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Feedback of

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to the

European Commission

regarding its

Review of the Digital Decade Policy  
Programme

## I. Introduction

ACT | The App Association (hereafter ‘ACT’) welcomes the opportunity to submit comments to the European Commission’s consultation on the revision of the Review of the Digital Decade Policy Programme.

ACT is a trade association for the small business technology developer community. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. Today, the ecosystem the App Association represents—which we call the app economy—is valued at approximately €95.7 billion and is responsible for more than 1.4 million jobs in the European Union (EU).<sup>1</sup>

## II. Feedback on the Current Digital Decade Policy Programme 2030

European startups and small and medium-sized enterprises (SMEs) are essential drivers for innovation, jobs, and economic competitiveness. However, today they face multiple regulatory challenges, including fragmented regulatory environments and compliance burdens that slow down their change or scaling, and growth.

ACT welcomes the review of the Digital Decade Policy Programme (DDPP) 2030 as a crucial opportunity to ensure that Europe’s digital transformation agenda reflects the realities of today’s challenges.

The current structure of the DDPP is built around skills, infrastructure, businesses, and public services’ digitalisation. In particular, the focus on SME and startups’ digital uptake remains a key element for the implementation of the Single Market and for ensuring long-term growth and competitiveness.

The current targets in the DDPP 2030 were defined in 2021-2022, which represents a different technological and geopolitical context. Since then, major shifts have occurred, and therefore, the next phase of the Digital Decade must deliver an updated competitiveness agenda, ensuring that digital SMEs and startups can innovate, scale, and operate across borders with clarity and predictability.

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<sup>1</sup> See [https://actonline.org/wp-content/uploads/220912\\_ACT-App-EU-Report.pdf](https://actonline.org/wp-content/uploads/220912_ACT-App-EU-Report.pdf)

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### III. Current challenges for SMEs and startups

#### a. The acceleration of artificial intelligence

Artificial intelligence (AI) is a powerful technology that has reshaped, and will continue to reshape, productivity and competitiveness. Unfortunately, European SMEs face a regulatory landscape for AI that is difficult to navigate without specialised legal expertise, raising the risk that AI development and uptake is derailed by onerous compliance requirements and restrictions rather than be an enabler of innovation and job creation.

SMEs and startups are the backbone of Europe's economy, responsible for much of the technological development taking place in the EU. They are the actors most capable of bringing new AI solutions to the market, but only if they have the flexibility to experiment as well as predictable, affordable access to the infrastructure, datasets, and testing environments.

#### b. Data access

Startups and SMEs cannot build competitive AI and data-driven solutions without access to high-quality, interoperable, usable datasets. Although the Data Act and the Data Governance Act provide important legal foundations, the practical usability of data remains limited. Many public datasets are still difficult to find, inconsistently formatted, or not available in machine-readable form. Industrial data often remains inaccessible. For SMEs, the real question is not whether data is theoretically available but whether it is accessible in a way that is technically and economically feasible. Without predictable, interoperable, and affordable access to datasets, many European startups cannot build competitive AI or data-driven services, and data spaces risk becoming too complex to benefit smaller innovators.

#### c. Fragmented implementation of digital rules

A third challenge is the persistent fragmentation of the Single Market. Startups attempting to operate across borders encounter inconsistent national implementations of EU rules, diverse compliance procedures, and administrative duplication that is disproportionately burdensome for small companies.

This affects a wide range of digital legislation, from consumer rules to company law, and slows the expansion of innovative services across the EU. The consequence is a Single Market that most of the time remains unpredictable in practice, weakening Europe's ambition of scaling and growing.

#### d. Access to finance and capital

Europe has improved early-stage funding, but late-stage and scale-up financing remain insufficient, fragmented, and slow. Without stronger alignment between Digital Decade priorities and scale-up financing instruments and the broader EU competitiveness agenda, European founders will not be able to find the capital they need to be able to scale.

#### IV. New goals for the next Digital Decade

To keep Europe's digital transition competitive, inclusive, and innovation-friendly, the review of the Digital Decade should complement the existing targets with a stronger SME and startup approach. ACT recommends the following new or reinforced goals:

a. **Enable SME and startup growth through AI sandboxes, research, innovation, and regulatory sandboxes**

To support and implement SMEs' growth, the focus should be on enabling them to scale and grow at the EU level and across borders. The support should be reached through research, innovation, and easy-to-use sandboxes. In the next Digital Decade, smaller companies should be able to test new technologies quickly and safely, without long delays or high costs. The EU should expand regulatory sandboxes across borders, especially for AI and other data-driven services, so startups can experiment, learn what works, and reach the market faster.

These sandboxes need to be practical for SMEs: clear rules, simple entry, short timelines, and real support. European Digital Innovation Hubs should help even more by giving SMEs hands-on access to tools, training, and partners. All of this must go together with better access to data, because SMEs cannot build or use AI well if they can't find and reuse good datasets in fair and secure ways.

b. **Make the Single Market function predictably for SMEs and startups**

A second goal for the next Digital Decade should be ensuring that the Single Market functions predictably for digital SMEs. Europe's competitiveness depends on reducing the administrative and compliance barriers that currently hold companies back from expanding into different Member States. To achieve this, the EU should pursue a more consistent and harmonised implementation of digital legislation and provide SMEs with clearer, uniform, and easy-to-apply rules for cross-border operations. As a first step, we encourage a fitness check on the existing regulations like the Digital Markets Act, GDPR, AI Act, DSA, and cybersecurity laws.

The proposed 28th regime could become a foundational element of this effort, offering an optional, genuinely European framework that reduces complexity and avoids fragmentation. Nevertheless, for this to be effective, such regime should come in the legal form of a Regulation.

A predictable Single Market, with aligned enforcement and simplified procedures, is an effective industrial policy tool the EU can offer its smaller innovators.

c. **Improve access to funding and capital**

A third priority should be improving access to funding and scale-up capital. Europe must ensure that promising digital SMEs can grow into globally competitive companies without needing to relocate.

This requires stronger coordination between the Digital Decade's objectives and the EU's investment tools, including the European Competitiveness Fund, InvestEU, national and

regional partnership plans, and private capital markets. The next phase of the Digital Decade should aim to significantly expand late-stage financing for startups and SMEs, while simplifying access to public support instruments and improving the predictability of funding pathways.

#### V. Conclusion

The review of the Digital Decade Policy Programme is an opportunity to strengthen Europe's position as a global actor of digital innovation driven by startups and SMEs. To achieve this, the programme must address the practical constraints smaller companies face: the difficulty of accessing and using data, the limited availability of AI testing, the fragmentation of the Single Market, and the persistent scarcity of scale-up capital.

A Digital Decade built around the needs and capabilities of SMEs is essential for building a stronger, more dynamic, and more resilient European digital economy.

ACT stands ready to continue working with EU policymakers, bringing the voice of European SMEs and startups into the dialogue, and ensuring that the final design of the Digital Decade truly reflects the needs of those who will rely on it most.

Sincerely,



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