

Setting-up a national DIH network connected to the European Network under DEP

Info Day

July 10th 2020

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Portugal's Action Plan for Digital Transition I

Portugal Digital

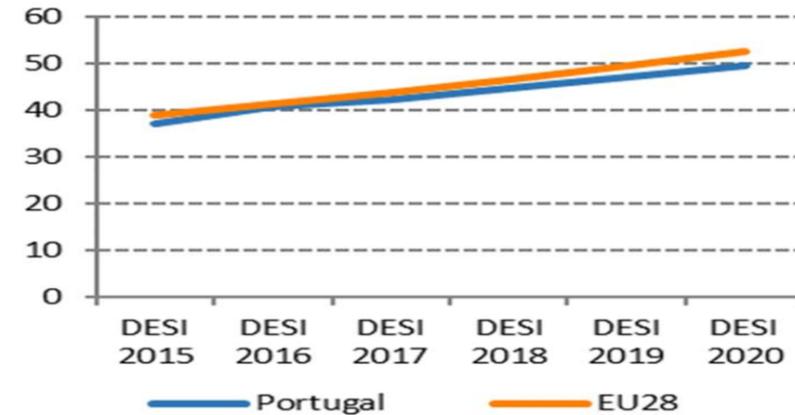


DESI 2020

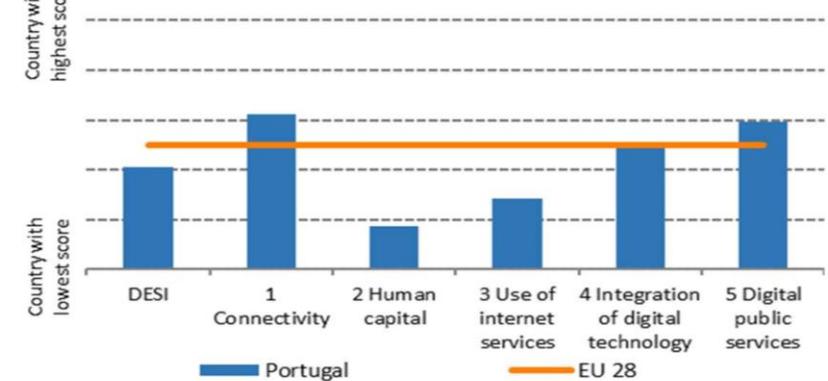
[Digital Economy and Society Index latest report](#), released last month, places Portugal (PT) in the 19th position out of the 28 Member States. The index assesses Europe's digital performance and Member States evolution in terms of digital competitiveness. Over the last few years, and based on data prior to the pandemic, its score has increased in line with the EU average.

PT has an above-average connectivity score and continues to perform well in digital public services, being one of the best EU performers in this area, while human capital, use of internet services and digital technology in businesses are areas with potential for improvement in the next years.

DESI - evolution over time



DESI 2020 - relative performance by dimension



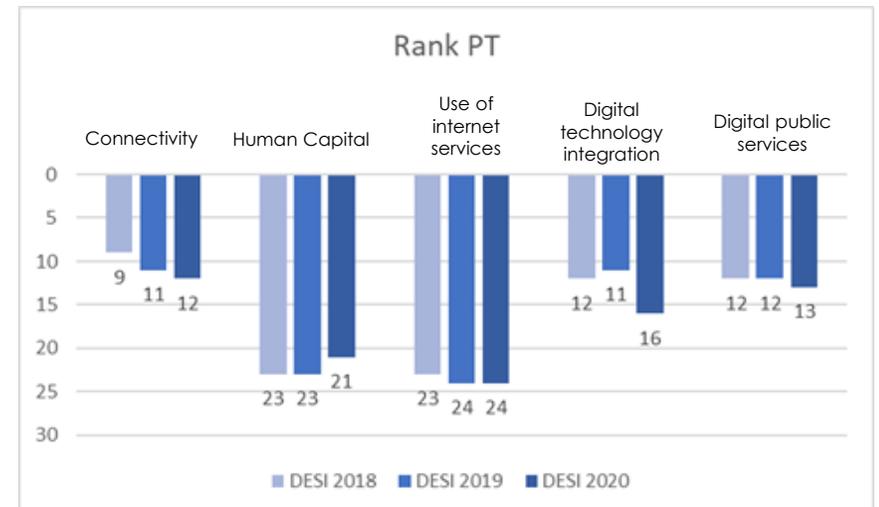
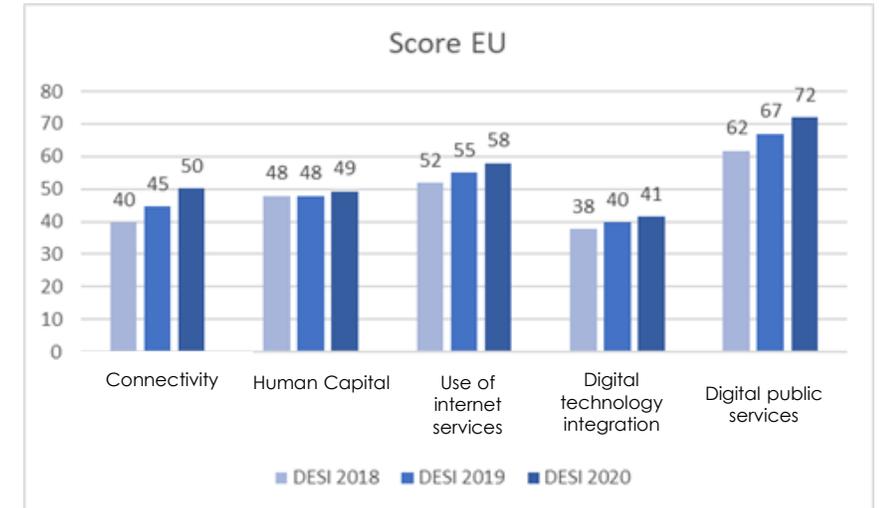
Source: DESI 2020 report

DESI 2020

A more accurate analysis allows us to observe improvements in the scoring of all the 5 dimensions for the last 3 years.

However, in terms of ranking, there was a fall in three of the five dimensions, being the greatest one in the digital technology integration, bringing PT below the European average.

A positive note for the human capital dimension, which saw improvements both in terms of score and position, thanks to an improvement in the basic level of digital skills and a greater proportion of ICT graduates.



Source: DESI 2020 report

Portugal's Action Plan for Digital Transition | Portugal Digital

I. Capacity building and digital inclusion

Digital Education	Professional training and reskilling	Digital inclusion and literacy
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II. Businesses' digital transformation

Entrepreneurship and investment attraction	Enterprises, with focus on SMEs	Scientific and technological knowledge transfer to the economy
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III. Public services' digitization

Digital public services	Open Public Administration	Connected and Open Local and Regional Administration
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Catalyzation of Portugal's Digital Transition

Regulation, privacy, cybersecurity and cyber defense
Circular data economy
Connectivity and Infrastructure
Disruptive technologies
Alignment with the European digital strategy
Communication and promotion

Source: PAPDT

PILLAR II.

Businesses' digital transformation

Entrepreneurship and investment attraction	Enterprises, with focus on SMEs	Scientific and technological knowledge transfer to the economy
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4 MEASURES

1	e-Residency Programme
2	Promotion of Technological Free Zones (ZLTs)
3	Digital Capacity Building Programme for SMEs inland - +CO3SO Digital
4	<i>Digital Innovation Hubs supporting Entrepreneurship</i>

4 *Digital Innovation Hubs supporting Entrepreneurship*

A Digital Innovation Hub is a **single organisation or a coordinated group of organisations** with complementary expertise, with **a not-for-profit objective**, that support companies – **especially SMEs and mid-caps** – and/or the public sector in their digital transformation.

This is particularly significant, since the Portuguese economy is mostly dominated by micro-enterprises concentrated in traditional sectors, facing greater difficulties in the digitization process, when compared to larger national companies.

To address significant differences in digitization levels, both in regional and sectorial terms, the **national DIHs network should guarantee an adequate regional and sectorial coverage, territorial cohesion as well as digital technologies specialization coverage & complementarity**, essential to ensure that all companies in Portuguese territory can take advantage of digital opportunities.

4 *Digital Innovation Hubs supporting Entrepreneurship*

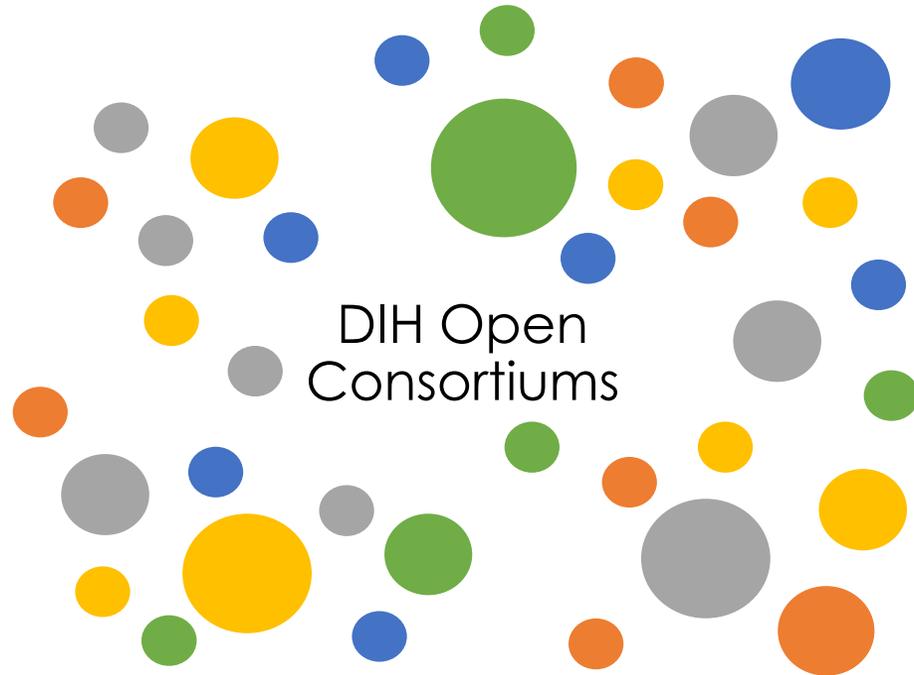
At the core of the DIH, there is a research & technology organisation (RTO), an EIT Knowledge and Innovation Community (KIC) or an industrial cluster.

Designated DIH have to be selected through an open and competitive process in accordance with national procedures, administrative and institutional structures. This process can have happened in the past, but not before 1 Jan 2015.

PT DIH network will be based on DIH Consortiums including Clusters and RTOs, formally reconized since 2017 under a under competitive processes conducted by IAPMEI, ANI or FCT (i.e. Clusters, CIT&CoLabs). Consortium should be open to include other entities relevant to the DIH.

The DIHs are encouraged to create an open consortium of legal entities governed by a consortium agreement.

4 Digital Innovation Hubs supporting Entrepreneurship



Core entities (recognised in competitive processes):

- ✓ Clusters;
- ✓ Technological Interface Centers & Colabs.

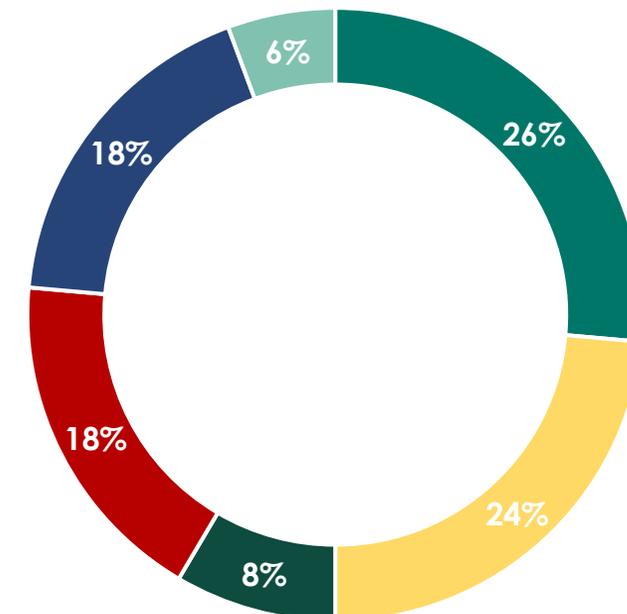
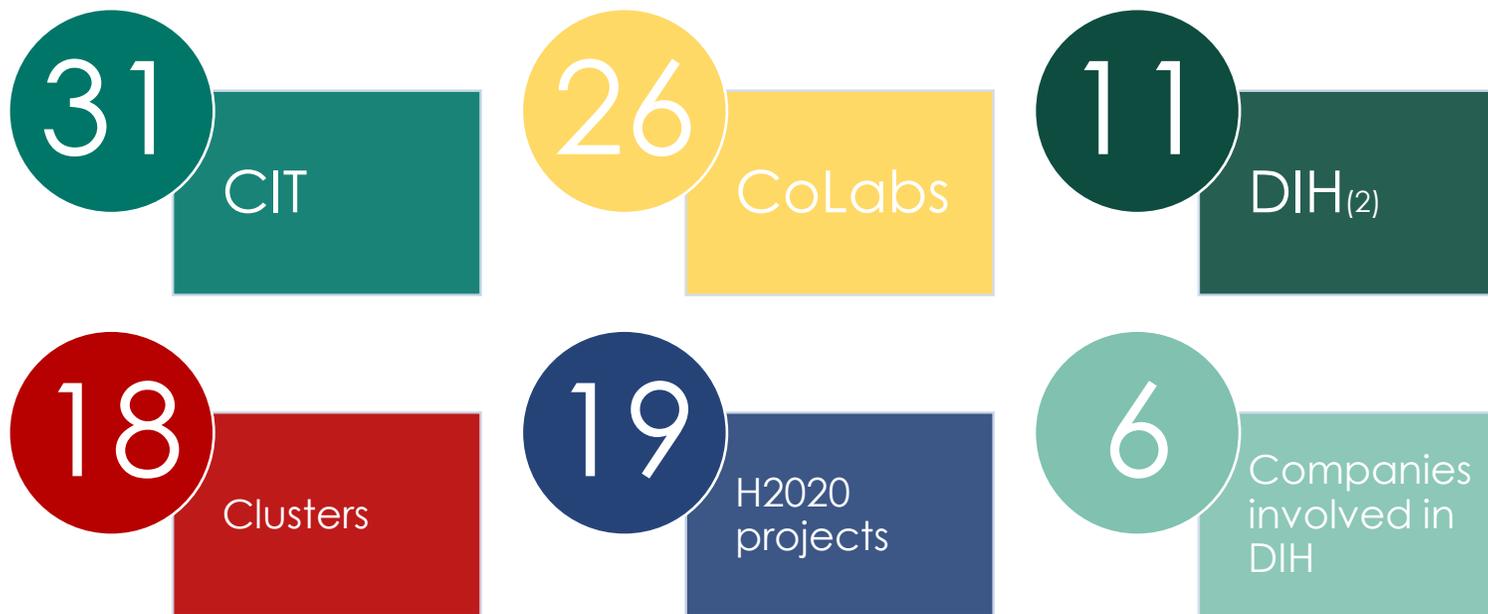
Other relevant entities:

- ✓ Universities & RTO;
- ✓ Public Administration;
- ✓ Business Associations & Companies.

The aim of this measure, is to stimulate the setting up of national network of DIHs that will be interconnected with the European network of hubs under the Digital Europe Program.

National mapping of entities involved in DIH related activities

106 identified entities(1):



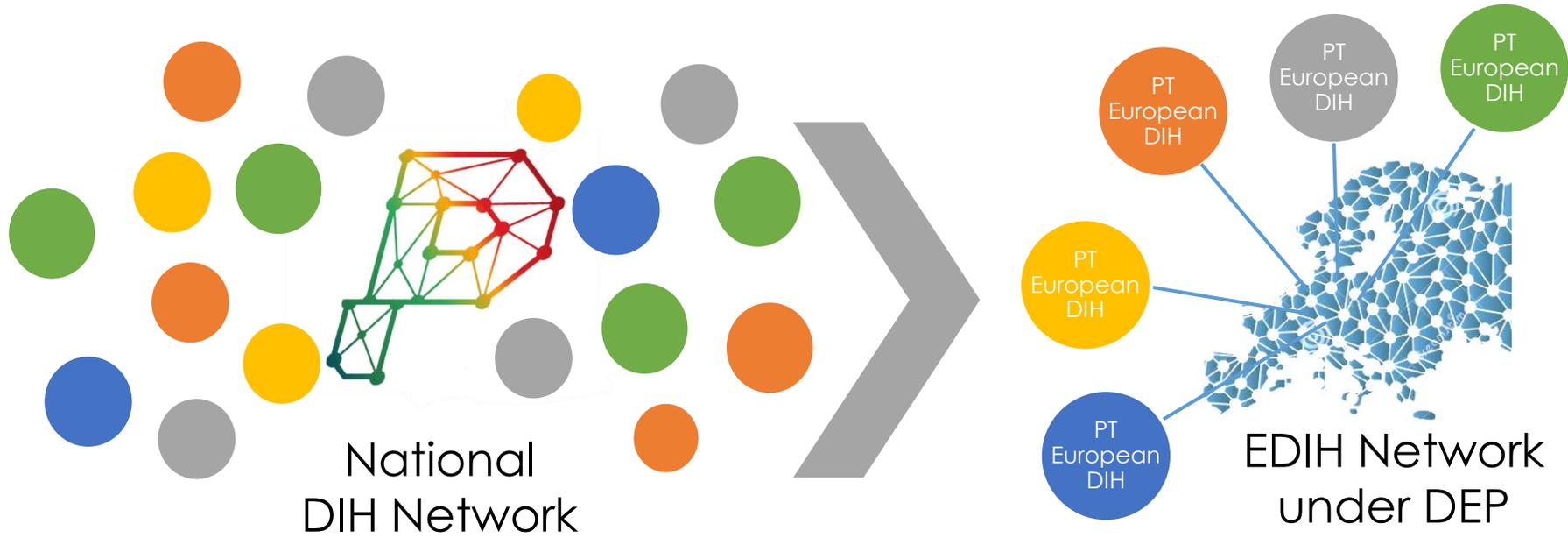
(1) – Some entities are common to the various categories

(2) - Registered on the S3 DIH platform (<https://s3platform.jrc.ec.europa.eu/digital-innovation-hubs-tool>)

Portuguese DIH network and Digital Europe

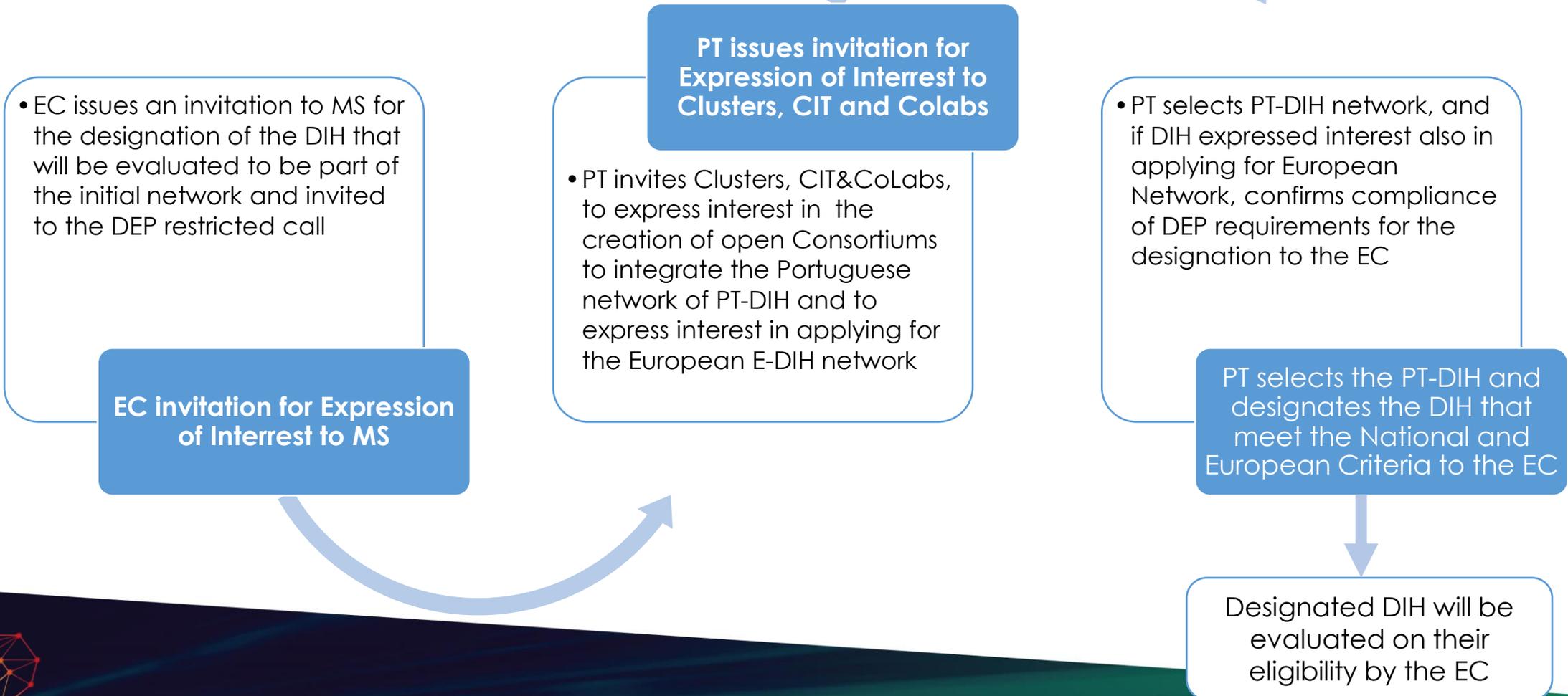


Portuguese DIH network



	Projected budget (1000 €)	Min # of hubs	Max # of hubs (recom.)
Portugal	26,809	4	8

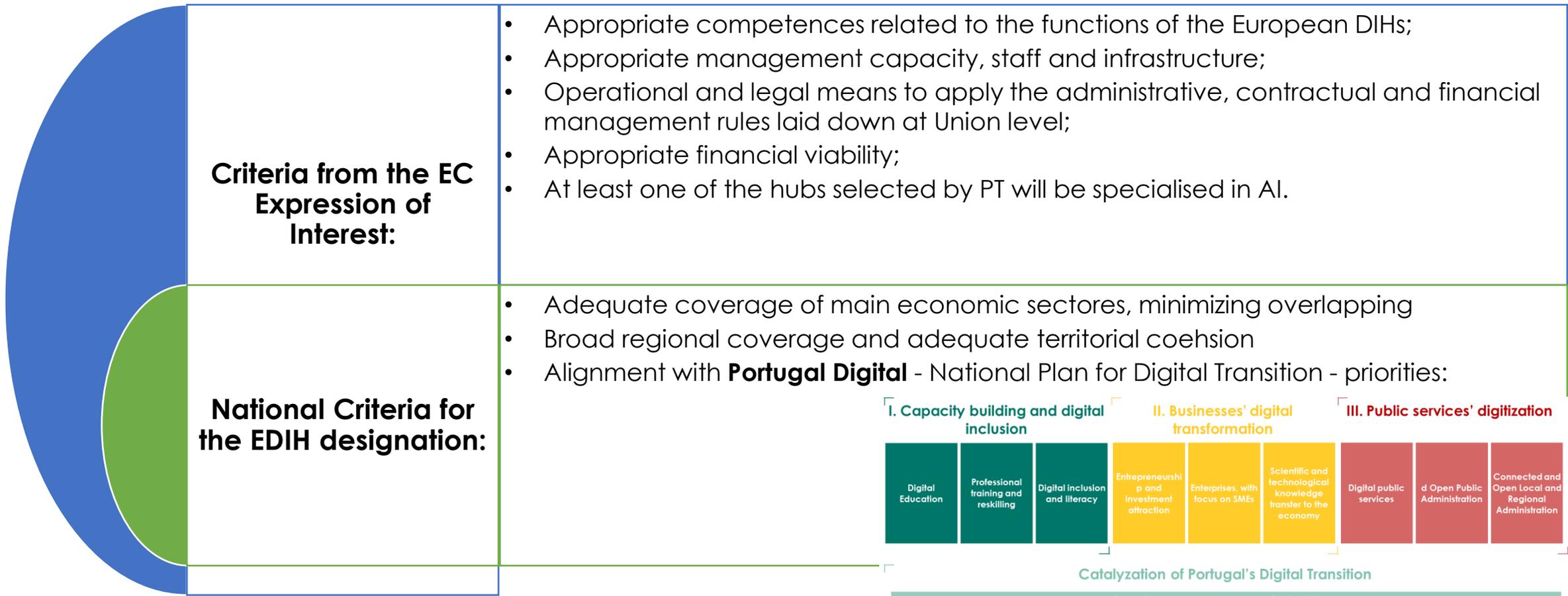
National Process – Response to DEP Expression of Interest



National Process - DIH | EDIH Requisites

	PT-DIH	European DIH
Support companies – especially SMEs - and/or the public sector in their digital transformation	X	X
Provide access to a state-of-the-art physical and technological infrastructure	X	X
Have qualified personnel to provide services to SMEs and/or public sector organisations	X	X
Open access to the DIH to all users, granted on transparent and non-discriminatory terms	X	X
DIH activities have a not-for-profit objective and its services don't have a commercial nature	X	X
Have a focus on the application of one or more key digital technologies prioritized in DEP: Artificial Intelligence, High Performance Computing (HPC) and Cybersecurity		X
Have a clear European added value, based on networking and transfer of expertise with other EDIH and providing services to SMEs in other MS		X
Cover 50% of their costs with national resources, either in-kind or in-cash, leveraging private funds if necessary		X

National Process – Elegibility Criteria for the Expression of Interest

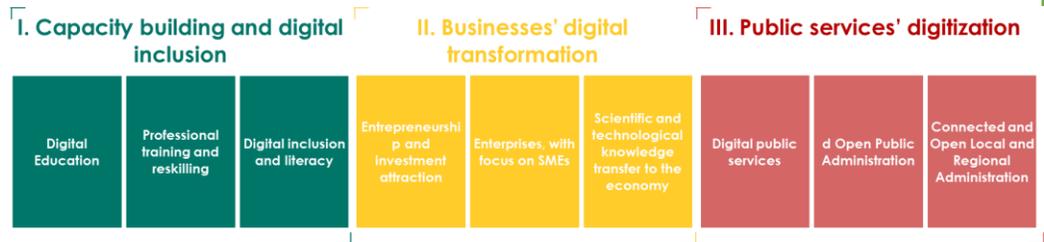


Criteria from the EC Expression of Interest:

- Appropriate competences related to the functions of the European DIHs;
- Appropriate management capacity, staff and infrastructure;
- Operational and legal means to apply the administrative, contractual and financial management rules laid down at Union level;
- Appropriate financial viability;
- At least one of the hubs selected by PT will be specialised in AI.

National Criteria for the EDIH designation:

- Adequate coverage of main economic sectors, minimizing overlapping
- Broad regional coverage and adequate territorial cohesion
- Alignment with **Portugal Digital** - National Plan for Digital Transition - priorities:



Catalyzation of Portugal's Digital Transition



National Process - Information to be provided on the Expression of interest

	DIH	MS
A short description about, what the hub can do and which needs for the industry and areas of public interest can be addressed, its focus and its geographical area	X	
A description of the consortium forming the EDIH, its management capacity, staff and available infrastructure	X	
The governance structure of the consortium	X	
If the consortium plans to include further partners, which will be identified before the restricted call, a description of their role and type of organization to be included	X	
The maximum amount of national co-funding available for each designated DIH	X	X

DEP and National/Regional Funding

Member States (possibly together with their industry) and the European Commission will both invest in the European Digital Innovation Hubs

The Digital Europe grant will fund 50% of the requested amount

- Commission proposes to invest between 0,5 and 1M€ per year in each hub.

50%

50%

DIH/Member States should contribute at least an equal amount:

- The grant in DEP (for the 1st 3 years) will be signed after the corresponding National contribution is available by the DIH,
- A grace period of 1 year is foreseen, if the Process on the MS side has a different timing than DEP.
- Possibility of reapplying at the end of the grant duration, for an additional period of 4 years.

- Public support (state aid): (i) in-cash (National funds or National managed European funds);(ii) in-kind.
- Private funds: (i) in-cash or (ii) in-kind, leveraging private funding if necessary.

DIH on European Regional Development Fund (ERDF)

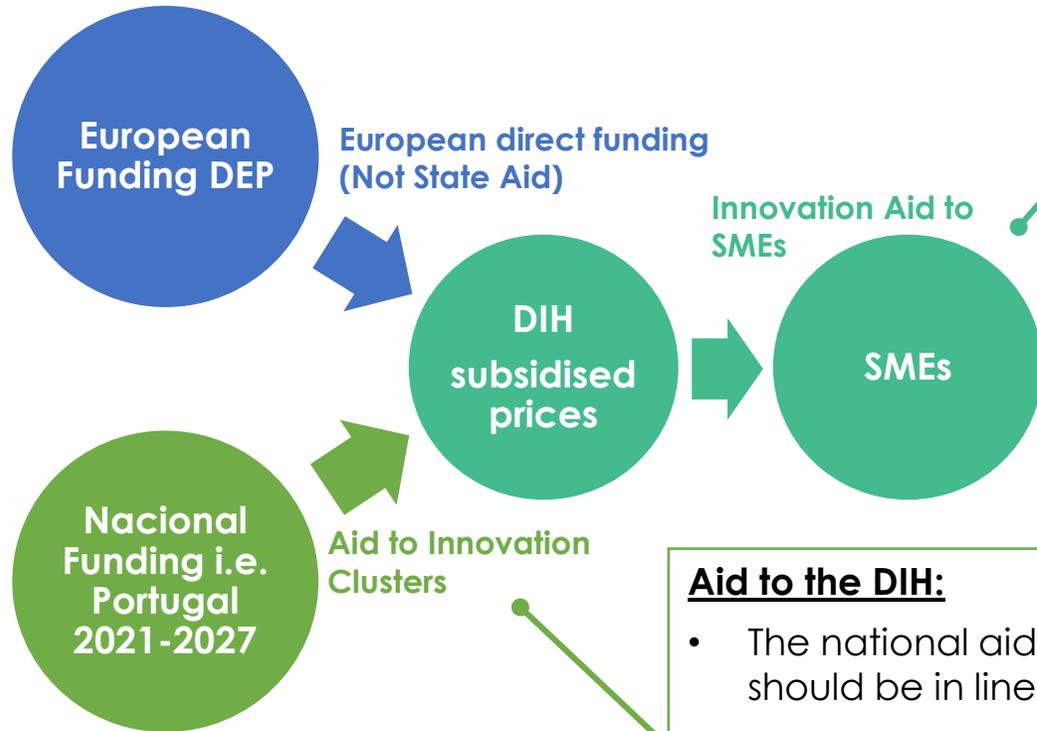
Through its policy objective “A smarter Europe by promoting innovative and smart economic transformation”, **ERDF national/regional programmes may support Digital Innovation Hubs (ex: future Portugal 2027 ERDF Programmes)**.

A prerequisite for investments of ERDF in Digital Innovation Hubs for services under categories “Test before invest (in digital technologies)” and “(Digital) skills and training” is that, **these are fully supporting the revised regional or national smart specialisation strategy.**

ERDF and Digital Europe Programme can be combined for European Digital Innovation Hubs. The ERDF may not be used to fund maintenance and operating costs of DIHs.



State Aid on DIH funding



Aid to the SME:

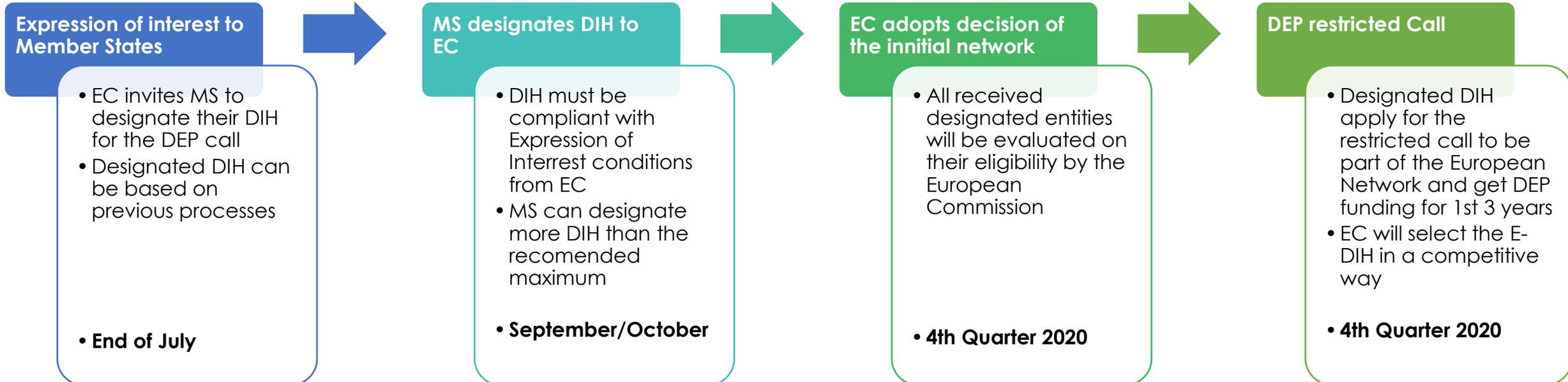
- DIH should draw up a price list for their services, based on market prices. If these do not exist, they should be based on associated costs.
- All the services provided by the DIH free of charge or at a subsidised price should be in line with GBER Art 28 Innovation aid for SMEs – Max. 200.000 € over 3 year period. (same framework as in PT2020 vouchers).
- Services delivered by the E-DIHs in the context of the grant of DEP (or Portugal 2021-2027) should not be funded through innovation vouchers, since they have already been subsidised through the grant

Aid to the DIH:

- The national aid that is not passed on to the SMEs is considered to be aid to the DIH and should be in line with GBER Art 27 'Innovation clusters'
- The maximum aid per cluster (for its whole lifetime) should be below 7.5M€
- Only the part coming from the MS needs to be taken into account. Funds coming directly from the EC (DEP) are not considered state aid
- GBER Art 27 'Innovation clusters' allows for a maximum aid intensity of 50%

DIH on DEP known milestones

Due to uncertainties on the negotiations of the MFF, the calendar may change. The draft timing is:



Next Steps:

- **2nd half of July** - Creation of technical conditions for the submission of expressions of interest from the DIH
- **End of July** - Invitation for expression of interest for inclusion in the DIH network (National/European)
- **Early September** - Period for expressions of interest by the DIHs
- **End of September** - Evaluation and selection of DIH for the national network and for the proposal of EDIH to the EC



REPÚBLICA
PORTUGUESA

ECONOMIA E TRANSIÇÃO DIGITAL

Digital Innovation Hubs - Info Day