



DIGITAL SINGLE MARKET BULLETIN JUL 2018

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Further Reading: More in depth updates and commentary on the Digital Single Market (DSM) agenda is available at:

https://ec.europa.eu/commission/priorities/digital-single-market_en

This Bulletin is issued by the Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection. The Department of Business, Enterprise & Innovation's Digital Single Market and Digital Economy Unit supports the Minister of State on DSM issues with the cooperation of the members of the Digital Single Market Interdepartmental Committee.

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MEMO FOR GOVERNMENT ON DIGITAL SINGLE MARKET

On 5 July 2018, Heather Humphreys, T.D., Minister for Business, Enterprise and Innovation and Pat Breen, T.D., Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection presented a Memorandum for Government on the Digital Single Market to the Cabinet.

The Memorandum requested the Government to note:

- developments to date in progressing the EU Digital Single Market Strategy;
- How the Government is driving improvements in Ireland's digital performance; and
- the steps taken to progress the EU DSM and deepen digital transformation.

The Memo highlighted how strategically important the EU Digital Single Market (DSM) is to both Irish and European Union interests and the value of maintaining our commitment to the digital agenda. It also referenced that Ireland will maintain its lead role in ensuring that developments under the DSM agenda promote innovation and investment and support Irish interests.

The Memo referred to the negotiations at official and political level required to overcome disparities between Member States on many of the EU legislative proposals relating to the Digital Single Market, particularly in relation to large platforms. Overall, the Memo signals that Ireland is using its engagement with the EU to help influence the digital transformation agenda. This, in turn, will form the basis around which a new National Digital Strategy will be structured.

The Memo also noted that several Departments, led by the Department of the Taoiseach, have held initial consultations with stakeholders on the National Digital Strategy and that further work will take place on the Strategy in the second half of the year. The Department of Business, Enterprise and Innovation held a roundtable meeting with key enterprise representatives to get their initial perspective on the elements for inclusion in the Strategy.

OVERVIEW OF THE INTER-DEPARTMENTAL COMMITTEE ON THE DIGITAL SINGLE MARKET

Minister Breen hosted the 9th Meeting of the Interdepartmental Committee on the Digital Single Market on 21 June 2018.

At the meeting, Departmental representatives provided updates on a range of issues relating to the digital agenda, including:

- Ireland's improved performance in the Digital Economy and Society Index 2018 report, in which Ireland is now ranked as the 6th most advanced digital economy and society in the EU;
- details of the EU proposal to commit €1.135trn to funding digital transformation priorities under the Multiannual Financial Framework (MFF) 2021-27;
- an overview of the Digital Europe Programme (DEP), which is a central element of the Commission's response to the challenge of digital transformation and part of the MFF. Funding under the DEP will be focused on the five High Priority Areas (HPAs) – High Performance Computing, AI, Cybersecurity, Digital Skills and Interoperability – with the aim of encouraging concerted and coordinated EU-wide approach to these issues;
- updates on the current position relating to ongoing DSM issues, including Copyright, Platforms to Business (P2B), Telecoms Code, ePrivacy, FFOD, Wifi4EU and Illegal Content;
- a report on progress towards the development of the National Digital Strategy, including the outcome of a meeting held with the OECD recently in relation to the proposed approach;
- arrangements for a bilateral meeting with a delegation of Polish officials on 4 July (see separate article); and
- a draft of the Memo for Government on the Digital Single Market (see separate article), which had been circulated to IDC members for comments.

The Department of Communications, Climate Action and Environment gave an update on the National Broadband Plan, detailing the progress to date on the process to deliver a State intervention to ensure a future-proofed national high-speed broadband network for Ireland. That Department is working to complete the Detailed Solution Stage evaluation by mid-year with a view to issuing a final draft contract to preferred bidder in September once all relevant elements (quality and credibility of plan, value for money, shareholder technical and financial due diligence etc) are satisfactory.

MINISTER BREEN COMMISSIONS DIGITALISATION OF SMEs STUDY WITH EIB

On 6 July 2018, Pat Breen, T.D., Minister of State for Trade, Employment, Business, EU Digital Single Market and Data Protection signed an agreement commissioning the European Investment Bank (EIB) to undertake a study to develop financing models to support the digitalisation of Irish traditional and high-tech Small and Medium Enterprises (SMEs). Providing additional funding to assist Irish SMEs in digitalisation will allow them to reap the rewards that digital technology presents.



Minister Breen signing the EIB SME Study Agreement

The study will identify knowledge and funding gaps preventing digitalisation of SMEs. This can derive either from a lack of knowledge within SMEs as to the timing and level of investment required, and in which innovative field, or how to translate the use of technologies into economic impact and build a new incremental business. Conversely, the banking sector can be reluctant to provide loans for investments in digital technologies due to a lack of expertise in assessing projects with a strong digital component and therefore alternative sources of finance may be more appropriate.

The study will also review and identify best practices from comparable countries worldwide with the specific aim to develop some Financial Instruments to assist SMEs (both traditional and high-tech) in addressing these knowledge and finance gaps, and with the digital transformation of their products, processes, and business models.

It is envisaged that the study will be used as part of the development of the new National Digital Strategy. The study complements the EIB support of the Brexit Loan Scheme.

BILATERAL MEETING WITH POLAND

The Department of Business, Enterprise and Innovation (DBEI) Digital Single Market & Digital Economy Unit hosted a bilateral meeting with Polish officials at the DBEI Kildare Street offices on 4 July.



Irish and Polish officials at the bilateral meeting in Kildare St

The DBEI officials, along with those from the Departments of Foreign Affairs and Trade; Communication, Climate Action and the Environment; and Justice and Equality met with a delegation of Polish officials involved with the Digital Single Market representing their Ministries of Digital Affairs; Foreign Affairs; Entrepreneurship and Technology; and Culture and National Heritage, together with a representative from the Polish Embassy.

The purpose of the meeting was to discuss the mutual positions of both countries on key European digital initiatives, namely the Copyright Directive; Platforms to Business; Artificial Intelligence; Free

flow of data; AVMS Directive; and Illegal content online.

A common set of concerns and broad agreement on the approach to be taken was apparent on most initiatives, albeit both countries had different priorities in their approach to the provisions of the Audio-Visual Media Services (AVMS) Directive. However, both saw opportunity to work together in the Contact Committee to attempt to ensure that standards were set and that shortcomings with regard to jurisdictional issues were addressed. Both countries agreed that, given that our outlooks are so well aligned, there were important benefits to be obtained from maintaining links as we not only look forward to the further evolution of the Digital Single Market but also try to find ways to shape and direct it.

Both countries also recognised the challenges for crucial transatlantic relations inherent in the way that regulation of platforms and digital taxation are approached. In this context, it was noted that the potential consequences of actions in these areas should be appreciated fully before they are taken. The countries also noted the need to find new ways to spread the European model of digitalisation globally.

CONSULTATION ON PLATFORMS TO BUSINESS

During June, the Department of Business, Enterprise and Innovation sought views from stakeholders and interested parties on the Proposal for a Regulation of the European Parliament and of the Council on promoting fairness and transparency for business users of online intermediation services [COM (2018) 238 final], i.e., the Platforms to Business (P2B) Regulation.

The proposal aims to establish a fair, trusted and innovation-driven ecosystem in the online platform economy in the EU and contribute to a strengthened, better-functioning Digital Single Market in terms of innovation, competitiveness, growth and jobs. It aims at granting businesses more predictability in their relationships with platforms, and giving access to effective means to address problems, as a means of providing platforms with a predictable regulatory

environment and enabling them to scale-up in a less fragmented Single Market.

The scope of the Regulation covers online platform intermediaries that have a contractual relationship with both the businesses trading via them and the consumers using them. It also encompasses general online search engines that provide their services to businesses established in the EU and that offer goods or services to consumers located in the EU, irrespective of whether they have a contractual relationship. The proposal excludes online advertising and payment services that do not intermediate direct transactions between businesses and consumers, as well as intermediaries that operate between businesses only.

The comments received have helped to inform the national position and elicit further clarification in the ongoing negotiations on the draft Regulation.

DISRUPTIVE TECHNOLOGIES INNOVATION FUND (DTIF) CALL FOR EXPRESSIONS OF INTEREST

The Department of Business, Enterprise and Innovation is inviting Expressions of Interest from consortia wishing to apply for funding under the Government’s new Disruptive Technologies Innovation Fund (DTIF). This is one of four funds in the National Development Plan 2018-2027 and was launched at the Project Ireland 2040 Funds Announcement.

€500 million is available for co-funded projects involving enterprises and research partners over the period to 2027. The first Call relates to projects that will be funded from 2019. Projects can be funded for up to 3 years. It is envisaged that the first tranche of successful projects will be confirmed by November 2018.

All applicants must complete and submit the Expression of Interest Form by email only to **dtif@dbei.gov.ie** by **15.00 on 17 August 2018**. Further information is available on the Department’s website at: <https://dbei.gov.ie/DTIF>.

The type of projects that will receive funding will be:

- Collaborative enterprise-driven partnerships that will develop, deploy and commercialise disruptive technologies to transform business
- Impactful projects seeking at least €1 million in funding over 3 years and involving enterprises and research partners
- SME participation is an essential requirement in every consortium
- Focused on “industrial research”.