

# S&E Regional Operational Programme 2014 – 2020.

## Implementation Plan: National Broadband Plan

<b>Operational Programme</b>	S&E Regional Operational Programme 2014-2020
<b>Priority</b>	2: Information and Communication Technologies
<b>Thematic Objective</b>	2 - Enhancing access to, and use and quality of, Information and Communication Technologies
<b>Investment Priority</b>	(a) Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy.
<b>Scheme</b>	National Broadband Plan
<b>Categorisation Code</b>	046
<b>ERDF Certifying Body</b>	Department of Public Expenditure and Reform
<b>Managing Authority</b>	Southern Regional Assembly
<b>Intermediate Body</b>	Department of Communications, Energy and Natural Resources
<b>Level 1 Public Body</b>	Department of Communications, Energy and Natural Resources
<b>Grant Rate</b>	Public funds allocation will be based on the outcome of the procurement process
<b>EU Co-Financing Rate</b>	50%

### Objectives of Intervention.

To overcome identified gaps in the provision of high speed broadband services and consequently harness the potential development opportunities afforded by high speed connectivity in terms of growth, competitiveness, entrepreneurship, jobs and social inclusion. Provision of the enabling infrastructure will ensure that the benefits of the digital economy will be evenly spread and will allow all citizens and businesses to participate fully in, and maximise the benefits of, a digitally enabled economy and society.

### Description of Intervention.

#### **Justification**

High quality and reliable broadband as an enabling infrastructure for economic and social development is increasingly becoming a critical component of a 21<sup>st</sup> century society. The digital part of Ireland's economy is growing at a rate of 16% per year and the opportunities this presents must be harnessed in order to maximise the accruing economic and social benefits. International experience and research supports the view that high speed broadband in particular is a key requirement for growth and jobs. Furthermore, the exponential growth of

digital technologies across the globe is driving demand for high speed broadband.

**Studies**<sup>1</sup> have indicated that SMEs with a strong web presence have been shown internationally to grow twice as quickly, export twice as much and create twice as many jobs as those who have a minimal web presence. Reliable connectivity to the internet is therefore critically important for business growth and development. By providing the requisite connectivity, incentivising digital for small business, and raising awareness of its benefits, it is expected that more businesses will be encouraged to do more with digital. This, in turn, should have a positive impact on efficiencies, increase sales, grow enterprise and create more jobs.

From a societal perspective, broadband is an important facilitator of many activities including education, entertainment, business, eHealth, eGovernment and is increasingly used as a simple and effective way of communication through social media. It is also an essential requirement for more flexible work patterns which can potentially reduce operating costs for commercial and public sector organisations.

Considerable progress has been made in recent years in both the coverage and speeds of national broadband infrastructure with a multiplicity of commercial operators providing services over a diverse range of technology platforms. A combination of private investment and State intervention over the past number of years means that Ireland has met the European Commission Digital Agenda target of having a basic broadband service available to all areas by 2013. The focus must now turn to accelerating the roll out of high speed services and the achievement of the other targets of the Digital Agenda for Europe. Notwithstanding progress made in recent years in delivering a basic broadband service, there still remains an unacceptable digital divide between rural and urban areas. While industry continues to make significant investments in high speed broadband services, it is accepted that Ireland's widely dispersed population and topography means that there are some areas where it is simply not viable for the commercial sector to provide services.

Recognising the critical importance of high speed broadband in terms of economic stability and prosperity, the Irish Government is committed to radically changing the broadband landscape in Ireland by ensuring that guaranteed, quality broadband is available to all and that citizens and businesses have the requisite tools to participate fully in, and maximise the benefits of, a digitally enabled economy and society. In this regard, a National Broadband Plan and National Digital Strategy have been adopted and will be implemented over the coming years. These represent a dual strategy of facilitating the provision of high quality infrastructure while at the same time helping citizens, businesses and communities to optimise the use of technology. The National Broadband Plan is a clear expression of the importance of broadband infrastructure to the achievement of Ireland's economic and social objectives. It recognises that the full range of opportunities presented by a digital economy can only be further unlocked if the requisite infrastructure is in place to support the development of new applications, new connectivity, new ways of doing business and new ways of delivering public, private and community services to citizens. It commits to, among other things, a State led

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1 McKinsey Global Institute

investment to deliver high speed broadband in those areas that will not be served by the commercial sector.

The Department of Communications, Energy and Natural Resources has produced online national and county maps, which show:

1. The areas where commercial providers plan to deliver high speed broadband to around 1.6 million homes, schools and business by the end of 2016. These areas are shown in blue on the maps.
2. The remaining areas, where commercial providers will not deliver broadband, and where the Government intends to invest in the infrastructure to give all homes, schools and businesses access to high speed broadband. These areas are shown in amber on the maps.

The maps have been produced to aid consultation with industry and communities to ensure that public funds are only invested in areas where high speed broadband will not be available commercially. We have also published a mapping consultation document with a February 12<sup>th</sup> 2015 deadline for submissions.

Among other things this consultation is essential to ensure that the state is allowed to invest under EU rules.

In parallel and in order to ensure that the opportunities afforded by the digital era are embraced, the National Digital Strategy seeks to stimulate business and consumer demand for ICT and is part of suite of measures introduced by the Irish Government to ensure that Ireland transitions to a more digitally engaged society. These strategies include the **National Payments Plan**<sup>2</sup> and the **eGovernment Strategy**.<sup>3</sup>

To promote greater levels of take-up of high speed broadband, the National Digital Strategy sets out a wide range of measures, including:

- Promotion of e-business and web-based trading opportunities for indigenous firms
- Support for the start-up and expansion of digital enterprises
- Awareness-raising campaigns to reduce the levels of non-internet usage, in collaboration with internet service providers
- Digital skills training initiatives
- Greater deployment of on-line education resources for both mainstream and e- learning uses
- Enhance on-line service delivery for public service users

The National Broadband Plan and National Digital Strategy are investing in Ireland's future. While the improvements they seek to deliver will impact across Ireland, they will be especially pronounced in smaller urban and rural areas.

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<sup>2</sup> <http://www.centralbank.ie/paycurr/paysys/Documents/National%20Payments%20Plan%20-%20Final%20Version.pdf>

<sup>3</sup> <http://egovstrategy.gov.ie/>

Their successful implementation should ensure that the benefits of the internet economy are realised by all. The proposed state investment will be subject to a formal state aid application process.

Broadband and the need to improve both its availability and quality in rural areas emerged as a strong theme from both research and consultation carried out to support the development of the LEADER elements of the Rural Development Programme 2014-2020. However, it was also determined that the level of funding available and the community-led nature of the delivery methods would not lend itself to significant infrastructural investment from the LEADER elements of the RDP. It is therefore envisaged that LEADER support will be directed to projects that support and promote the uptake of broadband and capacity building efforts to ensure rural communities and business can avail of all of the benefits that broadband has to offer. In this context, the LEADER elements of the RDP aim to add value to national efforts to improve broadband infrastructure. The RDP programme document will include text to include broadband in the context of activities that complement national initiatives in order to ensure flexibility for Local Development Strategies with a view to further refining the specifics of what is and what is not eligible within the framework of the LEADER operating rules that accompany the implementation of the programme. The Managing Authorities for the ERDF and EAFRD co-financed programmes will maintain effective communications to ensure that programmes work together in a complementary manner.

### ***Investment Priority Co-funded Interventions***

The intervention that will be supported under this Priority is a targeted State led investment providing broadband infrastructure in those areas that will not be covered by the commercial sector. This will facilitate the widespread availability of reliable and guaranteed high speed broadband which is a key component in delivering the objectives of the National Broadband Plan and the National Digital Strategy.

## **Responsibilities of Intermediary Body.**

- Design of the intervention and selection of project(s) for funding.
- Design of procurement process for suppliers where relevant.
- Carry out horizontal principle screening that may be required are carried out and to ensure there is no duplication of EU funding.
- Approval of project designs.
  - Ongoing monitoring of project(s).
  - Physical and financial checks on progress including spot-checks of individual project(s) to check eligibility and accuracy and ensuring a clear audit trail exists.
  - Identifying and reporting irregularities and ensuring that projects comply with all National and EU requirements.
  - Preparation of drawdown claims for the Managing Authority and Certifying Authority.

- Completion of Monitoring Committee Reports.
- Ensuring compliance with information and publicity requirements.
- Co-operating with Operational Programme evaluations.

## **Responsibilities of Public Beneficiary Body.**

- Design of the scheme
- Submission of application for State aid approval to the EU Commission
- Preparation of Major Project Application
- Tender for service in accordance with EU Guidelines.
- Monitor rollout of scheme in accordance with the agreed contract for service.
- Monitoring and control of expenditure during the project.
- Reporting and certifying the accuracy, actuality and eligibility of expenditure for drawdown of ERDF assistance.

Beneficiary body must comply with EU directives with regard to procurement, publicity and document retention.

## **Integration of Horizontal Principles.**

The National Broadband Plan commits to, among other things, a State led investment to deliver high speed broadband in those areas that will not be served by the commercial sector. A comprehensive mapping exercise will identify where the market is expected to deliver high speed broadband services over the coming years and consequently those currently excluded areas that will need to be targeted by a State led intervention.

To promote greater levels of digital inclusion, the Department of Communications, Energy and Natural Resources will, through the National Digital Strategy, undertake various initiatives including digital skills training programmes and enhanced on-line service delivery for public service users to ensure that the benefits of the internet economy are realised by all.

The procurement process will include strict adherence protocols to relevant EU Directives and legislation on equality and employment laws in all RFT documents. The infrastructure envisaged under the National Broadband Plan will further facilitate the extension of core government services to persons with disabilities. Additional services will also become available across a wide range of areas, to improve accessibility for people with disabilities, reduce barriers to inclusion and increase the participation of people with disabilities in the community.

All infrastructure works undertaken to implement the plan will be carried out in full compliance with planning and environmental protection laws and national guidelines, including EIS and Appropriate Assessment, where required.

## Selection Process and Criteria.

### 1. Project Selection Process

The areas to be targeted for the provision of high speed broadband will be identified in a comprehensive mapping exercise. A broadband service provider(s) will be selected arising from a competitive tender process for the roll out of high speed broadband in the identified target areas.

### 2. The selection criteria to be used are as follows:

The criteria selection of the successful bidder(s) will be specified in the request for tender document.

## Appeals.

DCENR will be tendering for the infrastructure construction required to deliver the National Broadband Plan. Accordingly any entity that applies under the Request for Tender who is unsuccessful may exercise their rights under the terms of Directive 2007/66/EC.

## Performance Indicators.

### Priority-level Output Indicators Investment Priority 1(a)

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CO 10	Additional households with broadband access of at least 30Mbps	Households	ERDF	More Developed	164,344	DCENR	Annual

### Programme-Specific Result Indicators Investment Priority 1(b)

ID	Indicator	Measurement Unit	Category of Region	Baseline Value	Baseline Year	Target Value	Source of Data	Frequency of Reporting
2a	Extension of next generation broadband to un-	No. of towns/villages	More Developed	391	2014	933	DCENR	Annual

served towns and villages in the S&E Region								
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### Performance Framework of the Priority

Indicator Type	ID	Definition of the Indicator	Measurement Unit	Fund	Category of Region	Milestone 2018	Final Target	Source of Data	Relevance
Output	C010	Additional households with broadband access of at least 30Mbps	No. of households	ERDF	More Developed	0	164,344	DCENR	This is a key common output indicator
Financial	F1	Eligible Priority Expenditure Certified	€	ERDF	More Developed	€26.6m	€66.5mm	Certifying Authority	Assumes 40% of eligible expenditure declared by 2018
Implementation Milestones- see below	I1	Launch of procurement process to award contract	Key Implementation Step Completed	ERDF	More Developed	Completed	Completed	DCENR	This is the key implementation milestone

Implementation Milestones: <sup>4</sup>		
	Indicator	Target
Output - milestones	1.Completion of comprehensive mapping exercise to identify the current and planned level of coverage by the commercial sector and those areas where a State intervention will be required.	Q4, 2014

<sup>4</sup> It should be noted that these implementation milestones are highly indicative at this stage in the project and are subject to, among other things, further Government approval, allocation of funds and State aid approval.

2.	Analysis and verification of results of mapping exercise and identification of target areas for State intervention	Q4, 2014
3.	Launch of procurement process to award contract for roll out of high speed broadband in identified target areas.	Q3, 2015
4.	Submission of application for State aid approval to the EU Commission.	Q4, 2015
5.	Signing of contract(s) for completion of works.	Q4, 2016

## Financial Management.

- The gross public expenditure in respect of this scheme will be provided annually in the estimates of the Intermediate Body from the B1 Subhead of the Department of Communications, Energy and Natural Resources Vote. The final beneficiary will purchase a service from the winning tender and payment for the service will include the ERDF contribution which will be reported by the Department. It is envisaged that the successful service provider(s) will claim payments on achievement of specific service delivery milestones.
- The final beneficiary will be required to have in place separate accounting arrangements in respect of National Broadband Plan project expenditure. The final beneficiary will be required to maintain proper records of account and details of all costs including certified invoices, cheque statements etc. in respect of any claim for payment.

The National Broadband Plan Unit within the Division is the Level 1 Public Body, preparing the claim to be submitted to the implementing body - the Finance Unit of the division, who will then prepare a claim to be submitted to the Managing Authority. Both sections have responsibility for verification checks, checking expenditure incurred against both the EU Regulations and the Contractual Agreements that are in place with the Department. These payment procedures in conjunction with the eligibility checks and other requirements under the Regulations will be set out in the Department's procedures manual.

### **Document Retention.**

In accordance with Article 140 of the Common Provisions Regulation (EC) 1303/2013, the Intermediate Body and Level 1 Public Bodies will ensure that all supporting documents regarding expenditure, verification checks, certification and audits on operations for which total eligible expenditure is less than €1,000,000.00 are kept available for the EU Commission and Court of Auditors for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. In the case of operations over €1,000,000.00 all supporting documentation shall be kept for a 2 year period from 31 December following the submission of accounts in which the **final** expenditure of the completed operation is included.

The Managing Authority will inform the Intermediate Body and Level 1 Public Bodies of the start date of the period referred to above.



## **Monitoring and Reporting Arrangements.**

The Department of Communications, Energy and Natural Resources will be responsible for the monitoring of the roll-out of next generation broadband and will report on progress to the Monitoring Committee. In general terms, project milestones will be established for the project(s) and the Level 1 Public Bodies will report regularly on the indicators, and on budget implementation progress to the Department. The Department will compile a bi-annual report on performance indicators setting out progress against initial objectives and targets. Progress reports will cover financial management details and qualitative information, including the contextual indicators, where appropriate. A quarterly report on expenditure will also be provided. The Department will agree the composition and format of these reports with the Managing Authority.

## **Information and Publicity.**

The Department of Communications, Energy and Natural Resources in association with the Regional Assembly for the S&E Region will take steps to ensure that adequate publicity is given with a view to making the general public, potential beneficiaries and trade organisations aware of the opportunities afforded by the intervention.

The contribution of the ERDF and Exchequer Funds will be acknowledged in all advertisements, publicity and forms and by means of a notice at sites during construction and at facilities once they are completed. All Information and Publicity will be undertaken in accordance with the Communications Plan.

DCENR will ensure that as beneficiary it will comply with section 2.2 of Annex XII of Commission Regulation 1303/2013 and with Articles 4 and 5 of Commission Implementing Regulation 821/2014.