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## Audit preview

Information on an upcoming audit

# Artificial intelligence in the EU



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Artificial intelligence (AI) is relevant for the future competitiveness of the EU economy and could bring benefits in many sectors, from increasing farming and energy efficiency, to helping to fight climate change and making transport safer, cleaner and more efficient.

The European Court of Auditors has started working on an audit to assess the Commission's actions in creating a European framework for the development of artificial intelligence. The audit will focus on the effectiveness of the design and implementation of the Commission's AI Plans and underlying financial and coordination measures.

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## Artificial intelligence in the EU

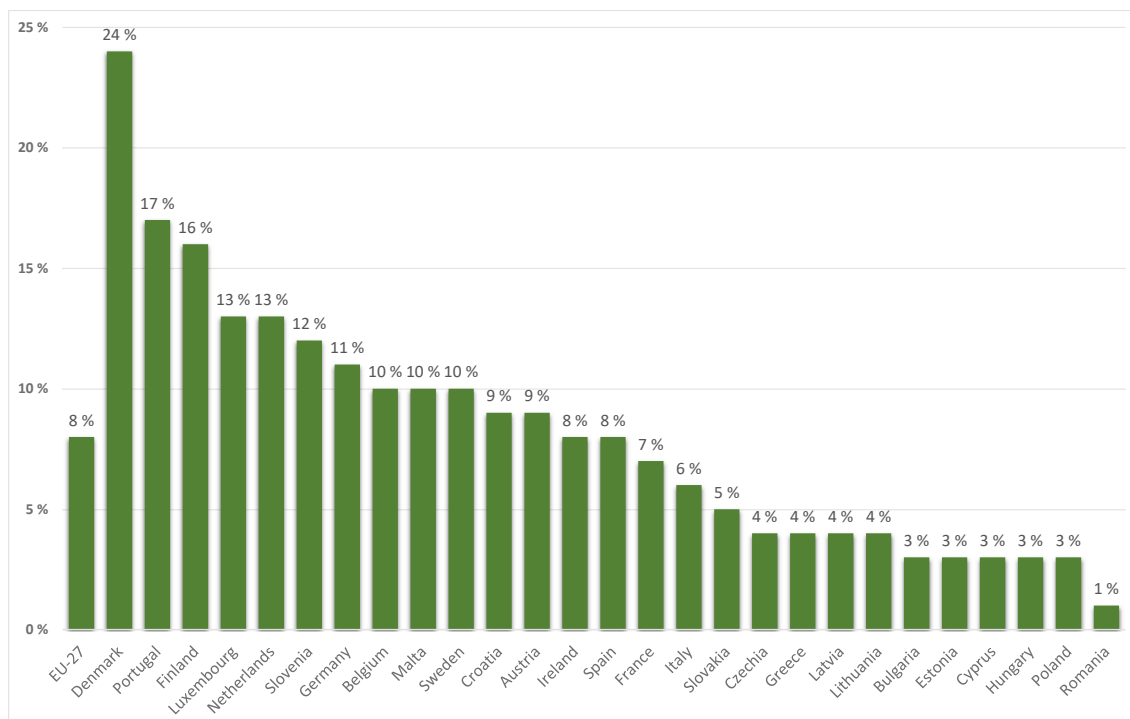
“Artificial intelligence”, or AI, describes systems that display intelligent behaviours by analysing their environment and taking actions to achieve specific goals. AI encompasses various rapidly evolving technologies which complement other emerging trends in areas such as robotics, big data and cloud computing, neuroscience. AI technologies enable computers and robots to perform automated tasks with various degrees of autonomy.

AI is a key component of the EU’s strategies on the digital transition, industrial policy and strategic autonomy for this decade<sup>1</sup>. It is a potentially disruptive technology, not least in terms of its impact on the global leadership position of countries and regions. But it can also bring considerable societal and economic benefits in a wide range of sectors. Nevertheless, there is a need to ensure that AI products are safe and secure<sup>2</sup>.

All major economies in the world are currently racing to take the lead in the development and deployment of AI technologies and frameworks. Europe, despite its scientific excellence, has been lagging behind on key aspects such as financing. According to estimates, in 2020 the EU invested up to €16 billion in AI. By comparison, though, the US spent nearly twice as much as the EU in 2020<sup>3</sup>.

The proportion of businesses using AI varies widely across member states (**see Figure 1**) and company size is a factor: SMEs tend to have the lowest rate of AI uptake.

**Figure 1 – Proportion of businesses using AI in 2021**



Source: Eurostat (Digital Economy and Society Index, DESI).

## Key roles and responsibilities at EU level

Following the Tallinn Digital Summit in 2017, the European Council recognised the need for digital innovation in the EU. Acknowledging the need to address emerging trends, it invited the Commission to draw up a European approach to artificial intelligence. The Commission adopted an EU-level coordinated plan on AI in 2018<sup>4</sup>, with the overall goal for the EU of achieving leadership in developing and deploying cutting-edge AI, as well as ensuring ethical and secure AI products. It updated the plan in 2021<sup>5</sup>.

The Commission's Directorate-General for Communications Networks, Content and Technology (DG CNECT) coordinates the design and monitoring of EU AI plans, proposes and monitors the EU's AI regulatory policies such as the AI Act, and directly manages funding programmes for AI research and development, in cooperation with the Directorate-General for Research and Innovation (DG RTD). DG CNECT is also involved in assessing the implementation of digital measures under the Recovery and Resilience Facility (RRF).

## EU funding

In its 2019-2024 political guidelines, the Commission committed to prioritising investments in AI, through both the multiannual financial framework (MFF) and the increased use of public-private partnerships<sup>6</sup>.

It was envisaged that the two EU artificial intelligence plans would allocate nearly €10 billion of EU support to AI over the 2014-2020 and 2021-2027 MFF periods (€2.5 billion through the Horizon 2020 programme and €7 billion through the Digital Europe and Horizon Europe programmes respectively). The RRF also finances the EU's digital transition through at least 20 % of its budget, and several national recovery plans include AI measures. In addition to this, the InvestEU Fund will mobilise public and private investment through an EU budget guarantee of €6.6 billion for "Research, Innovation and Digitisation" under the current MFF.

The objective is to gradually increase investments in AI (public- and private-sector investment combined) to €20 billion per year in the course of this decade.

## Audit focus

In view of the key risks identified during the ECA's preparatory work, our audit will seek to determine whether the Commission has been effective in creating a European framework for the development of artificial intelligence. The audit will focus on the effectiveness of the design and implementation elements of the Commission's AI plans and the underlying financial and coordination measures for the period from 2018 to 2023.

To answer this:

- we will examine whether the Commission has put in place a sound strategy for facilitating AI growth, and whether it has effectively coordinated and monitored EU and national AI plans;
- we will also assess the effectiveness of the Commission's management of EU funds to create a framework for AI growth across the EU.

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The ECA's special reports set out the results of its audits of EU policies and programmes or management topics related to specific budgetary areas.

Audit previews provide information in relation to an ongoing audit task. They are based on preparatory work undertaken before the start of the audit and are intended as a source of information for those interested in the policy or programme being audited.

If you wish to contact the team in charge of this audit, please email:  
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- <sup>1</sup> *2030 Digital Compass: the European way for the Digital Decade, COM(2021) 118 final; Strategic dependencies and capacities, SWD(2021) 352 final.*
  - <sup>2</sup> *A digital future for Europe.*
  - <sup>3</sup> *AI Watch: Estimating AI Investments in the European Union*, Publications Office of the European Union, 2022.
  - <sup>4</sup> *Coordinated Plan on Artificial Intelligence, COM(2018) 795 final.*
  - <sup>5</sup> *Coordinated Plan on Artificial Intelligence 2021 Review.*
  - <sup>6</sup> *Political guidelines for the next European Commission 2019-2024.*



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