

COHESION POLICY: STRATEGIC REPORT 2013

Factsheet: Information and Communication Technologies



Strategic Report 2013 – Programme implementation 2007-2013

Factsheet: ICT infrastructure and services

This factsheet has been produced in support of the Commission 2013 Strategic report on cohesion policy programme implementation (2007-2013). It should be read in conjunction with that report (COM(2013) 210) and the accompanying Staff Working Document (SEC(2013) 129) available on this website:

http://ec.europa.eu/regional_policy/how/policy/strategic_report_en.cfm

1. Overview

Investments in ICT infrastructure services is mainly delivered in Convergence Member States and regions and funded mainly by the ERDF with ESF support for e-education and training. Six headings are reported:

- Telephone infrastructures (including broadband networks)
- Information and communication technologies
- Information and communication technologies (TEN-ICT)
- Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)
- Services and applications for SMEs (e-commerce, education and training, networking, etc.)
- Other measures for improving access to and efficient use of ICT by SMEs

The European Commission in 2009 published guidance in the form of a communication ("Europe 2020: a strategy for smart, sustainable and inclusive growth") and a brochure¹, highlighting good practice examples. These documents are also closely linked to the concept of smart specialisation which serves as a framework for the design of innovation strategies including ICT interventions. Furthermore, a Guide to Research and Innovation Strategies for Smart Specialisation as well as a series of complementary guides relevant for public support to ICT networks and take up were also recently produced, including a Guide to broadband investment². In addition, peer-review and thematic seminars were organised involving Managing Authorities and stakeholders from the business community³.

¹ http://ec.europa.eu/regional_policy/information/pdf/brochures/rfec/2011_smart_growth_en.pdf

² http://ipts.jrc.ec.europa.eu/activities/research-and-innovation/documents/broadband2011_en.pdf

³ e.g. 'Smart specialisation and entrepreneurial discovery - the role of the business community' (October 2012)

2. Project examples

| | | | |
|---|----------------------------|-------------------|--------------------|
| LT | OP: Economic Growth | Fund: ERDF | EU: €42,6 m |
| Title: Rain | | | |
| <p>The objective of the project is to improve access to broadband in rural areas and achieve 98 % broadband coverage in Lithuania. Some 4,400 km of broadband cables have been laid, with network infrastructure and 775 sub-district and municipal connection points installed. As a result an additional 660,000 citizens (20,6 % of country's population), 2,000 businesses and 9,000 public institutions can now benefit from broadband.</p> <p style="text-align: right;"><i>Source: DG REGIO Project database</i></p> | | | |

| | | | |
|---|---|-------------------|-----------------|
| UK | OP: Cornwall & the Isles of Scilly | Fund: ERDF | EU: €59m |
| Title: Superfast Cornwall | | | |
| <p>The project is deploying superfast fibre based connections to around 86 % of all business premises. Approximately 10,000 out of Cornwall's 25,000 businesses will be connected including prioritising links to 2,400 high growth, high value businesses. The project is expected to create directly 20 permanent jobs and to have an indirect employment effect on 4,000 by end 2015. Roll-out began in early 2011. By the end of 2012, well over half (66) of the exchanges had been upgraded, making superfast broadband accessible to 120,000 premises. http://www.superfastcornwall.org/</p> | | | |

3 Assessment of Implementation

3.1 Tracking EU financial input

Cohesion policy funding envisaged for ICT-related investments in the period 2007-2013 amounts to EUR 14.5billion. This amount represents 4.2 % of the total cohesion budget. While a significant sum of EUR 2.3 billion is planned for broadband investments in Europe, the majority of ICT funding, some EUR 12.1 billion is foreseen to be spent on e-services for the benefit of EU citizens and SMEs. As Table 1.1 shows below, the average project selection rate (61 %) taking into account all ICT interventions lags behind the average cross-sectoral project selection rate of 71 %.

Narrowing down the scope of analysis to different categories of ICT intervention, it becomes clear that broadband investment along with services and applications provided to SMEs including e-commerce are experiencing particularly severe delays. The project selection rate for broadband interventions stands currently at 58 %, while it is even lower in the case of ICT services for SMEs at 46 %. Nevertheless, significant progress has been made in investments targeting services and applications for citizens, which also includes e-government, e-inclusion and e-health. In total, EUR 5.1 billion is foreseen to be allocated to investments in support of services and applications for citizens, which is about one third of the total earmarked funding for ICT investments. The project selection rate in this category is 72 %, which compares favourably to the average cross-sectoral project selection rate of 71 %.

Large variations can be observed not only among the different thematic investment categories, but also when comparing project selection rates in convergence regions and those under the

regional competitiveness and employment objective. While the project selection rate for broadband investments is on track at 69 %, it has reached only 55 % in convergence regions.

More progress has been made in implementing services and applications for SMEs in convergence regions, where the project selection rate (51 %) is much higher than that of competitiveness regions (33 %). Nevertheless, interventions related particularly to e-commerce need to speed up in line with the recent EU action plan⁴ which aims to double the volume of e-commerce in Europe by 2015 to stimulate growth and employment.

Interestingly, there is no significant variation between convergence and competitiveness regions in terms of progress in project selection for ICT services and applications for citizens. Under both objectives, the project selection rate (72 %) has significantly exceeded the average rate of 61 % observed across all ICT themes, thus representing the best performing category of intervention so far.

Looking at Member State level (see Table 1.2), the pattern in terms of project selection varies significantly. Across all ICT themes, the following countries progress best: PL, GR, ES, CZ and PT. Notable delays were evident in IT, SK, HU, FR, and RO.

As highlighted in the communication, broadband is one of the areas which lags behind in terms of implementation. Although project selection has improved substantially in recent years, efforts need to be stepped up in the roll-out of broadband so that the Digital Agenda targets can be achieved by 2020. To this end, Poland in particular, which has the largest financial allocation for broadband (EUR 1 billion) has accelerated significantly its project selection rate (60 %) as compared to the 2010 strategic report where 0 % of the funds was allocated. GR and IT are still lagging behind with 42 % and 23 % project selection respectively.

3.2 Outputs and results

In the case of investment in ICT infrastructure and services the relevant core indicators are "Number of Information Society projects" and "Number of additional population covered by broadband access".

ERDF/Cohesion Fund core indicators:

For the ERDF/CF the Commission recommends the use of "core indicators" in addition to the programme specific indicators (that vary according to national and regional practice and the specific objectives of the programmes). Use of core indicators has the advantage of allowing the possibility of aggregation but is not obligatory in this period.

The global aggregate achievements presented below are based on 2011 annual reports or, where possible, on updated values for 2011 and 2012 from the Strategic reports.

Achievements against targets are also analysed. Where no targets were set, the achievements were excluded from the analysis reducing the data available in that analysis. From the available data it is clear that some targets were set too low or too high.

⁴ http://europa.eu/rapid/press-release_IP-12-10_en.htm?locale=en

Number of information society projects supported – Table 2 and 3

- In total, 20,736 ICT projects were reported in 20 Member States at the end of 2011. AT, BE, CY and MT have allocated funding to these categories but are yet to report achievements (the amounts allocated were small). More of concern was CZ which allocated resources to projects but did not report against the relevant core indicators even if reporting against core indicators was not obligatory.
- ES reported the highest number of projects supported (10,377) followed by HU (2,129) and Portugal (1,363).
- From these Member States where programmes had set targets (EE and HU did not), the average achievement ratio at the end of 2011 was 44 % (see table 3). In some cases broadband projects are submitted in the form of major projects which often entail a lengthy approval process – which may account for delays on a small number of projects.
- The following Member States can have the highest achievement ratios: LT (206 %), PT (89 %), SI (167 %), ES (76 %).
- MS with the lowest reported achievement ratios are: DE (12 %), IT (33 %), PL (8 %), RO (34 %), UK (12 %).

Additional Population covered by Broadband Access – Table 2 and 4

- The total reported number of additional population covered by broadband access is 1,885,810 across Member States. Of those Member States which allocated resources to these categories, 7 did not report achievements (DK, EE, LT, LV, RO, SK).
- As the project selection data show in the previous section, progress in investments in broadband infrastructure and ICT services is lagging behind. When we look at achievements reported against targets (where targets were set), the average achievement ratio is very low. Only 9 % of the originally planned total target of 20 million additional population to be covered has been achieved by end 2011.
- The following Member States reported achievements but set no targets: DE, HU, LV, UK.
- Compared to the average of 9 % achievement the highest achievements of targets were reported by Sweden (167 %) and Slovenia (132 %). It should be noted that there may be some low target setting in some of these countries, since the allocation to selected projects although higher than average is not above 90 % in any case.
- MS with the lowest reported achievement ratios (with significant resources allocated) are BG, GR, PL, RO, SK. The progress for Poland is particularly slow in light of the fact that it envisaged the largest financial allocation (EUR 1 bn) among all Member States for broadband investment at the beginning of the current programming period. Achievements for the indicator for additional population covered by broadband will only materialise after projects are completed. That said, the need for these Member States to reinforce their efforts in this sector is evident.

Table 1.1: 2007-2011 – Project selection aggregates

| Code | Category | Decided Ops - Million € (a) | % Decided OPs of Total Decided (b) | Allocated to selected projects AIR 2011 - million € © | % (d=c/a) |
|-------------|---|--|---|--|----------------------|
| 10 | Telephone infrastructures (including broadband networks) | 2,244.6 | 0.6 % | 1,300.2 | 57.9 % |
| 11 | Information and communication technologies (...) | 3,516.4 | 1.0 % | 2,231.9 | 63.5 % |
| 12 | Information and communication technologies (TEN-ICT) | 490.8 | 0.1 % | 227.0 | 46.3 % |
| 13 | Services and applications for citizens (e-health, e- government, e-learning, e- inclusion, etc.) | 5,126.4 | 1.5 % | 3,683.9 | 71.9 % |
| 14 | Services and applications for SMEs (e-commerce, education and training, networking, etc.) | 1,499.6 | 0.4 % | 519.3 | 34.6 % |
| 15 | Other measures for improving access to and efficient use of ICT by SMEs | 1,568.1 | 0.5 % | 892.5 | 56.9 % |
| | Total IT networks and services | 14,446.0 | 4.2 % | 8,854.8 | 61.3 % |
| | Total all themes | 346,717.2 | | 246,983.9 | 71.2 % |

Table 1.2: 2007-2011 – Project selection reported by Member States

| IT services and infrastructure | | | | |
|--------------------------------|-----------------------------|---------------------------|--|---------------|
| Country | Decided OPs (a) - in M.€ | % of National SF/CF | Allocated to selected projects AIR 2011 (b) - in M.€ | % (c=b/a) |
| PL | 3,630.3 | 5.40 % | 2,280.3 | 62.8 % |
| IT | 1,664.4 | 5.95 % | 751.4 | 45.1 % |
| GR | 1,260.0 | 6.23 % | 1,053.8 | 83.6 % |
| ES | 1,249.8 | 3.61 % | 955.9 | 76.5 % |
| SK | 1,007.8 | 8.76 % | 503.1 | 49.9 % |
| CZ | 877.8 | 3.31 % | 666.3 | 75.9 % |
| HU | 686.0 | 2.75 % | 277.3 | 40.4 % |
| FR | 653.1 | 4.86 % | 371.2 | 56.8 % |
| PT | 536.6 | 2.51 % | 504.4 | 94.0 % |
| CB | 525.8 | 6.65 % | 310.9 | 59.1 % |
| RO | 450.3 | 2.34 % | 144.0 | 32.0 % |
| UK | 380.9 | 3.85 % | 214.1 | 56.2 % |
| DE | 343.1 | 1.35 % | 136.7 | 39.8 % |
| LT | 240.1 | 3.54 % | 159.0 | 66.2 % |
| LV | 189.4 | 4.18 % | 113.1 | 59.7 % |
| SI | 156.2 | 3.81 % | 138.6 | 88.8 % |
| FI | 143.5 | 8.99 % | 45.6 | 31.8 % |
| SE | 102.4 | 6.30 % | 52.6 | 51.4 % |
| EE | 74.8 | 2.20 % | 50.9 | 68.0 % |
| NL | 63.0 | 3.79 % | 14.0 | 22.3 % |
| BG | 54.9 | 0.82 % | 16.6 | 30.2 % |
| IE | 34.0 | 4.53 % | 37.4 | 109.9 % |
| DK | 33.1 | 6.49 % | 10.5 | 31.9 % |
| MT | 28.0 | 3.33 % | 18.1 | 64.7 % |
| BE | 24.9 | 1.21 % | 8.8 | 35.3 % |
| AT | 19.1 | 1.58 % | 3.9 | 20.2 % |
| CY | 15.3 | 2.50 % | 16.3 | 106.4 % |
| LU | 1.3 | 2.50 % | 0.1 | 11.3 % |
| EU | 14,446.0 | | 8,854.8 | 61.3 % |

Graph 1:

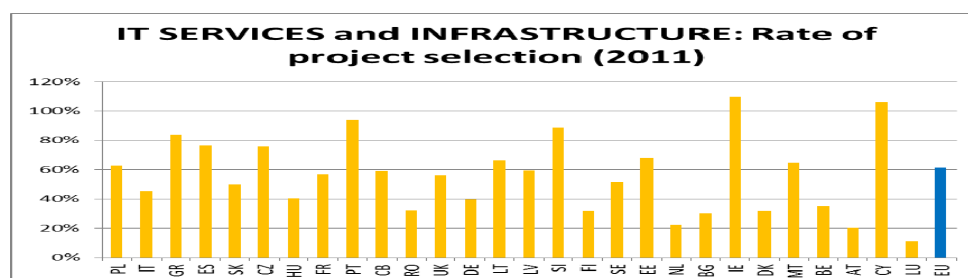


Table 2: 2007-2011- Total achievements reported by Member States

| Country | Number of Information Society projects | Number of additional population covered by broadband access |
|----------------|---|--|
| BG | 121 | 0 |
| DE | 282 | 3 |
| DK | 17 | 0 |
| EE | 163 | 0 |
| ES | 10,377 | 332,943 |
| FR | 997 | 398,019 |
| GR | 983 | 0 |
| HU | 2,129 | 49,020 |
| IE | 4 | 237,111 |
| IT | 1,095 | 685,801 |
| LT | 105 | 0 |
| LU | 2 | 0 |
| LV | 160 | 0 |
| PL | 1,180 | 40,507 |
| PT | 1,363 | 33,667 |
| RO | 494 | 0 |
| SE | 57 | 21,373 |
| SI | 50 | 39,573 |
| SK | 1,139 | 0 |
| UK | 18 | 57,792 |
| EU | 20,736 | 1,885,810 |

**Table 3: Number of Information Society projects-
target set and achievements reported based on 2011 AIRs**

| Country | Targets | Achievements | Achievement ratio (%) |
|--------------|---------------|---------------|-----------------------|
| BG | 33 | 30 | 91 % |
| DE | 2,444 | 282 | 12 % |
| DK | 18 | 17 | 94 % |
| ES | 13,571 | 10,377 | 76 % |
| FR | 1,937 | 997 | 52 % |
| GR | 1,472 | 983 | 67 % |
| IE | 3 | 3 | 100 % |
| IT | 3,331 | 1,095 | 33 % |
| LT | 51 | 105 | 206 % |
| LU | 10 | 2 | 20 % |
| PL | 14,234 | 1,180 | 8 % |
| PT | 1,525 | 1,363 | 89 % |
| RO | 1,400 | 481 | 34 % |
| SE | 90 | 57 | 63 % |
| SI | 30 | 50 | 167 % |
| SK | 1,230 | 1,139 | 93 % |
| UK | 97 | 12 | 12 % |
| Total | 41,476 | 18,173 | 44 % |

**Table 4: Number of additional population covered by broadband access-
target set and achievements reported based on 2011 AIRs**

| Country | Targets | Achievements | Achievement ratio (%) |
|--------------|-------------------|------------------|-----------------------|
| AT | 10,000 | 0 | 0 % |
| BG | 725,000 | 0 | 0 % |
| DE | 0 | 3 | N/A |
| ES | 7,208,350 | 332943 | 5 % |
| FR | 3,580,413 | 398019 | 11 % |
| GR | 152,107 | 0 | 0 % |
| IE | 344,225 | 153102 | 45 % |
| IT | 3,323,440 | 685801 | 21 % |
| PL | 3,933,644 | 40097 | 1 % |
| PT | 55,000 | 33667 | 61 % |
| RO | 300,000 | 0 | 0 % |
| SE | 12,805 | 21373 | 167 % |
| SI | 30,000 | 39573 | 132 % |
| SK | 105,000 | 0 | 0 % |
| Total | 19,779,984 | 1,704,578 | 9 % |