



ANNEX 4

to Commission Implementing Decision on the ENI East Regional Action Programme 2017 Part 2 (including two actions on budget 2018 and two actions on budget 2018 & 2019), to be financed from the general budget of the European Union

Action Document for Support to the implementation of the EU4Digital initiative in the Eastern Partnership region"

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in section 5.3.2 concerning grants awarded directly without a call for proposals.

1. Title/basic act/ CRIS number	Support to the implementation of the EU4Digital initiative in the Eastern Partnership region CRIS number: ENI/2017/040-574 financed under European Neighbourhood Instrument.
2. Zone benefiting from the action/location	EU Eastern Partnership region: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine. The action shall be carried out at the following location: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova and Ukraine.
3. Programming document	Programming of the European Neighbourhood Instrument (ENI) - 2014-2020- Regional East Strategy Paper (2014-2020) and Multiannual Indicative Programme (2017-2020)
4. Sector of concentration/ thematic area	Digital Economy and Society
5. Amounts concerned	Total estimated cost: EUR 7 000 000 Total amount of EU budget contribution EUR 7 000 000
6. Aid modality(ies) and implementation modality(ies)	Project Modality Grants – direct award Procurement of services

7 DAC code(s)	22040 Information and Communication Technologies 22020 Telecommunications 33120 Trade facilitation			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	X	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	X
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	N.A.			
10. SDGs	Main SDG Goal(s) 8: Decent Work and Economic Growth Secondary SDG 9: Goal(s) on the basis of section 4.1>Goal 9: Industry, Innovation and			

SUMMARY

This Action reflects closely the outcome of the ministerial level meeting on the Digital Community which was held in Brussels on 18 October 2016 where six digital topics have been identified as priority areas for cooperation in the Eastern Partnership region: Telecom rules, eSkills, ICT innovation, Trust & Security, eTrade (including eCommerce, eCustoms and eLogistics / Digital Transport Corridors) and eHealth.

In the same meeting, EU4Digital was presented by the European Commission as the vehicle to support the implementation of cooperation roadmaps in these topics. As such, EU4Digital is meant to be a recognizable, easily communicated and overarching brand encompassing EU support to the digital economy and society in the Eastern Partnership region. A transversal communication component will specifically ensure proper communication, visibility and dissemination of EU4Digital results, as well as coordination and monitoring of EU4Digital activities.

This action is the first intervention in the field of digital economy covering the whole Eastern Partnership region. To avoid the risk of overreaching and ensure effective implementation, it is foreseen to follow a modular or multi-step approach. During this first phase of EU4Digital, focus will be put in addressing more in depth the areas where we have identified the most urgent needs, and more potential to provide tangible results and be highly visible in the short term. These are: Telecom rules (including roaming issues), Trust and eTrade.

It is intended to continue building on this first phase of EU4Digital through additional regional funds in the coming years, as well as through the bilateral envelopes and possibly the use of ENI blending instruments.

One separate component of the action is fully dedicated to the support to broadband development in the EaP region¹. This is of vital importance, not just in terms of its potential to boost GDP growth (estimated at between EUR 2.9 billion and 4.3 billion for the EaP region, for fixed broadband alone), but also in terms of providing the essential connectivity platform for the deployment of eServices for businesses and citizens.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

A gap analysis of the digital environments of the 6 EaP partner countries (as compared to the EU baseline) has been performed by the HDM study². Figure 1 below shows how the 6-country average compares to the EU baseline (=100) for 6 different digital topics. The regional average seems to be higher for topics such as Digital Trust, Cybersecurity and eCommerce, while the region appears to lag behind in topics such as Telecom Rules, Digital Skills and eCustoms. For all topics, significant work remains to be done regarding the harmonization of the EaP partners' digital environment with the EU's Digital Single Market.

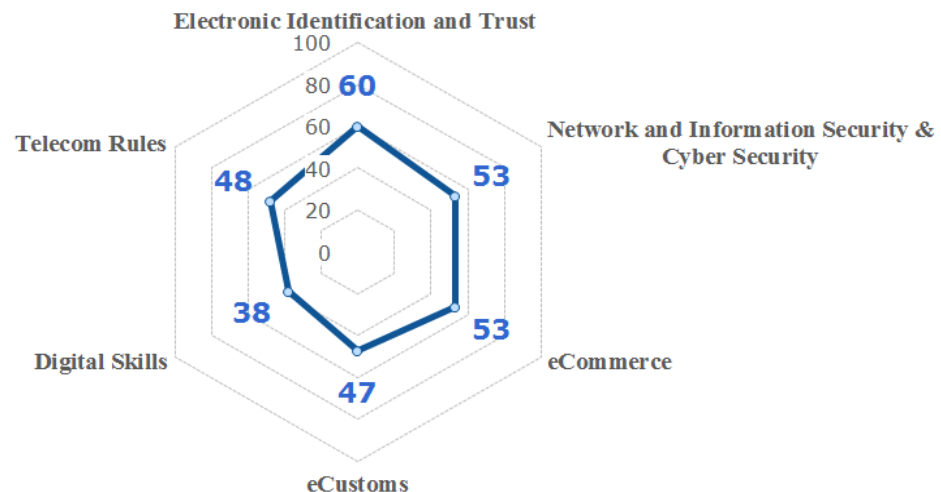


Figure 1. Gap analysis of the EaP region (6-country average)

1.1.1 Public Policy Assessment and EU Policy Framework

EU relations with the six eastern EU Neighbours are developing within the policy frameworks of the **European Neighbourhood Policy** (ENP), the **Eastern Partnership** (EaP) and the **Digital Community**, the latter aiming to deliver the benefits of the Digital Single Market (DSM) to key EU Neighbours. Various **bilateral agreements** between the EU and the EaP partner countries (Association Agreements, DCFTAs etc.) are also delineating these relations.

¹ "EaP region" hereafter denotes the 6 EaP partner countries together.

² <https://europa.eu/capacity4dev/hqstep/document/harmonisation-digital-markets-eastern-partnership-study-report>.

The need for EU4Digital is reflected in the review of the European Neighbourhood Policy³ (Nov. 2015) where it is stated: *"support for the digital economy should be stepped up, to harmonise the digital environments between the EU and its neighbours. This will create jobs, growth and innovation, particularly benefiting the young in terms of opportunities for education and employment, locally or at a distance, and for starting up low initial capital businesses"*.

EU4Digital aims to deliver the benefits of the Digital Single Market⁴ ("DSM") beyond the EU Member States, extending to the EU's neighboring countries the potential of the digital economy & society to bring economic growth, generate more jobs, improve people's lives and help businesses.

The vision for a Digital Community is fully in line with the Riga Summit conclusions, to deliver concrete and tangible results for citizens in four key areas. While addressing fully "market opportunities", the Digital Community addresses also well the other three areas: "interconnections", "mobility and people to people" and "strengthening institutions and good governance".

To facilitate the implementation of the Digital Community with the EaP partner countries, the Panel on Harmonisation of Digital Markets (**HDM Panel**) was established in autumn 2015. The Commission Communication "A Digital Single Market Strategy for Europe"⁵, as well as the Ministerial Declaration⁶ of the First Eastern Partnership Ministerial Meeting on Digital Economy, held in June 2015, provide the policy framework of the Panel and set out its objectives.

The key objective of the HDM Panel is to promote the harmonisation of digital markets within the EaP region, and between EaP partner countries and the EU. Individuals and businesses, irrespective of their nationality or place of residence, will be enabled to exercise online activities seamlessly, under fair competition and with a high level of consumer and personal data protection.

This objective is also in line with deliverable no.7 "Harmonisation of Digital Markets" under priority I "Economic Development and Market Opportunities" of the adopted Joint Staff Working Document "Eastern partnership – Focusing on key priorities and deliverables"⁷. This establishes an ambitious set of deliverables by 2020 on digital harmonisation, ranging from the reduction of roaming charges to cyber security with the overall aim being *"to eliminate existing obstacles and barriers to the provision of pan-European online services for citizens, public administrations and businesses. This will result in better services, at better prices and more choice; it will attract investments and boost trade and employment. Existing companies will be able to grow faster and start-ups will be created more easily. The brain drain will be reversed."*

Various actions in the field of the digital economy and society, including actions contributing to the harmonisation of digital markets, appear also under the **2017-2020 Single Support**

³ https://eeas.europa.eu/enp/documents/2015/151118_joint-communication_review-of-the-enp_en.pdf

⁴ <https://ec.europa.eu/digital-single-market/en/digital-single-market>.

⁵ COM(2015)192 of 6 May 2015.

⁶ https://eu2015.lv/images/news/2015_06_11_EaP_Digital_Economy.pdf.

⁷ https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/near-eeas_joint_swd_2016467_0.pdf.

Frameworks for Armenia, Belarus, Georgia, and the Republic of Moldova⁸ and the upcoming 2018-2020 SSF for Ukraine (see Appendix II).

1.1.2 Stakeholder analysis

Representatives from national Governments and institutions of EaP partner countries will be the direct beneficiaries of the action. The main counterparts will be representatives from the relevant Ministries (i.e. Ministries of Telecommunication, Communication and Information Technologies, Economy and Sustainable Development, Economic Development and Trade etc.), National Regulatory Authorities and government agencies in charge of the digital economy and society.

Other key government stakeholders involved will include representatives from other relevant Ministries (Health, Transport, Justice, Education and Research, Employment, Infrastructures etc.), export and investment promotion agencies, national statistical offices and central banks. They will contribute to the policy making processes and participate in activities carried out under this action in their area of expertise.

High-level Government representatives of all EaP partner countries at Deputy Prime Minister or Minister level have already committed to work on the implementation of the EU4Digital Actions Plans 2017-2020 and the corresponding reforms at national level.

EU delegations in the EaP partner countries will play a fundamental role in ensuring that policy support provided through this action is consistent with and complementary to bilateral EU technical assistance programmes. They will also ensure adequate visibility of the European Union as the main donor for this action.

The final beneficiaries of this action are the business community and the citizens of the EaP partner countries that would benefit from improved framework conditions and key enablers for the development of eServices.

1.1.3 Priority areas for support/problem analysis

As stated in the "Digital4Development" Staff Working Document⁹ outlining the European Commission's approach to mainstreaming digital technologies into EU development policy:

"Digital technologies (alias information and communication technologies - ICT) and services are proven enablers of sustainable development and inclusive growth. They can be key to improving lives even in the poorest countries, in particular by empowering women and girls, enhancing democratic governance and transparency, and boosting productivity and job creation. Nevertheless, connectivity and affordability remain a problem both across and within regions, since there are large variations between high and lower income countries and between cities and rural areas."

In 2015, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development, which highlights the importance of information and communication technologies. Reference to ICT can be found explicitly as a target under Sustainable Development Goal 9 *"Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation"*³, while ICT is also referenced in the targets related to climate change, gender equality and women empowerment, private sector development, education and health. While the 2030

⁸ Hereinafter referred to as Moldova.

⁹ https://ec.europa.eu/europeaid/sites/devco/files/swd-digital4development_part1_v3.pdf.

Agenda sets out a comprehensive vision of what needs to be achieved to eradicate poverty and promote sustainable development, EU development policy is a critical part of the overall EU response to that Agenda.

Sustainable economic and social development and support to transformation process are at the heart of the EU's contribution to stabilising the neighbourhood. In addition to underpinning macroeconomic stability through sound economic policies, Eastern Partnership countries need to face the challenge of driving their economic transition process forward with a view to create an attractive environment, a level playing-field for investments and business, as well as to improve their capacity to take advantage of the trade opportunities with the EU and with each other.

The modernisation of economies is another important priority. In particular, the digital economy is an area with yet untapped potential for both the EU and the EaP partner countries for social and economic development, as well as for the creation of growth and jobs.

A comprehensive assessment of the state of the digital practice in the Eastern Partnership Countries as compared with EU norms and the regional harmonisation recommendations issued in 2015 in the framework of the "Study on Harmonisation of Digital Markets in the Eastern Partnership" (HDM Study) has revealed the need to harmonise the digital markets, in order to eliminate existing obstacles and barriers of pan-European online services. Independence of the national regulatory authorities (NRAs) for electronic communications, harmonised roaming pricing and spectrum allocation and well defined and implemented broadband strategies are some examples of key deliverables regarding the Telecom Rules topic. Further deliverables are identified within the HDM study for the other digital topics.

On 18 October 2016, Commissioners Oettinger and Hahn co-hosted in Brussels a **Ministerial level meeting with the EaP partner countries**, where the idea of the Digital Community received broad support. In this meeting, the participants endorsed the creation of **six EU4Digital networks** comprising representatives from the EaP partner countries and EU Member States. These networks (see Figure 1) focus on the following priority areas:

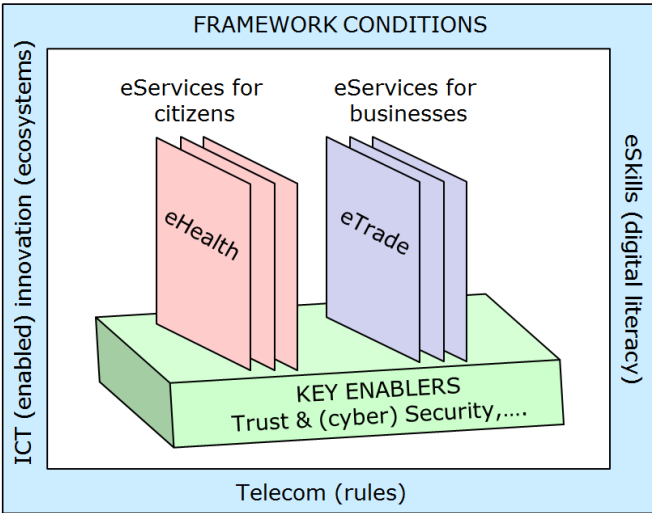


Figure 1. EU4Digital priority areas

- a) Promoting the **framework conditions** for the digital economy and society: telecom rules; ICT research, start-ups and innovation ecosystems; and digital skills;
- b) Providing the **key enablers** for electronic services: electronic identification, trust services and cybersecurity;

- c) Piloting cross-border **eServices for citizens**: eHealth; and
- d) Piloting cross-border **eServices for businesses: eTrade, including eCommerce, eCustoms and eLogistics/Digital Transport Corridors.**

The following networks are currently operational under the EU4Digital brand:

1. **EU4Digital: Telecom** covers work related to the regulatory framework for electronic communications in the EaP partner countries. The corresponding network includes the national regulators for electronic communications and covers inter alia benchmarking of markets, spectrum coordination, reducing roaming tariffs among EaP partner countries and broadband development.
2. **EU4Digital: Trust & Security** focuses on electronic identification, digital trust services, network and information security and cybersecurity, all necessary building blocks for interoperable cross border eGovernment services;
3. **EU4Digital: eTrade** focuses on interoperable electronic trade services and processes among the EaP partner countries and with the EU, comprising eCommerce, eCustoms and eLogistics / Digital Transport Corridors.
4. **EU4Digital: eHealth** aims to identify common challenges for the EaP partner countries and issue regional harmonisation recommendations in the area of eHealth and active and healthy ageing.
5. **EU4Digital: ICT Innovation** focuses on promoting ICT research, start-up & innovation ecosystems in the EaP partner countries, taking into account similar efforts in the EU under "Horizon 2020" and the "Start-up Europe" initiative. This work is expected to improve sharing of research excellence and cross border investments, while offering EaP partners' start-ups easier access to EU markets and vice versa.
6. **EU4Digital: eSkills** focuses on formulating and implementing national digital skills strategies in the EaP partner countries, notably by establishing national coalitions for digital jobs, taking into account the EU's "digital skills and jobs coalition".

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Wavering government commitment / changes in beneficiary government priorities	L	Project management will follow up on any potentially relevant changes in the political environment, evaluate the consequences of likely scenarios, and make the necessary adjustments to the project activities.
Expanding conflict zone in Ukraine	M	Should conflict spread and impact one of the beneficiary regions in Ukraine, project management will look for ways to leverage e-learning and/or include affected beneficiaries in the activities of the non-affected regions.

Global economic / financial crisis	M	Project interventions are geared at assisting countries to develop sustainable capacities for the long-term, and project interventions would likely help lessen the negative impact of any such crisis.
Limited interest, trust, and/or stakeholder buy-in	L	The project has been developed in direct response to demand from beneficiary governmental and private sector stakeholders. As such, it is extremely unlikely that EaP partner countries will not remain committed. Even so, any lack of interest, trust and/or buy-in will be overcome through the demonstration of concrete results that can be derived from cooperation. Project activities will be adjusted accordingly should there be limited interest.
Regional programmes have sometimes difficulties to be implemented in Belarus due to absence of financing agreement with the government and the need to register all actions.	L	Smooth implementation in Belarus will be ensured through early notification of the government (Ministry of Communication and Informatisation) about the programme, as well as possibly identifying a local partner to facilitate registration of the programme activities in Belarus.
Citizens, businesses and administrations do not disclose personal data for the fear of misuse.	M	The project will support the development and implementation of roadmaps based on eIDAS regulation and in full compliance with the EU acquis, notably the principles related to citizens' fundamental rights, data protection, security and confidentiality and the General Data Protection Regulation. However, a sufficient data protection regime will need to be established in the EaP partners, prior to developing any cross-border platform/pilot.
Assumptions		
The political and security situation allows for the implementation of project activities and does not deteriorate to an unacceptable level. National government partners remain committed and support project implementation. Trust is built among stakeholders.		

3. Lessons learnt, complementarity and cross-cutting issues

3.1 Lessons learnt

3.1.1 The HDM Study

In the framework of the HDM Panel, a **Study on Harmonisation of Digital Markets in the Eastern Partnership** was issued and completed in 2015, with the purpose of assessing the readiness of digital markets in the EaP partner countries for harmonisation with the EU's Digital Single Market. The specific objectives of the study were the following:

- to lay the foundation for the development of Digital Market Agendas for the EaP partner countries;
- to analyse the benefits that would result from the HDM among the EaP partner countries and with the EU; and
- to identify follow-up actions in the form of a roadmap for the priority areas under the HDM and for each EaP partner country.

The study evaluated the level of digital market infrastructures, regulation and services development focusing on six priority HDM areas: Network and Information Security and Cyber-security; Electronic Identification and Trust Services; eCustoms; eCommerce for SMEs; Digital Skills; and Telecom Rules. It also analysed the Digital Markets using as a baseline the EU legal framework, best practices, standards and Information and Communication Technology (ICT) platforms.

For each of the six HDM areas, the report identifies the EU baseline (that comprises relevant EU legislation, best practices, standards and ICT platforms), conducts stock taking in the six EaP partner countries, analyses gaps in the state of play of the digital market, benefits and readiness for harmonisation, and identifies follow-up actions needed in the short to medium term for the EaP region and for each EaP partner country separately.

Constituting the basis for the work of the EU4Digital networks, this study sets also the ground for the present action. Additional HDM studies are currently being conducted and will be completed by autumn/winter 2017. Their results will equally feed in the EU4Digital project implementation. Topics covered by the ongoing studies are the following:

- a) Harmonising roaming pricing and reducing roaming tariffs among EaP partner countries
- b) eTrade including eLogistics and Digital Transport Corridors
- c) ICT innovation and start-up ecosystems
- d) eHealth

3.1.2 The EaPConnect project

EaPConnect, the first EaP regional project in the field of the digital economy and society, was launched in 2015 with the objective to improve intra-regional connectivity and facilitate participation of local scientists, students and academics in global research and education collaborations. The project aims to create a regional research and education (R&E) network in Eastern Europe and the Southern Caucasus, interconnecting the national R&E networks (NRENs) in the EaP partner countries and integrating them into the pan-European R&E network GÉANT.

By interconnecting the R&E communities across the region and with their European counterparts, EaPConnect will create a gateway for talented individuals in the EaP countries to become truly global players. The project implementer, GEANT Ltd, develops a high-speed regional network of optical fibres which *inter alia* will allow access to scientific databases for students and researchers. Increased coverage of Wi-Fi access for students and researchers in the region at campus and institution level will also be promoted. Two million scientists, academics and students at over 700 institutions across the region are expected to benefit from this connectivity boost.

Expected to run until 2020, the project has already produced very positive and tangible results (4 out of 6 EaP partner countries are already connected to GEANT with an initial portfolio of

available services). The success of EaPConnect paves the way to further actions in region for accelerating high-speed broadband development, beyond the research and education sector.

The preliminary findings of EaP Connect Result Oriented Monitoring analysis currently being finalised confirm the relevance, efficiency and effectiveness of the project, but reveal also its weak sustainability due to the limited financial support of the EaP partner governments.

Under the present action this risk is mitigated by the strong political ownership already ensured at bilateral level via the HDM Panel, where there has been a clear demand for the activities proposed. Learning also from the experience of previous regional programmes, other mitigating measures will be the involvement in the action of key national stakeholders, such as Telecom regulators, and the creation of long-lasting thematic networks.

The modular approach proposed in section 4 and 5 of this document will allow adjusting the intervention according to the evolving needs and the response received.

3.2 Complementarity, synergy and donor coordination

EU actions and initiatives implemented at bilateral and multi-lateral level in the Eastern Partnership region in the digital field are described in Appendix II.

Among the other donors, International Financial Institutions such as the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and the World Bank Group (WBG) are particularly active in the region in the digital field. ICT, including broadband internet, plays a vital role in the development of knowledge-based economies, and constitute an area of strategic engagement for banks' investments and policy dialogue. A first exercise for mapping the IFIs ongoing and upcoming activities in the region has been started and coordination with IFIs is ensured via different channels, including the EU-IFIs country days.

Synergies shall be sought also with other ongoing and upcoming EU regional initiatives, such as EU4Business¹⁰ and EU4Innovation¹¹.

3.3 Cross-cutting issues

An inclusive digital economy and society is one where citizens have the right skills to seize the opportunities of the digital world and increase their chance of getting a job with the creation of new sources of **employment**. Digitalization is boosting jobs, growth, competition, investment and innovation. It can expand markets and foster better services at better prices and offer more choice for consumers.

Technology has made the **education** process stress-free for both students and educators. Schools are gradually implementing digital teaching solutions to involve with a generation of learners familiar with these technologies and trying to make the classroom atmosphere more broad and participatory. Information and communication technology in education has facilitated student understanding.

The rapid development in the tech sector has allowed the transition some of more wasteful practices toward more efficient. Digital solutions can eventually have a significant benefit on the **environment**.

¹⁰ <http://www.eu4business.eu/>.

¹¹ https://ec.europa.eu/commission/commissioners/2014-2019/moedas/announcements/eu-and-eastern-partnership-countries-stepping-cooperation-innovation-eu4innovation-initiative_en.

Digital development has also a double **social impact**: it affects both the level of quality of life in a society and the equality of access to basic services that a society requires. Increasing digitization significantly boosts social well-being in a developed economy. It also supports better access to basic services; access to health and education improves, as do overall living standards.

The action will promote **gender balance** by ensuring that for each component, where relevant, specific gender-impact analysis is included. In addition we will strive to get gender equal participation in all programme activities (i.e. at least 50% of the seats in trainings should be reserved for women; at least 50% of experts & staff contracted by the project should be women, etc.)

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

The **overall objective** of EU4Digital is to eliminate existing obstacles and barriers for pan-European online services for citizens, public administrations and businesses, including through the harmonisation of the digital environments among the EaP partner countries and with the EU. This will result in better online services, at better prices and more choice; it will attract investments and boost trade and employment. Existing companies will grow faster and start-ups will be created more easily, which will contribute to prevent brain drain.

The **specific objectives** of EU4Digital are:

- 1. Promoting key areas of the digital economy and society in the EaP region, in line with EU norms and best practices.**
- 2. Accelerating broadband deployment in the EaP region.**
- 3. Establishing EU4Digital as a recognised and well communicated brand.** The new brand should encompass the EU support to the digital economy and society in the EaP region, and provide links to other complementary activities by the EaP partner countries, EU Member States, IFIs and other donors.

Expected results/outputs:

- 1. Legislative and regulatory framework conditions for the digital economy and society improved and key enablers for electronic services in place**, including **implemented policy recommendations** and **piloted cross-border eServices** for businesses (eTrade, including eCommerce and eCustoms) and for citizens (eHealth).

1.1 Telecom Rules

- 1.1.1 International agreement on a common roaming space among the EaP partner countries.** International mobile roaming services play an important role in facilitating economic and social interactions both for trade and travel. Reducing retail roaming charges among the EaP partner countries, will increase transparency of conditions related to the provision of roaming services, and citizens' welfare, while using roaming within the EaP region.

- 1.1.2 **Strengthened independence of National Regulatory Authorities (NRAs) for electronic communications in all 6 EaP partner countries.** This will ensure proper functioning of the electronic communications markets in the EaP partner countries, by encouraging competition, attracting investments and safeguarding consumer rights. This will benefit both the economy and the citizens/consumers who will be able to enjoy a wider choice of innovative electronic communications services at lower prices.
- 1.1.3 **Well-coordinated frequency distribution strategies among the EaP partner countries and with the EU.** Radio frequencies know no borders. Spectrum needs to be better coordinated to avoid interferences¹² and to allow innovative services, such as connected cars or remote health care, to work across our continent.

Within the EU, freeing the 700 MHz part of the spectrum from TV broadcasting in order to be used for mobile services is set as a target for 2020. This band is ideal for providing high-quality internet to users, wherever they are, in a large city, a small distant village or on a highway. Effort should now be put to achieve a coordinated approach with countries neighbouring the EU, notably the EaP region.

1.2 Trust and Security

- 1.2.1 **Piloted interoperable cross-border eSignature and established regional framework for cross-border eServices for businesses in the EaP region.** By using eSignatures (and eSeals), which are interoperable and legally recognised across borders, companies can operate online in a more convenient and secure manner, benefitting from less red tape and administrative costs, as well as higher productivity – whether it comes to conducting business transactions or dealing with various national administrations. For example, a company from Belarus could sign contracts electronically with a counterpart based in Georgia; a company based in Moldova could participate electronically in a public call for tenders launched in Armenia etc. Furthermore, as more and more people live or travel frequently abroad for business and leisure, it is important that they have trusted and convenient tools to conduct electronic transactions across borders. By making use of interoperable eSignatures, as well as other trust services and eID, citizens of the EaP partner countries will save money and time when completing administrative procedures (e.g. signing a tax declaration); expand their consumer choice and convenience by shopping online beyond their national markets; enrol to a university or sign a work contract in another country.
- 1.2.2 **Preparatory work completed for the design and implementation of cyber-security strategies** in the EaP region, based on EU experiences. This will ensure improved resilience of the EaP partner's critical infrastructure in different sectors such as telecom, energy, transport, banking etc for the benefit of citizens, businesses and public administrations. Thus, the EU's critical infrastructure will be

¹² A TV broadcast service close enough to the border may make the implementation of mobile broadband access systems in an adjacent country impossible up to a range of 150-200 km. Thus, a country going mobile while its neighbour is still stuck to TV broadcasting will not reap the full benefit of mobile broadband access for important parts of its population, as well as the economic benefits from broadband penetration (10% raise of broadband penetration is more than 1% increase of GDP).

better protected against external cyber-attacks reaching the EaP partner countries and having potential spill-over effect to the EU.

1.3 eTrade

1.3.1 **Better harmonised national legal frameworks for eTrade**, including eCommerce and eCustoms, among the EaP partner countries and with the EU.

1.3.2 **Piloted cross-border eTrade services among EaP partner countries and with the EU.**

These results will increase the security and transparency of trade operations in the EaP region; will cut administrative costs and revenue losses caused by fraud and non-compliance; will reduce delays and costs at the border; and improve digital services offered to businesses and citizens. These will allow companies to develop new, value-added services such as eCommerce for SMEs, eCustoms and eLogistics and will offer to citizens a greater choice of higher quality imported goods at reduced market price. Trade contracts, licenses and electronic documents for imported/exported goods issued in any EaP partner country will be recognized across the EaP region.

1.4 ICT innovation

Promotion done for legislative and regulatory reforms, relevant ICT infrastructures and best practices, favouring the development of ICT research, start-ups & innovation ecosystems in the EaP region, in line with EU norms.

This will contribute to the creation of well-structured ecosystems in the EaP region, connected among them and with similar EU ecosystems, including via the EaPConnect infrastructure and services. This will facilitate the creation of new ICT-enabled businesses in the EaP region and provide a more supportive environment for existing entrepreneurs to thrive and grow.

1.5 eHealth

Better harmonised national legal frameworks for eHealth, among EaP partner countries and with the EU. eHealth can benefit citizens, patients, health and care professionals but also health organisations and public authorities. When applied effectively, eHealth delivers more personalised 'citizen-centric' healthcare, which is more targeted, effective and efficient and helps reduce errors, as well as the length of hospitalisation. It facilitates socio-economic inclusion and equality, quality of life and patient empowerment through greater transparency, access to services and information and the use of social media for health.

1.6 eSkills

Common methodology for designing digital skills strategies and a common competence framework for SMEs and microbusinesses in the EaP region. This work should go in parallel with national digital skills strategies formulated and implemented by the EaP partners, in line with the EU's Digital Skills & Jobs Coalition. Developing a digital talent pool is crucial for European competitiveness and for Europe's digital society

to remain inclusive. Today around 45% of Europeans have only basic digital skills. All sectors of the economy are becoming digital, but 36% of the labour force has insufficient digital skills.

- 2. Roll-out of national broadband strategies by all EaP partner countries, in line with similar EU strategies.** Reduced “broadband connectivity gap” in the EaP region. Accelerating broadband deployment in the EaP region is of vital importance, not just in terms of its potential to boost GDP growth (estimated at between EUR 2.9 billion and 4.3 billion for the EaP region, for fixed broadband alone), but also for providing the essential connectivity for the deployment of eServices for businesses and citizens.
- 3. The EU4Digital brand established, visible and recognised as the reference for EU cooperation on the digital economy and society in the EaP.**

4.2 Main activities

Important notice: For Components 1 and 2 in this section, and for achieving the objectives of section 4.1, **complementary actions are indispensable at national level in the EaP partner countries.** These actions largely correspond to the digital economy and society component in the EaP partners' Single Support Frameworks 2017-2020. **Appendix III provides a detailed list of EU4Digital actions to be implemented at national level.** In addition, actions in this section will be complemented by the ongoing work of the various EU4Digital networks.

Activities to be implemented under the project will include but not be limited to the ones listed here under.

Component 1: Promoting key areas of the digital economy and society in the EaP region, in line with EU norms and best practices.

I. Telecom Rules

Activity 1.1: Develop and implement a common approach to roaming pricing in the EaP region. This will be based on the findings and recommendations of the Roaming Study, which is expected to be completed in autumn 2017.

Activity 1.2: Strengthen the organisational and financial independence of NRAs for electronic communications in the 6 EaP partner countries.

Activity 1.3: Develop and implement a coordinated approach for freeing 700 MHz in the 6 EaP partner countries, in line with intra-EU efforts and plans.

II. Trust and Security

Activity 1.4: Develop and implement a roadmap towards mutual recognition of electronic identification means in the EaP region, based on eIDAS¹³ and in full compliance with the EU

¹³ The Regulation (EU) N°910/2014 on electronic identification and trust services for electronic transactions in the EU's internal market (eIDAS Regulation).

acquis, notably the principles related to citizens' fundamental rights, data protection, security and confidentiality and the General Data Protection Regulation;

Activity 1.5: Pilot interoperable cross-border eSignature in the EaP;

Activity 1.6: Develop a regional framework for cross-border eServices for businesses in the EaP region;

Activity 1.7: Develop a standard set of cybersecurity guidelines for the EaP region based on EU experiences, for assessing threats, risks and vulnerabilities of information systems and resources from cyberspace, and provide for appropriate exchanges with EaP partner country counterparts.

III. eTrade, including eCommerce and eCustoms

eTrade

Activity 1.8: Pilot cross-border eTrade among EaP partner countries and with EU Member States. Work to be based on the results of the eTrade Study expected for autumn 2017.

Activity 1.9: Promote networking between EaP eTrade stakeholders (policy makers, investors, digital vendors, service providers, R&D centres, academia, banks, insurances, public administration and agencies) in order to raise awareness of eTrade issues and stimulate the implementation of reforms.

eCommerce

Activity 1.10: Pilot interoperable eCommerce trading platforms among EaP partner countries and with the EU.

Activity 1.11: Create a regional online dispute resolution system, connected to the EU's online dispute resolution platform.

Activity 1.12: Develop a regional online trust-mark scheme based on EU best practices, notably the requirements of eCommerce Europe and other EU professional bodies.

eCustoms

Activity 1.13: Pilot mechanisms of exchange of information among the EaP partner countries and with the EU.

Activity 1.14: Pilot interoperable anti-counterfeiting and anti-piracy systems, based on tracking-monitoring of trade goods flows among the EaP partner countries and with the EU.

Activity 1.15: Pilot data exchange among the EaP partner countries' customs and the Universal Postal Union (UPU) through the national postal services.

IV. ICT innovation

Activity 1.16: Promote a common legislative framework in the EaP region, favouring ICT innovation, based on EU norms and best practices. This work should be based on the results of the ICT Innovation Study to be completed by the end of 2017.

The following related activities could be considered for future actions:

- Develop a common training package, for addressing the needs of the main groups of ecosystem stakeholders in the EaP region. *This work should be based on the training package specifications that will result from the ICT Innovation Study by the end of 2017.*
- Promote networking of innovation ecosystem players within the EaP region and with the EU, through training seminars, conferences, study visits and brokerage events. Establish an annual Start-EaP week synchronised with a major Start-up Europe event.

V. eHealth

Activity 1.17: Develop common harmonization and interoperability guidelines and standards for the EaP region, in line with relevant EU norms. *This work will be largely based on the results of the eHealth Study which is expected to be completed by the end of 2017.*

The following related activities could be considered for future actions:

- Implement a cross-border eHealth platform in the EaP region, following the analysis and recommendations of the eHealth study regarding the most appropriate approach and architecture to follow. This activity could build on the EU work under the Connecting Europe Facility (CEF) pilots on Electronic Health Records (EHR) and ePrescription;
- Pilot cross-border eHealth among EaP partner countries and with EU Member States;
- Raise awareness on eHealth issues and stimulate networking between eHealth ecosystem stakeholders in the EaP region and with EU Member States. This should include policy makers, investors, digital vendors/start-ups, healthcare and related social service providers, R&D centres, academia, public administration and agencies, patient associations, civil society/NGO, professional association such as doctors, nurses and pharmacists. Relevant actions could include thematic and technical workshops, training seminars, conferences, study visits etc., aiming to stimulate the development of interoperable eHealth services in the EaP region.
- Involve the EaP region in relevant EU projects, programmes and initiatives, notably the European Innovation Partnership on Active and Healthy Ageing (EIP AHA):
 - Contribute to the existing EIP AHA repository with further good innovation practices from the EaP region, as well as other material that the EaP partner countries find useful to share.
 - Identify potential ‘reference sites’ in the EaP region, in line with the EIP AHA model of reference sites and on the topics of the 6 EIP AHA action groups.
 - Develop synergies between reference sites in the EaP region and EU reference sites, in the form of EIP AHA Twinning.

VI. eSkills

Activity 1.18: Define a common methodology in the EaP region, for measuring and forecasting national digital skills gaps in the EaP partner countries and identifying priority remedial actions, in line with similar EU efforts.

Activity 1.19: Define a common competence framework for SMEs and microbusinesses in the EaP region, based on similar EU efforts¹⁴.

Component 2: Accelerating Broadband deployment in the EaP region

Activity 2.1: Perform a gap analysis of the current legal and regulatory framework and practices related to broadband development in the EaP region, against the EU framework.

Activity 2.2: Based on the gap analysis, develop a common approach for improving the EaP partners' legal and regulatory framework, including the enhancement of the Regulator's role in line with EU norms, in order to facilitate broadband development in the EaP region.

Activity 2.3: Support broadband mapping in the EaP region and establish links with relevant EU initiatives.

Activity 2.4: Promote the sharing of experiences and best practices among the EaP partner countries and with the EU on topics related to broadband.

Activity 2.5: Formulate and support the implementation of broadband development strategies in the EaP region, in line with similar EU strategies.

Component 3: Establishing EU4Digital as a recognised and well communicated brand.

Activity 3.1: Create and maintain a website for EU4Digital including all its Networks.

Activity 3.2: Ensure EU4Digital presence in the social media.

Activity 3.3: Develop communication activities on EU4Digital (i.e. promotion campaigns, awareness raising activities, etc.) and ensure visibility of EU4Digital.

Activity 3.4: Monitor the impact of the activities and results of the projects included in the EU4Digital initiative on the basis of pre-defined indicators.

Activity 3.5: Help ensuring the coherence and coordination of the activities implemented under EU4Digital and develop synergies with other relevant EU initiatives in the EaP region.

4.3 Intervention logic

This action is the first intervention in the field of the digital economy and society covering the whole EaP region. Building on the work of the HDM Panel and the EU4Digital networks, the scope for intervention is vast as it covers potentially **6 different digital topics** (Telecom rules; Trust; eTrade; eSkills; ICT innovation; and eHealth), with ambitious Action Plans identified for each topic.

To avoid the risk of overreaching and ensure proper and effective implementation of the action, we have thus foreseen a **modular or multi-step approach** where EU4Digital support is sequenced in different phases.

¹⁴ See for instance the [Digital Competence framework 2.0](#) and [E-leadership skills](#).

During this **first phase** of EU4Digital, focus will be put in addressing more in depth the areas where we have identified the most urgent needs, and more potential to provide tangible results, visible in the short term. These are: **Telecom rules, Trust and eTrade.**

However our intention is to continue building on this first programme through additional regional funds in the coming years, as well as through the **bilateral envelopes** and possibly the use of **ENI blending instruments.**

For all 6 digital topics we have also identified **complementary activities to be implemented at national level** in each EaP partner country (see Appendix III), in parallel to the ongoing work of the HDM Panel and the EU4Digital networks. These national level activities are also reflected in the Single Support Framework programming documents for 2017-2020.

The action is built on three components:

1. **Component 1** will address the necessary legislative and regulatory framework conditions for the development of the digital economy and society in the EaP region, with a specific focus on Telecom rules. It will also address the key enablers for electronic services, with particular focus on digital Trust and Security, and the development of cross-border eServices for businesses and citizens, focusing in particular on eTrade.
2. **Component 2** will be fully dedicated to broadband development in the EaP region. First, a gap analysis will be performed based on the state of play in the EaP partner countries. This will lead to recommendations on a common approach for improving the EaP partners' legal and regulatory framework, in order to facilitate broadband development. This component will also support the formulation and implementation of broadband development strategies in the EaP region, in line with similar EU strategies.
3. **Component 3** will be transversal and will ensure proper communication, visibility and dissemination of results of the EU4Digital initiative through various communication channels, including the EU4Digital website, social media etc. It will also ensure proper monitoring and coordination of the various activities/projects under EU4Digital.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012.

5.2 Indicative implementation period

The indicative implementation period for this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

5.4 Implementation modalities

Both in indirect and direct management, the Commission will ensure that EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.4.1: Procurement (direct management)

Subject	Type	Indicative number of contracts	Indicative trimester of launch of the procedure
Result 1	Services	1	1 st quarter of 2018
Result 3	Services	1	1 st quarter of 2018

The purpose of Result 1 is to provide support to the harmonisation of national legal frameworks, build capacities, create regional platforms, accompany and monitor the implementation of pilots. This component of the action shall be implemented through procurement (service contract with a Contractor having adequate qualifications and experience in the field of Telecom Rules, eTrade, Trust and Security, ICT innovation, eHealth, and eSkills).

The purpose of outputs 3 is to ensure awareness and visibility of all components of the action. This component of the action shall be implemented through procurement (service contract with a Contractor having adequate qualifications and experience in the field of communication).

5.4.2 Grant; direct award to the World Bank Group (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

A direct grant will be awarded to the World Bank Group (WBG) for implementing activities related to Result 2. The purpose is to accelerate broadband deployment in the EaP region.

The WBG will contribute to the objectives defined in section 4.1 such as the roll-out of national broadband strategies by all EaP partner countries, in line with similar EU strategies, by providing technical and scientific support. This will include:

- Perform a gap analysis of the current legal and regulatory framework and practices related to broadband development in the EaP region, against the EU framework.
- Based on the gap analysis, develop a common approach for improving the EaP partners' legal and regulatory framework, including the enhancement of the Regulator's role in line with EU norms, in order to facilitate broadband development in the EaP region.
- Support broadband mapping in the EaP region and establish links with relevant EU initiatives.
- Promote the sharing of experiences and best practices among the EaP partner countries and with the EU on topics related to broadband.
- Formulate and support the implementation of broadband development strategies in the EaP region, in line with similar EU strategies.

(b) Justification of a direct grant

Article 190(1) (f) of Commission Delegated Regulation (EU) No 1268/2012 authorises that grants be awarded without a call for proposals for actions with specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation, on condition that the actions concerned do not fall within the scope of a call for proposals. On this basis and under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to a specialised entity having relevant specific experience and capacities in the fields of intervention. For the reasons detailed below, the WBG has been identified as the most suitable entity.

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because WBG is an international financial institution that provides financial and technical assistance to developing countries around the world with the aim of reducing poverty and supporting sustainable development. Digital development is one of the fields of the WBG's expertise and the WBG has been supporting the digital agenda in the EaP countries by promoting relevant legal and regulatory reforms, and through investment project financing, with a particular focus on:

- Digital Connectivity;
- Digital Platforms and Solutions;
- Digital Skills & Jobs;
- Digital industries & entrepreneurship;
- Mainstreaming digital solutions.

The WBG is particularly committed to ensure affordable broadband access to the Internet in least developed countries and has established the specific goals to help address this objective, including providing technical assistance to (1) create national and regional frameworks enabling private and public-private investment in broadband service and (2) design investment-ready projects that will achieve the availability and affordability target.

Through the use of innovative strategies and models and by catalysing the efforts of the WBG, its donors, partners and beneficiary countries, the WBG has been capable of generating significant progress towards affordable broadband access in developing countries, including in the EaP region.

Above elements give evidence to the WBG's specific experience, capacities and mandate in the fields of intervention, constituting an extremely valuable advantage for the implementation of the action and justifying the attribution of a direct award.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement

1st quarter of 2018.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6. Indicative Budget

	EU contribution (EUR)	Co-financing
Result 1 5.3.1 – Procurement (direct management)	5 500 000	Not applicable

Result 2 5.3.2 - Grant: direct award to WBG (direct management)	1 000 000	Not applicable
Result 3 5.3.1 –Procurement (direct management)	500 000	Not applicable
Totals	7 000 000	

5.7 Organisational set-up and responsibilities

The responsibility of the project lies with the Commission. The steering of the project will be led by Directorate-General for Neighbourhood and Enlargement Negotiations.

An annual steering committee will be led by Commission services for reviewing the three results of the project and guide the way forward with main stakeholders. Other Commission services (such as Directorate-General for Communications Networks, Content and Technology)) and the European External Action Service will be closely associated.

The steering committee will be held back-to-back when possible to high level events, such as the HDM Panel Meeting and the EaP Platform 2 on Economic Integration and Convergence with EU Policies, in order to allow discussion of results of the projects among delegates from EU Member States and EaP partner countries.

A permanent office is envisaged in each EaP partner country to directly support EU4Digital implementation.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

The Commission may, during implementation, decide to undertake an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

Where relevant, the provisions of the Financial and Administrative Framework Agreement concluded between the European Union and the selected international organisations shall apply.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Where relevant, the provisions of the Financial and Administrative Framework Agreement concluded between the European Union and the selected international organisations shall apply.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations shall be included in the financing agreements or delegation agreements.

With regards to the Neighbourhood East, all EU-supported actions shall be aimed at increasing the awareness level of the target audiences on the connections, the outcome, and the final practical benefits for citizens of EU assistance provided in the framework of this action. Visibility actions should also promote transparency and accountability on the use of funds.

Outreaching/awareness raising activities will play a crucial part in the implementation of the action, in the case of budget support the national government shall ensure that the visibility of the EU contribution is given appropriate media coverage. The implementation of the communication activities shall be the responsibility of the implementing organisations, and shall be funded from the amounts allocated to the action.

All necessary measures will be taken to publicise the fact that the action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions.

Additional Visibility Guidelines developed by the Commission (European Neighbourhood Policy and Enlargement Negotiations) will be strictly adhered to.

Where relevant, the provisions of the Financial and Administrative Framework Agreement concluded between the European Union and the selected international organisations shall apply.

It is the responsibility of the implementing organisation to keep the EU Delegations and, where relevant, DG NEAR, fully informed of the planning and implementation of the appropriate milestones specific visibility and communication activities.

The implementing organisation shall report on its visibility and communication actions, as well as the results of the overall action to the relevant monitoring committees.

This action will be communicated externally as part of a wider context of EU support to the country, and where relevant to the Eastern Partnership region in order to enhance the effectiveness of communication activities and to reduce fragmentation in the area of EU communication.

The implementing organisation shall coordinate all communication activities with EU Delegations as well as regional communication initiatives funded by the European Commission to the extent possible. All communication strategies developed as part of this action shall ensure they are in line with the priorities and objectives of regional communication initiatives supported by the European Commission, such as "EU4Digital" and in line with the relevant EU Delegation's communication strategy under the "EU4Country" umbrella initiative.

APPENDIX I - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baseline (2018)	Target (2021)	Sources and means of verification	Assumptions
Overall objective: Impact Specific objective(s):	To foster economic development and market opportunities in the EaP region by stimulating the digital economy and society.	<ol style="list-style-type: none"> 1. % of people having access to internet in the EaP region. 2. % of jobs in the ICT. 3. % of ICT in GDP. 	To be established during inception phase. Statistics from 2016, where available, indicate: <ol style="list-style-type: none"> 1. Approximately 70%; 2. Approximately 2% in 2016; 3. Data not available. 	<ol style="list-style-type: none"> 1. 20% increase 2. 20% increase 3. 10% increase 	National and regional statistics in the EaP region; HDM Studies; EU4Digital monitoring reports.	<ol style="list-style-type: none"> 1. The political and security situation allows for the implementation of project activities and does not deteriorate to an unacceptable level. 2. National government partners remain committed and support project implementation.
Specific objective(s): Outcome(s)	To contribute to the reduction of the digital divide in the EaP region and to the harmonisation of the digital environments among the EaP countries and with the EU.	<ol style="list-style-type: none"> 1. % of people having access to internet in the EaP region. 2. % of people per year using e-services in the EaP region. 3. % of digitally literate people in the EaP region. 	To be established during the inception phase. Statistics from 2016, where available, indicate: <ol style="list-style-type: none"> 1. Approximately 70% in 2016. 2. Data not available. 3. Data not available. 	<ol style="list-style-type: none"> 4. 20% increase 5. 10% increase 6. 30% increase 	HDM Studies; after event reports/feedback forms; Project progress reports; Final report National statistics; Ad hoc surveys.	<ol style="list-style-type: none"> 3. Trust is built among stakeholders.

Output 1	Essential elements in place for the development of the digital economy and society in the EaP region.	<ol style="list-style-type: none"> 1. % of people per year using roaming in the EaP 2. No. of independent NRAs in the EaP partners. 3. No. of EaP partners having coordinated frequency strategies with the EU 4. % of people per year using eGovernment and eBusiness services 5. % of users per year experiencing privacy violations 6. % of companies in the EaP partners using eTrade services. 7. No. of new start-ups created per year in the EaP region. 8. % of digitally literate people in the EaP region. 9. % of people per year using eHealth services in the EaP region. 	<p>To be established during the inception phase. Statistics from 2016, where available, indicate:</p> <ol style="list-style-type: none"> 1. Data not available. 2. 4. 3. 4. 4. Data not available. 5. Data not available. 6. Data not available. 7. Data not available. 8. Data not available. 9. Data not available. 	<ol style="list-style-type: none"> 1. 30% increase 2. At least 5 3. At least 5 4. 30% increase 5. 20% reduction 6. 30% increase 7. 10% increase 8. 30% increase 9. 10% increase 	HDM Studies; after event reports/feedback forms; Project progress reports; Final report National statistics; Ad hoc surveys.	
Output 2	Broadband development strategies rolled out for all EaP partners, in line with similar EU strategies.	<ol style="list-style-type: none"> 1. % of households having access to Broadband (coverage). 2. % of households using Broadband (take-up). 	<p>To be established during the inception phase. Statistics from 2016, where available, indicate:</p> <ol style="list-style-type: none"> 1. Approximately 80%; 2. Approximately 50%. 	<ol style="list-style-type: none"> 1. 20% increase 2. 10% increase 	National and regional statistics in the EaP region; Studies; EU4Digital monitoring reports; other project reports.	
Output 3	The EU4Digital brand established, visible and recognised as reference for EU cooperation on the digital economy and society in the EaP region.	<ol style="list-style-type: none"> 3. No of web accesses per year. 4. No. of active contributions per year to the web site. 5. % of people being aware of EU4Digital. 	Analytics of the first year, when the website will be operational.	To be established during inception phase.	EU4Digital monitoring reports; press releases; EU4Digital website; Web analytics.	

APPENDIX II –EU –FUNDED INITIATIVES REGARDING THE DIGITAL ECONOMY AND SOCIETY IN THE EAP REGION¹⁵

Countries covered	Action	Objective	Implementer	Budget	Implementing Period
6 EaP Countries	HDM Panel	Promote the harmonisation of digital markets between EaP partner countries and with the EU.	EU/ EaP Countries		Established in 2015
6 EaP Countries	EaPConnect project	Create a regional R&E network in Eastern Europe and the Southern Caucasus, interconnecting the national NREs in the six Eastern Partnership (EaP) countries and integrating them into the pan-European GÉANT network.	GÉANT	EUR 13 M	2015-2020
6 EaP Countries	Support to the implementation of the EU4Digital initiative in the Eastern Partnership region	<ul style="list-style-type: none"> Promote key areas of the digital economy and society in the EaP partner countries, in line with EU norms. Accelerate Broadband deployment in the EaP partner countries. Establish EU4Digital as a recognizable and well communicated brand, encompassing the EU support to the digital economy and society in the EaP region, as well as complementary activities by EaP partner countries, EU Member States, IFIs and other donors. 	TBD	EUR 7 M	2018-2021
ARMENIA	Service contract for interoperability			EUR 5M	
ARMENIA	Public administration reform	Support the central public administration reform agenda of the Republic of Armenia to improve efficiency, effectiveness, accountability and service delivery of the public administration in Armenia in line with the European Principles of Public Administration.		EUR 20 M	2016-2021
ARMENIA	Support to the development following e-services	Support to the development of e-tax return file @taxservice.am; e-register.am; e-civil registry @moj.am; e-police.am; e-citizen.am; e-notary.am; e-penitentiary.am and an electronic document management system for the Government institutions (Mulberry).			Completed
AZERBAIJAN	Assessment and Recommendations E-Service System Azerbaijan	<ul style="list-style-type: none"> Support the Government of Azerbaijan in further development of e-Services, with special focus on e-Commerce system Draft ToR for further support (FWC). 			
AZERBAIJAN	FWC " Enhancing development of e-services (incl. e-commerce) in the Republic of Azerbaijan"	Support the Government of Azerbaijan in further development of e-Services (e-Commerce and e-Government) through support to: 1. Lay the foundation for the development of Digital Market Agendas for the EaP partner countries; 2. Analyse the benefits that would result from the HDM among the EaP partner countries and with the EU; and			2017- 2018

¹⁵ For some EaP countries, although few projects include specific "digital activities", there are not yet bilateral projects fully dedicated to the digital economy and society.

		3. Identify follow-up actions in the form of a roadmap for the priority HDM areas.			
BELARUS	Introduction of an automated intelligent video-control system at road border crossing point Novaya Huta – Novi Yarylovychi at the Belarus-Ukraine frontier	Increase the efficiency and effectiveness of the work of the customs services, working at the road Border Crossing Point Novaya Huta – Novi Yarylovychi, put into operation an automated, intelligence video control system, complete with equipment, IT hardware and software.	IOM	EUR 0.8 M	2017-2019
BELARUS	Support to the Creation of an Electronic System of Pre-Arrival Information Exchange between the Customs Authorities of Belarus and Ukraine (PRINEX)	Increase the effectiveness of customs procedures at BCPs along the common border through enhanced pre-arrival processing capacity, leading to reduced border crossing time; decrease the number of irregular trans-border movement of vehicles and goods; reduce customs fraud occurrence due to the installation of an electronic information exchange system, minimizing the influence of a human factor and thus diminishing the likelihood of corruption.	IOM	EUR 3.7 M	2013-2016
GEORGIA	Support to E-Governance	Strengthen capacities with necessary skills and knowledge in e-government and information security training, consultancy, benchmarking and promotion in line with the European Union standards.		EUR 1.3 M	2015 - 2017
GEORGIA	Public administration reform programme	Support the national PA reforms, through different instruments (including budget support). One of the expected results relates to further development of e-governance in service delivery to citizens.		EUR 30 M	2016-2021
MOLDOVA	Support to the DCFTA process in the Republic of Moldova	<ul style="list-style-type: none"> • Provide additional specialised capacity to the sector units involved in the DCFTA; • Ensure that Moldova fulfils all its commitments under the DCFTA. <u>Relevant to digital:</u> Component 2: Legal Approximation and Policy Alignment.		EUR 25 M	2013 – 2017
MOLDOVA	Support to Visa Liberalisation Action Plan in Moldova	Support the Government of Moldova in implementation of the Action Plan on Liberalisation of Visa of the Republic of Moldova, by promoting coherence between policy, financing and actual results and by reducing (in the medium to long run) the transaction costs of utilising external finance. <u>Relevant to digital:</u> Develop an operational Integrated Border Management (IBM) System (1.1 Procurement of a secured Integrated Information System (IIS) integrating Personal Data Protection (PDP); Develop interoperability with other national IIS.		EUR 21 M	2014 - 2016 (extension currently under examination)
MOLDOVA	AAP 2017 Technical Cooperation Facility Programme for Moldova	Implementation of the AA/DCFTA, including broadband development. <u>Relevant to digital:</u> Component 4 -Support to the implementation of the AA/DCFTA: Sub-component: Broadband development.	EBRD	EUR 0.6 M	
MOLDOVA	Support to Public Administration Reform in Moldova	Provide the key beneficiaries with technical assistance to ensure the efficient and effective delivery of high quality public services in line with the European Principles of Public Administration to better serve the citizens and businesses.		EUR 4 M	

		<u>Relevant to digital</u> : Component 1: Horizontal Public Administration Reform process; Component 2: administrative capacity development for the Association Agenda			
UKRAINE	Supporting enhancement of the Regulatory and Legal Competence of the National Commission for Communication Regulation and Informatisation of Ukraine (NCCR) regarding telecommunication sector regulation	<ul style="list-style-type: none"> • Revision of the NCCR framework and procedures for market definition, market analysis and for the imposition of regulatory obligations; • Development of an NCCR Organizational Plan. 	National Telecommunication Regulatory Authorities of Spain (lead), Sweden and Latvia	EUR 1.3 M	2012-2013
UKRAINE	Sector Reform Contract "Promoting mutual trade by removal of technical barriers to trade between the EU and Ukraine"	ICT solutions for standardisation, accreditation, market surveillance and conformity assessment	UA Government (budget support)	Out of EUR 28.3 million disbursed as EU budget support, a part has been used by the UA Government for developing ICT solutions for quality infrastructure	2009-2015 for the Sector Reform Contract; use of funds provided through budget support is being continuing by the UA Government
UKRAINE	Technical assistance in the Financial Sector priority areas (EU-FINSTAR), Financial reporting component	Development of integrated systems for financial and regulatory reporting by financial institutions and other public interest entities	Hulla & Co Human Dynamics KG	≈ EUR 0.8 M for relevant activities, extension is under consideration	2015-2018, with possible extension until 2020
UKRAINE	Restoration of local governance and reconciliation in crisis-affected areas of Ukraine	<p>a) Transparency of decisions taken by local councils, including council acts and information about the local budget (planning and expenditure);</p> <p>b) On-line access to local service providers and information, like: property tax rolls,</p>	UNDP	EUR 10 M (overall programme)	2016 – 2017

	(funded under the Instrument for Stability and Peace).	utilities, etc. c) Better administrative services; d) Faster and more accurate processing of documents, through improved back-office operations; e) The application of e-governance solutions for local services (e.g. administrative services).)	
UKRAINE	Supporting Recovery and Sustainable Solutions for Internally Displaced Persons and the Conflict-Affected Population in Ukraine	Support to the State Border Guard Service to ease crossing formalities at the Contact Line. Development of software packages for the establishment of an IDP Registry and National Monitoring System for the Ministry of Labour and Social Policy.	IOM	EUR 4.2 M (overall programme)	2016 – 2018
UKRAINE	Supporting Demining of Transport Infrastructure in Ukraine	Purchase of equipment to support the establishment of the International Mine Action Standards	OSCE	EUR 1 M (overall programme)	2016 – 2018
UKRAINE	Support for Migration and Asylum Management	Business process analysis of State Migration Service – legislative review in the field of migration – Human Resource Development reform with SMS – Designing and building an Integrated Migration Management Information System (IMMIS) with key UKR government stakeholders, including substantial IT supplies.	IOM	EUR 27.2 M (overall programme)	2016 – 2019
UKRAINE	U-LEAD with Europe: Ukraine Local Empowerment, Accountability and Development Programme Component 2: Administrative service centres and awareness raising of citizens on local self-governance	Comprehensive and efficient e-governance solutions to support the decentralised public service delivery in local governments.	Multi donor programme of EU, Germany, Denmark, Poland, Sweden and Estonia	EUR 30 M	2016-2020
UKRAINE	EU Programme for the Reform of Public Administration and Finances (EURoPAF)	<ul style="list-style-type: none"> Part 1 (public administration reform): strengthening human resource management function in the public administration of Ukraine, through the design and implementation of a human resource management information system (HRMIS), including public employee payroll; Part II (public financial management): to support the development of an Information and Communication Technology (ICT) Strategy for PFM, upgrade the budget preparation module, and address some immediate needs for stabilization of the current ICT infrastructure. 	IBRD	EUR 5 M	2017-2020
UKRAINE	Special Measure III 2016 on Support to Rule of Law Reforms in Ukraine (PRAVO)	<ul style="list-style-type: none"> Deliver the necessary support to the National Police and other Ukrainian authorities in charge of law-enforcement, in order to contribute to the creation of an efficient law-enforcement system respectful of human rights. An effective system of decentralized/outsourced registration of civil status, 	UNOPS	EUR 36 million (component involving	2017- 2022

		<p>businesses and property rights is in place.</p> <ul style="list-style-type: none"> Increased public safety and improved fight against serious crime, including cybercrime, following enhanced cooperation between the institutions in charge of investigating and prosecuting crime, and the introduction of modern investigative techniques, including IT solutions. Effective and cost-efficient IT tools are in place, supporting the above expected results. 		digital solutions)	
UKRAINE	Special Measure 2017 II for Ukraine on Public Finance Management Reform	<ul style="list-style-type: none"> Support information exchange between the Ministry of Finance, the State Fiscal Service, and the State Treasury Service through IT solutions. Support the automation of functions in PFM in line with the priorities specified of the government IT systems development plan for PFM as regards budget process, accounting, treasury and expenditure controls, revenue mobilisation and trade facilitation, financial and economic crime investigation, public procurement, internal and external audit, and IT security. Informatization budgeting and accounting IT platform, online auditor management and training platform for internal audit and control, support IT development in core functions of tax administration reviewed during Business Process Review or in-depth review of selected functions such as audit , refunds, filing and payment, debt collection and further tax and customs functions. 	IMF; SIDA; Central Project Management Agency, Lithuania; WBG; UNOPS; TBD for service contract	≈EUR 20M for relevant components	2018-2023
UKRAINE	Actions through the TAIEX instrument	<ul style="list-style-type: none"> Expert mission to the Verhovna Rada of Ukraine (VRU) with the aim to (i) identify concrete state of play of the UA national legislation in this area, to (ii) assess existing pending draft laws in the VRU, to (iii) provide advice to VRU members and administration on the existing legislative process in the EU Member States (in particular implementation process of the NIS Directive from July 2016); Study visit of key VRU Committee members (and from key UA public authorities with legislative initiative) to one of the EU National Parliaments in order to understand legislative initiatives in the area of cyber security (but if possible also on the Digital Agenda 2020 and the digital landscape); Workshop on "Cyber Security and Digital Day" in VRU with presence of high level speakers/experts from EU (EU Institutions and Member States) to present results from the actions above and to assist VRU and other UA stakeholders in adopting important pieces of legislation; Study visit of key UA interlocutors to one of the EU Member States National Cybersecurity Authority with an aim to transferring best implementation practices and standards with EU Member states in the area of cyber capacity building, cyber hygiene and education, aiming at raising preparedness, resilience and efficient institutional/corporate processes and to share best practice on how different EU countries have set up cooperation with public 			2017

		<p>and private partners;</p> <ul style="list-style-type: none"> • Workshop in UA with presence of EU Member States experts for mainly private sector representatives who are in process of building their own CERTs/ CSIRTs, to share experience from the above mentioned study visit and to assist in establishing relations with newly created CERTs/ CSIRTs in public-private entities. • Study visit of key UA players – future trainers in UA to one of the EU Member States National Authority responsible for cyber security with an aim to transferring best practices for CSIRTs, together with information sessions on current threats and trends. • Two to three technical seminars in UA with presence of with EU Member States experts, especially for CERTs/ CSIRTs staff, to share experience from the above mentioned study visit (3.a/), to train them and to establish working relations amongst CERTs/ CSIRTs in public-private entities. 			
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APPENDIX III - COMPLEMENTARY ACTIVITIES AT NATIONAL LEVEL, INDISPENSABLE FOR REACHING THE EU4DIGITAL OBJECTIVES

TO BE USED AS GUIDANCE REGARDING THE DIGITAL ECONOMY AND SOCIETY PART IN THE SINGLE SUPPORT FRAMEWORKS 2017-2020 FOR ALL EAP PARTNER COUNTRIES.

1. Telecom Rules

1.1 Roaming

- Prepare and implement national action plans towards concluding an International Roaming Agreement among EaP partner countries and for reducing roaming charges; support the negotiation and conclusion of bilateral MoUs on roaming regulation (*based on outcomes of the Roaming Study*).

1.2 NRA Independence

- Assess and analyse the independence status of the NRA in each EaP partner country, estimate the economic impact from enhanced NRA independence and make recommendations for its enhancement.
- Further enhance the NRA's independence in each EaP partner country, via facilitating legislative reforms, developing new working processes and capacity building, based on common guidelines to be developed for the EaP region (regional EU4Digital action).

1.3 Spectrum

- Develop and implement a national strategy in each EaP partner country for freeing 700 MHz, in line with the agreed coordinated EaP approach, after this is developed at regional level. This comprises actions at political, technical and regulatory level.

1.4 Broadband

- Adjust the legal and regulatory framework in each EaP partner country, in order to facilitate broadband development, using as a basis the recommendations for a common approach to be developed for the EaP region.

2. Trust and Security

2.1 Trust

- Perform trainings and workshops in each EaP partner country, for promoting eIDAS-related issues;
- Develop and implement national roadmaps for each EaP partner country, for the adoption of national legislative proposals related to eIDAS, in

line with the regional harmonisation recommendations of the HDM study and any further studies that might be launched at EaP regional level.

- Implement the approximation of national legislation in each EaP partner country, to the EU standards for electronic identification and trust services for electronic transactions (eIDAS Regulation) and other related EU legislation (where applicable);
- Deploy relevant digital infrastructures in each EaP partner country, with possible use of the open source technical specifications developed under the Connecting Europe Facility (CEF).

2.2 Security

- Develop, where necessary, national roadmaps for each EaP partner country, towards well formulated and implemented cyber-security strategies. Take into account the recommendations of the HDM study and any further studies that might be launched at EaP regional level;
- Implement/enhance national cybersecurity strategies in the EaP partner countries, using as a basis the national roadmaps and common guidelines developed at EaP regional level.
- Set-up national CERTs (Computer Emergency Response Teams) in each EaP partner country, based on similar EU efforts and best practices. Promote synergies between national CERTs in EaP partner countries and other CERTs in the EaP region and the EU.
- Establish Public-Private Partnerships (PPPs) in the EaP partner countries based on similar efforts in the EU¹⁶, as well as appropriate PPP agreements, to improve early warning capabilities against cyber-attacks.
- Conduct trainings, table-top exercises, workshops and promotional activities on cyber security, at national level, in each EaP partner country, based on standard material produced for the EaP region.

3. eTrade, including eCommerce, eCustoms and eLogistics/Digital Transport Corridors

- Develop the legislative framework and implement business process re-engineering for eTrade in each EaP partner country, taking into account the EU and international best practices.
- Develop the Digital infrastructure building blocks for eTrade in each EaP partner country.
- Pilot digital infrastructure building blocks in each EaP partner country for eInvoicing, eDelivery, eID, eSignature and Automated Translation, based on the Connecting Europe Facility (CEF) framework.

4. ICT innovation and start-up ecosystems

- Promote national legislation in each EaP partner country, favouring innovation and in particular ICT innovation, based on EU norms and best

¹⁶ See here info on the [contractual PPP on cybersecurity](#).

practices. This includes: needs assessment, country specific implementation of best policies/practices developed regionally and monitoring of policy implementation at national level.

- Perform trainings addressed to various groups of stakeholders in each EaP partner country, using a customised version of a common training package, to be developed for the EaP region.

5. eHealth

- Involve each EaP partner country in relevant EU projects, programmes and initiatives, notably the European Innovation Partnership on Active and Healthy Ageing (EIP AHA):
 - Contribute to the existing EIP AHA repository with further good innovation practices from each EaP partner country, as well as other material that the EaP partners find useful to share.
 - Identify potential ‘reference sites’ in each EaP partner country, in line with the EIP AHA model of reference sites and on the topics of the 6 EIP AHA action groups.
 - Develop synergies between reference sites in each EaP partner country and EU reference sites, in the form of EIP AHA Twinning.
- Develop the national legislative framework and reform the relevant processes for eHealth in each EaP partner country, taking into account relevant EU and international best practices, as well as the recommendations of the eHealth study.
- Implement interoperable national platforms & data centres for eHealth in each EaP partner country, using as a basis the regional harmonisation guidelines and regional standards proposed by the eHealth study. This includes identifiers for patients, healthcare professionals and organizations. This could build on the ongoing work in the European eHealth Reference networks with EU Member States.
- Raise awareness on eHealth issues and stimulate networking between eHealth ecosystem stakeholders in each EaP partner country and with EU Member States. This should include policy makers, investors, digital vendors including start-ups, healthcare and related social service providers, R&D centres, academia, public administration and agencies, patient associations, civil society/NGO, professional association such as doctors, nurses and pharmacists. Relevant actions could include thematic and technical workshops, training seminars, conferences, study visits etc., aiming to stimulate implementation of national reforms in each EaP partner country.

6. eSkills

- Develop a methodology for each EaP partner country, for measuring and forecasting the digital skills gap at national level, and for identifying priority remedial actions. Use as a basis, and customise as appropriate, the common methodology which is to be developed for the EaP region.
- Develop a competence framework for SMEs in each EaP partner country, by adapting the common competence framework which is to be developed for the EaP region.
- Support the establishment of national coalitions for digital jobs in each EaP partner country, based on the EU's digital skills and jobs coalition.

- Promote digital skills development in each EaP partner country, through trainings, workshops, conferences and study visits.