

Commission Proposes over 9 Billion Euro for Broadband Investment



The European Commission has proposed to spend almost 9.2 billion euro from 2014 to 2020 on pan-European projects to give EU citizens and businesses access to high-speed broadband networks and the services that run on them. The funding, part of the proposed Connecting Europe Facility (CEF), would take the form of both equity and debt instruments and grants. It would complement private investment and public money at local, regional and national level and EU structural or cohesion funds. At least 7 billion euro would be available for investment in high-speed broadband infrastructure.

The Commission considers that this money could leverage a total of between 50 and 100 billion euro of public and private investment – i.e. a substantial proportion of the estimated 270 billion euro of broadband investment needed to meet Digital Agenda targets on broadband. The remaining CEF funding for digital infrastructure would support public interest digital service infrastructure such as electronic health records, electronic identification and electronic procurement. The proposed financial support is complemented by proposed new guidelines for trans-European telecommunications networks and services. These guidelines would establish new objectives, priorities, projects of common interest and criteria for identifying further projects of common interest.

Money for Broadband Infrastructure

In the case of broadband infrastructure, EU funding from the CEF would leverage other private and public money by giving projects credibility and lowering their risk profiles. The money would be largely in the form of equity, debt or guarantees. This would then attract capital market financing from investors; the Commission and international financial institutions such as the European Investment Bank would absorb part of the risk and improve projects' credit rating.

Projects are likely to be proposed by established telecoms operators as well as new players such as water, sewage, electricity utilities, cooperative investment projects or construction firms. Many projects are likely to involve several of these investors clubbing together. The Commission also expects public authorities to join projects as part of public-private partnerships.

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