Conference | The Future of Digital Investments in the EU

Takeaways & Conclusions

2 – 3 July 2025 | Aalborg, Denmark

Danish Presidency
Council of the European Union

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Foreword

This report provides an overview of the key takeaways and conclusions from the discussions at the Danish EU-Presidency Conference "***The Future of Digital Investments in the EU***" held on 2–3 July 2025 in Aalborg, Denmark. The conference brought together policymakers, the research community, and business leaders to explore how the European Union should invest in its digital future to strengthen competitiveness and technological sovereignty. One of the main topics voiced was how to foster synergies and simplify access to EU funding programmes – particularly by looking at the lessons learnt from the implementation of the **Horizon Europe** and the **Digital Europe Programme**.

The conference was organised by the Agency for Digital Government, the Ministry of Digital Affairs, and the Ministry of Higher Education and Science, in collaboration with the European Commission.

We want to thank all participants, partners, and speakers for their input, and we hope this report will inspire and substantiate the ongoing policy discussions on the topic of future digital investments in the EU.

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Executive summary

The European Union is currently undergoing a period of significant transition, shaped by complex geopolitical developments and pressing environmental challenges. These dynamics are redefining traditional modalities of investment. The conference discussions **pointed to a need for a clearer, simplified, and coordinated EU approach to digital research, innovation, investment, and industrial uptake.**

Throughout the conference, several priorities and approaches were discussed to strengthen the EU's position in the global technology race. These included **enhancing the investment journey from research to market, leveraging private funding, and developing the EU as a trustworthy, competitive, and environmentally sustainable digital continent.** Participants emphasised the importance of **simplifying rules and procedures thereby reducing unnecessary regulatory burdens** to enable both small and medium-sized enterprises (SMEs), larger companies and start-ups to **scale up** and grow within the Single Market.

The insights presented in this report reflect the key themes and discussions from the conference. The full programme and recordings are available at: **www.diginvest4.eu.**

Foundations for Change: Key Insights and Discussions from Day One

Many of the debates focused on EU's digital **sovereignty** and that efforts enhancing digital sovereignty are essential for EU's economic growth, innovation, and societal transformation. While digitalisation continues to drive progress across the union, recent external and geopolitical developments have exposed EU's critical **dependencies on foreign technologies and providers**. During the debates it was mentioned that growing reliance threatens the EU's sovereignty and ability to make independent choices and the urgency for unity, resilience, and strategic investment was highlighted. **Many expressed a need for the EU to act – decisively and collectively – to secure its digital future.**

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"It's not just about Europe, but about our standing in the world." - Thibaut Kleiner, Director, European Commission, DG CONNECT

To do so, the EU could build on its collective strength: a rich **innovation ecosystem and world-class research capabilities.** Yet, persistent barriers still prevent businesses – particularly small and medium-sized enterprises (SMEs) – from **scaling effectively** within the Single Market. Without targeted actions to **boost competitiveness, integrate capital markets, attract private investments, and simplification**, the EU might fall further behind in the global digital race.

To ensure EU's digital **resilience** and **sovereignty**, the following was suggested across the debates:

- **Define a clear and unified strategic direction for digital investment and innovation across Member States.**
- **Improve the leverage of private investment through public funding, particularly to support de-risking and scaling.**
- **Close the gap in our value chain from research to market e.g. by increasing coordination and the support of scale-ups.**
- **Strengthen internal demand and market conditions for European digital services including sustainable services.**
- **Ensure public digital investments create lasting value, strategic direction, and real market impact beyond initial funding.**
- **Create a well-functioning digital single market as a prerequisite for grounding and scaling research and innovation into competitive solutions and long-lasting value.**

A Fast, Clear and Open Approach to Digital Investments

During the first day of the conference, five panel debates brought together policymakers, researchers and business leaders to discuss how the EU can become more **competitive and technologically sovereign.** A shared message resonated throughout: **The EU has what it takes. What it needs now is to act.**

Despite offering strong solutions, European businesses – particularly those aiming to scale and expand – face significant challenges due **to difference in funding programmes, fragmented digital ecosystems across Member States, and the need for more common, open, and interoperable European digital infrastructure and solutions.** For the EU to succeed in its digital transformation, the speakers called for strengthening these foundations. **Digital transformation is not solely immaterial; it also requires tangible foundations**.

To that end, actors across the ecosystem – SMEs, investors, researchers, and EU institutions – need to speak a common language to **ensure that initiatives translate into market success within realistic timeframes.**

Digital investments in a well-functioning market

The innovation ecosystem cannot be seen in isolation. Businesses that face regulatory barriers when deploying and scaling new services and solutions may re-locate their businesses to other markets. The single market must be able to commercialise bright new ideas and to scale them. The discussions expressed the for a **well-functioning single market as a prerequisite for grounding and scaling research into competitive digital solutions and long-lasting value**.

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"Europe must not only be a rule maker. We need to be a market maker."
- Markus J. Beyrer, Director General, BusinessEurope

Leveraging private investments

The session on "How to leverage private investments" expressed that public funding has been essential in seeding innovation, but it cannot carry the full weight of EU's ambitions. To ensure **long-term growth**, technological sovereignty and global competitiveness, the debate called for the EU to be better at **crowding-in private investment through public funding**.

Private capital brings not only funding, but also commercial insight, market access, and a sharper focus on scale and impact. A thriving innovation ecosystem relies on **a strong pipeline from fundamental and applied research, to scaling up, and to industrial deployment on the market – one that embraces risk** and empowers investors to support emerging and strategic technologies as well as business models.

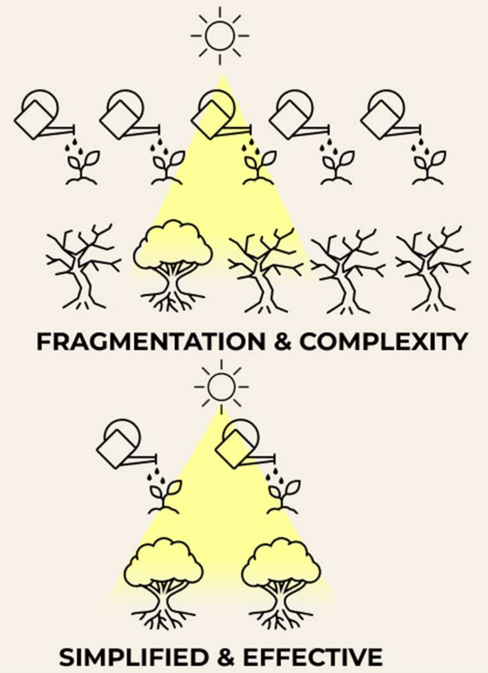
Strategic Procurement

Strong internal **demand** is essential for scaling businesses and maintaining a vibrant, competitive innovation ecosystem within the EU. Yet this demand cannot be taken for granted. European businesses – particularly SMEs and startups – depend not only on funding and regulatory support, but also on **access to a robust and integrated Single Market** that rewards European innovation.

It was voiced, that the EU could actively foster this demand through **strategic procurement policies, industry collaboration etc**., and that a healthy demand side is a cornerstone of sustainable economic growth and a prerequisite for reducing strategic dependencies on non-EU providers.

Simplification: Less Is More

With several funding programmes in place, it was a general belief expressed at the conference that the current investment landscape has become increasingly difficult for businesses and other stakeholders to navigate, thus creating a **coordination problem**. This not only complicates access to EU funding but also weakens its effectiveness.



These coordination challenges result in significant resource waste, both for stakeholders and between the programmes themselves. A clearer focus was voiced: **the EU could strategically concentrate its resources by simplifying existing programmes and pooling efforts where impact can be maximised.**

Further, it was expressed, that resources need to be targeted, not scattered and simplification and clarity must be a priority. Limited resources do not allow everything to be prioritised at once – **speed, scale and predictability are essential for businesses, and the EU can provide an environment where businesses can thrive and scale-up**.

Sustainability was also discussed, and that sustainability and the development of new digital capacities must go hand in hand. This cannot be achieved in isolation, it was argued, as it requires **partnerships, coordination, and common standards**. The EU has a role to play as a global standard-setter in this space.

Across the debates was also discussed, which digital technologies the EU should invest in. Many argued, that the future will not be built with the strategies of the past. Approaches that once worked may no longer apply in a fast-evolving global market. Points were made, that **the EU cannot win the digital technological race by replicating what others have already mastered**. Its future digital leadership lies in **emerging technologies, innovation, data, and respect for European values.**

Navigating Funding: Practical Insights and Key Discussions from Day Two

Day Two centred on the **Horizon Europe and Digital Europe Programme** (DEP), focusing on how these funding programmes and their underlying instruments support SMEs, digital innovation, and EU's digital innovation ecosystem. The day featured a series of presentations, including one **addressing Europe's digital innovation gap** and the challenges SMEs and startups face in their investment journey. In addition to identifying challenges, the sessions provided **practical solutions for navigating in and applying to these programmes,** aiming to simplify processes and improve access for businesses.

SMEs: Essential Drivers, Persistent Barriers

The session **"Unlocking SMEs for Horizon Europe"** underlined how central SMEs are to EU's digital innovation ecosystem – but also how difficult it remains for them to fully participate in and benefit from EU programmes. To unlock SME participation, **Horizon Europe needs simpler, phased processes, accessible partnerships, better support for newcomers such as through mentorship programmes, and a funding culture in SMEs that values risk-taking and participating in research programmes.**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Administrative complexity, long and resource-intensive application processes, and cultural mismatches between research institutions and small businesses continue to hinder participation. Several SMEs shared valuable insights into the challenges of **navigating consortia** where academic output is prioritized over market-ready innovation. Suggestions for **improvement** included two-stage application processes, targeted support for first-time applicants, and incorporating **mentorship** or **consulting** into project budgets. It was commonly argued, that unlocking SME participation will require **simplifying funding mechanisms,** supporting risk-taking, and ensuring the system is designed with the end-user in mind.

Preparing for FP10: What Needs to Change

As the EU begins shaping its next research and innovation programme, FP10, there was a widespread agreement that **the current system must evolve to remain globally competitive**. DG CONNECT's session provided early insights from an ongoing study into Europe's digital R&I performance. While the EU continues to perform well in areas like photonics, it is at risk of falling behind in frontier and strategic technologies such as AI and high-performance computing by 2036.

Key challenges raised included the **slow pace of project approvals, outdated topics by the time calls are published, fragmented digital landscapes, and a persistent shortage of skills**. Stakeholders called for a better balance between low and high TRL investments, more agile work programmes, and improved alignment between national and EU-level initiatives. More **flexible and responsive programme** design will be essential in the fast-moving global tech landscape.

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Creating Effective Synergies: Horizon Europe, Digital Europe Programme, and Beyond

A recurring theme throughout the day was the need for **better synergy between EU funding instruments**, especially Horizon Europe and the Digital Europe Programme (DEP). Successful examples, such as the INSIEME and EDDIE projects, demonstrated how the **Digital Europe Programme can build on Horizon Europe research to move innovations closer to industrial deployment**. However, structural differences – such as funding rates, reporting requirements, and coordination with national co-funding agencies – can make the investment journey between programmes difficult for businesses.

While speakers emphasized that Horizon Europe is often better suited for the preparatory phases, the Digital Europe Programme focuses on deployment and scale. Bridging this gap requires **not just coordination between programmes, but also better communication with beneficiaries to ensure a seamless investment journey from research to market**.

EDICs: A New Tool with Untapped Potential

The introduction of **European Digital Infrastructure Consortia (EDICs)** was highlighted as a new and promising model for agile, Member State-led investments in critical infrastructures. With a focus on flexibility, speed, and long-term sustainability, EDICs could become instrumental in implementing the Digital Decade objectives. From participants it was argued, that greater clarity is needed regarding the scope of work, governance models, how these instruments are implemented in practice, and how to ensure a focus on attracting private actors. Additionally, the need to ensure consistent engagement and communication with multiple national, European, public and private actors involved in their governance was also highlighted. A dedicated EDIC conference in late 2025 will aim to build awareness and foster stronger uptake.

Commercialisation, Skills, and the Role of Talent

Innovation requires not just funding, but also deployment, adoption, and talent. The "valley of death" between research and commercialisation remains a key barrier. Digital Europe Programme was created to bridge this gap, especially for AI and digital infrastructure. The participants re-confirmed that **talent is crucial; even if businesses fail, their knowledge and skills must stay in Europe.**

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This document, inspired by discussions at the conference, is a standalone reflection piece aimed at shaping the future of digital investments in the European Union.

European Commission