



Digital Single Market Bulletin

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

https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age_en

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Inter-Departmental Committee on the Digital Single Market

The 16th Meeting of the Inter-Departmental Committee on the Digital Single Market (DSM) took place on the 20 February 2020. At the meeting, Departmental representatives provided updates on a range of issues, including:

- The **European Commission Work Programme 2020** – released in January, this sets out the initiatives the Commission intends to take and is focused around six headline ambitions, including A Europe fit for the digital age.
- The publication of a **Digital Strategy** – a communication entitled “Shaping Europe’s digital future” was released on 19 February 2020. Over the next five years the Commission will focus on three key objectives in digital: 1) Technology that works for people, 2) A fair and competitive economy, and 3) An open, democratic and sustainable society.
- The publication of a **Data Strategy** – a communication entitled “A European Strategy for Data” was released on 19 February 2020. [See article below.](#)
- The publication of a **White Paper on Artificial Intelligence** – published on 19 February 2020. [See article below.](#)
- **Digital Services Act/REFIT of the eCommerce Directive** – the Commission suggested that any revisit of the eCommerce Directive would be likely to maintain its current scope and involve a horizontal approach endorsing existing principles but enabling a wide range of potential responses to specific instances of harm. It also appears that a package of measures is now envisaged rather than a single instrument. The current position is that the Commission is to produce a paper that will inform a public consultation process during the first half of this year.

A European Strategy for Data

On the 19 February the European Commission published its Communication: A European Strategy for Data. Data is at the centre of the digital transformation and as more data becomes available this opens up wide-ranging opportunities for Europe. From an enterprise perspective data is an essential resource for start-ups and SMEs in developing products and services.

This Communication puts forward a European data strategy whose ambition is to enable the EU to become the most attractive, most secure and most dynamic data-agile economy in the world – empowering Europe with data to improve innovation and better the lives of all its citizens.

The Ambition is that by 2030, the share of data stored and processed in Europe, as well as the share of the data economy, should at least correspond to its economic weight. The aim is to create a single European data space, a genuine single market for data, where personal as well as confidential data is secure and businesses have easy access to almost infinite amount of high-quality industrial data boosting growth and creating value, while minimising our carbon footprint.

The corner stone of the Strategy according to Commission President Ursula von der Leyen is personal data protection. Europe already has the strongest rules in the world via the General Data Protection Regulation (GDPR) and this Strategy will build on this to give Europeans the tools they need to make sure they are even more in control.

The strategy is organised around four pillars and several actions:

1. Cross sectoral governance framework for data access and use

- Propose a legislative framework for the governance of common European data spaces;
- Adopt an implementing act on high-value data-sets;
- Propose, as appropriate, a Data Act, 2021 with one or more of the following taken forward B2G, B2B and the evaluation of the current intellectual property framework; and
- Analysis of the importance of data in the digital economy and review of the existing policy framework in the context of the Digital Services Act package.

2. Enablers: Investments in data and strengthening Europe's capabilities and infrastructures for hosting, processing and using data, interoperability

- The Commission will use its funding programmes to strengthen Europe's standard setting, tool development as well as build-out of next generation infrastructures for hosting and processing of data. In the period 2021-27, the Commission will invest in a

High Impact Project on European data spaces and federated cloud infrastructures.

- Member States and industry are expected to co-invest with the commission in the project which could arrive at a total funding in the order of €4-6 billion (Commission to invest €2bn). The project needs to be seen in the context of a wider set of strategic EU investments in new technologies that the Commission will present in March 2020 as part of its industrial strategy.

3. Competences: Empowering individuals, investing in skills and in SMEs

- The forthcoming European SME Strategy will define measures to build the capacity of SMEs and Start-ups.
- An updated Digital Education Action Plan will make education and training institutions fit for the digital age and equip them with the capabilities needed for making better decisions and improving skills and competencies.

4. Roll out of common European data spaces in strategic sectors and domains of public interest

- Data spaces need to be complemented by policies that stimulate the use of data and demand for services enriched with data. Work on sectoral data spaces will be complemented by sectoral measures across the data value chain the following sectors: Industrial (Manufacturing), Green Data, Mobility, Health, Financial, Energy, Agriculture, Public Administration and skills.



The EU White Paper on Artificial Intelligence (AI)

Both Commission President Ursula von der Leyen and Commissioner Margrethe Vestager made commitments to pursue regulation of and measures to encourage the adoption of AI respectively within the first 100 days of the new Commission. These commitments have since been moderated to the publication of a White Paper setting out the intentions of the Commission in its approach to AI in these two regards and which is also to be treated as a basis for public consultation which will conclude on 19 May 2020.

The Commission's intention is to create an AI ecosystem that will bring the benefits of AI technology to the whole of European society and economy. It will seek to ground European AI in European values and support our rights-based approach by not only looking at protecting the individual but also supporting important societal and democratic processes. The White Paper itself is based around two ecosystems of firstly excellence and secondly trust.

The ecosystem of excellence

This is to be created in cooperation with the private sector and encompasses the entire value chain starting with research and promoting the acceleration of adoption of AI solutions at all levels of business.

Key elements will be:

1. **Member State's cooperation** through the working of the EU Coordinated Plan on AI and the maximisation of the impact of investments.
2. Leveraging the **research and innovation community** to create synergies between and increase the excellence of their facilities to attract the best talent and produce the best technology.
3. Having the appropriate **skills** is vital in supporting an ecosystem of excellence.
4. **Focussing on SMEs** through the activities of European Digital Innovation Hubs and a proportionate equity financing scheme.
5. **A new Public-Private Partnership** in AI, data and robotics will harness the efforts of the private sector through R&I and co-investment.
6. **Public Sector adoption of AI** in sectors such as health and transport where the technology is sufficiently mature will facilitate rapid deployment of AI applications
7. **Access to data and computing infrastructures** will be vital and the Commission has proposed appropriate funding in the Digital Europe Programme for high performance and quantum computing including edge computing to ensure this as well as setting out a European data strategy (see separate article).
8. As AI is global in scope, there are clear **international aspects** to considering it, such as international consultation by the High-Level Expert Group in developing its Ethical Guidelines and EU involvement with the OECD in the setting of that organisation's ethical principles on AI.

The ecosystem of trust

This will be created by key elements of a **future European regulatory framework for AI** and is intended to give citizens confidence to accept AI. These rules must address "high risk" AI systems and will adopt the human-centric approach advocated in the High-Level Expert Group's Ethical Guidelines.

The issues that should be considered are set out as risks to fundamental rights, with issues regarding, for example, discrimination, privacy and data protection, as well as safety and liability related risks.

It is assumed that the framework will apply to products and services relying on AI. This will require a definition of AI that is flexible enough to allow technical progress while also being precise enough to provide legal certainty.

Europe already has a significant body of regulation which applies, inter alia, to AI. Some of this acquis is sectorally specific while other parts are more generally applicable in areas such as consumer and data protection. This acquis should be checked to see whether it needs to be updated to take into account aspects of the digital transformation.

The Commission believes that the definition of high-risk should rely on the combination of the sector and use. Mandatory requirements would only apply to a system which met both factors. Such applications would be subject to an independent assessment possibly including the algorithm and the data with the possibility of some support to prevent hardship to SMEs. Existing conformity assessment procedures can be utilised or where unavailable, new procedures drawn up with input from stakeholders and European standards organisations.

The existing acquis would continue to apply to low-risk applications. Developers of these low-risk applications, it is suggested, could avail of a voluntary labelling scheme. This would allow them to show that their AI is trustworthy and give users confidence and promote uptake of the technology.

The White Paper envisages governance being provided by Member States national authorities supported by

specially designated test centres to conduct the conformity assessments including possibly those licensed to provide assessment outside the Community as high-risk applications from third countries will need to comply with these requirements before they can access the European market.

Insight's Trustworthy AI event

Insight, the DBEI funded SFI Centre on data analytics, hosted a critical early information event 'Trustworthy AI for Business' on the 19 of February at the Aviva Stadium in Dublin to coincide with the publication by the European Commission of the EU White Paper on AI.



Speakers at Insight's Trustworthy AI event

Insight's Director Professor Barry O'Sullivan who is vice chair of the EU's High-Level Expert Group on AI (HLEG-AI) moderated the event. The HLEG-AI published its 'Ethics Guidelines for Trustworthy AI' in April of 2019 which was an input to the Commission's thinking in the White paper.

The event featured included speakers with first-hand knowledge of Trustworthy AI guidelines and emerging regulation from both the research and business sectors.

John Dooley, Head of Digital Single Market and Digital Economy Policy, Department of Business, Enterprise and Innovation (DBEI) provided an overview of the development of EU policy on AI including the EU Coordinated Plan on AI, the European High Level Expert Group on AI's policy recommendations and concluded with an overview of the contents of the EU White Paper on AI with a focus on the likely regulatory approach.

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