

Broadband: Financing public-private and private-run deployments

In cooperations between private actors owning existing infrastructure and public authorities implementing a public- or private-run network, the investment efforts are partly supported by the private actor.

Full FTTH coverage for Senden, Germany
fix-empty

The investment concerns the deployment and operation of the passive infrastructure. This attracts other private investors as it provides greater stability to the equity base and improves the credit rating of the project company or joint venture.

Equity Finance

In a public-run municipal network, the public authority invests in a commercial entity that will build and operate the broadband network. This can take the form of cash or bonds that the entity can use as security or physical assets such as ducts, fibre cables and street furniture (e.g. lamp-posts or equipment cabinets).

The authority would receive shares equivalent to the value of the investment in the entity. These must be treated in the same way as any other share paid for by “normal market investors” in the entity alongside the authority. This is an important test of whether the Market Economy Investor Principle (MEIP) applies and state aid rules need to be respected.

Debt Finance

The authority can offer financial support by providing a loan to the entity. This loan would normally be cash, but could also be long-term use of assets where the authority retains ownership and title, a guarantee or security against other loans taken out by the entity.

The authority can cooperate with banks on attractive terms to encourage other investments. This financing would not be considered as state aid as long as the terms and any related interest rate does not deviate from the market investor principle, i.e. equivalent to those that would be offered by commercial markets.

Public authorities may assist an entity by offering this loan on more favourable terms with banks than the entity can expect to achieve on open markets. However, this would provide a benefit to the entity and would therefore be considered state aid.

Grants

An authority may choose to provide an entity with a grant to assist in building and operating high-capacity networks. This is extensively used in the operator subsidy model.

Other types of support

A region can actively improve demand side conditions, e.g. by using ICT innovation vouchers for SMEs, either to cover parts of the end users-costs of installation or purchase of broadband devices or of the monthly subscription. However, it has to be verified whether state aid rules apply.

Follow the latest progress and learn more about getting involved.

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Latest news

NEWS ARTICLE | 13 July 2021

WiFi4EU stories: an interview with the Mayor of Bissen, Luxembourg

The commune of Bissen, located in the canton of Mersch in central Luxembourg, has brought connectivity closer to its citizens by adhering to the WiFi4EU initiative. Following the steps of its

capital city, Bissen wants people to benefit from the many opportunities brought about by digitalization, including having equal access to public information.

EVENT | 13 July 2021

WiFi4EU online workshop for WiFi Installation Companies

This one-hour online workshop is dedicated to WiFi Installation Companies involved in the WiFi4EU initiative. Its objective is to answer their questions in order to help overcome hurdles and accelerate network deployment. This workshop is an important opportunity in view of the approaching deadline, which risks the loss of municipalities' € 15,000 WiFi4EU vouchers.

NEWS ARTICLE | 08 July 2021

Digital Alps: Partnering with Broadband Competence Offices to build a digital connectivity roadmap for the Alpine Region

Mountain regions have much to gain from digitalisation and broadband connectivity. There is great potential for Smart Villages, SMEs, and access to online services in healthcare, education and much more. Mountain communities, however, face greater obstacles than most in becoming full participants in the European Union's Digital Decade. Their remoteness, in terms of distance and topography, combined with smaller populations, make them technically and financially challenging to reach with broadband infrastructure.

VIDEO | 18 June 2021

Rural connectivity for the health and management of beehives

In rural Latvia, an EU-funded start-up is using digital connectivity to promote healthy bee colonies and modern hive management. Thanks to €15,000 in LEADER funding covering two thirds of the total budget, Jānis Kronbergs developed the BeeKing app, which aims to help beekeepers – and especially newcomers – to learn from others,

implement best practices and become more efficient. In this video, he explains the tool as well as its motivation, saying that “bees are very important for our nature, for pollination and biodiversity” and digital technologies can help beekeepers stay competitive.

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Related Content

Big Picture

[Broadband project planning](#)

The Broadband planning section, along with the Broadband investment guide aids municipalities and other entities in their planning of successful broadband development projects.

See Also

Broadband: Carrier models

Municipalities, municipal companies, joint ventures, and private companies can be involved in one, two or all three stages of broadband development.

Broadband: Actors in the value chain

The basic roles of Physical Infrastructure Provider (PIP), Network Provider (NP) and Service Provider (SP) can be taken by different actors.

Broadband: Access to infrastructure & service-based competition

A broadband network consists of different geographical elements and is divided into network layers. Access to the broadband infrastructure is possible via different network nodes on the infrastructure and application level. The two

Broadband: Plan definition

The key to successful regional broadband development lies in defining a plan that includes goals, collaborations, and specific needs and stakeholders.

Broadband: Action plan

Broadband project plans help you map infrastructure needs, plan financing and deployment, monitor progress, find stakeholders, make the right choices and more.

Broadband: Technology overview

An overview of different wired, wireless and upcoming broadband technologies and a description of their advantages, disadvantages and sustainability.

Broadband: Basic business models

Choosing the right business model depends on the roles of the market actors in the broadband value chain.

Broadband: Investment models

Investment models present interesting involvement opportunities for a public authority that engages in regional broadband development.

Broadband: Main financing tools

The European Commission has a range of financing tools for high-speed broadband development projects across the EU.

Broadband: State aid

State aid for broadband may be necessary in some places where the market does not provide the necessary infrastructure investment.

Broadband: Network and topology

A broadband network consists of geographical parts. The topology of a network describes how the different parts of a network are connected. The most relevant topologies for the backbone and area networks are tree topologies, ring topologies and meshed topologies. For the first...

Broadband: value chain, actors & business models

Different business models are available to public authorities and other market actors in broadband development.

Broadband: Choice of infrastructure

Broadband networks require different infrastructure types based on different logistic, economic or demographic conditions. Use the questions to help choose.

Broadband: Technology comparison

A comparison of broadband technologies presents features of each solution and helps decisions on the best solution for different regions.

Source URL:

<https://digital-strategy.ec.europa.eu/policies/broadband-financing-public-private-and-private-run-deployments>