Regional policy, objectives and supported investments in broadband in the programming period 2014-2020 and 2021-2027

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REGIO.DDG.G.1 - Smart and Sustainable Growth

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<table>
<thead>
<tr>
<th>Source of funding</th>
<th>Type of support</th>
<th>Amount in programme period (million euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>2014-2020</strong></td>
</tr>
<tr>
<td>European Structural and Investment Funds (ESIF):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Structural and Investment Funds (ESIF): European Regional</td>
<td>Grants</td>
<td>6 019</td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development (EAFRD)</td>
<td>Grants</td>
<td>921</td>
</tr>
<tr>
<td>European Fund for Strategic Investments (EFSI)</td>
<td>Loans</td>
<td>2 032</td>
</tr>
<tr>
<td>Connecting Europe Facility (CEF)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEF Debt instrument</td>
<td>Loans</td>
<td>16</td>
</tr>
<tr>
<td>WIFI4EU Initiative</td>
<td>Grants</td>
<td>120</td>
</tr>
<tr>
<td>Connecting Europe Broadband Fund (CEBF), of which from the Commission from the EIB and EFSI</td>
<td>Equity</td>
<td>240</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>140</td>
</tr>
<tr>
<td>European Investment Bank (EIB)</td>
<td>Loans</td>
<td>5 600</td>
</tr>
<tr>
<td><strong>Total available</strong></td>
<td></td>
<td><strong>14 948</strong></td>
</tr>
</tbody>
</table>
IMPORTANCE OF BROADBAND FOR THE DIGITAL ECONOMY

• ICT: not just a sector (telecom) >> enabler for all socio-economic sectors

• ICT: no longer hardware v.s. software >> convergence of ever faster networks with smarter devices and richer contents, cloud and big data

• Broadband: from "nice to have" to "must-have" >> pre-condition for growth and productivity
### 2014-2020: BROADBAND ALLOCATION DISTRIBUTION BETWEEN CATEGORIES OF EXPENDITURE (ERDF)

<table>
<thead>
<tr>
<th>Category</th>
<th>2014-2020 Expenditure Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>046 - ICT: High-Speed broadband network (access/local loop; &gt;/= 30 Mbps)</td>
<td>55%</td>
</tr>
<tr>
<td>047 - ICT: Very high-speed broadband network (access/local loop; &gt;/= 100 Mbps)</td>
<td>25%</td>
</tr>
<tr>
<td>048 - ICT: Other types of ICT infrastructure/large-scale computer resources/equipment (including e-infrastructure, data centres and sensors; also where embedded in other infrastructure such as research facilities, environmental and social infrastructure)</td>
<td>14%</td>
</tr>
<tr>
<td>045 - ICT: Backbone/back haul network</td>
<td>6%</td>
</tr>
</tbody>
</table>
Coverage (access)

- **By 2013**: 100% of households with basic broadband
  
  *Today*: 96% of households
  *but… very little progress (digital divide)*

- **By 2020**: 100% of households at 30 Mbps
  
  *2017*: 79% of households,
  *but… mostly urban (cable competition)*

Penetration (take-up)

- **By 2020**: 50% of households at 100 Mbps
  
  *Today*: 55% of coverage

Across the EU, only 15% of European households had subscribed to connections of at least 100 Mbps mid 2017.
EU 100 MBPS SUBSCRIPTIONS IN 2013 AND 2017
2014-2020: INVESTMENT IN BROADBAND (ERDF) BY END 2018

**2017 data**

- Project selection 45-47 (% in planned): 22%
- Declared expenditure 45-47 (% in planned): 2%

**2018 data**

- Project selection 45-47 (% in planned): 71%
- Declared expenditure 45-47 (% in planned): 17%
2014-2020 INVESTMENTS IN BROADBAND (ERDF) BY YEAR
## 2014-2020: MAJOR PROJECTS IN ICT AND BROADBAND SECTOR -

<table>
<thead>
<tr>
<th>CCI Number</th>
<th>Project Title</th>
<th>Total Project cost (EUR)</th>
<th>EU contribution (EUR)</th>
<th>Date of adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRANCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017FR16RFMP001</td>
<td>Projet THD (Très Haut Débit) de La Réunion</td>
<td>250,462,700</td>
<td>54,920,000</td>
<td>30/11/18</td>
</tr>
<tr>
<td>2016FR16RFMP001</td>
<td>Déploiement du très haut débit sur le territoire breton</td>
<td>360,006,542</td>
<td>74,597,621</td>
<td>10/09/18</td>
</tr>
<tr>
<td>2016GR16RFMP003</td>
<td>Broadband Network Development in White Rural Areas of Greece</td>
<td>125,055,722</td>
<td>50,929,141</td>
<td>24/03/17</td>
</tr>
<tr>
<td>2018GR16RFMP001</td>
<td>Public sector network &quot;SYZEFXIS II&quot;</td>
<td>173,412,666</td>
<td>134,834,661</td>
<td>02/04/19</td>
</tr>
<tr>
<td>2017IT16RFMP026</td>
<td>Granting of a public contribution for an investment project for the construction of ultra-broadband infrastructures in the Sicily Region</td>
<td>117,445,978</td>
<td>54,956,250</td>
<td>04/10/18</td>
</tr>
<tr>
<td>2016RO16RFMP002</td>
<td>RO-NET: &quot;Building a national broadband infrastructure in disadvantaged areas, through the use of structural funds&quot;</td>
<td>66,717,938</td>
<td>45,779,730</td>
<td>08/11/16</td>
</tr>
</tbody>
</table>
NEW MFF MATCHING PRIORITIES WITH RESOURCES
Rebalancing and fairness

Evolution of main policy areas in the EU budget

- Common Agricultural Policy and Fisheries
- Economic, Social and Territorial Cohesion
- Other Programmes
- European Public Administration

*Adjusted for 1995 enlargement

Source: European Commission
A modern, dynamic policy

Modern investment
- Focus on transition to smart, low-carbon economy
- Stronger conditions & link to European Semester
- Comprehensive performance data (in near real time), open data

Simple, flexible, dynamic
- 7 funds, 1 regulation (50% shorter)
- 80 key administrative simplifications
- Faster implementation (return to n+2)
- Responsive to emerging needs (migration, economy)

For all regions
- Balanced and fair "Berlin method"
- 75% to poorest regions, where most needed
- Tackling emerging needs and economic transition across the EU
Policy objectives

11 objectives simplified and consolidated to 5:

1. A smarter Europe (innovative & smart economic transformation)

2. A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)

3. A more connected Europe (mobility and ICT connectivity)

4. A more social Europe (the European Pillar of Social Rights)

5. A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

2 horizontal objectives:

- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)
Creating the conditions for success

Enabling conditions (used to be "ex ante")

- Fewer (35 to 20), clearer, tighter link to policy
- Condition for declaration of expenditure (= no more action plan: instead, conditions followed throughout period)

EU Governance

- European Semester
- Macroeconomic conditionality
- Reform Support Programme
- Rule of law
New regional eligibility map 2021-2027
Timeline

02/05 2018

Multiannual Financial Framework "Beyond 2020" package

29/05 2018

Legislative proposals for
- CPR
- ERDF / CF
- Interreg
- ECBC

Legislative negotiations with Council and Parliament

09/05 2019

European summit in Sibiu (Romania)

European Semester recommendations

- Partnership Agreement negotiations for each MS
- National Broadband Strategy as enabling condition
- Programmes by 2020 & Management Committees
- Selection Criteria
The following types of investment should be considered, under the policy objective on enhancing digital connectivity:

- Investments in passive infrastructure and equipment;
- Cabling solutions reaching the end users in buildings not equipped with high-speed-ready in-building infrastructure, via voucher schemes in compliance with State Aid rules;
- Measures to reduce the cost of deploying high-speed electronic communications networks, e.g. actions like a centralised atlas of passive infrastructure to provide reliable and valid information on existing infrastructures;
- Measures to improve the capacity of the programme authorities as well as bodies linked to the implementation of the Funds. This should include notably any initiatives to support the preparation or update of national/regional broadband strategies, broadband mapping and national/regional/local Broadband Competence Offices.
Programming for the 2021-27 ERDF and CEF programmes

The prioritisation of broadband investments in the future partnership agreements and ERDF programmes depends on the country specific recommendations + Annex D2 to the European Semester country reports.

- If broadband funding is foreseen, the country or region has to draw up or revise its national or regional broadband plan, including an assessment of the investment gap that needs to be addressed to reach the EU Gigabit connectivity objectives, a recent mapping of existing private and public infrastructure and quality of service and be subject to a public consultation.

Unfortunately, CEF broadband investments are not dependent on these broadband plans, in view of boosting their implementation, or of closing missing links.
Measures to manage risks

A Managing Authority should ensure

- that it has access to the necessary skills, either internally or externally, to design interventions and identify any risks that could emerge in future.

Having a clear picture would allow also:

- That the plan is credible and will not be subject to significant delays and cost increases
- A redistribution of funding from other government sources to occur much earlier in the process
- To consider potential market developments that may lead to the infrastructure being superseded by other technologies!
Access to broadband is a pre-condition for a modern CAP and investments into the uptake of new technologies are at the core of the new legislative proposal.

Because of the lower density of population, many rural areas in the EU suffer from underinvestment in connectivity, to the detriment of the socio-economic fabric in these areas.

To address this challenge, Member States will be able to use a number of interventions: Smart Villages, Leader and local investments may be used and combined to support in particular the actual connectivity of rural households and businesses to high-speed internet, and offer them modern e-services.
Thank you for your attention

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More Information

For info or further questions on this seminar and the activities of the JASPERS Networking Platform, please contact the JASPERS Networking and Competence Centre at the following email:

jaspersnetwork@eib.org

JASPERS Networking Platform:  www.jaspersnetwork.org

JASPERS Website:  jaspers.eib.org