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| **1.5: DIGITAL TRANSFORMATION OF ENTERPRISES** | |
| **Investment/ reform CID reference** | **Investment 2** |
| **Investment/ reform name** | **European Reference Testing and Experimentation Facility** |
| **Type of change compared to CID** | [~~Added/ removed/~~ modified] |
| **Legal base of the change (select at least one)** | ☐ Article 14(2) – loan request  ☐ Article 18(2) – update of the maximum financial contribution  ☒ Article 21 – amendment due to objective circumstances  ☐ [Article 21a – REPowerEU resources]  ☐ [Article 21b – new transfers]  ☒ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | ☒ Component / Measure description  ☒Milestones and targets  ☐ Estimated cost  ☐ Green and digital tagging  ☐ DNSH self-assessment |

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| **Investment 2:** European Reference Testing and Experimentation Facility **– Target 70** | | |
| **Direct support for the digital transformation of enterprises** | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | CID  A European Reference Testing and Experimentation facility shall be set up and put into operation. The measure aims at establishing a connection between research sectors (such as the Centre of Excellence in Artificial Intelligence) and the wider economy (such as the European and national Digital Innovation Hubs) by allowing research centres and small and medium-sized enterprises to test the technologies and applications developed so that they can be used in their operations. Cofunding from the Digital Europe Programme is foreseen.  The investment shall be implemented by 31 December 2024. | CID  A European Reference Testing and Experimentation facility shall be set up and put into operation. The measure aims at establishing a connection between research sectors and the wider economy (such as the European and national Digital Innovation Hubs) by allowing r~~esearch centres and~~ enterprises (e.g. small and medium-sized enterprises) to test the technologies and applications developed so that they can be used in their operations. Cofunding from the Digital Europe Programme is foreseen.  The investment shall be implemented by 31 December 2024. |
| ***Milestones and targets*** | **Annex to CID**  Target:  Creation of a European Reference Testing and Experimentation facility  Unit of Measure:  Number of European Reference Testing and Experimentation facilities  Goal:  1  Timeline of fulfillment  Q2 2023  **Target 70**  Description and clear definition of each milestone and target  A European Reference Testing and Experimentation facility shall be established and its operation launched. This facility shall establish a connection between research sectors (such as the Centre of Excellence in Artificial Intelligence) and the wider economy (such as the European and national Digital Innovation Hubs) by allowing research centres and SMEs to test the technologies and applications developed so that they can be used in their operations. | **Annex to CID**  **Target:**  Creation of a European Reference Testing and Experimentation facility  Unit of Measure:  Number of European Reference Testing and Experimentation facilitiesGoal:  1  Timeline of fulfillment  Q4 2024  Target 70  Description and clear definition of each milestone and  A European Reference Testing and Experimentation facility shall be established and its operation launched. This facility shall establish a connection between research sectors and the wider economy (such as the European and national Digital Innovation Hubs) by allowing ~~research centres and~~ enterprises (e.g. small and medium enterprises) to test the technologies and applications developed so that they can be used in their operations. |
| ***Estimated cost*** | *No change* | *No change* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

**CID**

**Milestones and targets**

The proposed changes reflect the conditions set by the TEF Digital Europe call and relevant grant agreement for AI Matters TEF project consortium:

Firstly, the TEF services are to be provided to enterprises (mainly SMEs), not to research centres. That is the reason for deleting “research centres” from CID and as well as OA target description.

Secondly the TEF services can be provided not only to SMEs but also to large enterprises. That is the reason for substituting text “SMEs” for “enterprises ( e.g. small and medium-sized enterprises)” (changes in CID and OA).Thirdly, the target 70 - Testing and Experimentation Facility is connected to the establishment to the target 69 of the European and national Digital Innovation Hubs and the timing of the milestones was set for both investments 4Q 2024. The textual part of CID states 12/2024 completion (as is the case of target 69), however the target table states wrong deadline Q2/2023. In addition, target 70 is linked to the timeline of the work packages of the activities of the AI Matters TEF project supported from Digital Europe programme, which plans the completion and final reporting of the tests of the technologies provided for enterprises by 12 2027. According to the projects time schedule, the first year of implementation (started in January 2023) is dedicated to the establishment of the governance model and service model and building capacities. Thus, the project is not obliged to deliver any services to clients in the due time of Q2/2023. The originally planned timing of target 70, Q4/2024 would assure that some sample test done for TEF clients could be reported to fulfil the verification mechanism.

These deadlines are part of the Grant Agreement between Digital Europe and AI Matters TEF consortium. That is why the earlier deadlines cannot be fulfilled in a proper manner as the activities are now concentrated on the establishment of the framework of operations of the Testing and Experimentation Facility

That is why we ask for correction of the milestone and target which is incorrectly recorded as Q2 2023 in the Annex to CID, table part E.2. Milestones, targets, indicators, and timetable for monitoring and implementation for non-repayable financial support. The correct milestone is 31 December 2024 as stated in the part E. COMPONENT 1.5: DIGITAL TRANSFORMATION OF ENTERPRISES - Investment 2: Setting up a European Reference Testing and Experimentation facility in the Annex to CID. The correction is also needed in the ANNEX to the Commission Decision approving the Operational Arrangements between the Commission and Czechia pursuant to Regulation (EU) 2021/241 - Component 1.5 – pgs 46. The correct indicative timeline for completion is needed to be changed on 4Q 2024.

We also propose changes and modification in the Operational Arrangements. The changes will be proposed for target 70 because they should reflect the correction in the CID. Firstly, we propose to change the timeline fulfilment by Q4/2024. In the verification mechanism (OA). We propose to modify the verification mechanism a follows: in the point b) “a sample of tests of the technologies and applications by research centres and SMEs” accordingly; due to the reason that the Grant Agreement on the Testing and Experimentation Facility does not cover the testing for research centres, enables enterprises of all sizes as clients (not only SMEs) and focuses on technology testing done for TEF clients. As well as according to the Grant Agreement the possible deliveries of the project are envisaged at the end of the project which is planned for the end of the year 2027. The originally planned timing of target 70, Q4/2024 would assure that some sample technology test done for TEF clients could be reported to fulfil the verification mechanism. Moreover, the Testing and Experimentation Facility launched Its activities later as the European Calls for Digital Europe Programme were delayed. In addition, we would like to change the description and clear definition of each milestone and targets according to the changes in the CID.

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| **Component 1.5: DIGITAL TRANSFORMATION OF ENTERPRISES** | |
| **Investment/ reform CID reference** | **Investment 3** |
| **Investment/ reform name** | **Digital transformation of manufacturing and non-production companies and inrease of their resilience** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | ☐ Article 14(2) – loan request  ☐ Article 18(2) – update of the maximum financial contribution  ☒ Article 21 – amendment due to objective circumstances  ☐ Article 21a – REPowerEU non-repayable financial support (ETS revenue)  ☐ Article 21b (2) – BAR transfers  ☒ None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | ☐ Component / Measure description  Milestones and targets  ☒ Estimated cost  ☐ Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  ☐ DNSH self-assessment |

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| **Investment 3: Digital transofrmation of manufacturing and non-production companies and inrease of their resilience – Target 71** | | |
| **Direct support for the digital transformation of enterprises** | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | *-* | *No change* |
| ***Milestones and targets*** | *377 enterprises shall be digitally transformed. This digital transformation shall increase digital processes particularly in SMEs. Support shall be given to activities such as the introduction of digitalisation in enterprises, including the necessary process analysis, the introduction of digital solutions in areas related to artificial intelligence, process automation, robotics and cybersecurity of online and cyber-physical systems and the introduction of new technologies, the acquisition of new technological devices and equipment, including the necessary infrastructure, interconnection of acquired or existing technologies using state-of-the-art communication channels and protocols (autonomous two-way communication).*  *The total budget executed for this purpose shall amount to at least EUR 180 000 000, including at least EUR 120 000 000 for SMEs and mid-caps and at least EUR 60 000 000 for large enterprises.* | *377 enterprises shall be digitally transformed. This digital transformation shall increase digital processes particularly in SMEs. Support shall be given to activities such as the introduction of digitalisation in enterprises, including the necessary process analysis, the introduction of digital solutions in areas related to artificial intelligence, process automation, robotics and cybersecurity of online and cyber-physical systems and the introduction of new technologies, the acquisition of new technological devices and equipment, including the necessary infrastructure, interconnection of acquired or existing technologies using state-of-the-art communication channels and protocols (autonomous two-way communication).*  *~~The total budget executed for this purpose shall amount to at least EUR 180 000 000, including at least EUR 120 000 000 for SMEs and mid-caps and at least EUR 60 000 000 for large enterprises.~~*  *At least two third of the aid granted will be directed to SMEs and mid-caps.* |
| ***Estimated cost*** | *4 625 mil. CZK* | *2 100 mil. CZK* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

The milestone will be achieved without change. By proposing this revision, we want to avoid misinterpretation. The cost calculation was based on previous projects, it was an estimated amount for the implementation of 377 projects. The number of projects supported has always been seen as a target for the Czech Republic. The budgetary execution value given by the costing was never taken as a target. The value of the budget has been additionally included as an indication of support of at least two thirds in favour of SMEs.

The target will be achieved with a lower allocation as the projects are purely focused on the digitisation of processes and it was not allowed to acquire production machines. This emphasis on pure digitisation resulted in the projects received being budgeted less than originally planned.

The remainder of the unspent funds will be allocated to other components with no effect on digital tagging.

We have more than 600 active project applications in the call, which are worth 2 178 mil. CZK in grants. Out of all, 154 applicants are large enterprises (worth 623 mil. CZK) and 463 are SMEs (worth 1 555 mil. CZK). Out of this, it is evident, that the proposed ration of 2/3 of the allocation dedicated to SMEs is realistic and in fact still holds.

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| **Component 1.5: DIGITAL TRANSFORMATION OF ENTERPRISES** | |
| **Investment/ reform CID reference** | **Reform 1** |
| **Investment/ reform name** | **Creation of Platform for the digitalisation of the economy** |
| **Type of change compared to CID** | modified |
| **Legal base of the change (select at least one)** | Article 14(2) – loan request  Article 18(2) – update of the maximum financial contribution  Article 21 – amendment due to objective circumstances  Article 21a – REPowerEU non-repayable financial support (ETS revenue)  Article 21b (2) – BAR transfers  None of the above, correction of clerical error |
| **Elements modified (only for modified measures)** | Component / Measure description  Milestones and targets  Estimated cost  Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure)  DNSH self-assessment |

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| **Reform 1: Creation of Platform for the digitalisation of the economy – Milestone 68** | | |
| **Direct support for the digital transformation of enterprises** | | |
| **Modified elements** | **Current version** | **Amended version** |
| ***Component and / or measure description*** | CID  *Reform 1: Creation of a platform for the digitalisation of the economy*  *The measure aims at putting into operation a platform coordinating the interconnection of all actors in the national digital ecosystem such as the European and national Digital Innovation Hubs, the Centres of Excellence in Artificial Intelligence, the National Competence Centres in High-Performance Computing and Cybersecurity, the European Reference Testing and Experimentation facilities, the innovation centres, and clients of all these centres. It aims to boost the digital transformation, the use of technologies, and the recruitment of experts in digitalisation and new technologies, and make industry and services more resilient to potential further crises.*  *The reform shall be implemented by 31 December 2025.* | CID  *Reform 1: Creation of a platform for the digitalisation of the economy*  *The measure aims at putting into operation a platform coordinating the interconnection of all actors in the national digital ecosystem such as the European and national Digital Innovation Hubs, the National Competence Centres in High-Performance Computing and Cybersecurity, the European Reference Testing and Experimentation facilities, the innovation centres, and clients of all these centres. It aims to boost the digital transformation, the use of technologies, and the recruitment of experts in digitalisation and new technologies, and make industry and services more resilient to potential further crises.*  *The reform shall be implemented by 31 December 2025.* |
| ***Milestones and targets*** | **Annex to CID**  *Milestone 68*  *Description and clear definition of each milestone and target*  *A platform for the digitisation of the economy shall be established and its operation launched. The platform shall coordinate the interconnection of all actors in the national digital ecosystem such as the European and national Digital Innovation Hubs, the Centres of Excellence in Artificial Intelligence, the National Competence Centres in High-Performance Computing and Cybersecurity, the European Reference Testing and Experimentation facilities, the innovation centres, and clients of all these centres. The platform shall operate as one of the working groups of the Digital Transformation Committee to be established as reform 1 under component 1.4.* | **Annex to CID**  *Milestone 68*  *Description and clear definition of each milestone and target*  *A platform for the digitisation of the economy shall be established and its operation launched. The platform shall coordinate the interconnection of all actors in the national digital ecosystem such as the European and national Digital Innovation Hubs, the National Competence Centres in High-Performance Computing and Cybersecurity, the European Reference Testing and Experimentation facilities, the innovation centres, and clients of all these centres. The platform shall operate as one of the working groups of the Digital Transformation Committee to be established as reform 1 under component 1.4.* |
| ***Estimated cost*** | *10 mil. CZK* | *0 mil. CZK* |
| ***Green and digital tagging*** | *No change* | *No change* |
| ***DNSH self-assessment*** | *No change* | *No change* |

The milestone 68 was already met without the original intended allocation.