Observations from the appraisal of broadband projects

Louis-Philippe Carrier

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Independent Quality Reviews requested by Member States:

- Bretagne THD (FR, FttH)
- La Réunion - Plan Régional Très Haut Débit (FR, FttH)

Post-Submission Appraisals requested by the Commission:

- Sicily NGA deployment (IT, FttC)
- National Major Project Ultra Broadband - White Areas (IT, FttX)
- Syzefxis II –resubmission (GR, public IT infrastructure)
- Martinique THD (FR, FttH)
Observations from project appraisal

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• **Project description**: - business model (scope of contracts)
  - national programmes
  - geographical scope

• **State aid**: - preventing overlaps between measures
  - presenting cost information under Art. 61(8)

• **Demand analysis**: affordability, credible forecasts, sources

• **Options**: - policy-making processes to be explained
  - question of wireless networks

• **Project costs**: - CAPEX, OPEX and revenue streams
  - unit costs
Observations from project appraisal 2/2

- **Residual value**: asset life to be explained
- **Financial discount rates**: consistency constraints
- **Profitability**: FRR range, claw-back
- **Economic analysis**: trend of diminishing benefits
- **Risks**: if low residual risk, qualitative analysis suffices
- **Climate change**: vulnerability assessment
- **Availability of funding**: must add up to project cost
- **Procurement**: OJEU/S publication
- **Indicators**: physical indicators
- **Timetable**: 2023 limit
Topics

- **Unit costs:** Very remote locations can bring cost per home passed above EUR 1000

- **Gigabit society:** New policy objectives justify more projects, to what extent is their implementation required?

- **Upstream / downstream capacity:** Submarine cables can constrain insular projects; for backhaul projects, the need for capacity comes from NGA deployments downstream

- **Interaction with sector-specific regulation:**
  - Tariffs and affordability: retail NGA may cost more (PED?)
  - Demand forecasts/targets: do they apply to ESIF projects?
  - Existing infrastructure: mapping obligations, access
  - Discount rates: regulatory FDRs applicable per 480/2014?
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