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Policy Dialogue on Aligning Priorities in the Western Balkans

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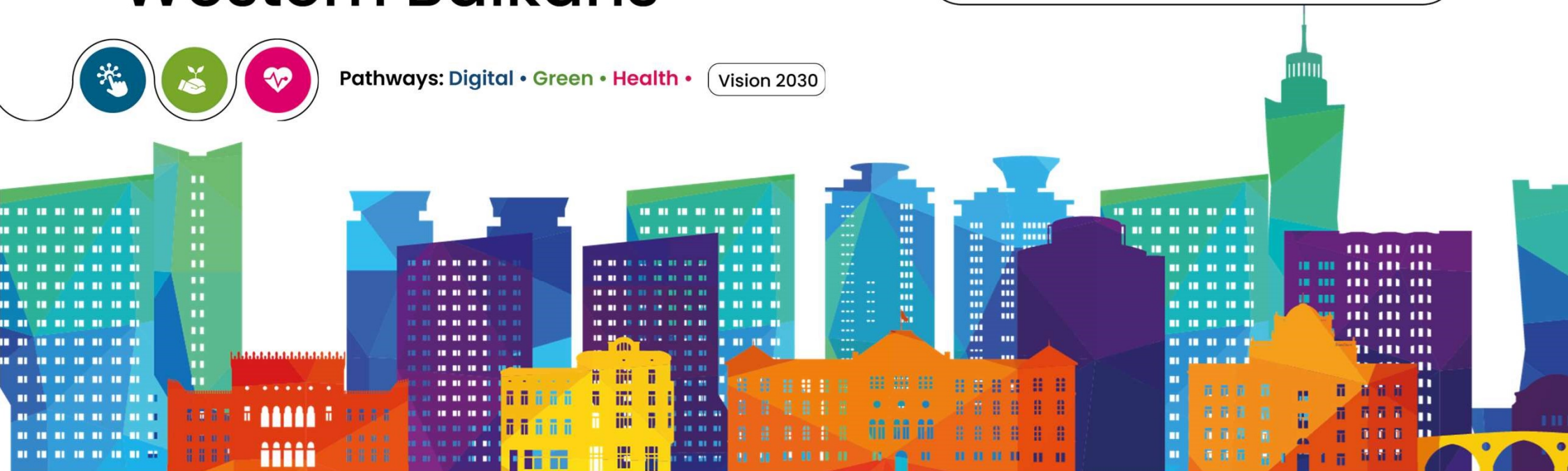
POLICY ANSWERS

Sarajevo, Bosnia and Herzegovina
13 September 2023

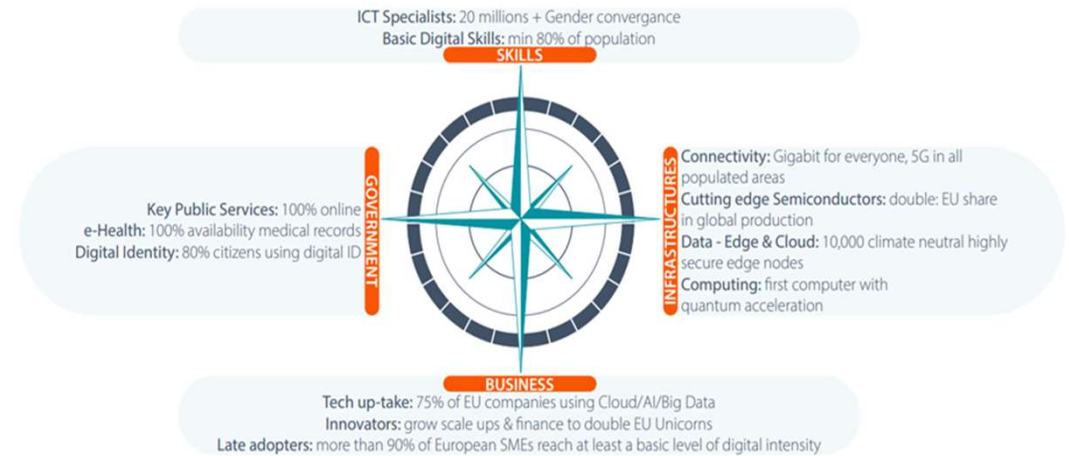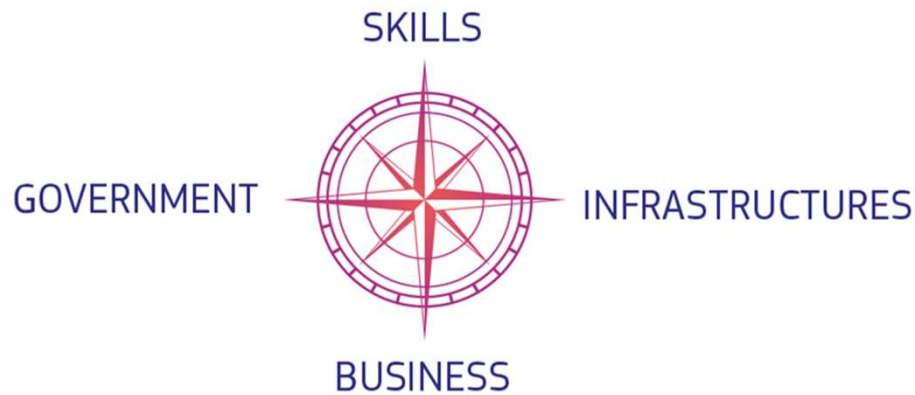**Pathways: Digital • Green • Health •**   Vision 2030

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Overview of the Western Balkans Region on its Pathway to Implement the Digital Agenda

Europe's Digital Decade: digital targets for 2030

SKILLS

GOVERNMENT

INFRASTRUCTURES

BUSINESS

ICT Specialists: 20 millions + Gender convergance
Basic Digital Skills: min 80% of population

SKILLS

Connectivity: Gigabit for everyone, 5G in all populated areas
Cutting edge Semiconductors: double: EU share in global production
Data - Edge & Cloud: 10,000 climate neutral highly secure edge nodes
Computing: first computer with quantum acceleration

Key Public Services: 100% online
e-Health: 100% availability medical records
Digital Identity: 80% citizens using digital ID

GOVERNMENT

INFRASTRUCTURES

BUSINESS

Tech up-take: 75% of EU companies using Cloud/AI/Big Data
Innovators: grow scale ups & finance to double EU Unicorns
Late adopters: more than 90% of European SMEs reach at least a basic level of digital intensity

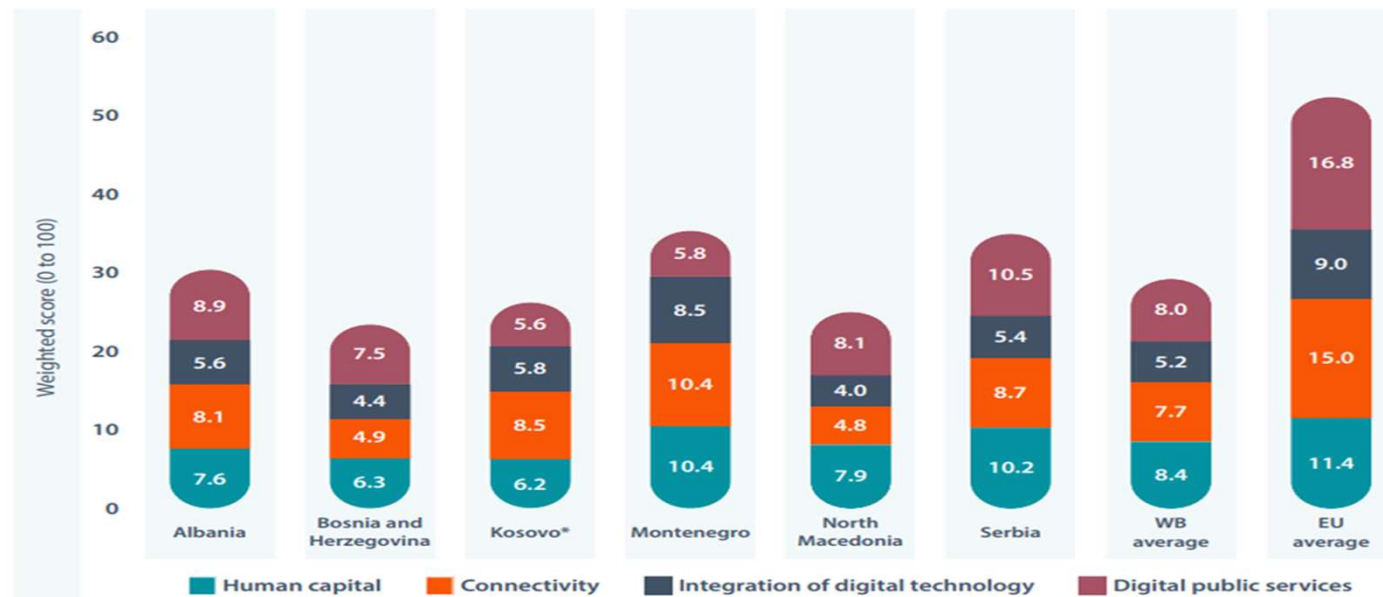*Source:* European Commission

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WB's Digital Decade: Where we are ?

Source: WB DESI Calculation, EU DESI 2022 (EU average)

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WB's Digital Decade: Where we are ?
Position in the United Nations E-Government Survey

	ALB	BIH	Kosovo	Montenegro	North Macedonia	Serbia
EGDI Rank	63	96	/	71	80	40
EGDI Value	0.7413	0.6256	/	0.7260	0.8237	0.8237
OSI value	0.8182	0.4898	/	0.5528	0.8514	0.8514
HCI value	0.8022	0.7489	/	0.8383	0.8332	0.8332
TIIvalue	0.6037	0.6382	/	0.7868	0.7865	0.7865

WB's Digital Decade: Where we are ?
Position in the World Bank **GovTech** Maturity Index

	ALB	BIH	Kosovo	Montenegro	North Macedonia	Serbia
EGDI Rank	Very High	Medium	Medium	High	High	Very High
GTMI[1] Value	0.752	0.271	0.633	0.564	0.570	0.895
CGSI[2] value	0.707	0.464	0.647	0.652	0.583	0.802
PSDI[3] value	0.857	0.285	0.852	0.705	0.795	0.890
DCEI[4] value	0.735	0.160	0.577	0.418	0.535	0.979
GTEI[5] value	0.709	0.176	0.456	0.481	0.367	0.910

SKILLS

- *ICT Specialists: 20 million + gender convergence*

- *Basic Digital Skills: min 80% of population*

The Western Balkans region falls significantly below the EU average, primarily due to lower proficiency in internet user skills.

When compared to the EU, the WB region demonstrates favourable performance in the percentage of ICT graduates and female ICT specialists..

While 85% of individuals in the WB region utilized the internet within the past 12 months of 2021, only 35% possessed even basic digital skills.

A significant gender imbalance persists, with women comprising only 19% of ICT specialists in the WB region. Although this aligns with the EU average, it still falls far short of achieving gender equality.

In terms of education, individuals holding tertiary degrees in ICT represented 6% of the total graduates in the WB region in 2021, surpassing the EU average of 4% for the year 2020.

GOVERNMENT

- _**Key Public Services: 100% online**_
- _**e-Health: 100% of citizens have access to medical records online**_
- _**Digital Identity: 100% of citizens have access to digital ID**_

The WB region made efforts to improve the availability of digital public services for citizens and businesses. Domestic portals for digital services have been established, greatly improving the ease of access to key services.

Impressive progress in Albania with 95% online digital services (OECD/SIGMA monitoring); Improved e-government ranking of Serbia in 2022: from the high to the very high EGDI group in Europe (EGDI Index, UN DESA).
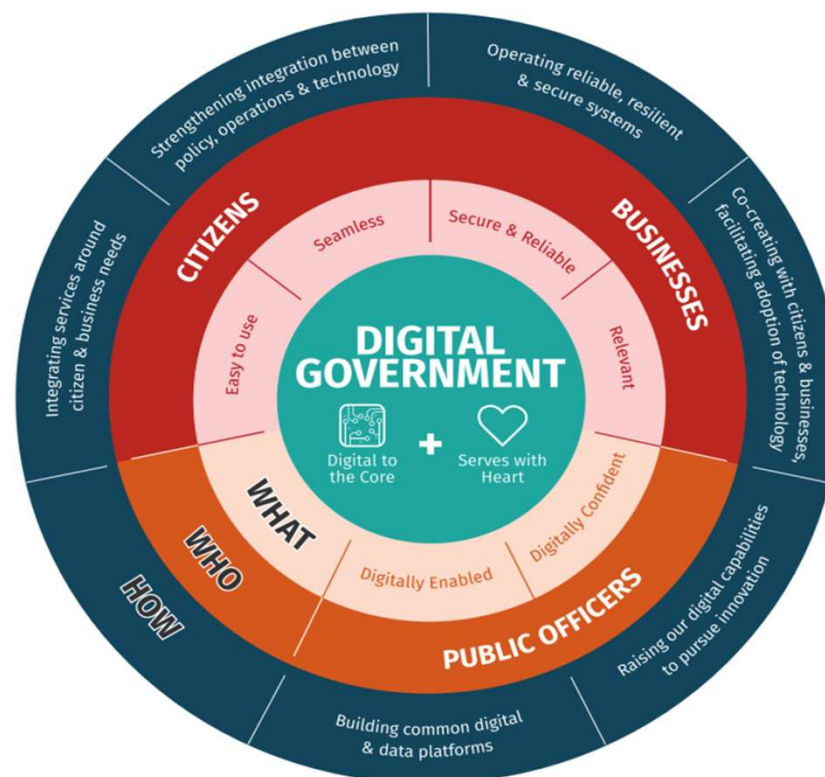
The WB region has also strengthened its legal framework for the provision of digital services and the use of e-signatures.

Despite increased policy focus, the WB region performed notably below the EU in the Digital public services dimension.

In 2021, only 35% of internet users interacted with the public administration online in the WB region, which is significantly below the EU average of 65%.

In the WB region two thirds of online forms requiring personal information are pre-filled with data already known by the public administration (score 63 out of 100 points), which is slightly below the EU average of 64.5.

The WB region is performing significantly below the EU average in the maturity of open data (42% compared to 81%).

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INFRASTRUCTURES

Connectivity: Gigabit for everyone
Cutting edge Semiconductors: double EU share in global production
Data - Edge & Cloud: 10,000 climate-neutral highly secure edge nodes
Computing: first computer with quantum acceleration

Broadband connectivity, the WB region is lagging behind the EU, mainly due to 5G services which were not available in 2021, but this year the situation is muth beter

Fixed broadband take-up, WB region is performing good compared to the EU. In 2021, 77% of households were using broadband services in the WB region compared to 78% in the EU.

Regarding mobile broadband penetration, almost 82% of people in the WB region used a mobile device to access the internet.

Legal instruments in the broadband connectivity segment are still to be put in place, in particular the transposition of the EECC, together with specific measures to be taken, building on the WB region's high fixed broadband take-up and competitive broadband prices.

In 2021 almost 100% of households in Kosovo* were using broadband services, followed by Montenegro with 96%;

BUSINESS

- _**Tech up-take: 75% of EU companies using Cloud/AI/Big Data**_

- _**Innovators: grow scale-ups & finance to double EU Unicorns**_

- _**Late adopters: more than 90% of SMEs reach at least a basic level of digital intensity**_

In the Integration of digital technology dimension, the WB region underperformed compared to the EU.

Policymakers in the WB region rapidly implement programmes and strategies that support digitalisation of business, including e-commerce.

The adoption of digital technologies by SMEs remains notably below the EU average (35% in the WB region compared to the EU average of 55%). On average, only 7% of WB enterprises used big data, 16% cloud and 3% artificial intelligence in 2021, compared to 14%, 34% and 8% in the EU, respectively.

Successive pandemic lockdowns increasingly integrated online sales channels in the WB region.

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COMMON CHALLENGES WBs

- varied technology access

- uneven digital connectivity

- digital literacy

- underdeveloped key digital enablers

- distrust among citizens towards technologically advanced and digital services

- data security, privacy concerns, aspects of data protection

- vulnerable cyber-resilience

- ethical issues related to emerging technologies

- misinformation

- environmental impact, regulatory complexities, job displacements, etc.

Digital Transformation
Challenges & Solutions

COMMON RECOMMENDATIONS FOR WBs

- Recognizing digital as a key priority, fully implementing the digital-by-default principle, and accelerating digital transformation for modern societies to harness the potential of digital technologies fully. These measures can lead to improved efficiency, better citizen services, increased competitiveness, and enhanced overall digital readiness

- Ensure political support and putting in place a clear strategy, strong policies and targeted investments with main goal to digital transform the society

- Enhance the Legal and Regulatory Framework to support digital transformation - some economies still need to adopt the missing pieces of legislation (e.g., Bosnia and Herzegovina lack legislation related to the Re-use of Public Sector Information). Candidate and potential candidate countries should also ensure that domestic legislation is fully aligned with the EU acquis

- Strengthen the measurement and monitoring of the strategic goals to track progress, identify areas for improvement, and make data-driven decisions to drive the digital transformation journey forward

- Strengthen the coordination and cooperation mechanism between all institution responsible for digital transformation and innovation in WB economies

- Explore the potential use of the latest emerging technologies, such as Artificial Intelligence (AI), Blockchain, Internet of Things (IoT), smart and sustainable cities and communities

- Improve the benefit realisation of EU investments in digital transformation – monitoring of the investments to increase potential of the investment

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COMMON RECOMMENDATIONS FOR WBs

- Prioritisation of digital literacy program in WB economies on their agendas in the coming years that target various segments of society, including students, educators, professionals, and vulnerable groups, unlock the full potential of digital technologies and build a prosperous and inclusive digital future

- Include a Digitization-Ready Legislation Principles as a set of guidelines or principles that aim to ensure that legislation is designed and drafted in a way that facilitates digital transformation and adaptation to new technologies

- Improve current eID, eSignature and PKI solutions and implement the SSO. Complete transposition and implementation of the eIDAS Regulation will help the WB achieve this goal and ensure easier access to online services for cross-border users. Moreover, all public sector websites and online service offers must be available and integrated into the SSO. In combination with advanced mobile application solutions and biometric authentication, all economies can have integrated and fully operational national eID, PKI and SSO

- Enhance technical infrastructure, promote the once-only principle, and improve data interoperability and sharing. These efforts will lead to more efficient, reliable, and citizen-centric digital services, supporting the overall digital transformation of the public sector

- Enhance the accessibility and usability of their online services, providing citizens and businesses with a convenient and efficient way to access government services through the national one-stop portals. This will contribute to their readiness to meet the requirements of the SDGR and offer better digital experiences to their populations

- Increase in business digitalisation needs to be followed with the sufficient use of advanced digital technologies such as cloud computing, big data analysis and artificial intelligence

- Ensure effective, evidence-based policy making, the data collection process needs to be improved in the WB region, especially in the area of digital technology usage in enterprises as most of the missing indicators relate to this segment. Existing gaps in data availability should be addressed, control over the data collection process improved and a regular data collection process established

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