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**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE ECONOMIC AND SOCIAL COMMITTEE AND
THE COMMITTEE OF THE REGIONS**

**HELPING SMES TO
"GO DIGITAL"**



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1. INTRODUCTION

The eEurope 2002 Action Plan was endorsed by EU Member States at the Feira European Council in June 2000. The Action Plan's objective three "Stimulate the use of the Internet" includes an action to encourage SMEs to 'go digital'. The Plan¹ identifies small and medium-sized enterprises (SMEs) as critically important to efforts to bring about eEurope, and sets specific targets to prepare them for its advent. The objective is to:

“encourage SMEs to 'Go Digital' through co-ordinated networking activities for the exchange of knowledge on best practices, e-commerce readiness and benchmarking, 'reference centres' could help SMEs to introduce e-commerce into their business strategies”.

In response to the eEurope 2002 Action Plan, the Commission will undertake specific GoDigital initiatives aiming at:

- identifying the main obstacles SMEs face as they engage in e-business,
- proposing specific actions to help SMEs “go digital”, in particular by building on existing policies and initiatives,
- ensuring consistency among the various policies and initiatives to support SMEs going digital at the European, national, regional and local levels, and
- learning from practical experience and to benchmark various strategies to help SMEs to go digital.

The objective of this Communication is to identify the specific SME needs to fully reap the benefits of e-business and to present specific GoDigital initiatives to be implemented in 2001 by the Commission. Further actions will be taken in 2002 and onwards. GoDigital can help create better conditions for SMEs to enter into the digital age, but it cannot replace entrepreneurship or the enterprise that ultimately takes the decision.

2. THE GoDIGITAL INITIATIVES

GoDigital's overall purpose is to put together and adapt where appropriate support activities to help SMEs to use information and communication technologies (ICT) with best possible efficiency. To this end, this GoDigital implementation plan will build upon existing Community programmes aimed at the specific needs of SMEs. These programmes include the DG Enterprise's Multi-Annual Programme (MAP), the DG Information Society's Information Society Technologies (IST) Annual Work Programme², and the Structural Funds. The implementation plan will also be linked to national and regional programmes and initiatives with similar aims. Implementation will be flexible and decentralised, it will pursue common objectives, and reflect the need for closer co-operation among various support instruments for SMEs at the European level. The objective is to ensure that SMEs take full advantage of the existing support programmes and initiatives at national and European level.

¹ http://europa.eu.int/comm/information_society/eeurope/actionplan/index_en.htm.

² As part of the European Community Research Framework Programme.

GoDigital's priorities are to:

- *promote a favourable environment and framework conditions for electronic business and entrepreneurship,*
- *facilitate the take-up of electronic business, by making available as much as possible research and technological development (RTD) results and enabling SMEs in every sector to take advantage of them, and*
- *Contribute to providing Information and Communication Technology (ICT) skills – by alleviating shortages of these skills among SMEs, and by exploring and developing new business skills for the new economy.*

To facilitate the GoDigital initiative, the Commission will seek full support and active participation from Member States, regional authorities, and the business community. Active participation will be ensured through a kick-off conference in April, working groups with Member States and the participation by regions and the business community in Commission programmes. Ensuring that the majority of European SMEs benefit will entail exploiting synergies between the GoDigital implementation plan and existing public and private sector initiatives at national, regional and local levels. GoDigital will be designed as a rolling plan, covering the next two years. Many activities, however, are expected to continue beyond 2002. The Commission will take stock of progress in 2001, against various GoDigital and benchmarking measures, including the take-up of e-business and ICT among SMEs across different Member States and across business sectors.

In the coming years, GoDigital will reach out to all SMEs interested in the digital economy. For user-friendliness, and cross-fertilisation, the Commission has set up a dedicated Web site³ that presents all GoDigital ideas under a common logo. This site, hosted by the Commission, offers a virtual link between all GoDigital stakeholders, and provides a forum for sharing best practices on e-business across Europe.

3. E-BUSINESS FOR SMEs: SUBSTANTIAL OPPORTUNITIES, YET CHALLENGES AHEAD

There are now over 19 million SMEs in Europe. In most EU Member States, they make up over 99 % of enterprises. SMEs generate a substantial share of GDP and, are a key source of new jobs as well as a breeding ground for entrepreneurship and new business ideas. SMEs will also in particular benefit from the lowering of entry barriers to markets as a consequence of e-business. Hence, e-business is often described as the SMEs' gateway to global business and markets.

Thus, the success of eEurope is critically dependent on whether SMEs are fully engaged in this process. Europe will only become a center of e-business if European SMEs are fully committed to using the Internet as a leading-edge business tool.

³ <http://europa.eu.int/ISPO/e-commerce/godigital> and a feedback mechanism through e-mail info-godigital@cec.eu.int.

Because SMEs are more flexible in their internal organisation than larger companies, they may often be able to adapt to changing market conditions more quickly and efficiently. However, although Internet use figures differ among Member States and sectors, there is generally a positive correlation between the size of an enterprise and its Internet use for business, i.e. the smaller the company, the less it uses ICT. As a result, the preponderance of SMEs in Europe's economy is not matched by their use of e-business tools. (ref. table 1). However, it should also be noted that most of the start-ups in the field of e-business are SMEs

On average, across Europe, only 42 % of SMEs have access to the Internet. In some Member States, this is even less than the Internet penetration rate among households. Only 20 % of SMEs use the Internet for commercial transactions. Of those that are connected, the majority uses the Internet only for information purposes. Even in the most advanced Member States, only a minority can handle transactions electronically (e.g. purchases, sales, electronic auctions, e-payments). Against the background of the explosive growth of e-business worldwide, especially in the US, these figures are alarming signs that European SMEs are not yet fully committed to the Internet. The OECD estimates that the value of Internet transactions doubles every 12-18 months⁴. European SMEs therefore risk missing important economic opportunities.

Table 1: Use of the Internet by enterprise size, Europe-1999

	Number of employees				Total
	1	1-9	10-49	50-249	
Having direct access to the Internet	33 %	49 %	67 %	86 %	42 %
Distribution of product information via the Internet	14 %	27 %	42 %	59 %	21 %
Distribution of products via the Internet	6 %	7 %	9 %	13 %	7 %
Receiving orders	8 %	10 %	15 %	20 %	10 %
Confirming orders	6 %	9 %	12 %	16 %	8 %
Paying via the Internet	4 %	5 %	8 %	9 %	4 %
Receiving payment via the Internet	3 %	3 %	4 %	7 %	3 %
Co-operating in offering products or services jointly	9 %	13 %	19 %	29 %	12 %

Source: ENSR Enterprise Survey 1999 as used in The European Observatory for SMEs – Sixth Report, European Commission, 2000.

To help traditional SMEs “go digital”, a number of well-documented perceived “obstacles” need to be removed⁵. These include:

- **Current e-climate.** The volatility of “dot.com” businesses is giving rise to much publicity and discussion. Attrition rates are much higher among e-business dot.coms than among SMEs in more traditional businesses. This may act as a further disincentive to SMEs. Economic failures are an intrinsic element of business life, particularly in a fast-changing environment like the Internet. In many Member States, strict bankruptcy laws act as a strong disincentive to risk-taking. There are failures,

⁴ OECD, Economic Working Papers 252, 2000.

⁵ See for example ENSR Enterprise Survey 1999 as used in The European Observatory for SMEs – Sixth Report, European Commission, 2000.

as well as remarkable success stories. What really matters is the existence of a spirit of “entrepreneurship”.

- **Regulation.** Although today’s regulatory environment seems to accommodate e-business satisfactorily at national level, problems may emerge when SMEs participate in e-business across borders. While efforts to harmonise legislation in Europe should result in a clear and predictable framework for Europe, global consensus on such key issues as consumer protection need to be further developed. Unlike larger companies, with their teams of lawyers and consultants, SMEs tend to avoid the legal risks of engaging in cross-border commerce. Readily available basic legal information, and in particular semi-standardised legal advice, is therefore of crucial importance for SMEs who, more than any other business, need simplicity and predictability. Similarly, low-cost access to effective alternative dispute resolution mechanisms (ADRs) is widely perceived as a key prerequisite for engaging in cross-border e-business.
- **Skills.** The lack of suitable technical and managerial staff with sufficient ICT expertise is another major barrier. SMEs critically depend on “on-the-job-competence”. Europe’s shortage of skilled ICT and e-business professionals is now estimated at approximately 1.9 million. This could rise to as much as 3.8 million in 2003⁶. Some Member States have taken action to attract ICT experts from third countries. Bringing in outside expertise is costly, and in today’s very competitive market for ICT specialists, big companies and fast-growing ICT start-ups have a clear advantage over “traditional” SMEs;
- **Technology and standards.** More than any other business users, SMEs have a strong interest in standardised and fully compatible ICT solutions that stay relatively stable over time. At present, the complexity and the lack of robustness of many ICT solutions are discouraging many SMEs. Where software or systems prove to be incompatible with those of customers and suppliers, there is a high risk that ICT investment may be lost. SMEs do business with many different clients. Yet they often have to follow the technology and business standards set by major clients, and hence run the risk of becoming “locked-in” to a specific technology, used by one contractor but not by others.
- **Cost.** The cost of setting up an e-business includes preliminary planning, procuring hardware and/or software tools (installation, training, and subsequent reorganisation), continuous maintenance, servicing costs and telecommunications charges. The cost of the initial investment has dropped in recent years. However, getting the right ICT equipment is only part of the equation. Maintenance and service costs remain critical for many SMEs. Uncertainty about the viability of the initial investment and the rising cost of maintenance services may reduce their willingness to undertake the necessary investments. In addition, SMEs have to be prepared to outsource ICT services and to acquire professional skills and use consultants to help prepare for the organisational changes required by e-business;

This list of potential barriers clearly requires a consistent policy response. National and European policies in many areas must aim to ensure a more favourable - and more predictable - business environment. This is one of the key preconditions for SMEs to stay competitive,

⁶ EITO Report 2001.

successfully harness the advantages of the Internet, and reap the full benefits of e-business. The GoDigital initiatives directly address these problems, through specific actions. The key challenge for policy makers is still to lower barriers to market access and foster entrepreneurship.

4. GoDIGITAL: PRIORITIES, ACTIONS AND TIMING

This Plan describes a first set of actions to be taken in support of eEurope for SMEs. These actions will be implemented in 2001-2002, building on the Multiannual Programme for SMEs and on the IST programme. The main focus for 2001 will be further promoting take-up of e-business, notably through Euro Info Centres, and the benchmarking of national policies in support of ICT and e-business. The first step to helping SMEs go digital is to learn from each other's experience. In the course of 2001, further initiatives will be prepared to address more specifically the needs of SMEs in their transition towards the new economy.

ACTION LINE 1: FAVOURABLE ENVIRONMENT FOR ELECTRONIC BUSINESS AND ENTREPRENEURSHIP

In the Commission Communication "*Challenges for Enterprise Policy in the Knowledge-Driven Economy*"⁷ the lack of entrepreneurship was identified as a major challenge for Europe by comparison with its trading partners. Many companies have traditionally been risk-averse, and may give higher priority to cutting costs in the short term than to developing new products and new business models. As a result, most Internet-related technology breakthroughs and business innovations were pioneered elsewhere.

Today, e-business is opening up new opportunities for entrepreneurship. Whereas, in the early stages of the commercial Internet, the main focus was on investing in ICT infrastructures, the challenge now is to use the Internet as a new business tool. This does not, however, imply that the deployment of a broadband infrastructure is sufficient. Further initiatives need to be taken to encourage the further development of broadband infrastructure and Mobile-commerce.

E-commerce, both business-to-consumer and business-to business (B2C and B2B) are radically changing the ways in which companies and markets are organised. To foster and accompany these structural changes, most Member States have launched ambitious national initiatives to stimulate entrepreneurship in general, and the use of ICT and e-business in particular. To maximise the impact of research projects in the market and to ensure as far as possible a level playing field for economic players, regardless of size, the Commission will continue to support wider consensus-building efforts, at sectoral level and through the European Standards Organisations.

The GoDigital initiatives must help create synergies among diverse national strategies. GoDigital benchmarking and EU-wide policy co-ordination can add real value, by enabling Member States to learn from each other's experience and initiatives, as the Internal Market in

⁷ COM(2000) 256 final of 26.4.2000.

e-business takes shape, and Europe enters the new global economy. To this end, the following actions will be taken in 2001-2002:

ACTION 1: BENCHMARKING OF NATIONAL AND REGIONAL STRATEGIES IN SUPPORT OF E-BUSINESS

Objective: to describe and benchmark national and regional policies and instruments developed for the promotion of e-business for SMEs. This will help Member States and regions to assess their policies and identify best practices on the basis of national experience. It should also help to identify how European funds and other EU initiatives can complement regional and national strategies.

Implementation: Benchmarking of national and regional ICT and e-business strategies will be carried out in close co-operation with the Member States, under the BEST 2001⁸ programme. Many initiatives to promote ICT and e-business, notably for SMEs, have been launched over the past few years at national and European level. Although information about them is readily available, the precise way they work and their impact have often not been assessed with sufficient accuracy. There is also a need to understand the different approaches better and to identify in which environment they work best.

Responsibility: The European Commission and Member States.

Timetable: the first phase, in 2001, will be devoted to gathering information and identifying benchmarks. The second, to be launched in 2002, will involve assessing the information with Member States and ascertaining best practices on the basis of the chosen benchmarks.

ACTION 2: MEASURING OF TAKE-UP OF ICT AND E-BUSINESS

Objective: to develop a comprehensive GoDigital scoreboard for measuring the take-up of ICT and e-business by SMEs in EU Member States and across business sectors.

Implementation: DG Enterprise will develop and regularly publish a GoDigital "scoreboard", based on a common methodology. This will be done in conjunction with the benchmarking of national strategies in support of e-business, and supported by research projects under the auspices of the IST Programme⁹. All this will provide a basis for regular discussions with Member States. Periodic sectoral and cross-sectoral reports will analyse structural changes and market trends in different sectors, as a result of the transition towards the "new" economy. A series of workshops will review and validate the empirical findings and identify appropriate policy responses.

In addition, the Commission can provide some financial support to workshops/conferences, organised by business federations, chambers of commerce and business support networks such as Euro Info Centres (EICs) and Innovation Relay Centres (IRCs) under the GoDigital umbrella. The main target audience will be policy makers. Both actions – the statistical

⁸ BEST is a procedure for the progressive development of enterprise policy. It aims to identify and exchange good practices amongst Member States and between Member States and the Commission.

⁹ An IST programme with a call for proposals on statistical tools, methods, indicators and applications for the information society was issued in 2000. Projects resulting from this call will start early 2001. A call for proposals on "socio-economic analysis and indicators for the information society" is envisaged for 2001.

scoreboard and the organisation of workshops – will be implemented under the MAP 2001 Work Programme.

Responsibility: The European Commission and Member States, industry associations, chambers of commerce, EICs, IRCs and others.

Timetable: starting 2001, in conjunction with the Multiannual Programme 2001-2005. The sectoral analysis will be carried out throughout the duration of the Multiannual Programme.

ACTION 3: IMPROVE ACCESS TO INFORMATION AND COLLECT FEEDBACK FOR POLICY MAKING PURPOSES IN THE AREA OF ELECTRONIC COMMERCE LEGISLATION

Objective: To provide SMEs with relevant and user-friendly information and advice on legal and regulatory issues of e-commerce, to analyse the practical problems encountered by businesses operating in the Internal Market, and to take these into account in future policy developments.

Implementation:

- Improved information: The legal uncertainties related to cross-boarder e-commerce transactions have already been addressed by the European Community. However, the apparent lack of awareness amongst the SMEs about the legislation on jurisdiction and applicable law in cross-border e-commerce transactions constitute barriers for SMEs willing to go on-line. This calls for reinforcement of information dissemination and awareness raising. In recent years the European Community has adopted a number of legal acts to allow consumers and businesses to better benefit from cross broder e-commerce, for example Directive (1995/46/CE) of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data, Directive (1997/7/EC) of the European Parliament and of the Council on the protection of consumers in respect of distance contracts, and Directive (1999/93/CE) on a Community framework for electronic signatures. In addition, the full implementation of the e-commerce Directive (2000/31/CE) will certainly contribute to a more favourable and predictable business environment for e-business in Europe.

Moreover, the regulation (CE) n° 44/2001, on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, aims to establish provisions to unify the rules of conflict of jurisdiction in civil and commercial matters and to simplify the formalities for rapid and simple recognition and enforcement of judgements emanating from Member States, addressing *inter alia* electronic commerce in the context of the internal market.

Under the European Commission initiative “Dialogue with Businesses” an Internet web-site has been developed (<http://europa.eu.int/business>) which provides practical businesses information on a wide variety of topics in 11 languages. This web-site will be further developed in order to cover legal aspects of e-commerce. The “Dialogue with Business” web-site also provides links to the Euro Info Centres (EIC) network, which has already developed expertise in this field. In order to assist with the implementation of Go-Digital, it is proposed to set up a new E-business sector on this web site.

- Feedback: Enquiries posed by SMEs and problems they encounter while doing business in the EU should be constantly taking into account for policy making. E-commerce will therefore be included in the Commission's new "Interactive Policy Making" – initiative which aims – via the Internet- to collect spontaneous reactions from the marketplace using existing networks (such as the EIC network) in order to enhance the Commission's ability to assess the impact of its policies (or the absence of them) on the ground; to evaluate proposals for new actions, to respond rapidly and in a targeted manner to problems or issues that emerge, and to be accountable for its actions.

Responsibility: The European Commission, with the involvement of the EIC network.

Timetable: Completion of the new section on e-commerce for the "Dialogue with Business"-web-site by 2001; a supportive IST project on a legal portal may start mid 2001.

ACTION 4: ELECTRONIC BUSINESS INTEROPERABILITY

Objective: to promote interoperable electronic business solutions, through European standardisation and consensus building.

Implementation: The European Standards Organisations have been invited to offer platforms for industrial consensus -building at sectoral level, with direct participation from industry. These should help to improve understanding of future needs for technical and business standards for the emerging e-marketplaces, notably in the B2B area. The Commission will organise a workshop with e-market makers, industrial fora, European standards organisations and SMEs in Brussels. Support will continue to be provided to the implementation of the Rolling Standardisation Action Plan of standards organisations CEN, CENELEC and ETSI.

Responsibility: The European Commission and in co-operation with industrial fora and European Standards Organisations.

Timetable: workshop on standards for e-marketplaces by April/May 2001; Publication of a grant theme on consensus-building initiatives in support of GoDigital by June 2001; Grants to CEN, CENELEC and ETSI for standardisation work by June 2001.

ACTION LINE 2: TAKE-UP OF ELECTRONIC BUSINESS

Getting into e-business remains a difficult step for many SMEs. It requires substantial investment, critical technical and managerial skills and risks. Understanding these challenges entails focussing the discussion on specific, sectoral and local needs. Initiatives designed to promote take-up must be targeted at specific sectors and types of SMEs. There is no longer a general lack of awareness of e-business. But when it comes to actually "going digital", hurdles remain. The Commission will organise a GoDigital campaign, not only to inform SMEs about existing funding possibilities, but also to improve understanding of the real problems that SMEs face, particularly in less-favoured areas and sectors.

Take-up measures in the IST Programme aim at transferring "leading edge" knowledge as well as established but insufficiently deployed methodologies to industry and other

organisations in order to achieve greater efficiency, higher quality and greater economy. Finally, steps will be taken to facilitate SMEs' access to ICT investment loans and provide them with better business support services. Such take-up actions will need to be further refined and taking into account the results of the benchmarking studies and the consultations with SMEs in 2001.

In 2001, the following actions will be taken in this area:

ACTION 5: PROMOTING THE AWARENESS FOR GOING DIGITAL

Objective: to provide SMEs with sufficient information about the needs and tools for a wider use of ICT and e-business, building upon regional and business initiatives.

Implementation: the Commission will organise a number of GoDigital events throughout the European Union, bringing together SMEs, ICT vendors and e-market players. These events will aim at better helping SMEs to understand available e-business tools and applications. Furthermore, the objective is to encourage SMEs to fully participate in the emerging e-marketplaces. These awareness events will be organised by e-commerce reference centres and other platforms at regional and national level under the GoDigital umbrella, with possible financial contributions from the Commission.

As a next step, industrial associations, chambers of commerce and business support networks (notably Euro Info Centres, Innovation Relay Centres and others) will be invited to disseminate practical information about successful e-business strategies, building upon existing material and pilot activities. Business support networks play an important role in raising SME awareness, because of their ability to act in co-operation with national and local initiatives, and because of their proximity to SMEs. All envisaged activities should address the specific needs of SMEs to participate and compete in the new economy (types of ICT equipment, quality of services and products, etc.). The Commission will support – through grant themes - a number of workshops aiming at providing practical assistance to enhance the ability of SMEs to participate effectively in e-marketplaces.

Responsibility: The European Commission, with the support of chambers of commerce, industry associations and business support networks (EICs, IRCs, etc.).

Timetable: the Commission will invite European associations, chambers of commerce, business support networks and other institutions that can act as multiplier to a kick-off meeting in May 2001. The publication of a grant theme for the financial support for regional and sectoral events in support of GoDigital will be launched after the adaptation of the Multiannual Programme 2001-2005. A "GoDigital Summit", where results and experiences will be shared, is scheduled for late 2001.

ACTION 6: ELECTRONIC COMMERCE TAKE-UP

Objective: facilitating e-business take-up by SMEs through pilot projects under the IST Programme.

Implementation: take-up measures under the IST Programme include:

- *Trials* (for SME users and suppliers) to promote the adaptation and introduction of leading-edge technology (promising but not yet fully established) in industrial/service applications and its joint evaluation by suppliers and users,
- *Best practice actions*, (for SME users) promoting improvements in the practices, processes and operations in industry and services through the introduction of proven but not yet widely deployed methods and technologies, so as to achieve greater efficiency, higher quality and greater economy in the user organisation, and
- *Demonstration projects* designed to prove the viability of new technologies offering economic advantages but which are not yet commercialised directly.

Responsibility: European Commission

Timetable: DG Information Society launched 15 best practice actions and 20 trials in 2000. These are currently running. In spring 2001, new projects will be launched. These will include 6 trials, and 9 best practice actions. In 2001 a new call for proposals will be made for regional and sectoral electronic commerce pilot actions. A further call for take-up proposals will be opened in June 2001.

ACTION 7: PROVISION OF A LOAN GUARANTEE FACILITY FOR SMES

Objective: to provide SMEs with loans for investment in ICT and intangible assets (hardware, software, training, and introduction of Internet and e-business practices).

Implementation: An SME Guarantee Facility will be implemented via co-/counter-guarantee schemes in Member States. The loan guarantees will be extended by the European Investment Fund to national guarantee schemes and mutual guarantee societies. Agreements have been signed by the EIF with 19 financial intermediaries covering total guarantee portfolios of €1.4 billion. This catalyst scheme is also intended to convince the Member States of the effectiveness as a catalyst of guarantee instruments which improve SMEs' access to loan finance.

Responsibility: European Investment Fund, in close collaboration with financial intermediaries in the Member States and DG Enterprise.

Time-schedule: Starting 2001

ACTION 8: PROMOTING BETTER USE OF STRUCTURAL FUNDS

Objective: to make better use of the Structural Funds in promoting the take-up of e-business by SMEs.

Implementation: Access to new technologies and to the information society is considered a key priority for the Structural Funds programming period 2000-2006 to help overcome the digital divide. Interventions financed by the Structural Funds should focus on demand-side measures supporting regions i. a. to develop local content and applications, and help SMEs to adopt and effectively use ICT.

As the programming exercise is coming to an end, the Commission will carry out a number of actions to help ensure an efficient use of Structural Funds earmarked for the information

society and the knowledge-based economy and for improving synergies between the IST-Programme and the Structural Funds as a follow-up to the conference on “The Information Society and Economic, Social and Territorial Cohesion” in Lyon, in December 2000.

Furthermore, € 400 million from the ERDF have been made available for the period 2000 – 2006 for the new Innovative Actions¹⁰ with the objective of contributing at a regional level to the transition to the knowledge-based society by developing and testing new approaches through pilot and demonstration actions.

One of the three strategic themes of the new innovative actions under the ERDF is *e-EuropeRegio: the information society at the service of regional development*. The regional authorities concerned will be invited to submit their proposals for programmes by 31 May at the latest each year between 2001 and 2005, covering i. a. objectives such as encouraging SMEs to include electronic commerce in their development strategies and to find suitable ways of meeting their employees' needs in computer skills, and if possible, making use of applications developed under the IST-Programme.

Responsibility: The European Commission

Timetable: starting 2001.

ACTION LINE 3: ICT SKILLS

The digital economy is creating an ever-greater demand for qualified ICT specialists. The rapid growth of this demand has already led to a shortage of such specialists, making it difficult for SMEs to recruit experts. The implications of this shortage are not just short-term. If they are not remedied, they may become an obstacle to the further penetration of ICT and e-commerce in business. Adapting education and labour market systems to the requirements of the new economy represent a major challenge for enterprise policy at national and European level.

The importance of this issue and the implications for the labour market, as outlined in the Commission Communication “Realising the European Union’s Potential: Consolidating and Extending the Lisbon Strategy”¹¹, have led to the proposal to set up a high level skills and mobility task force, with the task of analysing and finding solutions to the ICT skills shortage, as well as enhancing the mobility of labour force.

The concerns related to the ICT skills shortage are among the reasons, which prompted the launch of the “eLearning: Designing Tomorrow’s Education” initiative¹². This major initiative seeks to mobilise the educational and cultural communities, as well as the economic and social players in Europe, in order to speed up changes in the education and training systems for Europe’s move to a knowledge-based society. The Member States of the European Union have decided to work together to harmonise their policies in the field of educational

¹⁰ COM(2001) 60-005 final of 31.1.2001, The Regions in the New Economy: Guidelines for innovative actions under the ERDF in 2000-2006.

¹¹ Realising the European Union’s Potential: Consolidating and Extending the Lisbon Strategy. COM(2001) 79 final.

¹² COM(2000) 318 final of 24.5.2001
<http://europa.eu.int/comm/education/elearning/index.html>.

technology and share their experience. *eLearning* aims to support and coordinate their efforts and to accelerate the adaptation of education and training systems in Europe.

"Go Digital" will be implemented in line with the *eLearning* initiative. The following actions will be taken in this area.

ACTION 9: SUPPORTING INDUSTRY-LED INITIATIVES FOR NEW ICT CURRICULA

Objective: to support joint initiatives between industry and education for the definition of new requirements for ICT skills and to adapt education curricula accordingly.

Implementation: The "Career Space" project was launched by eleven leading ICT companies and the European ICT Association (EICTA) with the support of the Commission.. This represents a joint effort to define skill requirements of the ICT and user industries regarding ICT professional staff, and to develop curricula guidelines. The project is based on co-operation between industry, professional bodies, universities and other education institutions. Its first phase concerned the definition of "job and skills profiles" for key jobs and job areas in the ICT industry. This has been successfully completed. The current phase of the project focuses on the preparation in co-operation with higher education organisations of guidelines for curricula that reflect the education and training needs of the industry and the workforce requirements for the new economy.

In view of the importance of closing the increasing gap between the supply and demand of skilled ICT staff, and considering the urgency of concrete solutions, the co-operation with the "Career-Space" project will be reinforced and extended notably in the scope of the Commissions "eLearning: Designing tomorrows education" initiative.

Responsibility: The European Commission, the European ICT Association (EICTA), education institutions and other stakeholders.

Timetable: The "Career Space" project is under way.

ACTION 10: CREATING AN ICT SKILLS MONITORING GROUP WITH MEMBER STATES

Objective: to establish a working group, in collaboration with Member States, to monitor market demand for ICT and e-business skills as well as the existing supply of such training and provision of skilled workforce from the public and private sector.

Implementation: Member States have taken a number of initiatives to adapt curricula for education and vocational training and to attract ICT experts from third countries. Under the BEST programme for 2001, an expert group will be established to define the industry requirements and to monitor the actions aimed at improving the availability of ICT skills. By focussing specifically on the needs of the ICT professionals and of the SMEs in particular, the expert group could give a useful sectoral contribution to the work of the proposed high level skills and mobility task force.

Responsibility: The European Commission in close co-operation with Member States.

Timetable: to be launched in 2001 (first quarter), with a view to issuing a first report by the end of 2001.

ACTION 11: LAUNCHING A SMES TRAINEE PROGRAMME

Objective: to help European students to develop entrepreneurship, by a trainee programme with SMEs. The SMEs would benefit from the students' expertise and availability for setting up and supporting their future e-business system.

Implementation: the terms of reference and conditions for such an programme will be drawn-up in co-operation with the e-commerce reference centres, DG Education and Culture and others. Essential to this is the selection of suitable candidates with sufficient ICT skills, such as basic knowledge in the use of standard office applications, experience in how to link up to the Internet and use basic Internet applications. Under this "Traineeships for SMEs" programme, suitable candidates will be supported for a period of 5-6 months to assist SMEs on-site with e-business applications set-up and ICT use. The programme will thus facilitate a dynamic exchange of knowledge between SMEs on the one hand and e-commerce assistants (e.g. students) on the other. This action is specifically targeting students from technical schools and higher education establishments, with special emphasis on e-business.

Responsibility: The European Commission

Timetable: consultations to start in 2001. Feasibility study under the IST Programme.

5. THE NEXT STEPS

This Communication identifies a first series of actions helping SMEs to GoDigital. These actions will be implemented in close collaboration with Member States. Further information on the implementation will be available on the GoDigital web-site¹³.

The GoDigital Implementation Plan will be continuously updated and be further developed in support of the eEurope 2002 Action Plan. New areas for initiatives will be systematically explored, e.g. in the field of the interactions between business and public administration and the further promotion of ICT take-up and professional skills. Further co-ordination with Member States shall be primarily ensured through the Enterprise Policy Group.

¹³ <http://europa.eu.int/ISPO/ecommerce/godigital>.