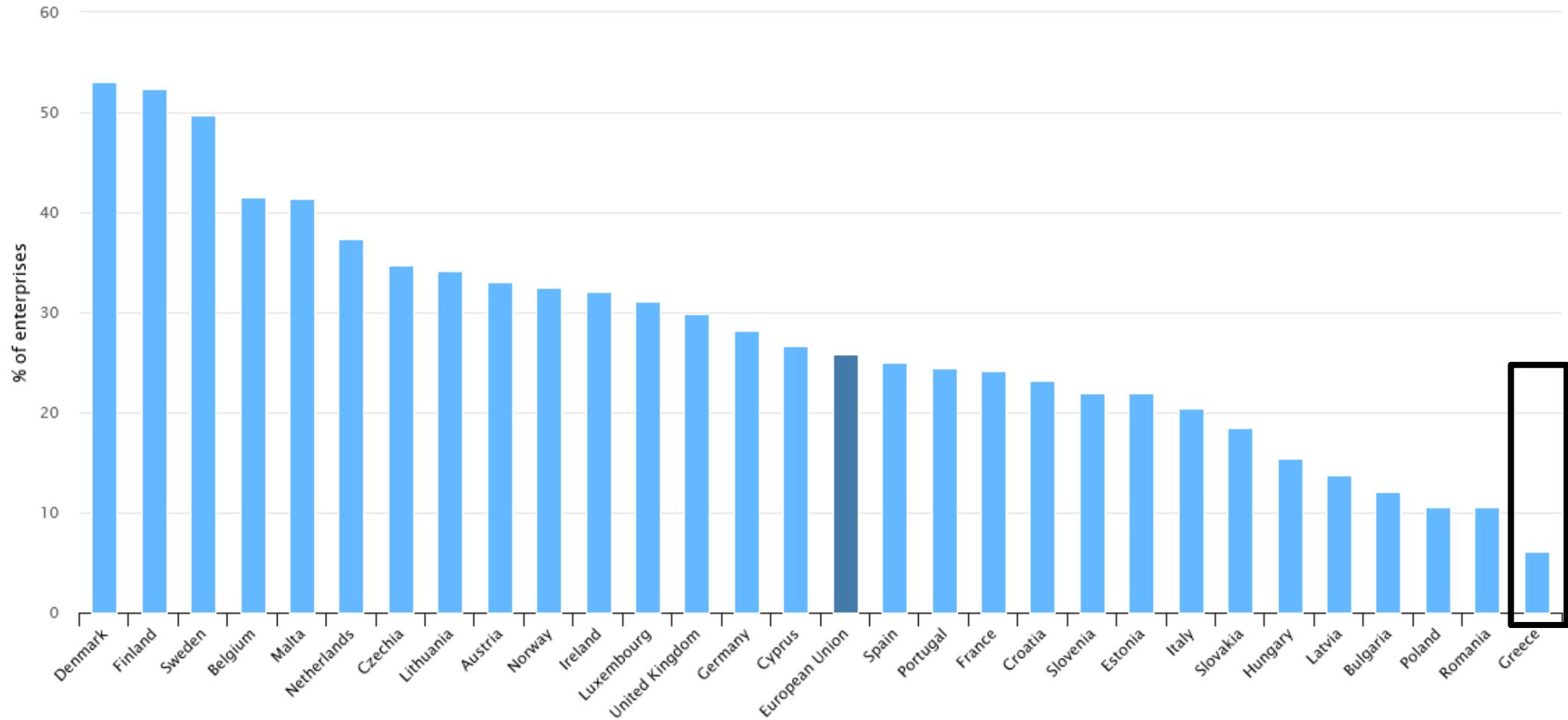
European Digital Innovation Hubs provide technological expertise and experimentation facilities to enable the digital transformation of the industry and the public sector
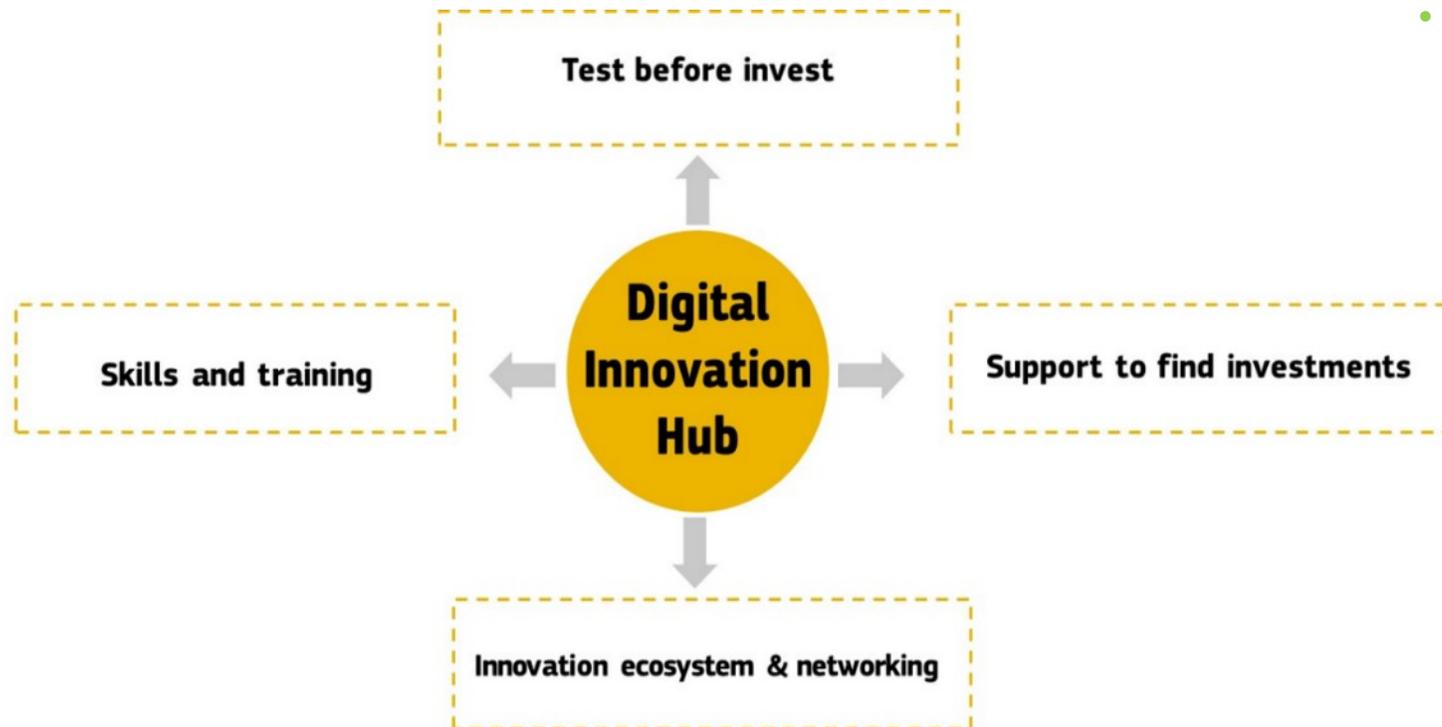
- **Typical participants:**

  - **Research and Technology Organisations, Technical Universities**
  - **In collaboration with:**
    - **Industry associations**
    - **Clusters**
    - **Enterprise Europe Network**
    - **Accelerators/Incubators**
    - **Innovation agencies**
    - **Vocational training institutes**

- **A geographically spread network of up to 240 EDIHs**

EDIH means more than "DIH 2.0"

Digital Innovation Hubs in Horizon 2020

- *€500 million EU funding for DIH 2016- 2020*
- *Support to more than 2000 Start-ups, SMEs and mid-caps to test digital innovations*
- *in collaboration with more than 200 Digital Innovation Hubs across the EU*
- *Coaching more than 60 potential Digital Innovation Hubs in regions with slower adoption of digital technologies, with focus on Central and Eastern Europe*

European Digital Innovation Hubs in the Digital Europe programme

- *From **support** to **capacity building***
- ***Co-funding** from Member States*
- *EDIH "within working distance" for every company in EU*
- *E-government targeted*
- *Environmental aspects*
- ***Member States in the selection process***
- *European network*

Not bad, but how many companies are there in the EU?

European Commission

The "EU-local" approach

SME

Local DIH

DTA

Digital Transformation Accelerator

European Network
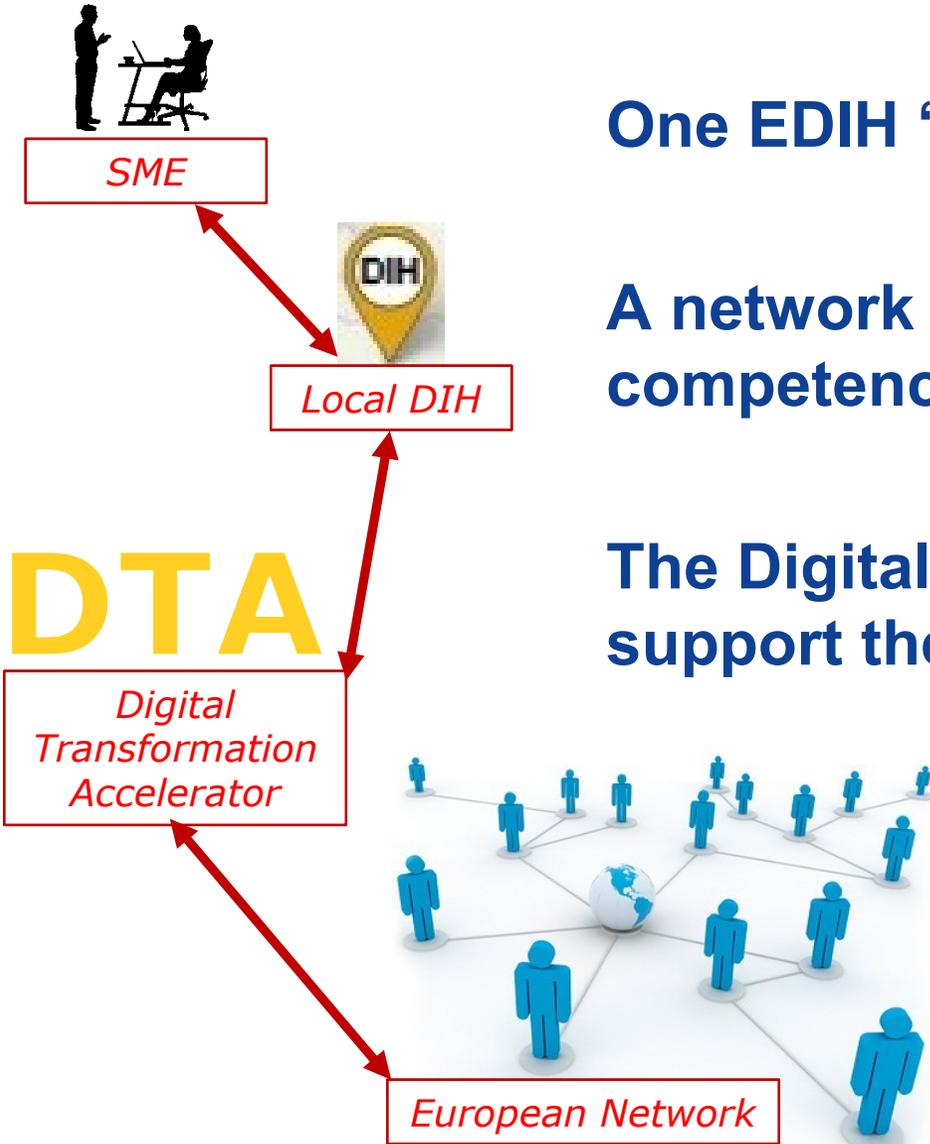
One EDIH "within working distance" for every business in EU

A network to put any company in contact with the competence they need, wherever in the EU

The Digital Transformation Accelerator will build, grow and support the network

Allocated at European level

Horizon Europe: Support to SMEs and mid-caps to experiment with highly innovative digital technologies in a cross-border setting. European Digital Innovation Hubs and others may apply for these grants, and cascade a large part of the funding to SMEs.

Digital Europe: Support to the facilities and personnel of the European Digital Innovation Hubs, to build capacity in Europe to diffuse digital innovations across SMEs and administrations.

InvestEU: Incentives and risk reduction programmes to help companies find follow-up investment to further complete their digital transformation. The work of the digital innovation hubs will diminish the knowledge gap that exists.

Allocated at national level

European Regional Development Fund: Investments allocated by the Member States to build-up or strengthen the Digital Innovation Hubs infrastructures in their territories and reduce the digital divide. ERDF can be used by Member States to co-invest on EDIHs in Digital Europe.

European Agriculture Fund for Rural Development: Investments allocated by Member States to foster knowledge transfer and innovation in agriculture, forestry and rural areas. EAFRD can be used by Member States to co-invest on EDIHs in Digital Europe.

Continuation of initiatives like I4MS

European Commission

Funding programme focused on building the strategic digital capacities of the EU and on facilitating the large scale deployment of digital technologies, to be used by Europe's citizens and businesses

What?

Original proposal

€9.2 billion in total

Digital transformation & Interoperability
€1.3 billion

Advanced digital skills
€0.7 billion

High performance computing
€2.7 billion

Cybersecurity & trust
€2 billion

Artificial intelligence
€2.5 billion
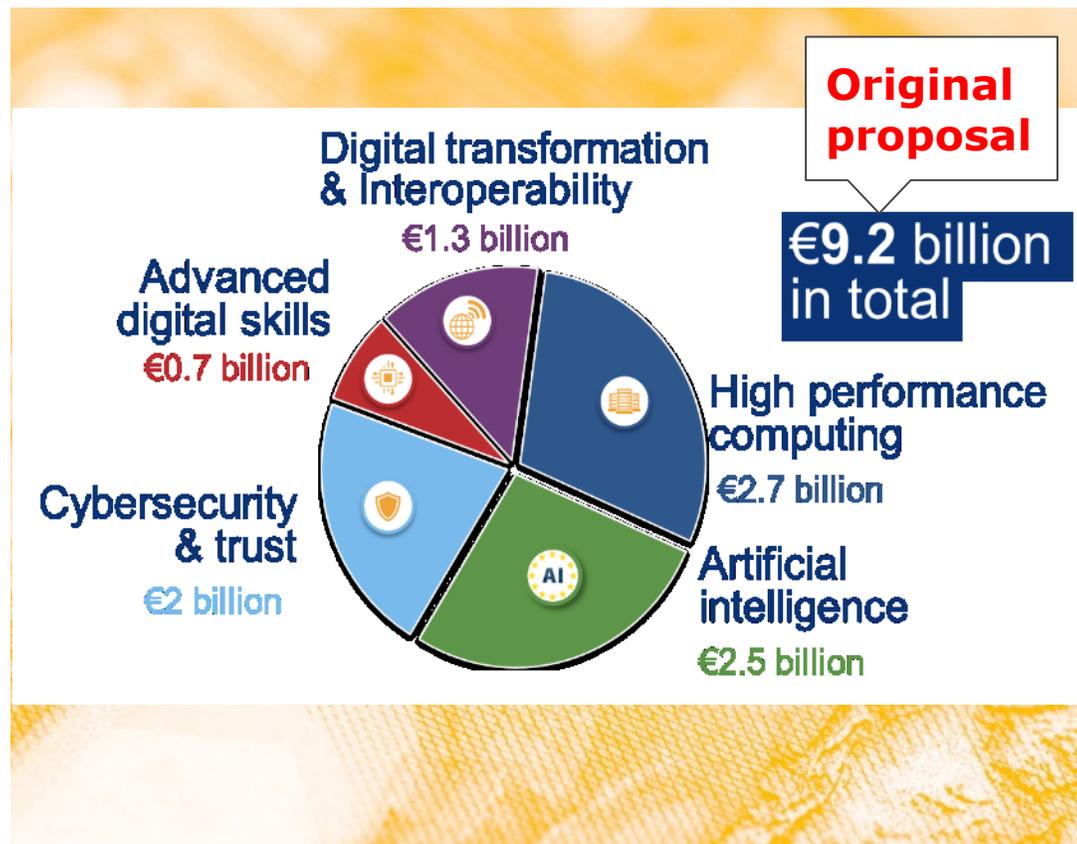
Why?

Compete globally
- Other regions of the world invest huge amount of public capital in advanced technologies. For example, the US and China spend € 10-20 billion annually on AI alone

Achieve scale through collective co-investments
- Given the size of investments needed, scale required and risks involved Europe needs to pool the resources together

Regain control over Europe's value chains and ensure Europe's technological sovereignty

Better address Europe's economic and societal challenges
- E.g. climate, health, mobility and public services

Ensure broad take-up of digital technologies across all regions of EU
- In deploying latest technologies to offer best services to citizens and business

Support SMEs to acquire/access latest technologies and skills
- More than 400,000 EU vacancies in these fields

European Commission

## European Council Conclusions from the meeting of 21/7/2020:

The European Council decided that
"The financial envelope for the implementation of the Digital Europe programme for the period 2021-2027 will be EUR 6 761 million."

Compared to the EUR 8190 million (in 2018 prices) this is a 17% reduction

We do not know yet if this reduction will be passed "as is" to the EDIH budget

(but don't forget that the "Next Generation EU" recovery fund will make further €750 billion available to tackle the crisis)

European Commission
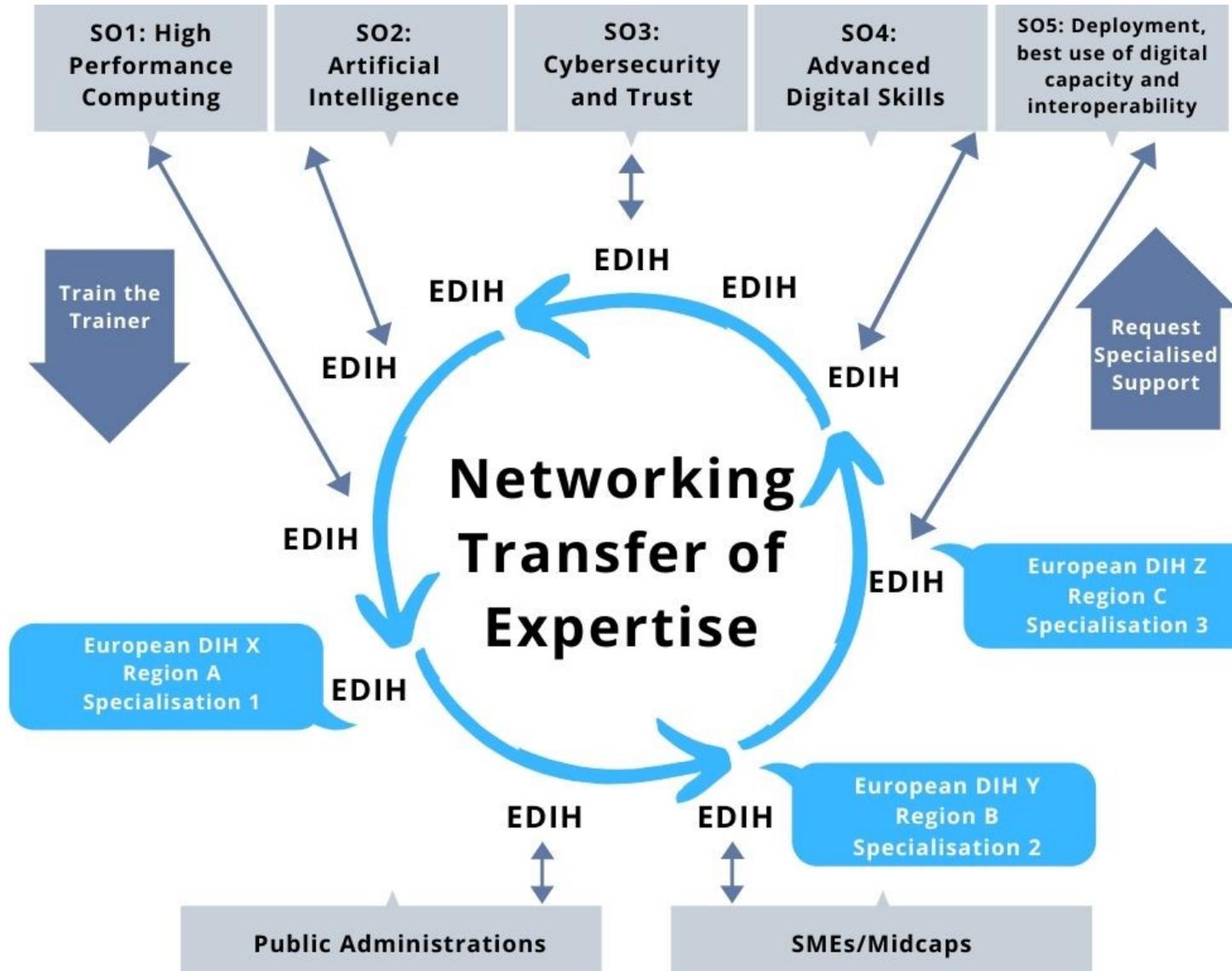
Capacity building of EDIHs:

- **Grant for facilities and people to work in the hub,** 50% co-funded EU/MS or regions (ERDF may be used)
- **Access to European capacities** for digital transformation in HPC, AI, Cyber
- **Access to knowledge and facilities** of other EDIHs

- **Supported by the "Digital Transformation Accelerator", a central node that animates the network**
  - Networking events
  - Training the hubs
  - Best practice sharing
  - Interactive map of digital capacities
  - Collaboration with EOSC (European Open Science Cloud), and other hubs not funded by DEP.
  - ....

Based on <u>existing strengths</u> and addressing <u>future needs</u> of the <u>local</u> industry or public sector organisations

DEP	Other Technologies	Application areas	Sector
AI, HPC, or Cybersecurity	Simulation Supply chain integration Blockchain Advanced Materials, …	Industry 4.0 Circular economy	Manufacturing
	Remote sensing, Photonics, Life-Science Technologies, …	Precision farming	Agri-food
	Robotics, Simulation, …	Automated building, cobots (collaborative robots)	Construction
	Digital solutions for governments, Blockchain, …	Services for citizens, once only principle	Public administration
	…		

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Which costs can be financed by a Digital Europe grant?

- **Direct and indirect** eligible costs:

    Direct costs: e.g.

    purchase of hardware or software,

    depreciation of hardware or software,

    personnel costs of the EDIH for delivering digital transformation services,

    travel costs for hubs and local stakeholders to work with other hubs.

    Indirect costs = 7% of direct costs

- **DEP will cover 50% of direct and indirect eligible costs**
- Other 50% can be in-kind or cash contribution by MS, regions or private actors

For state-aid purposes: **Price list for services to-be-provided**, and estimated number of customers

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- **Number of businesses and public sector entities** which have used the European Digital Innovation Hubs' services.

- **Number of Collaborations** with other EDIHs and stakeholders outside the region at EU level and Number of Infrastructures jointly shared / joint investments.

- **Digital maturity evolution** of the entities that have been supported by the European Digital Innovation Hubs.

Exporting / Importing EDIH Excellence

Complementary competences and infrastructures.

EDIH capacity building

- Exchange of experience, good practices, and mirroring successful set-ups.
- A more mature DIH helps a less mature.
- Learning from specialists in HPC, Cy, AI.
- Advanced training, train-the-trainer.
- Use new solutions.

Local added value	European added value
Hub will improve competitiveness of local economy by stimulating digital transformation	Hubs will improve their offer by acquiring new knowledge and capacities through their participation in Digital Europe on HPC, AI, Cybersecurity, Advanced digital skills and public sector solutions
Hub has specialisation which is based on local strengths and addresses local needs	Networking of the hubs will stimulate knowledge transfer between hubs and rationalisation of investments because facilities are opened up for use outside the local boundaries. It reduces duplication and optimises investments in infrastructure
Hub is near their customers and they speak the same language	Hubs will learn from other hubs by sharing best practices, and by collaboration of hubs in case of missing expertise/facilities.
	The hub network will be a means to promote excellence developed locally to other regions in Europe; it will open new markets for the companies involved in the innovations

Member States	European Commission	Candidate Entities
	Launches the expression of interest	
Propose candidate entities through an open and competitive process		
	Adopts a Commission Decision on initial network	Are invited to virtual networking event co-organised with Luxemburg and have other networking opportunities
	Issues a restricted call for proposals	
		Submit proposals
	Evaluates proposals with external experts	
	Ranks proposals balancing geographical, technological and sectoral coverage, with advice of MS	
Endorse the ranked proposals (MS committee)		

European Commission

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Draft working document chapter 3.2.1
To be eligible, all designated entities should have:
appropriate competences ...
appropriate management capacity, staff and infrastructure ...
operational and legal means ...
appropriate financial viability ...

Draft working document chapter 3.3
The award criteria shall be defined in the work programmes, and shall take into account at least the following elements:
a) Maturity of the action in the project development;
b) Soundness of the implementation plan proposed;
c) The need to overcome financial obstacles such as the lack of market finance.

Next steps

- Finalisation of budget discussion for the next Multi-annual Financial Framework

- Communication campaign with MS to mobilise community

- Designation of hubs by MS, possibly by October 2020

- Fully digital European Digital Innovation Hub networking event: 9-10 November 2020

- Restricted call: **Q4 2020**

Frequently asked questions

Question	Answer
What about the DIH currently in the catalogue? Will they become EDIH?	Not necessarily. **An EDIH is co-financed by their country**
Can we have more hubs / less hubs than suggested by the EC?	Yes. But please avoid hubs that are too small (administration will be cumbersome) or too centralized (difficult to reach for small companies)
Which are the requirements for entities to become EDIH?	Any legal entity established in EU. We expect that most EDIH will be consortia composed of several entities with complementary roles
Can an EDIH charge for the services provided?	Yes, but the EDIH must be **non-profit**, so any profit has to be reinvested in the hub
Should EDIH be regional/local or rather specialised on a technology/economic sector?	EDIH should be **easy to reach** for local companies, and have competence in technologies most relevant for the local economy. But EDIH should **not duplicate** competences available elsewhere, and help their customers to get help from other EDIH in the network when needed

Frequently asked questions

European Commission

Question	Answer
Can the same entity be part of 2 or more EDIH?	It is preferable that one organisation is part of only one hub, where it can bring the highest added value. If the organisation has a **specific know-how** that is required also in other hubs, the different hubs can reach an **agreement for providing services** to each other.
Can the department of computer security be part of EDIH 1 while the department of robotics of the same university is part of EDIH 2?	Yes.
How many entities are needed to make an EDIH?	There is no formal constraint; an EDIH could be a single legal entity. However, **we expect that most EDIH will be consortia** putting together an university/research centre with other actors like e.g. industry associations, clusters, Enterprise Europe Network, accelerators/incubators, innovation agencies, vocational training institutes

Frequently asked questions

Question	Answer
How will an EDIH project work in practice?	Similar to an H2020 project: a **pre-financing** will be made available to kick-start the activities, then **every year there will be a review** with external experts, actual **costs will be submitted** and (if eligible and justified) will be reimbursed
How can I use at the same time money from DEP and ERDF?	DEP will pay only **half of the cost** of an EDIH. The other half can come from any other national/regional source. The obvious limit is that **double funding for the same cost element is not possible.**
Will the EU call be very competitive like H2020 calls?	This is a choice of Member States. A MS can designate only as many candidate hubs as can be funded by DEP, or can designate many more; in this second case, there will be an obvious selection.

More information

Digital Innovation Hubs
https://ec.europa.eu/digital-single-market/en/digital-innovation-hubs

Digital Innovation Hubs in Digital Europe Programme
https://ec.europa.eu/digital-single-market/en/european-digital-innovation-hubs-digital-europe-programme-0 ,
(containing also information about contact persons in the Member States and info days)

Practical handbook for investing in DIHs
https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=66604

Implementation details of European DIHs in Digital Europe Programme
https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=62936