



European  
Commission

# European funding for broadband

2014 - 2020



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# 1 | INTRODUCTION



The Commission's strategy on connectivity for a European Gigabit Society, sets a vision of Europe where availability of very high capacity networks enable the widespread use of products, services and applications in the Digital Single Market. This objective is challenging in rural areas and other disadvantaged regions (remote, mountainous or sparsely populated areas) where depopulation and a lack of economic opportunities are higher.

Today, broadband projects in the Member States are struggling to ensure grants and funds for investment. The European Commission estimated in 2013 that up to 250 billion euro will be required to achieve the 2020 broadband targets and 500 billion euro to achieve the 2025 broadband targets. However, the re-use of existing infrastructure and effective implementation of Cost Reduction Directive could bring down these costs.

In order to support Member States and private investors, as well as to promote economic growth and opportunities, the European Union has made available financial tools that can boost broadband investment.

**This guide will help understand the broadband investment tools provided by the European Union. The purpose of all these funds is to invest in job creation and a sustainable and healthy European economy.**

# 2 | ESI Funds European Structural and Investment Funds



## What are ESI Funds ?

ESI Funds are the biggest EU public funding source supporting broadband investments. The purpose of the funding is to invest in job creation and a sustainable and healthy European economy and environment.

European Structural and Investment Funds (ESI Funds) include five different funds :

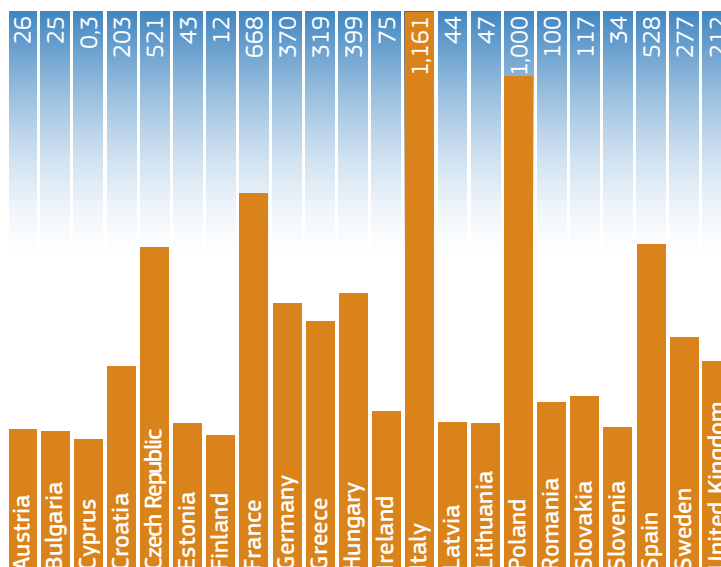
- the European Regional Development Fund (ERDF)
- the European Social Fund (ESF)
- the Cohesion Fund (CF)
- the European Agricultural Fund for Rural Development (EAFRD)
- the European Maritime and Fisheries Fund (EMFF)

The European Regional Development Fund (ERDF) and the European Agricultural Fund for Rural Development (EAFRD) provide dedicated budgets for broadband roll-out.



**supporting  
broadband  
investments**

*22 out of the 28 Member States have decided to include broadband investments into their 2014-2020 programmes*



**2014-2020 overall ESI Funds for broadband deployment (MEuro)**

*For more information, visit the [European Commission's webpage on the European Structural and Investment Funds](#)*

## 2.1 ERDF European Regional Development Fund

### What is it ?

The ERDF aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions. ERDF action is designed to reduce economic, environmental and social problems in urban areas, with a special focus on sustainable urban development. For the 2014-20 period, the overall budget for the ERDF amounts to more than 250 billion euro.

In the Information and Communications Technology area, ERDF can support extension of broadband deployment and the rollout of high-speed networks, as well as the adoption of emerging technologies and networks for the digital economy.

The majority of European Structural Investment funds dedicated to broadband deployment are supported by ERDF. ERDF investments in the Member States have the form of non-refundable grants.



### Who benefits ?

ERDF supports projects at national/regional level and is managed by the Member States. Countries have different ways to support broadband investments, such as national schemes or other initiatives driven by Municipalities, Telcos or Associations.

*For more information, visit:*

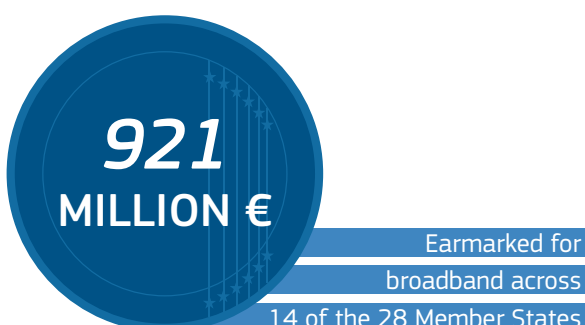
- [The European Commission's Smart Specialisation Platform monitoring tool on Planned ICT Investments under ESIF](#)
- [DG REGIO's webpage on the ERDF](#)

## 2.2 EAFRD European Agricultural Fund for Rural Development

### What is it ?

The EU's rural policy funded through EAFRD aims to support sustainable development of rural areas.

Under the Rural development Priority number 7, EAFRD supports the creation, improvement and expansion of broadband infrastructure and passive broadband infrastructure as well as provision of access to broadband and public e-government solutions.



### Who benefits ?

ICT related projects can be proposed by a broad kind of public, semi-public and private beneficiaries operating in rural areas. Municipalities, Telco operators or other stakeholders interested in EAFRD support can submit their projects in the context of calls opened by the Managing Authorities in charge of national/regional Rural Development Programmes. Calls not only relate to infrastructure, but can also refer to "soft" complementary actions like training, advisory services, cooperation etc.

Potential beneficiaries should contact the relevant Managing Authorities in their State.

*For more information, visit:*

- [DG AGRI's webpage on rural development 2014-2020](#)
- [ENRD's rural contacts database](#)
- [The European Commission's Smart Specialisation Platform monitoring tool on Planned ICT Investments under ESIF](#)

# 3 | EFSI

## European Fund for Strategic Investments

### What is it ?

A joint initiative launched by the EIB Group (the European Investment Bank (EIB), the European Investment Fund (EIF) and the European Commission) to help overcome the current investment gap in the EU by mobilising private financing for strategic investments. Most of these funds will be disbursed in the forms of loans or equity.

### Who benefits ?

One of the eligible investment sectors is dedicated to development and deployment of information and communication technologies, notably telecommunications infrastructures of high speed broadband networks.

Eligible operations are :

- Projects economically and technically sound (including projects with a higher risk profile than ordinary EIB activity)
- Mature and bankable operations contributing to EU objectives
- Projects priced in a manner commensurate with the risk taken
- Operations located everywhere in the EU, including cross-border projects

### Who can apply for EFSI financing ?

#### INVESTMENT PLATFORMS

EIB may co-invest or provide co-financing to eligible projects alongside third parties.

#### PUBLIC SECTOR ENTITIES

Local authorities, public sector companies or other government-related entities can apply for :

- Project loans
- Smaller projects can be financed through intermediate lending.

*For more information, visit the EFSI page on the European Investment Bank's website.*





**2 032  
MILLION €**

**Disbursed  
through two  
strands of investment:**

**Infrastructure and Innovation Window  
Small and Medium Enterprises Window**

**BANKS, NATIONAL PROMOTIONAL BANKS AND OTHER FINANCIAL INSTITUTIONS**

EIB provides loans to financial institutions acting as financial intermediaries to support small investments of SMEs and mid-caps or local authorities.

Financial intermediaries can also apply for EIB portfolio guarantee instruments and EIF products.

**FUNDS AND OTHER FORMS OF COLLECTIVE INVESTMENT VEHICLES**

Investments in equity, hybrid or debt funds with a focused investment strategy in eligible sectors, including infrastructure and environment, are supported through the EIF, in funds focusing on SMEs.

**PRIVATE SECTOR ENTITIES**

- Large corporates, special purpose vehicles or mid-cap companies (up to 3.000 employees) can apply for project loans.
- Mid-cap companies or SMEs (less than 250 employees) can apply for : growth finance, intermediate lending from partner financial institutions, EIF's intermediate equity or guarantee products.

# 4 | CEF

## Connecting Europe Facility

### What is it ?

An instrument to promote the development of high-performing and environmentally sustainable interconnected transport, energy and communications networks across Europe. Its Telecom component has a budget of approximately 1 billion euro, out of which more than 150 million euro are dedicated to broadband networks.

The CEF support to broadband deployment should complement assistance provided under other Union programmes and initiatives in cases where an ex-ante assessment identifies market failures or sub-optimal investment situations, and where so decided by managing authorities. These programmes and initiatives may include the European Structural and Investment Funds (ESI Funds).

### Who benefits ?

- Projects contributing to the achievement of the Digital Agenda targets
- Operations with sufficiently mature project development and preparation stages
- Operations with effective implementation mechanisms
- Operations to address market failures or sub-optimal investment situations
- No market distortions or crowding out of private investment
- Operations with most suitable technology for the geographic area in question and technological neutrality
- Projects with the best balance between state of the art technologies
- Projects with high potential for replicability and/or be based on innovative business models

At least one third of the Broadband projects financially supported under CEF shall aim at speeds above 100 Mbps.

CEF will also support the wireless internet connectivity in local communities, through the WiFi4EU initiative as well as other financial instruments as follows.

*For more information,  
visit the [Connecting Europe Facility website](#).*



## Which are the potential financial instruments ?

### Voucher scheme

#### WiFi4EU Initiative

WiFi4EU is a European Commission voucher scheme that will support the installation of Wi-Fi equipment in the centres of public life in local communities in Europe.

The European Commission wishes to promote free Wi-Fi connectivity for citizens in public spaces such as parks, squares, public building, libraries, health centres, and museums everywhere in Europe through WiFi4EU.

Applicants for this initiative are: local public authorities (municipalities or groups of municipalities). The scheme is delivered through simple and non-bureaucratic procedures such as online applications, payments by vouchers and light-touch monitoring requirements.



### Equity instrument

#### Connecting Europe Broadband Fund

Investment platform set up with EIB and three National Promotional Banks and Institutions.



[read more about CEBF on the next page](#)

### Debt instrument

#### Joint instrument implemented with the EIB

Type of support : credit enhancement, loans, guarantees, or contributions to the project bond instruments.

- Project promoters (both public and private) can directly apply to the EIB
- Can be combined with grants (e.g. ESIF)



# 4.1 | Equity Instrument Connecting Europe Broadband Fund

## What is it ?

Set up by the European Commission and the European Investment Bank (EIB) the Connecting Europe Broadband Fund (CEBF) is the first investment platform to support broadband infrastructure under the EFSI. Its main objective is to bridge the market gaps so that the underserved, less populated or rural European areas develop their broadband network infrastructure. A main objective of the fund is to mobilise additional investment between 1 billion and 1.7 billion euro.

The fund will provide financing for economically and technically viable broadband infrastructure projects which bring a significant contribution to the achievement of the EU's digital connectivity targets. In accordance with the CEF legal basis, the fund will focus on greenfield projects, deploying state-of-the-art technologies, and innovative business models. Other anchor investors of the fund are : [KfW Bankengruppe](#) (DE), [Cassa Depositi e Prestiti](#) (IT), and [Caisse des Dépôts et Consignations](#) (FR).

*For more information:*

- [Read about the CEBF on the European Commission website](#)
- [Contact the CEBF](#)



## Implementation between 2018 and 2022

The Connecting Europe Broadband Fund plans to invest in equity and quasi-equity, including mezzanine and subordinated debt, in some 7-12 broadband projects each year from 2018-2022. The size of the investments will be of 1 to 30 million euro for projects representing total costs of maximum 150 million euro. The funding will be provided also to smaller scale and higher risk broadband projects.

Cube Infrastructure Managers was selected as the approved applicant to manage the Fund through a public procurement process carried out by the EIB. The fund manager will identify broadband projects and make investments according to the investment guidelines of the Fund during the whole five-year investment period of the Fund.

The Fund will be open to new investors until December 2019.



# 5 | Tools to detect investment opportunities

## The European Investment Project Portal (EIPP)

The European Investment Project Portal (EIPP) was established by the European Commission in order to provide greater transparency about EU investment opportunities. It is part of the Investment Plan for Europe and is designed to support investment in the real economy.

The Portal offers EU based private and public project promoters a convenient way to boost the visibility of their investment projects by simply filling and submitting a project form. EIPP presents these projects in a structured user-friendly way and attracts investors worldwide, who are able to reinforce their own pipelines with more European projects.

## The European Investment Advisory Hub

The European Investment Advisory Hub is Europe's gateway to support investment. It is a joint initiative by the European Commission and the European Investment Bank under the Investment Plan for Europe. The Hub offers a single access point to a 360 degree offer of advisory and technical assistance services with the aim of strengthening Europe's investment and business environment. Project promoters, public authorities and private companies can receive technical support to help get their project off the ground, make them investment-ready, gain advice on suitable funding sources, and access a unique range of technical and financial expertise.



## THE BCO NETWORK

The Broadband Competence Offices (BCO) Network is a European Commission initiative with the purpose of supporting Member States to reach the EU Digital Agenda objectives, with an emphasis on the Digital Single Market and Gigabit Society. The BCO Network is expected to play an important role in broadband development in rural and remote areas, as part of the Rural Broadband Action Plan. For information on specific national BCOs, consult the BCO Network Directory.

The European Commission has set up a Support Facility to assist the BCO Network members in the planning, programming, implementation and monitoring of broadband projects through an annual programme of events, workshops, training seminars and the exchange of good practices, and by contributing to the organisation of the annual European Broadband Awards competition.

The BCO Network's annual programme is created in close coordination with the Directorates-General for Agriculture and Rural Development, for Communications Networks, Content and Technology, for Regional and Urban Policy, and for Competition.

### FOR MORE INFORMATION:



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[@broadband\\_eu](https://twitter.com/broadband_eu)

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