

ENRD Thematic Group 'Smart & Competitive Rural Businesses'

Digitisation, the use of ICT and access to broadband

Context: The importance of broadband & ICT & investments

- Digital technology, Information and Communication Technologies (ICTs) have **crucial role in developing and transforming businesses**.
- In order to improve the level of digitisation the European Commission set the **Digital Agenda for Europe and the Digital Single Market (DSM)** strategy. Its main objective is to develop a digital single market in order to generate smart, sustainable and inclusive growth in Europe.
- There are **different EU funding instruments** available to Member States to improve access to broadband including the Connecting Europe Facility (CEF, €170 million) and the European Funds for Strategic Investments, including ERDF (€17.8 bn) and the EAFRD (€1.5 bn euro).
- The **Cork 2.0 Declaration** states *'that the rural economy and rural businesses will depend increasingly on digitisation as well as knowledge workers who make the most of the digital transformation and enhance rural production in a sustainable manner'*.

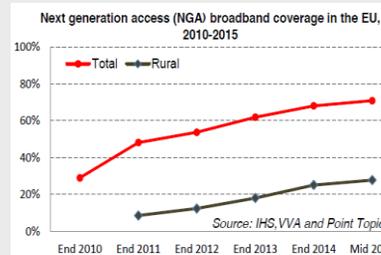
It is estimated that **10% increase in broadband penetration may raise gross domestic product (GDP) by 1 – 1.5%**, and 90% of jobs will require some digital skills by 2020.

(Bridging the Digital Divide in the EU, 2015)



Definition: Digital Divide

The 'digital divide' refers to 'the gap between individuals, households, businesses and geographical areas at different socio-economic levels with regard to both to their opportunities to access information and communication technologies (ICT) and to their use of the internet for a wide variety of activities'. The most recent Europe's Digital Progress Report (2016) found that coverage in rural areas is substantially lower for fixed technologies (91%) and especially for next generation access (NGA, 28% of rural homes).



EAFRD Support through Measure 7 on 'Basic services and village renewal'

- **98.7% of 'Focus Area 6C – Access and quality of ICT' will be financed through Measure 7.** The rest of the funding will come from Measure 16 on Cooperation (0.4%), Measure 1 on Knowledge transfer (0.7%) and Measure 2 on Advisory services (0.2%).
- Sub-Measure 7.3 is expected to support the **creation of an open access broadband infrastructure in areas with no access to broadband**, including technical equipment and the necessary civil work; future proof infrastructures delivering broadband services; passive broadband infrastructure, upgrade of existing broadband infrastructure in areas with telecom infrastructures that are inadequate or insufficient; creation of e-governance solutions and IT applications.
- All types of beneficiaries: local authorities and administrations, public bodies, public-private partnerships, NGOs, individuals setting enterprises, private companies, organisations in charge of tourist and recreational development, etc.

How the TG can add value?

Questions and issues for discussion

- ✓ **Improving external and/or internal environment:** the access to fast broadband and/or upgrading of digital and innovative skills of businesses
- ✓ Better understanding on **how businesses can efficiently use broadband and ICT** as tools for development, including possible new linkages (e.g. urban-rural)
- ✓ **How businesses can be supported** in this process? What can RDPs do?
- ✓ Better understanding on the **socio-economic impact** of broadband and ICT in rural areas

Members said it...



- The possibilities of digitalisation in rural businesses
- Connection to the world of information, e.g. broadband, but much more
- Lack of information about new underpinning clustering technologies and applications
- New business models with new sector and new tools (including digitalisation)
- Developing appropriate digital knowledge and skills
- Communication, digital and economic skills and competences

ENRD Contact Point

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