



# EU Funding for Global Gateways

CEF Digital – Digital Global Gateways

Preparing for Call 2

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*European Commission*

*Disclaimer: This presentation reflects my personal opinion.*

# Agenda

- Global Gateways
- Connectivity Ambition of the EU
- Connecting Europe Facility – Digital ([CEF Digital](#))
- Calls for Backbone Connectivity for Digital Global Gateways

# Global Gateways

## Short overview vision & funding:

Thomas Küpper

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*“We will build **Global Gateway** partnerships with countries around the world. We want investments in quality infrastructure, connecting goods, people and services around the world.*

*We will take a values-based approach, offering transparency and good governance to our partners.*

*We want to create links and not dependencies!*

*And we know how this can work. Since the summer, a new underwater fibre optic cable has connected Brazil to Portugal.*

*[...]*

*In an unprecedented manner, we will invest in 5G and fibre.”*

President European Commission, Ursula von der Leyen

State of the Union speech to the European Parliament, Strasbourg, 15 September 2021



# Connectivity Ambition

## 2025 Gigabit Society Objectives

- 100 Mbps to all households, upgradable to 1Gbps
- 1Gbps to all main socio-economic drivers (schools, businesses etc.)
- Uninterrupted 5G coverage in all urban areas and all major terrestrial transport paths

## 2030 Digital Compass Targets

- All European households will be covered by a Gigabit network
- All populated areas covered by 5G

# Connectivity Infrastructure: Specific EU Funding

## Connecting Europe Facility (Transport/Energy/Digital) 2021-2027

- Direct EU-level co-funding programme.
- Digital part total EUR 2 billions for 5G and connectivity.
- Market failure logic, State Aid aspects.
- Strategic Priorities for funding in 2 Work Programmes (period 2021-23 & 2024-27).
- First Work Programme for period 2021-23 being implemented.
- Three calls for Digital Global Gateways period 2022 – 2023.

# CEF2 Digital: Legal Aspects

- Legislation adopted summer 2021: CEF2 [Regulation \(EU\) 2021/1153](#).

**This allows us to spend money.**

- Work programme winter 2022: [CEF-2 Work Programmes](#).

**This gives us a dedicated budget to spend.**

- Specific calls: 2022 (two times) and 2032.

**This specifies concrete call procedure with modality and deadline.**

- First calls for studies and works closed 20 April 2022

**25 proposals for studies and works received.**

**Experts evaluated project proposals. Ongoing ownership control. Delayed publication of results expected very soon.**

- Second call to be opened 2022, aiming for October 2022, deadline probably early 2023

**Details being finalised.**

# CEF Support Areas Overview (digital)

## Actions supporting 5G infrastructure deployments

5G corridors along transport paths

Gigabit and 5G connectivity for socio-economic drivers and citizens

## Actions supporting EU connectivity

Sub-marine backbone connectivity

Pan-European cloud federation

Quantum Communication Infrastructure

Terabit connectivity for HPC



# CEF Support Areas Overview (digital)

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# Backbone connectivity for Digital Global Gateways

**CEF-DIG-2021-GATEWAYS for studies and works (closed)**

## Objective

Support the deployment of strategic networks as part of the Digital Global Gateway Strategy of the EU. CEF Digital will support the deployment of backbone networks addressing connectivity needs, such as:

- (1) Connecting all **territories** of the EU including its **Outermost Regions**.
- (2) Supporting the specific needs of Member States which are **islands** themselves, or have islands as part of their territory.
- (3) Intermeshing **backbones** interconnecting major points of connectivity in the EU.
- (4) Addressing the specific needs of **Overseas Countries and Territories** in the EU.
- (5) Ensuring **international connectivity** to EU partners worldwide as a basis for European strategic autonomy.
- (6) Promoting **synergy** projects addressing other objectives of CEF Digital, including sector specific considerations encompassing the connectivity of large-scale digital capacities such as HPC or cloud.

# Backbone connectivity for Digital Global Gateways

**CEF-DIG-2021-GATEWAYS for studies and works (closed)**

## Scope

This call will support the deployment of backbone connectivity for routes **within** Member States, **between** Member States, and between the EU **and third countries**, including to remote territories where :

- (1) there is a lack of **redundancy**, or
- (2) existing infrastructure cannot satisfy **demand**, or
- (3) the users in the territories suffer from suboptimal **services** and **prices**.

## Security requirements

- Exclusion of **non-EU** controlled entities (art. 11.4 CEF regulation).
- No **security sensitive equipment** or services will be procured from third country suppliers.
- For infrastructure connecting EU with third countries: **exception** for legal entities in that third country where their participation is indispensable for the achievement of the objectives and subject to security guarantees approved by the third country.

# Backbone connectivity for Digital Global Gateways

**CEF-DIG-2021-GATEWAYS for studies and works (closed)**

## Technology neutral call

Digital Global Gateways can be provided with the technology best suited including eg:

- **Submarine Cable Systems,**
- **Satellite Infrastructure,**
- **Connectivity to internet exchange points,** and
- **Inter-Connection of Backbones**  
with networks inside of the supported territories

## What will be co-financed

- For **works**, total project costs required to construct and deliver the described networking solution for the foreseen system lifetime, from end to end, including cable landing station and connectivity towards them. Operating costs, and costs for the land ownership excluded.
- For **studies**, all preparatory work required prior to signing a contract with a supplier such as marine ground surveys for submarine cables, and the application for required permits.

# Backbone connectivity for Digital Global Gateways

**CEF-DIG-2021-GATEWAYS for studies and works (closed)**

## Expected Impact:

- **benefits go beyond** those directly related to supported projects
- contribute to bridging the **digital divide**,
- ensuring widespread access to **gigabit networks** for everybody in the EU and all businesses.

This connectivity infrastructure can **cross-facilitate** the implementation of other topics supported under CEF Digital, such as the

- take-up of **5G use cases**, and
- the availability of **HPC**-related facilities, etc.

# Backbone connectivity for Digital Global Gateways

## Future Planning Call 2



- **Call2 only works proposals.**
- **Studies may be included as part of a works proposal.**
- **Maximum co-financing rates.**

<b>Works: 30%</b>	<b>Studies: 50%</b>
Strong Cross-border Dimension: 50%	
In Outermost Regions: 70%	

- **Studies within a works proposal may also be financed up to 50%!**

# Backbone connectivity for Digital Global Gateways

## *Future Planning Call 2*

- **Smart Cables included.**
- **Current draft call text proposal (not final!)**

*"Costs related to integrating sensors into a submarine cable system are in the scope of this call."*
- **See e.g. recent presentations by ASN or <https://smartcables.org> and other sources.**

# Backbone connectivity for Digital Global Gateways

## *Future Planning*

### **Work programme:**

- Two additional calls period 2022 – 2023 for works
- Preliminary total funding 2021-2023: EUR 140 million
- Preliminary total funding 2021-2027: EUR 204 million
- Calls are currently being defined.
- Taking into consideration lessons learned from first calls.





# Evaluation specificities of the call *CEF-DIG-2021-GATEWAYS* *for studies and works (closed)*

# Priority and urgency

- Does the proposal support the deployment of backbone connectivity for routes **within** Member States, **between** Member States, and **between the EU and third countries**?

# Quality

(For works) Does the proposal properly describe the **ownership** of the supported infrastructure after completion of the project and describe the mechanism that will be used to provide services, including

- business models,
- any arrangements foreseen to guarantee the provision of services on a non-discriminatory basis to access seekers, as well as
- the operational relationship(s) between the different participants in the value chain for providing services should be elaborated in the proposal?

Is the planned ownership appropriate?

# Impact

(1/3)

- In how far does the proposal contribute to **strengthening the connectivity** of the EU, including capacity, redundancy, resilience, latency, and helps to stimulate commercial offers of connectivity?
- Climate impact: Is the technology chosen (Satellite, Submarine cable) **efficient from an environmental impact** (e.g. the carbon footprint)?
- Does the proposal contribute to the **development and service provided by access networks** and to improve balance in the prices of services, both for network operators in the targeted regions, as well as for their inhabitants?

The evaluation of proposals shall prioritise those offering a higher level of wholesale access to third parties:

- Does the proposal include a description of whether or how they intend to provide wholesale access to third parties?
- Does it indicate the range of access products, the duration of the access, the method to determine access prices and the business model implemented (wholesale only or other models)?

These elements should be taken into account in the evaluation of the proposal, in particular to assess its expected **impact on competition**.

# Impact

(3/3)

- In case of proposal concerns infrastructures connecting the EU with **third countries**, is the participation of the legal entities established in these countries indispensable for the achievement of the objectives?

# Catalytic effect

Does the proposal clearly presents the case of market failure under one of the following conditions:

1. where there is a **lack of redundancy on a route**. This is typically the case of routes which are not served by at least two present or credibly planned backbone infrastructures; or
2. where **existing or credibly planned backbone infrastructure cannot satisfy the demand**, taking into account if necessary any increase in the demand linked to ongoing or credibly planned investments in the upgrade of access networks in the territories concerned. The level of use of existing capacity as well as the expected life of backbone networks are among the elements that can be taken into account to justify such a market failure; or

# Catalytic effect

3. where despite the presence of a backbone infrastructure providing sufficient capacity and guaranteeing the necessary redundancy, in the absence of credible plans from alternative operators to enter the market, **the users in the served territories suffer** (or could suffer in the absence of adequate regulatory remedies) **from suboptimal services or prices** compared to those offered in more competitive but otherwise comparable areas or routes. This could be the case for instance if the backbone infrastructure or a substantial part of it is in the hands of an operator which according to a competent national regulatory authority has market power in the form of a significant market position in the relevant market.



# Application part B (technical description) for studies

Some questions in part B are **not applicable** to studies:

- Quality:
  - Sustainability and maintenance strategy (for Works topics)
- Impact
  - Demand analysis (for Works topics)
  - Alternative options and feasibility (for Works topics)
  - Financial gap: For works proposals, describe the financial gap which the EU funding is supposed to cover. Specify and justify the amount.

# Digital Security Requirements

Security requirement	5G for Smart Communities	5G coverage for corridors	Digital Global Gateways	Cloud & DNS	CSA
Ownership control questionnaire			Works/ <b>Studies</b>	Works/Studies	
Security declaration	Works	Works	Works	Works	
Security guarantees approved by the MS	Works	Works/Studies			All
Security guarantees approved by the <b>third country</b>			Works/ <b>Studies</b>		
Application Form Part B - Digital security section (4.3)	Works	Works	Works	Works	

# Application Form Part B – Digital security section (4.3)

## Digital security (if applicable)

*Describe how you will address digital security requirements, notably:*

- involvement of high risk suppliers (as defined in the [EU coordinated risk assessment on cybersecurity of 5G networks](#)), restrictions against such suppliers for critical and sensitive key assets and measures to avoid dependency on such high risk suppliers*
- measures to promote supply chain resilience and strategic autonomy (in line with the [5G networks EU Toolbox of risk mitigating measures](#))*
- security requirements for your network operators (e.g. strict access controls, rules on secure operation and monitoring, limitations on outsourcing of specific functions, etc.)*
- measures adopted to prevent unsolicited transfer to, or access by, third parties of the data (personal or non-personal) stored or transported in the context of the project.*

# Questions?



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