



European
Commission

EU funding *for* broadband 2021-2027





Contents

Introduction	3
Recovery and Resilience Facility	4
European Regional Development Fund	7
European Agricultural Fund for Rural Development	9
Just Transition Fund	11
Connecting Europe Facility - Digital	12
Connecting Europe Broadband Fund	14
InvestEU Fund	15

Introduction

The European Union has set ambitious targets to advance digital transformation and make this Europe's Digital Decade. Digital connectivity is one of the cornerstones of this transition and a central element of the European Commission's vision for a **Europe fit for the digital age**.

The **Digital Compass**, presented in March 2021 by the European Commission, puts forward the ambition that by 2030 all European households will be covered by a gigabit network and all populated areas will be covered by 5G. This builds on the targets set in the 2016 Gigabit Society Strategy, which foresees three main objectives for 2025:

- access to 1 Gbps connectivity for principal socio-economic drivers
- access to 100 Mbps download speed, upgradable to 1 Gbps, for all European households
- uninterrupted 5G wireless broadband coverage for all urban areas, major roads and railways

These ambitious connectivity targets are matched by funding instruments that reflect the European Union's commitment to achieving Gigabit connectivity. The 2021-2027 Multiannual Financial Framework, together with the exceptional, temporary instrument of Next Generation EU, offer Member States unprecedented funding opportunities to accelerate deployment of connectivity infrastructures.

Overview of EU funding instruments supporting connectivity investments

Figures reflect total budgets, not exclusively connectivity allocations

Multiannual Financial Framework € 1.21 trillion

Next Generation EU € 806.9 billion

Funding source

Recovery and Resilience Facility € 723.8 billion Grants and loans

European Regional Development Fund € 215.2 billion Grants and loans

European Agricultural Fund for Rural Development € 95.5 billion Grants and loans

Just Transition Fund € 19.2 billion Grants and loans

Connecting Europe Facility - Digital € 1.83 billion Grants

Connecting Europe Broadband Fund € 555 million Equity

InvestEU - Sustainable Infrastructure Window € 9.89 billion Financial instruments

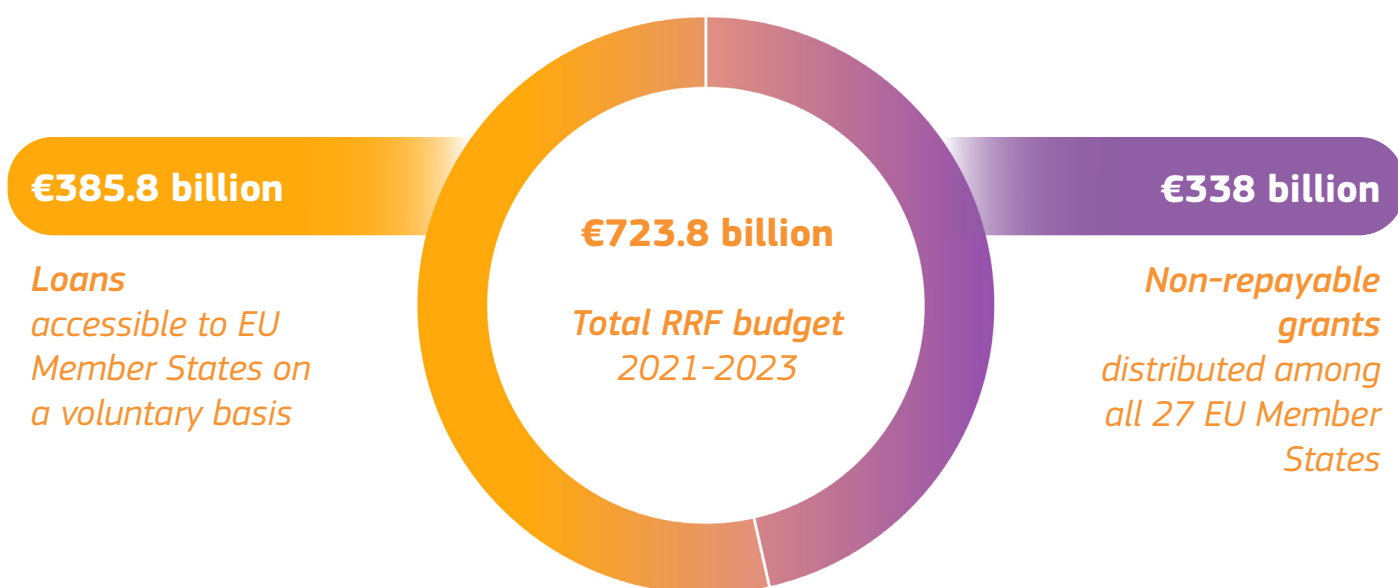
Total allocations are expressed in current prices

Recovery and Resilience Facility

In brief

The **Recovery and Resilience Facility** (RRF) is the centerpiece of **Next Generation EU**, Europe's €806.9 billion temporary instrument established to support the recovery from the COVID-19 pandemic.

The RRF finances structural reforms and investments undertaken by Member States to mitigate the social and economic impact of the COVID-19 crisis and prepare them for a sustainable recovery.



Given its crisis-response nature, the RRF has an exceptional and temporary character:

- Funds available to Member States must be allocated to concrete investments throughout 2021-2023
- 70% of these funds should be committed by the end of 2022
- The remaining 30% must be allocated by December 2023

Implementation of reforms and investments is possible until 2026.

To access RRF funds, Member States prepare National Recovery and Resilience Plans, outlining their reforms and investments agenda throughout 2021-2023.

The twin digital and green transitions are transversal priorities of the RRF:

each Recovery and Resilience Plan should include a minimum of 20% of expenditure to foster digital transition



Recovery and Resilience Facility

How does the RRF support connectivity investments?

The RRF provides an unprecedented opportunity to accelerate 5G and gigabit infrastructure deployment across Europe. Its digital connectivity objectives are:

- To ensure comprehensive 5G and fibre coverage
- Large-scale deployment of 5G corridors and smart traffic management systems along transport pathways
- To enable universal and affordable access to gigabit connectivity in all urban and rural areas

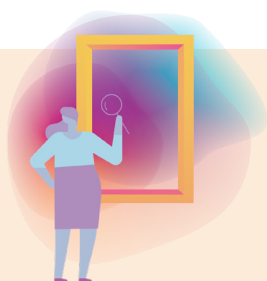
The European Commission has provided Member States with a set of examples of digital connectivity reforms and investments that can be financed through the RRF.

Examples of reforms include:

- Ensuring that National Digital Agendas and Broadband Plans include concrete measures to reach the EU's 2025 connectivity objectives with the appropriate very high-capacity networks in line with State aid rules
- Assigning radio spectrum for 5G networks under investment-friendly conditions
- Based on the effective implementation of the Broadband Cost Reduction Directive and considering the Common Union Toolbox for Connectivity, removing unnecessary administrative hurdles, streamlining permit-granting procedures and fees as well as facilitating access to physical infrastructure suitable for the deployment of electronic communication networks
- Ensuring that regulatory conditions are favourable to help bridge the gap with private investments, by reducing the cost and increasing the speed of network deployments
- Designating and empowering the existing national Broadband Competence Offices (BCOs) as a single point of contact for public investment and cooperation with private investors.

Examples of investments include:

- Investing in building new and upgrading existing network infrastructure for very high-capacity networks to ensure that:
 - a) all households have access to fibre networks capable of offering a speed of at least 100 Mbps, upgradable to gigabit speeds
 - b) all digitally intensive enterprises and principal socio-economic drivers (such as schools, transport hubs, public service providers, hospitals and other healthcare providers) have access to fibre and secure 5G networks with download and upload speeds of 1 Gbps
 - c) all urban areas as well as major roads and railways have uninterrupted secure 5G wireless broadband coverage
- Investing in capacity building and upskilling of workers and civil servants to support the efficient roll-out of fibre and wireless connectivity infrastructure, by developing public sponsored vocational training for:
 - a) employees of civil construction companies, for the installation of fibre networks
 - b) civil servants, in particular to develop the planning capacity to support private investors



In addition, the European Commission has published guidelines supporting Member States to assess the **potential State aid implications** of their proposed investments for the deployment and take-up of fixed and mobile very high-capacity networks, including 5G and fibre networks.

Recovery and Resilience Facility

Accessing funds

Reforms and investments for digital connectivity are designed by Member States within their National Recovery and Resilience Plans.

These plans must be assessed by the European Commission and approved by the European Council.

Each plan details the types of supported reforms and investments, together with milestones, targets, estimated costs and timeline for their implementation.

As of February 2022, the majority of Recovery and Resilience Plans have been approved and are becoming operational.

More information

→ [Recovery and Resilience Facility](#)



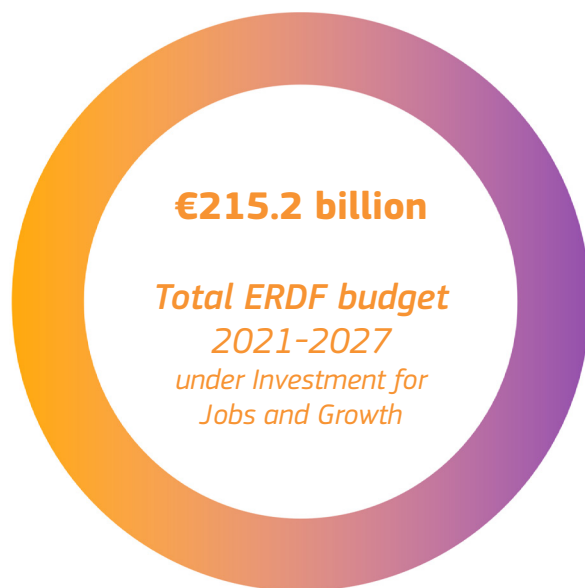
European Regional Development Fund

In brief

The **European Regional Development Fund** (ERDF) is one of the three instruments constituting the EU's **Cohesion Policy**, Europe's long-standing funding tool aiming to reduce development disparities among Member States and regions.

ERDF funding is distributed among all 27 EU Member States through their Operational Programmes.

The EU's digital and green objectives are priorities of the ERDF. 55-85% of resources will be allocated to:



- promoting **innovative and smart economic transformation** and **regional ICT connectivity** in order to realise a smarter and more competitive Europe



- promoting a clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility, in order to realise a greener and carbon-free Europe



European Regional Development Fund

How does the ERDF support connectivity investments?

The ERDF will support the following investments in very high-capacity broadband infrastructure:

- Backbone/backhaul
- Access/local loop, where the performance of the network will be equivalent to an optical fibre installation up to the distribution point and will secure access to either multi-dwelling premises or homes and business premises
- Access/local loop, where the performance of the network will be equivalent to an optical fibre installation up to the base station for advanced wireless communication

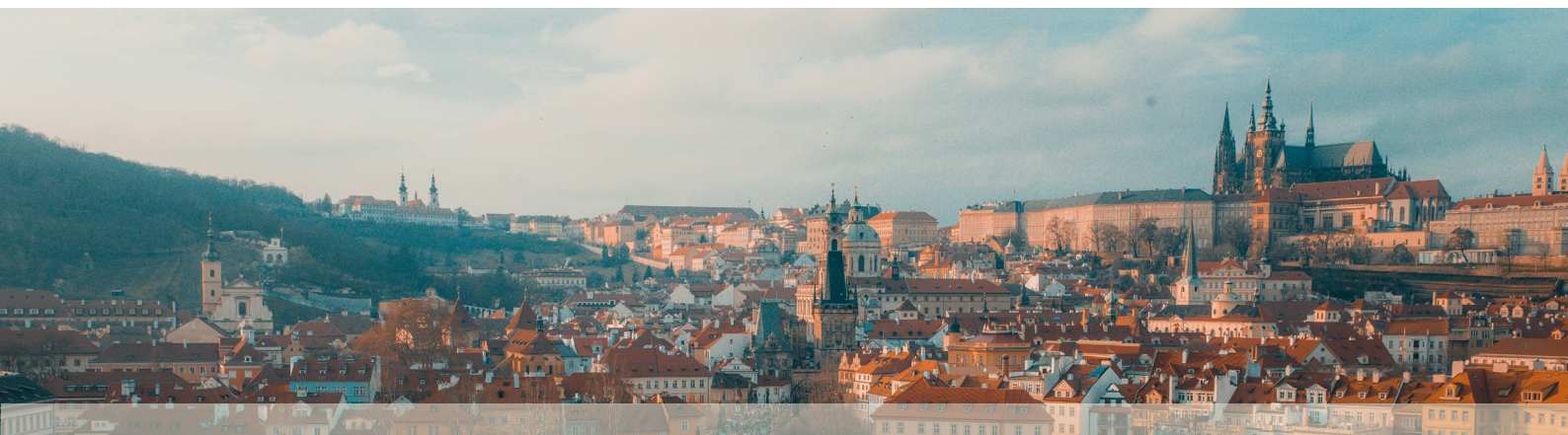
The ERDF will only support such investments in white and grey areas.

Accessing funds

The ERDF is disbursed through national or regional Operational Programmes (OPs) detailing the types of investments to receive support. OPs are prepared by Managing Authorities in EU Member States and approved by the European Commission. Distribution of funds is made through competitive (calls for proposals) or non-competitive (pre-identified projects) procedures.

A pre-condition for implementation of broadband investments under the ERDF is the existence of a national or regional Broadband Plan that foresees at least:

- Assessment of the investment gap, based on a recent mapping of existing public and private connectivity infrastructures and a consultation on planned investments
- Justification of planned public intervention based on sustainable investment models
- Actions to support demand, use and roll-out of very high-capacity networks, such as measures related to implementation of the EU Broadband Cost Reduction Directive
- Provision of technical assistance mechanisms, such as functional **Broadband Competence Offices**
- Monitoring mechanisms based on standard broadband mapping indicators



More information

→ Cohesion Policy 2021-2027

European Agricultural Fund for Rural Development

In brief

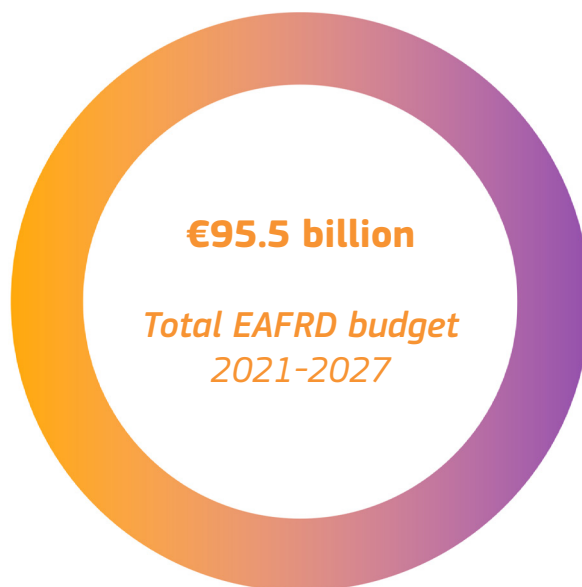
The **European Agricultural Fund for Rural Development** (EAFRD) is the second pillar of the EU's new **Common Agricultural Policy** (CAP), supporting the EU's rural development objectives.

The EAFRD has a budget of €95.5 billion for 2021-2027, of which €8.1 billion are a temporary additional allocation secured from Next Generation EU.

The objectives of the CAP, including the EAFRD are:

- to foster a smart, resilient and diversified agricultural sector ensuring long-term food security
- to support and strengthen environmental protection, including biodiversity and climate action, and to contribute to achieving the environmental and climate-related objectives of the EU, including its commitments under the Paris Agreement
- to strengthen the socio-economic fabric of rural areas while enhancing environmental care and climate action.

With a cross-cutting objective of modernising agriculture and rural areas by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, the new CAP provides a more flexible, performance and results-based implementation approach.



Member States prepare national CAP Strategic Plans to be adopted by the Commission. These combine funding for income support, rural development, and market measures. National CAP Strategic Plans should outline the assessment of needs and the intervention strategy, and highlight the elements that ensure modernisation of the CAP, including digitalisation.

The new CAP covers the period from 1 January 2023 to 31 December 2027. For 2021 and 2022, a transitional regulation has been put in place, extending most of the 2014-2020 rules.



European Agricultural Fund for Rural Development

How does the EAFRD support connectivity investments?

Fostering and sharing of knowledge, innovation and digitalisation represent a cross-cutting objective to be addressed by the upcoming CAP Strategic Plans. In addition, the promotion of employment, growth, social inclusion and local development in rural areas is among the specific objectives to be pursued by Member States. To this end, tangible and/or intangible investments can be supported, including for investments in basic services in rural areas.

Accessing funds

To access CAP funds, Member States need to prepare national CAP Strategic Plans outlining their proposed interventions. The Commission has provided each Member State with a set of recommendations, identifying the key areas the country should focus on when designing their national CAP Strategic Plans.

Following political agreement, reached on 25 June 2021, on the new CAP Regulation, Member States are expected to finalise their CAP Strategic Plans by the end of 2022. The Commission will work to scrutinise and approve them in time for their implementation starting in January 2023.

The Strategic Plans will underpin rural development actions, including the possibility for Member States to invest in broadband networks in rural areas and digitalisation from 2023, while the Rural Development Programmes will continue to do so until 2022.

The European Commission adopted, in June 2021, a Long-Term Vision for Rural Areas (LTVRA), which includes a strong commitment on providing rural connectivity.

More information

- Common Agricultural Policy funds
- CAP Strategic Plans
- CAP Transitional Regulation 2021-2022



Just Transition Fund

In brief

The Just Transition Fund (JTF) is one of the three pillars of the **Just Transition Mechanism**, a key funding tool of the EU's Green Deal policy. The JTF aims to mitigate the adverse effects of the climate transition and socio-economic transformation of regions and territories relying on fossil fuels and carbon-intensive industries.

The JTF will have an overall allocation of €19.2 billion, including a temporary allocation of €10.8 billion under Next Generation EU. While all Member States have a pre-defined allocation under the JTF, these resources should be concentrated in regions and territories facing the biggest socio-economic transformation challenges.

Disbursement of JTF resources will be made under Cohesion Policy rules, either through dedicated JTF Operational Programmes, or as separate priorities under 2021-2027 multi-fund Cohesion Policy Operational Programmes.

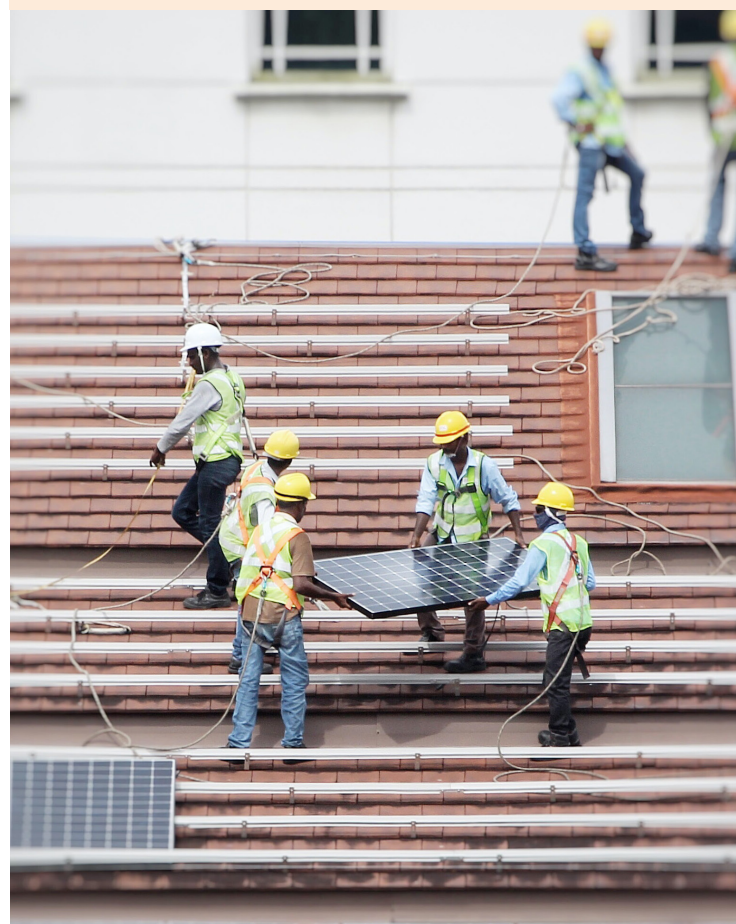
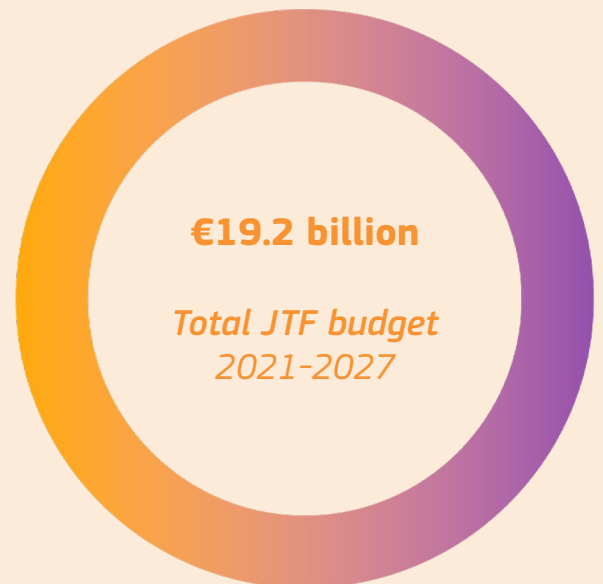
How does the JTF support connectivity investments?

The JTF can support investments in digitalisation, digital innovation and digital connectivity. Similarly to Cohesion Policy rules, this can include deployment of very high-capacity broadband infrastructure, including backbone and backhaul investments.

Accessing funds

Several programming steps are necessary to access JTF resources:

- Member States will prepare territorial Just Transition Plans for specific areas most negatively affected by climate transition. Territorial Just Transition Plans should outline, among others, the challenges faced by the respective territories and proposed operations envisaged to alleviate the impact of transition.
- Member States will integrate JTF resources in 2021-2027 Operational Programmes, based on the territorial Just Transition Plans.



More information

→ [The Just Transition Mechanism](#)

Connecting Europe Facility – Digital

In brief

The Connecting Europe Facility (CEF) is the EU's funding tool to build, develop, modernise and complete the trans-European networks in the fields of transport, energy and digital.

The digital component of CEF, **CEF Digital**, has an overall allocation of €1.83 billion for 2021-2027.

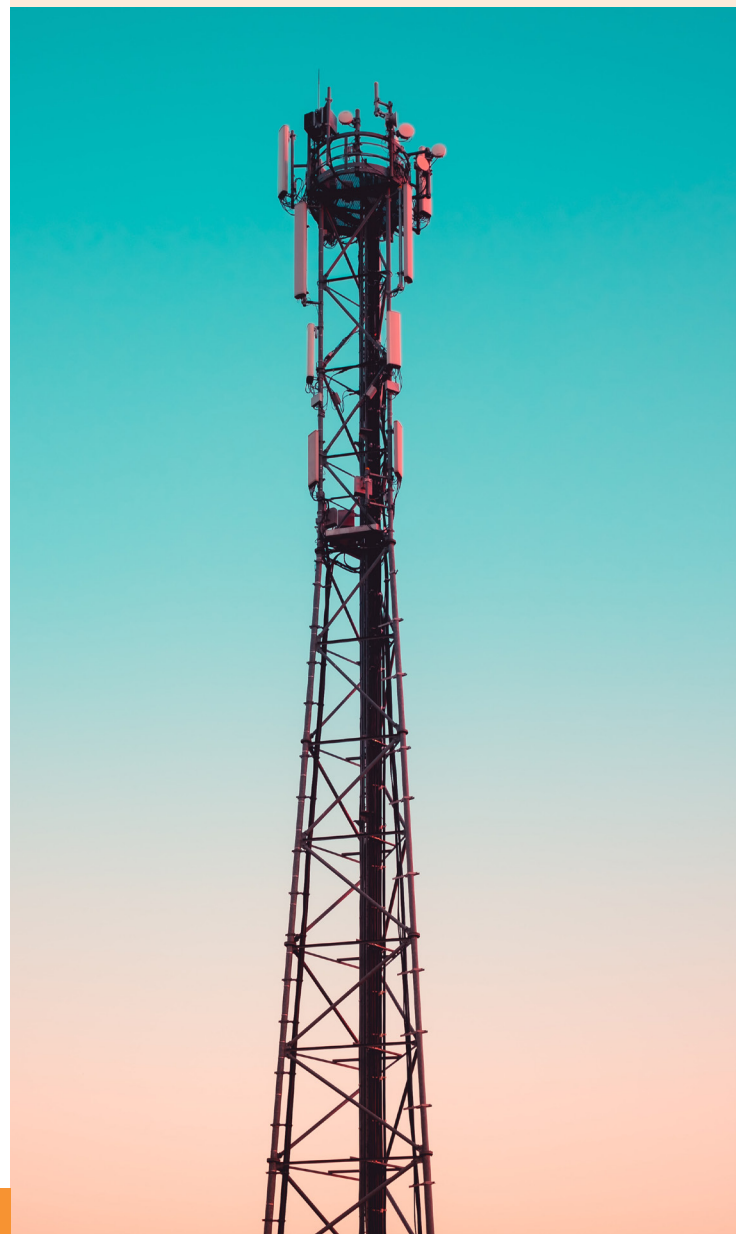
CEF Digital will:

- support projects of common interest for the deployment of safe and secure very high-capacity digital networks and 5G systems
- contribute to improving resilience and capacity of digital backbone networks on EU territories by linking them to neighbouring territories
- encourage the digitalisation of transport and energy networks.

How does CEF Digital support connectivity investments?

CEF Digital will support:

- Deployment of and access to very high-capacity networks, including 5G, in areas where socio-economic drivers are located. This action would also build on the experience gained with the WiFi4EU initiative funded under the previous CEF programme.
- Uninterrupted 5G coverage of all major transport paths, including trans-European transport networks
- Deployment of new or significant upgrades of existing backbone networks, including submarine cables, within and between Member States as well as between the EU and third countries
- Implementation of digital connectivity infrastructures related to cross-border projects in the areas of transport or energy, and/or supporting operational digital platforms directly associated to transport or energy infrastructures



Connecting Europe Facility – Digital

Accessing funds

CEF Digital is managed by the European Commission's European Health and Digital Executive Agency (HaDEA) and implemented through multi-annual work programmes that define the priorities and type of support to be allocated to specific operations, selected through competitive calls for proposals.

Unless otherwise specified in the work programmes or specific call for proposals, proposals submitted under CEF competitive procedures should have the agreement of the Member State concerned by the respective infrastructure.

More information

- CEF Digital
- European Health and Digital Executive Agency (HaDEA)

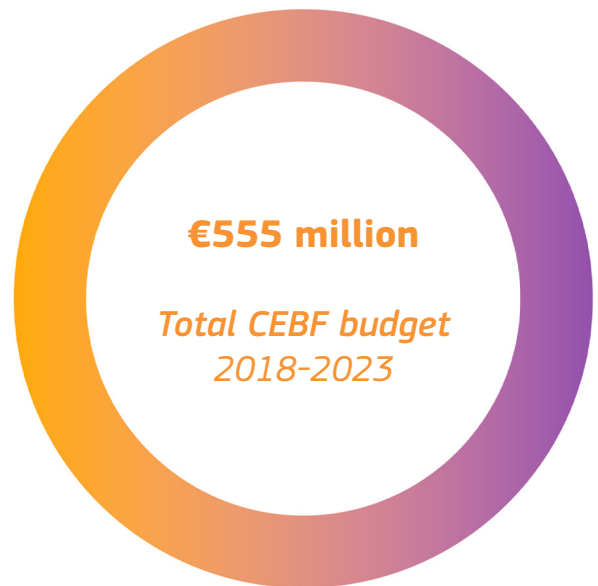


Connecting Europe Broadband Fund

In brief

The **Connecting Europe Broadband Fund** (CEBF) is a private equity platform supporting the Gigabit Society objectives by promoting broadband investment in areas with no existing network and no provision of early stage equity.

The fund's investors include the European Commission, the European Investment Bank, national promotional banks and private investors. It is managed by Cube Infrastructure Managers and is financed from the 2014-2020 CEF, with an investment period going up to June 2023.



How does CEBF support connectivity investments?

CEBF invests in greenfield future-proof infrastructure assets, financing technically and economically viable greenfield broadband infrastructure projects located in grey or white NGA areas, with between €1 million and €30 million per project.

CEBF support is complementary to other financing through public or private financial institutions and existing EU financial instruments.

Accessing funds

Eligible countries are EU Member States as well as Norway and Iceland.

The main eligibility criteria for fixed line or mobile projects are:

- Mobile networks minimum speed: 30 Mbps; fixed line networks minimum speed: 100 Mbps
- Priority is given to projects deploying networks upgradable to 1 Gbps as well as to projects based on wholesale-only models
- Greenfield projects only: where investments are carried out by start-up companies or companies that have an asset base which is small compared to the cumulative investments planned for new assets
- Projects deploying 'state of the art technology': a technology or mix of technologies whose performance features are comparable to the best-performing commercially available technologies
- Projects to be deployed predominantly in underserved areas, typically classified for State aid purposes as grey NGA areas (i.e. only one NGA network exists or is planned) and white NGA areas (no NGA network exists)

More information

→ CEBF

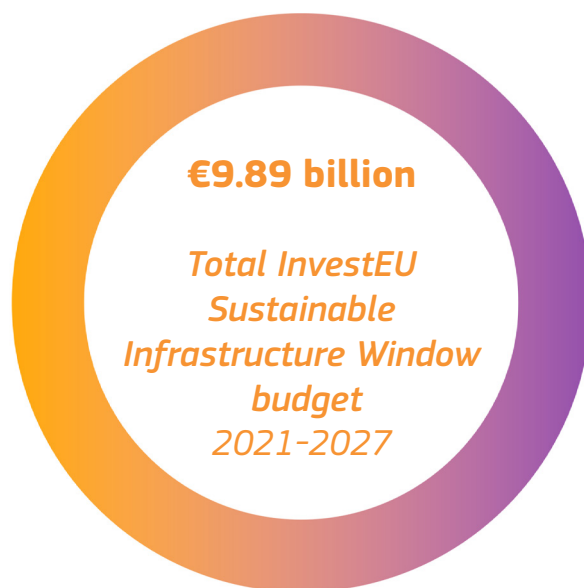


InvestEU – Sustainable Infrastructure Window

In brief

InvestEU provides an EU budget guarantee to support investments and access to finance in support of investments contributing to the EU's internal policies.

InvestEU is expected to mobilise more than €372 billion in public and private investment through an EU budget guarantee of €26.2 billion that backs the investment of financial partners such as the European Investment Bank (EIB) Group and others.



InvestEU will support investments grouped around four Policy Windows:

1. **Sustainable infrastructure**, including projects in sustainable energy, **digital connectivity**, transport, the circular economy, water, waste, other environment infrastructure, and more
2. Research, innovation and digitalisation
3. Facilitating access to financing for SMEs
4. Social investments and skills

All policy windows can provide support to strategic investments, especially in areas related to the green and digital transitions, enhanced resilience and strengthening strategic value chains in the EU.

InvestEU will be implemented through implementing partners: public or commercial banks that provide direct and intermediated financing solutions for both private and public projects' promoters. The EIB Group is the main implementing partner for the programme.



InvestEU – Sustainable Infrastructure Window

How does InvestEU support connectivity investments?

The **InvestEU Sustainable Infrastructure Window** (SIW) provides financial instruments to support the **development of sustainable and secure digital connectivity infrastructure**. Examples of supported investments include, but are not limited to:

- universal (i.e. including rural/peripheral areas) roll-out of infrastructure: deployment of wired and wireless very high-capacity digital networks, including fibre and 5G investments
- investments aimed at enhancing the capacity and resilience of EU networks (e.g. quantum-secured communication networks, interregional and international connectivity, including through land-based, submarine cables, satellite systems, data centres and public protection and disaster relief networks), and at supporting the digital transformation of key public services
- roll-out of sustainable and high-capacity interconnected cloud infrastructures in the EU (e.g. deployment of software-defined infrastructures for workload balancing optimisation among clouds; green connectivity networks for interconnecting cloud infrastructures); fostering best-in-class energy-efficient European data centres supported by the retrofitting of data centres for both large and small companies (such as new cooling systems and power management solutions)
- digital connectivity infrastructures, such as investments aiming at optimising transport and energy infrastructures, optimising energy consumption in buildings, reducing waste and pollution and optimising the use of natural resources via digital solutions
- strategic investments in critical digital infrastructures, including critical elements of very high-capacity connectivity and 5G networks, quantum communication, the Internet of Things, media, online service platforms, secure cloud computing, data processing and storage, and more.

Accessing funds

Final beneficiaries of the InvestEU Fund can be both public or private entities (including large corporations, midcap companies and SMEs), as well as not-for-profit organisations deemed economically viable.

Project promoters should apply directly to implementing partners who will offer tailor-made financing solutions based on the financial products supported by the EU guarantee. Small mid-caps, SMEs and social or micro-enterprises should apply to their local commercial or public banks whose financial products are covered by the EU guarantee in their country or region. InvestEU financial intermediaries will be available on the dedicated [webpage](#).

More information

→ [InvestEU](#)



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