European broadband funding for the Western Balkans
Introduction

The European Union has made available several funding and technical assistance instruments for the design and implementation of broadband programmes and projects in the Western Balkans.

This guide offers an overview of the main sources of funding and targets public administrations and private promoters involved in the promotion of digital connectivity in the region.

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- EU Technical Assistance
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Instrument for Pre-accession Assistance

The Instrument for Pre-accession Assistance (IPA) is the means by which the EU supports reforms in the ‘enlargement countries’ with financial and technical help.

For the period of 2014-2020, IPA II provides targeted support for reforms within pre-defined sectors, such as democracy and governance, rule of law or growth and competitiveness.

- The bulk of the assistance is channelled through the Country Action Programmes for IPA II beneficiaries, while the Multi-country Action Programmes aim at enhancing regional cooperation.
- Another important form of financial assistance are the Cross-Border Cooperation Programmes that represent the focus of assistance in the area of territorial cooperation between IPA II beneficiaries.
- Assistance for agriculture and rural development is financed through the Instrument for Pre-accession Assistance for Rural Development (IPARD).

Because specific needs, such as the training of Broadband Competence Office (BCO) members, or support for mapping activities, can be identified under these sectors and subsequently incorporated in the IPA National and Multi-country Programmes, they can be funded using the existing framework.

Each partner in the Western Balkans has nominated a National IPA coordinator to oversee the programming and the implementation of IPA funding and serve as an information point.

<table>
<thead>
<tr>
<th>Country</th>
<th>Overall IPA II budget 2014-2020</th>
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<tbody>
<tr>
<td>Albania</td>
<td>€ 649.4 million</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>€ 237.2 million</td>
</tr>
<tr>
<td>Kosovo*</td>
<td>€ 645.5 million</td>
</tr>
<tr>
<td>Montenegro</td>
<td>€ 270.5 million</td>
</tr>
<tr>
<td>North Macedonia</td>
<td>€ 664.2 million</td>
</tr>
<tr>
<td>Serbia</td>
<td>€ 1.5 billion</td>
</tr>
</tbody>
</table>

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICI Opinion on the Kosovo declaration of independence.
2.a Twinning

Twinning is an instrument for institutional cooperation between public administrations of EU Member States and beneficiary or partner countries. Twinning aims to provide support for the transposition, implementation and enforcement of the EU legislation (the Union acquis). It builds up the capacities of beneficiary countries’ public administrations, and strives to share good practices developed within the EU with beneficiary public administrations and to foster long-term relationships between administrations of existing and future EU countries.

“Twinning Light”

“Twinning Light” is designed to offer a more flexible, mid-term approach (up to eight months; in exceptional cases, can be extended to ten months) without the presence of a Resident Twinning Adviser from a Member State.

Twinning projects are included in the IPA National Annual Country Programmes and, as such, are defined during the programming phase each year.

2.b Technical Assistance and Information Exchange (TAIEX)

The Technical Assistance and Information Exchange (TAIEX) instrument of the European Commission supports public administrations with regard to the approximation, application and enforcement of EU legislation as well as facilitating the sharing of EU best practices. Broadband mapping, State aid or how to set up a BCO have been some of the topics of supported exchanges.

Who can participate?

Public institutions involved in the management of IPA funds can request support:

- Managing authorities
- Intermediate bodies
- Coordinating authorities
- Audit authorities
- Certifying authorities
- Other bodies, where justified

What exchanges are supported?

Expert missions
EU Member State experts can be sent to institutions in eligible countries that have requested peer advice and exchange of experience on a specific topic. Expert missions can last between two and five days.

Study visits
Employees (maximum three) from a requesting institution can be sent on a working visit to other EU Member State institutions to learn from peers and exchange good practices. Study visits can last between two and five days.

Workshops
Single or multi-country workshops can be organised in a requesting institution. Workshops would normally last two days.

How can TAIEX beneficiaries apply for assistance?

The following can introduce requests for TAIEX assistance: officials in line ministries dealing with community legislation; staff from regulatory or supervisory bodies and inspectorates; officials in notified bodies which implement or enforce legislation as well as officials in parliaments; the judiciary and law enforcement agencies.
Examples

TAIEX study visit on broadband mapping
**Beneficiary:** Communications Regulatory Agency; Bosnia and Herzegovina
The aim of the study visit was to provide practical advice on broadband mapping in line with the relevant EU legislation to reduce the cost of deploying high-speed electronic communications networks. Practical guidance was provided on the determination of underserved areas; the use of State aid in compliance with the legislation; mapping broadband infrastructure; and supporting collaboration between operators to reduce infrastructure development costs.

TAIEX expert mission on reviewing the regulation on rights of way and infrastructure sharing
**Beneficiary:** Regulatory Authority of Electronic and Postal Communications; Kosovo
The aim of the expert mission was to assist the beneficiary in revising the regulation on rights of way and infrastructure sharing in line with the current EU regulatory framework and the principle of technological neutrality. Reducing the costs of broadband deployment through the sharing of the physical infrastructure ensures a geographically consistent development of broadband electronic communication networks throughout the territory and will in turn promote the use of electronic communication services.

TAIEX workshop on broadband
**Beneficiary:** Ministry of Information Society and Administration; North Macedonia
The aim of the workshop was to provide guidance on the applicable EU legislation and EU strategic documents in the field of electronic communications. Best practices from Lithuania, Italy and Slovenia were provided in order to assist the beneficiary in the preparation of the National Operational Plan for the development of fast and super-fast electronic communications networks.
Attendees included stakeholders from the following institutions: working group for the National Operational Broadband Plan, Ministry of Information Society and Administration (MISA), Agency for Electronic Communication (AEC), Association of local self-governments (ZELS), representatives of state institutions, operators, and NGOs.

TAIEX expert mission on reducing the cost of broadband development
**Beneficiary:** Agency for Electronic Communications and Postal Services; Ministry of Sustainable Development and Tourism, Ministry of Economy; Montenegro
The aim of the expert mission was to provide comments, advice and guidance on the drafted legislation implementing Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communications networks to ensure that the drafted legislation is compliant with the EU acquis.
How to apply for WBIF funding?

The WBIF provides technical assistance grants for projects in energy, environment, social, transport, and digital infrastructure sector, as well as for private sector development. Investment grants can be provided to the transport, energy and environment sectors.

WBIF publishes open calls for proposals twice a year for technical assistance grants and once a year for investment grants.

1 Western Balkan governments identify suitable digital (broadband) infrastructure projects. The projects should be listed on the Single Sector Project Pipelines (SSPPs) of the authorities. The SSPPs, a tool for prioritising national investment projects, are formally endorsed by the National Investment Committees.

Example of a WBIF-funded project

Feasibility study for regional broadband infrastructure development in Albania, approved in June 2018. Budget: €0.5 million (EU grant)

Building on the results of a pre-feasibility study developed under the United Nations Development Programme (UNDP) in 2017, a €0.5 million EU grant was allocated by the WBIF in June 2018 for the next stage of the project: feasibility study and development plan for efficient and smart investments in broadband infrastructure across the country. The study is a first step towards an increasing availability of next generation broadband access for Albanian households and businesses.

Future investment project:

- 350 health facilities with at least 30 Mb fixed broadband connection
- 2,000 educational facilities with at least 30 Mb fixed broadband connection
- 31 public institutions with at least 30 Mb fixed broadband connection
- Increase to 70% the share of households with broadband connection across the country

The project is expected to be completed by the end of 2020.

Western Balkans Investment Framework (WBIF)

The Western Balkans Investment Framework (WBIF) is a regional blending facility supporting EU enlargement and socio-economic development in the region.

It is a joint initiative of the European Commission, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank and several bilateral donors.

The World Bank Group, the KfW Development Bank and the Agence Française de Développement (AFD) subsequently joined the Framework.

The WBIF provides financial support, in the form of investment grants, and technical assistance to strategic investments in the energy, environment, social and transport sectors. In addition, WBIF also supports private sector development initiatives.

As of December 2017, the digital infrastructure (broadband) sector is eligible for technical assistance grants.

For the period of 2018-2020, support amounting to up to €30 million is available for technical assistance in digital infrastructure.

Technical assistance is usually used to provide tailored support to improve project design, management and/or quality. It can be allocated in particular for preparation of eligible investment projects (e.g. impact assessments, feasibility studies, detailed design, etc.), or sector development studies.

Projects in the sector will focus on:

- ‘white areas’ (areas without access to a broadband network)
- rural areas
- supporting the digital connectivity of education, health, municipal and government institutions.

Contact the WBIF Secretariat

The National IPA coordinators prioritise submissions from line ministries and submit the grant applications via the WBIF Management Information System and in accordance with the deadlines set for each individual call. Project applications must meet the eligibility criteria set forth for a specific call as well as responding to the requirements detailed in the guidelines relevant for the type of grant support: technical assistance or investment.

Projects applications and queries regarding the overall implementation of the Western Balkans Investment Framework are the responsibility of the WBIF Secretariat.

More information
The European Investment Bank (EIB) is the European Union’s bank, owned by and representing the interests of the EU Member States. EIB provides finance and expertise for investments in several sectors in line with the EU policy objectives. In telecommunications, the EIB supports the expansion and deployment of digital infrastructures in Member States as well as in Enlargement countries, hence the Western Balkans.

The EIB, with contribution from several Member States and the guarantee provided by the European Union, has also deployed the Economic Resilience Initiative (ERI). Until 2020, ERI aims at upgrading the vital social and economic infrastructures in the Western Balkans such as digital infrastructures in order to boost the economies’ resilience in these regions, additional investments and employment as well as to mitigate the outward migratory pressure.

Besides this initiative, the EIB has developed a series of sophisticated tools to support public and private customers directly or through intermediaries:

1. **Blending**: see WBIF section
2. **Advisory**: technical and financial expertise to develop and implement investment projects and to improve institutional and regulatory frameworks
3. **Lending**: project loans for projects above €25 million
   - Individual project loans
   - Large corporates, including utilities
   - Medium-sized companies
   - Public–private partnerships/Special purpose vehicles
   - National administrations or local authorities
   - Public sector companies

More information:
- European Investment Bank website
- Regional office for the Western Balkans

The European Bank for Reconstruction and Development (EBRD) is an international financial institution with the mandate to promote transition to modern and well-functioning markets by investing in both the private and the public sector.

The EBRD supports projects in the sector of Information and Communication Technologies. It is focused on increasing the broadband access in regional centres and more remote locations.

The EBRD offers a number of financial products, including:
- Loans
- Equity investments
- Guarantees to promote trade

What is funded?
Projects may be considered for EBRD assistance if they:
- are located in an economy where the EBRD works
- have good prospects of being profitable
- have significant equity contributions in cash or in kind from the project sponsor
- would benefit the local economy
- satisfy the EBRD’s environmental standards as well as those of the host country

The bank offers a simple tool to check whether your project is eligible for funding.

More information:
- EBRD website
- Regional office for the Western Balkans

Examples of projects implemented by private sector with EBRD support in the region
- Development of the region’s digital infrastructure
- Expansion of the fibre optic broadband network in North Macedonia
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 invited the Western Balkans to appoint BCOs and participate in the BCO Network.

The European Commission has set up a Support Facility to assist BCO Network members in the planning, programming, implementation and monitoring of broadband projects. It does this through an annual programme of events, workshops, training sessions 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.

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