



Roberto Viola

Director General, DG for Communications Networks, Content and Technology, European Commission

Digital Europe: key priorities and the way forward

The COVID-19 pandemic highlighted the importance of digitisation for European society and the importance for the EU to increase its strategic autonomy in tech. At the same time the efficient rollout of the vaccination campaign in Europe, combined with the impressive success of the digital Covid certificate demonstrated that Europe is at the forefront of digital innovation. 450 million certificates have been issued with more than 50 countries about to be connected or already connected to the system. This demonstrates that citizens, institutions and service providers are ready to use digital cross-border solutions.

The pandemic is not over and the work on the digital certificate is still ongoing. However, Europe is already looking ahead while preparing the proposal for the European digital identity framework. The effect of the pandemic accelerated the adoption of new online behaviours and digital transactions, highlighting the need for citizens and businesses to have access to trusted and secure digital identification means to facilitate day-to-day interactions. The European digital identity framework will offer all European citizens and residents a personal digital wallet to identify online and to share a multitude of attributes and certificates (e.g. university diplomas, professional qualifications, digital driving licenses ...). There is also a tremendous upside potential for financial institutions of using digital identity, making it easier and safer for them to on-board customers, among others.

The European Digital Identity will constitute a unified standard for digital credentials agreed with all Member States. It will not replace national eID offered by Member States, however. Where national digital identification systems are successful, they will be strengthened by the European Digital Identity framework, making them recognised throughout the EU.

The other important feature of wallets is that they allow the integration of different services on a neutral basis. There is no 'winner takes all' if everybody agree on the same standard and import different services in an open way. Open credential wallets allow different sectors, such as the automotive sector, the financial

sector, public services and health sector, address the same wallet and system by the mean of integrated ecosystem or service. This, in turn, is related to the issue of digital payments.

DG CNECT wants Europe to move quickly into the era of digital currencies and digital euro, working closely with the Department for Financial Stability and Capital Markets (DG FISMA) and the other DGs in the Commission, as well as with the European Central Bank (ECB). The time is right for having a serious discussion around a design of the digital euro that enables the digital economy. The digital Covid certificate shows that when working together, EU can create a solution that is advanced, convenient and privacy-friendly. Europe is at the forefront of the world here.

The European Digital ID is a concrete example of targets of the digital compass. The Digital Compass translates the "EU's Digital Decade: Digitally empowered Europe by 2030" ambitions into four main goals: a digitally skilled population and highly skilled digital professionals, secure and substantial digital infrastructures, digital transformation of businesses, and digitisation of public sectors.

First we need a digitally skilled population. Europe still have a large part of the population lacking basic digital skills and we need more highly skilled digital professionals: doctors that understand artificial intelligence and big data, architects that can use 3D and virtual reality to do their work, artists that can use artificial intelligence. The whole knowledge society has to move up when it comes to digital competencies.

In terms of infrastructure, the goal is for every European to be connected to 5G by the year 2030. The European Commission wants every working European to have a fibreoptic connection when they get home. To achieve that the EU needs to attract investment to be more resilient both in the telecom infrastructure as well as in the manufacturing of technologies. It involves, for instance, production of chips. Currently, European industries are suffering from shortage of chips. The EU strives to double

production in Europe by the year 2030. The same applies to edge computing, and cloud systems being much more distributed and integrated, with high computing capacity on demand with high importance for the financial, manufacturing healthcare and the automotive sector. Europe needs an open system without being dependant on a particular vendor. That is why European Commission is championing open cloud systems where users can interconnect with different cloud vendors. The diversity of supply and diversity of solutions will enhance the richness to the offering and give more comfort to the users, especially with respect to the financial sector.

The third element of the digital compass is scaling up and digital transformation of businesses. The small and medium enterprises, being the backbone of the European economy, need to enhance their digitalisation and digital innovation to stay competitive.

It is important to have clear rules when it comes to the digital society and economy. That is why the European Commission is presenting two flagship regulations when it comes to digital platforms: 1) the Digital Services Act (DSA), which regulates all the services and innovates the eCommerce Directive, and 2) the Digital Markets Act (DMA), which looks at the role of systemic actors, being a potential bottleneck for businesses to succeed.

The DSA and DMA, together with the framework for digital identity, are complemented by the Data Governance Act that proposes specific rules on data sharing. Particularly relevant for operators of financial services is, the Framework for Digital Operational Resilience (DORA) proposal. The latter aims to ensure that all participants in the financial system have the necessary safeguards in place to mitigate cyber-attacks and other risks, as the more the society becomes digital, the more there is a risk of cyber vulnerabilities.

One of the large systemic risks for our society comes from cyber security. Therefore, Europe needs to take the protection of critical infrastructure very seriously. The European Commission has identified some critical sectors in the new proposal of Network and Information Security (NIS) Directive, such as healthcare, food supply, drinking water supply and basic supplies.

We also have to take very seriously the emergence of extremely sophisticated and extremely dangerous ransomware attacks and ransomware being diffused to our crucial assets. Here, one of the important elements to combat ransomware is to make sure that we can block the source of financing. That is exactly why, besides simply finding ransomware, regulating crypto assets and crypto currencies, it is crucial to fighting ransomware. A joint cyber unit putting many different components of the European cybersecurity ecosystem together – the security agencies around Europe, European institutions, Europol – will make sure that information exchange is fast and effective.

Finally, I want to stress the sense of urgency and importance that the European Commission attaches to digital as the main tool, together with the greening of society that will lead to recovery and to sustained economic growth and welfare. For the twin transition to happen we need to work together and in partnership as there is the intrinsic link between European overarching strategies and the role of the financial sector, the wealth of the sector and the general wellbeing of the society.