



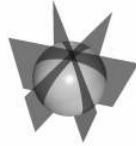
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- WP4 -

**D4.3.b: SFERA and ICT Structural Funds Council on FUTURE
INTERNET and EUROPEAN ECONOMIC RECOVERY PLAN**

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PP	Restricted to other programme participants (including the Commission Services)	
RE	Restricted to a group specified by the consortium (including the Commission Services)	
CO	Confidential, only for members of the consortium (including the Commission Services)	

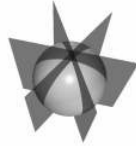


Structural
Funds for
European
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Réf : SFERA on FI&EERP
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1.1	----			Voided
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1.3	23/01/2009			Version approved by the Council



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1 Introduction: The ICT-SF Council

The SF-ICT Council is a group of experts promoted by SFERA Project to advice and guide the Regions on different matters that are related to the better and efficient use of ICT Structural Funds. Among their main objectives the following can be found

- *Definition of policies*
- *Creation of strategic agendas and plans*
- *Identification of main key objectives for the development of each European Region*
- *Support for the governments of the regions*
- *Disseminate its recommendations and strategic plans on the use of structural funds for ICT development.*

SF-ICT Council Members are committed to keep on striving for transferring knowledge and assistance to European Commission, Member States and Regions as well as to align this activities with SFERA's plans for a comprehensive and ambitious action to ensure that no region within Europe is left aside of the possibility of using Structural Funds as well as other Cohesion Policy funding schemes for efficient ICT infrastructure deployment.

2 Conclusions on Future Internet and the European Economic Recovery Plan

The members of the SFERA Project and the ICT Structural Funds Council (ICT-SF Council) on the light of the recent Communication from the Commission to the European Council ¹.and the Council of the European Union Conclusions on Future Networks and the Internet ², want to make public their position and comments on Future Internet and the European Economic Recovery Plan.

To that extent, SFERA and the ICT-SF Council

2.1 Welcome...

...the statements included in the referred communications from the Commission and the Council of the European Union with regards to:



- a) The declared need to set out a comprehensive programme to direct action to **“smart” investment** to reinforce competitiveness in the long term,.
- b) The inclusion in such a “smart investment” category of **investing in infrastructure and inter-connection to promote efficiency and innovation**.
- c) The formal statement of **“addressing the needs of those who cannot yet use the Internet as a tool to connect”** as a principle of the European Economic Recovery Plan on the grounds of being a great opportunity for Europe by accelerating change and introducing structural reforms to make us succeed in the global economy of the future.
- d) The fact that the European Economic Recovery Plan is designed **to exploit synergies and avoid negative spill-over effects through a co-ordinated action** that will ensure full coherence between immediate actions and the EU’s medium-to long term objectives.
- e) The acknowledge that in order to produce maximum benefits and achieve the Recovery Plan’s aims, **there should be a close connection between the fiscal stimulus and actions in the four priority areas of the Lisbon Strategy** (people, business, infrastructure and energy, research and innovation), particularly when it comes to
 - i. The implementation of **active inclusion** and integrated flexicurity policies .
 - ii. Clarify the legal framework for partnership between the public and private sector aiming at carrying out major infrastructure and research investments thus **accelerating Europe’s investment in infrastructure, particularly high-speed ICT networks**.

¹ COM(2008) 800 “A European Economic Recovery Plan”, Brussels 26.11.2008

² 2907th Transport, Telecommunications and Energy Council Meeting, Brussels 27.11.2008

	 <p data-bbox="863 125 940 237"> Structural Funds for European Regional Approachment </p>	<p>Réf : SFERA on FI&EERP Edition : 1 Rév. : 3 Date : 23/01/2009 Page : 5 of 12</p>
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- iii. The Commission proposing an amendment to Structural Funds regulations **to support Member States' re-programming their structural funds operational programmes' to devote a greater share for early adoption of the recommendations on the Economic Recovery Plan.**
- f) The **support by public funds of a strategy to provide broadband access to under-served and high cost areas where the market can not deliver.**
- g) The setting up of a **target to reach 100% coverage of high speed Internet by 2010 in the EU.**
- h) The Council of the European Union recognition of the **remarkable vitality of information technologies and the fundamental role that they play in the future of both our economies and our societies**, in particular their contribution to increased European productivity and competitiveness.
- i) The Council of the European Union recognition that although some EU countries have extensive broadband coverage, **full broadband coverage of the EU territory has not yet been achieved, and that coverage is unequal both among and within Member States.**
- j) The Council of the European Union recognition that the arrival of new trends, particularly the **development of next-generation networks offers significantly higher bandwidth and new possibilities for use.**
- k) The Council of the European Union recognition **that Future Internet developments**, whether gradual or disruptive, and whether they concern the Internet's infrastructure, services or applications, **represent major opportunities for Europe**, requiring ambitious research and development work, similar to the programmes engaged by other regions or third countries.
- l) The Council of the European Union recognition that users' desires for mobility and ubiquitous access to services of the digital economy represent a wide-ranging trend, and that, as a result, **the deployment of a very high-speed mobile and wireless network, as well as very high-speed fixed network, is a major issue.**
- m) The Council of the European Union recognition **that the growing presence of the Internet**, which has, for a decade now, **played a major economic and social role, and served as a space for cultural identity, technological innovation, economic activity and creation of value.**
- n) and, finally, the recognition of **the potential of ICT to help address climate and environmental changes.**

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2.2 Underline

- i. That **the deployment of high speed fixed and mobile networks has a strategic importance**; European competitiveness, a strong innovation capacity and the development of next generation services depend on it, as considered by the Council of the EU.
- ii. That even though broadband in rural areas has been made available to 80% of population, up 7 percentage points over the previous year, the diffusion of broadband in more developed Regions and Member States, has stimulated the migration to the participative web, or web 2.0, encouraging users to become content producers and the rise of more open innovation systems. It has also offered new opportunities for professional and personal activities and encouraged creation as well as more intensive uses of the internet. But, as more developed Regions and Member States move towards “future stages” through their continuous innovation efforts, underserved areas in least developed EU member States, are falling way behind their neighbours’ level thus resulting in what it is called the **“Digital Divide to the Square” [DD²]**.
- iii. That **the deployment of very high-speed networks induces an increased risk of “geographical digital divides”** and that the goal of encouraging an inclusive digital economy must remain a priority in the i2010 strategy as considered by the Council of the EU.
- iv. That the available and emerging technology does allow an infrastructure with much higher performance (both time and cost-wise) than the one provided by the already-deployed (mainly fibre-optics). Especially **in the new Member States there is a great potential for improvement in order to provide the ground for economic growth**.
- v. **Application of the “neutral-technology approach” is a must. No single technology will be able to achieve 100% of goals and targets on its own.** A diverse technology scenario would be necessary to ensure achieving all objectives. In many cases, hybrid and/or shared architecture networks are to be present on any future solution, without precluding deployment of solutions based only on satellite or based, only, on other wireless technology.
- vi. That, in these situation, it is vital to identify what networks currently exist to **fully understand the nature of the gaps in ICT deployment and broadband coverage and thus ensure that the proposed investment is properly targeted**, both from a financial and economic standpoint as well as from the technological approach. Regional authorities could contribute to the mapping by monitoring regional developments.
- vii. Current public opinion is that EU funding should be used for technologies providing a solution in the long term. Thus **comparing economics of alternative technological solutions have to me made on a common life-cycle-time base factoring in the need for fast**



deployment to prevent cost-of-opportunity losses. The concept of “smart investment” targets right this issue.

- viii. The evaluation of different technology options for broadband technology by Member States, Regions and Communities **does require neutral information and a “neutral-technology approach” on the capabilities and cost-benefit relation.** Regions and communities may not necessarily have the technical expertise for such an evaluation. . Actions will be needed to fix these problems and provide necessary expertise.
- ix. Direct public funding is not the only available tool to bringing broadband to under-served areas. Demand aggregation policies can create a critical mass of users, exploit economies of scale and facilitate commercial investment. **There is a potential for demand aggregation schemes across regions,** in particular where satellite solutions are considered. Finally, balancing supply and demand actions is critical **to ensure the efficient use of resources.**
- x. That Internet of the Future and these new networks have a clear potential to help Europe face societal challenges as those posed by population ageing and energy efficiency.
- xi. and, within these new networks, mobile contactless services provide an opportunity for growth provided they come along **with actions to promote interoperability, shared infrastructure utilization by different operators, consumer trust and protection of privacy.**

2.3 Encourage all Stakeholders to

- 1) Better structure and coordinate their efforts concerning the Broadband and ICT Deployment particularly considering the new Short term challenges that Europe should face on some fronts and, in particular, regarding the creation of the Internet of the Future to **prevent:**
 - a. **new digital divides (both geographical and DD²)** and, at the same time,
 - b. **help implementing and deploying at the fastest possible speed the European Economic Recovery Plan, and, nonetheless,**
 - c. **orchestrate concerted efforts in the Research and Development field to ensure Europe reaches minimum critical masses** capable to bring Europe in the front of the Internet of the Future developments at a global scale.
- 2) Continue to **foster favourable conditions for the deployment of infrastructures** for very high-speed broadband access not only in “advanced regions” but also for under-served areas, **through an extensive use of hybrid networks.**

- 3) **Organize the overall European research and technology development efforts on the Internet of the Future.** The multiplication of atomised initiatives, each one with limited scope and power at Regional level, would not allow Europe to face the internet of the future challenges. SFERA ICT-SF Council recommends concerted actions to be taken and a consensus reached on the way to make Structural Funds available to support R&D activities in the Internet of the future arena by defining common priorities, common goals and taking into account the Recommendations from the Cross-Inter technology platform groups, who are developing the European vision and the European strategic research agenda on the Future of Internet. This action requires urgent decisions in order to ensure that the whole of Europe is aware of the challenges, risks and opportunities that the Internet of the Future brings to Europeans.
- 4) **Strengthen European participation in international standardization organizations.**
- 5) Take the appropriate actions **to ensure that research and development activities on Next-Generation Networks apply the overall principle of having Shared Infrastructures run by all Operators in order to help efforts on energy efficiency and “smart” investment.**
- 6) **Apply the “neutral-technology approach”** to evaluate the best technical and economic solution under given conditions. No single technology will be able to achieve 100% of goals and targets on its own. **Hybrid and/or shared architecture networks are to be present on any solution.**
- 7) **Improve Criteria for Economic Comparison of Alternative Technological Solutions.** Therefore it is recommended that comparisons shall be made based on Total Cost of Ownership (TCO) over the considered period and funding shall be approved on this base.. **EU / Member States / Regional policy and decision-makers to include this relevant criteria on any call for tender** covering Broadband and other ICT-related infrastructure.
- 8) **Improve Dissemination of Funding Schemes & Opportunities among Relevant Decision-Makers.** Funding knowledge and expertise dissemination among regions and [new] Member States is very much needed. Coordination with mapping and technological-solutions providing would be a plus. Key players and Stakeholders, such as SFERA, the ICT-SF Council, and the like are requested to come up with very detailed Business Cases that will include specific consideration of Funding schemes and opportunities **to better show how to**

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get maximum and efficient use of available funds and related policies. Increased awareness and dissemination actions are to follow among relevant decision-makers both at national and regional levels.

9) **Combine the “neutral funding consideration” with the “neutral-technology approach”.**

Depending on the technology used for broadband deployment, some investments/projects might be very “fast-movers” and their investment costs are not higher than other technologies’ costs. On the contrary, their operation cost turn out to be much higher (compared to the operation cost of other technologies) and funding is not given for this part of the implementation by SF – users should pay it!. Thus, “neutral-technology approach” is also to include “neutral funding consideration”.

10) **Demand Aggregation Must be Considered.** A Forum where Region / Members States can



put in common demand aggregation issues needs to be developed. Direct public funding is not the only available tool to bringing broadband to under-served areas. Demand aggregation policies can create a critical mass of users, exploit economies of scale and facilitate commercial investment. There is a potential for demand aggregation schemes across regions, in particular where hybrid satellite and wireless terrestrial solutions are considered. Finally, **balancing supply and demand actions is critical to ensure the efficient use of resources.**

11) **Implement a pan-European Approach and Public Policy to increase incentives to invest**

and lower entry barriers. Market forces are the main drivers of broadband deployment, but the remaining gaps in rural and remote areas may still require public intervention. At this stage is where public authorities may pro-actively intervene to foster hybrid network solution to speed-up deployment, reduce costs and aggregate demand to improve attractiveness and ROI of projects. Public intervention should increase incentives to invest and lower entry barriers.

12) **Handing out Service Contracts and Co-financing Projects need to “Efficiently Partner”**

Available Technologies,. Well-designed open-access public support schemes, implemented by means of open tenders, can even jump-start competition in previously underserved areas, being open-minded. Openness is to include both, the “neutral technology approach” as well as the “Shared Operator Shared Infrastructure (SOSI) principle” to better serve citizens and businesses buy efficiently use available resources of all kind.

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- 13) **Public and Pre-Commercial Procurement are to play a key role in this context**, including the related simplification measure in the Recovery Plan and the setting up of procurement networks to facilitate the adoption of innovative solutions. The current approach only concerns the 6 lead market areas: e-health, construction, textiles, bio-based products, recycling and renewable energies; but it is the belief of this SF-ICT Council that the principle could be applied to the area of broadband procurement measures.
- 14) **A state-of-the-art Exchange-of-Best-Practices-and-Knowledge Forum needs to be implemented and fully deployed**. Atomisation of research and deployment initiatives may result in lack of overall efficiency and dilution of efforts and money. Moreover, Future Internet, Next-Generation Networks, ICT Services and Broadband deployment it is not a single-sided approach, thus involving Member States, EU Council, EC, DG INFSO, DG REGIO and many other EC initiatives. An in-depth analysis of the best way to create, initiate, deploy and put in full operation a state-of-the-art Exchange-of-Best-Practices-and-Knowledge Forum needs to be undertaken with the full implication and pro-active approach of all relevant parties.
- 15) **Integrate Planning eInfrastructure with other Major Infrastructures**. Pace of broadband deployment in underserved areas is crucial to bridge the actual Digital Divide and preventing DD² from being a reality. Hybrid networks become key players on improving broadband deployment. Satellite and wireless technologies will help but fiber is also needed. Thus, when planning rail, energy and road infrastructure public authorities should systematically take into account telecommunications needs (i.e requiring the deployment of empty pipes, where easily fibres can be deployed later on while developing other infrastructures will save digging cost and provide flexibility).

The ICT-SF Council Members

Council Member	Type of Organization
<i>Antoni Slavinski</i>	<i>Chairman of the Council</i>
Aarti Holla-Maini	Industry
Ákos Bona	Consultancy
Alain Beneteau	Regional Authorities
Alban Zanchiello	Regional/National R&D / Cluster Initiatives
Albert Martí	National Authority
Alberto Via	Industry
Alessandro Vanelli Coralli	Academia
Ana Benarroch	National Authority
Anatolio Alonso	National Authority
Angel Garcia Sanchez	Industry
Ann Vandembroucke	Industry
Antonio Bove	Industry
Antonio Fernandez Paniagua	National Authority
Antonio Saravia	Industry
B. Evans	Academia
Bernard Laurent	Industry
Bruno Lamborghini	Academia
Carlos Belmonte	Industry
Carlos Castro	Regional Authorities
Christian Jouve	National Authority
Christiane Beaumont-Labat	Regional/National R&D / Cluster Initiatives
Christine Leurquin	Industry
Claude Gaits	Regional Authorities
Clive Miller	Users' Associations
Constantin Teodorescu	National Authority
Dan Nicula	Regional/National R&D / Cluster Initiatives
Danielle Coosemans	National Authority
David Harstshorn	Trans-national R&D Initiatives
Diego Garcla Molano	Industry
Eric Andrieu	Regional Authorities
Ervin Kajzinger	National Authority
Fernando Ortega	Industry
Florence Laporterie de Jean	Regional Authorities
François Jouaillec	Regional/National R&D / Cluster Initiatives
Frederick DeBacker	Industry
Gabriel Vladut	Industry
Gabriele Falciassecca	Regional Operator
Gareth Hughes	Regional Authorities
George Russo	Regional/National R&D / Cluster Initiatives
George Sharkov	Regional/National R&D / Cluster Initiatives
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Giovanni E. Corazza	Academia
Graham Peters	Industry
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Helmut Ennen	Regional/National R&D / Cluster Initiatives
Imre Abos	Academia

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Laurent Thomasson	Industry
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