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**PROPOSAL**

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	14 September 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2016) 589 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities

Delegations will find attached document COM(2016) 589 final.

Encl.: COM(2016) 589 final



Brussels, 14.9.2016  
COM(2016) 589 final

2016/0287 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the  
promotion of Internet connectivity in local communities**

(Text with EEA relevance)

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### • Reasons for and objectives of the proposal

The new Telecommunications package adopted today by the Commission includes a Communication setting out a European vision of Internet connectivity for citizens and business in the Digital Single Market,<sup>1</sup> as well as a legislative proposal for a European Electronic Communications Code<sup>2</sup> reviewing the regulatory framework for electronic communications. The Commission proposals set out the reforms needed to ensure availability and take-up of very high capacity networks that will enable the widespread use of products, services and applications in the Digital Single Market.

As the internet and digital connectivity transform private lives and professional practices inside and beyond the Union, there is a need to ensure that the general public is encouraged to seize the opportunities that this transformation offers.

For this reason, one of the Commission's strategic aims for the Union to be achieved by 2025 is for sites at which public services are provided, such as public administrations, libraries and hospitals to be equipped with Gigabit internet connections. Connecting these and other centres of community life, including outdoor spaces accessible to the general public, at speeds significantly above functional internet access, will enable citizens from all walks of life to experience the advantages of next generation connectivity while on the move, in places where being connected matters.

Amongst measures to support this objective, the new package will promote the deployment of local wireless access points through simplified planning procedures and lightened regulatory obligations, *inter alia* where such access is provided on a non-commercial basis or is ancillary to the provision of other public services.

The measure proposed here complements this effort through amendments to the legal framework for telecommunications in the Connecting Europe Facility, contained in Regulation (EU) No 1316/2013<sup>3</sup> (hereafter 'CEF Regulation') and Regulation (EU) No 283/2014<sup>4</sup> (hereafter 'Guidelines Regulation'). These amendments encourage entities with a public mission such as public authorities and providers of public services to offer free local wireless connectivity in the centres of local public life (e.g. public administrations, libraries, health centres and outdoor public spaces). To this end, it provides financial incentives in favour of those entities who want to provide free, high capacity local wireless connectivity in public spaces within their jurisdiction or at their sites of service. Funding to local public authorities for access points in the centres of local public life, including outdoor spaces accessible to the general public, will be prioritised in the first phase of the intervention.

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<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Connectivity for a Competitive Digital Single Market - Towards a European Gigabit society (COM(2016)587).

<sup>2</sup> Proposal for a Directive of the European Parliament and of the Council establishing the European Electronic Communications Code (Recast) (COM(2016)590).

<sup>3</sup> Regulations (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, OJ L 348, 20.12.2013, p. 129, as last amended by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015, OJ L 169, 1.7.2015, p. 1.

<sup>4</sup> Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC, OJ L 86, 21.3.2014, p. 14.

By stimulating the integration with existing public services, the intervention will promote citizens' interest in high capacity internet services and thereby make a significant contribution to both the take-up of broadband services and to public infrastructure development. Free local wireless connectivity made accessible in busy places where many people gather and await the next step on their daily agenda can provide significant added value by allowing idle and transit time to be converted into productive, relaxing or more informed experiences. Moreover, such local wireless access points can provide increased granularity of coverage in hard-to-reach places or where the sheer number of users would otherwise greatly detract from the experience of wireless connectivity. By allowing users to remain connected while out and about, they also reinforce mobility, flexibility and interest in using the services offered by entities with a public mission, and can give improved control over personal time budgets. At the same time, the limited reach of any single access point guarantees that this public offer would not challenge commercial offers, but could play an important role in fostering the use of broadband and promote digital literacy. This will in turn promote the interest of users to take up commercial residential or mobile broadband offers. The proposed intervention complements the new legislative concept of universal service in the proposal for a European Electronic Communications Code, whereby every EU citizen shall have the right to be connected: the right to a functional internet connection, at least at a fixed location, that is affordable and allows full engagement with the digital economy and society.

The measure proposed provides for a simple financing mechanism for the installation of local wireless access points. The intervention is designed to achieve maximum short-term impact by fostering the interest of citizens for internet access services and to facilitate the use of public digital services, including access to digital service infrastructures. The expectation that the interest generated will provide a basis for the continued operation and possible replacement of the access points without further financial assistance under the regulations is consistent with the objective of phasing out such assistance wherever possible and encouraging reliance on alternative financing mechanisms.

To ensure the targeted nature of the intervention and to realise maximum public benefit, funding will be limited to situations where no freely accessible public or private access points delivering very high-speed broadband exist. As the amount of Union financial assistance to be awarded for individual actions will fall below the threshold for low value grants of EUR 60,000 provided for in the Financial Regulation<sup>5</sup>, no appreciable effect of the intervention on competition is expected.<sup>6</sup> Moreover, funding shall be awarded in a geographically balanced manner that contributes to the economic, social and territorial cohesion in the Union by taking particular account of the needs of local communities.<sup>7</sup> Through the joint application of these criteria, the intervention proposed is consistent with the

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<sup>5</sup> As defined in Article 185 of Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union, OJ L 362, 31.12.2012, p. 1, as amended by Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015, OJ L 342, 29.12.2015, p. 7.

<sup>6</sup> Any additional financial assistance by Member States should normally qualify as de minimis aid, as defined in Article 3 of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, OJ L 352, 24.12.2013, p. 1. In the event that such additional Member State financing does not meet the requirements to be considered de minimis aid, Articles 107 and 108 TFEU shall apply to the additional financing.

<sup>7</sup> The objective of a geographically balanced distribution of Union financial assistance has to be achieved within the limits of the actually received proposals, and in full compliance with the principles for specific financial forms of assistance as defined in the Financial Regulation.

framework of open and competitive markets underpinning the operation of trans-European networks.

In addition to stimulating demand in high-speed broadband connectivity and encouraging widespread take-up at community level, the intervention will also have several positive knock-on effects ranging from enhanced access to e-government and participation in democratic life, including for demographic groups otherwise facing difficulty in accessing connectivity (such as refugees and low income groups), to additional infrastructure for emergency and crisis communications and public service announcements. To ensure that local communities with limited resources can also experience these benefits of participation in the Digital Single Market, support under this measure should be available for up to 100 % of the eligible costs, without prejudice to the principle of co-financing. Potential beneficiaries could involve members of the local community in implementing actions funded by the proposed measure in order to determine the centres of public life where the installation of freely accessible wireless access points would provide the greatest added value for the community.

Given its flexible and focussed nature relative to the support for broadband networks under the telecommunications sectoral envelope for the implementation of the CEF, the intervention should be recognised as a separate project of common interest with associated actions under the CEF Regulation and a dedicated budget, the details of which should be provided for under the Guidelines Regulation. Given the limited volume of financial assistance awarded to each, but the significant total number of beneficiaries, it is important to ensure that administrative procedures are streamlined to enable lean and swift decision-making. To this end, Member States should be enabled under the CEF Regulation to endorse categories of proposals under this intervention, rather than having to give their agreement on lists of individual beneficiaries. By implementing this amendment in a horizontal manner to the benefit of other projects of common interest, the proposal also responds to Member States' calls for more efficient means of implementing actions in the field of digital services infrastructures.

In order to ensure that the measure can respond to a wide variety of situations and can deliver concrete results as quickly as possible, it is essential to not unnecessarily limit the available forms of financial assistance. An important degree of flexibility in this context can be preserved by enabling implementation to benefit from the greatest possible range of forms of assistance appropriate for the intervention. To this end, and in view of ongoing negotiations on a revision of the Financial Regulation, the text of the CEF Regulation should be amended to clarify that all actions contributing to projects of common interest, including the present intervention, are generally eligible for support through the forms of financial assistance currently and prospectively available under the Financial Regulation.

On the other hand, it is proposed, for the same reasons, to specify the forms of financial assistance available for the intervention in a mutually consistent manner in the CEF Regulation and the Guidelines Regulation. Grants are likely to be the predominant form of financial assistance appropriate to achieving the objective of promoting free local wireless connectivity in local communities, but other forms of financial assistance should not be excluded from the outset, except for financial instruments. The exclusion of financial instruments is due to their relatively high administrative burden and the associated time lags in implementation, which do not provide for sufficient alignment with the characteristics of the actions envisaged.

To ensure speed and efficiency, the implementation of this intervention will be carried out through streamlined administrative procedures using standardised documentation (such as vouchers) and on-line tools for handling applications as well as for subsequent monitoring and auditing of the local wireless access points installed.

It is expected that the measure proposed, promoted through the EU network of Broadband Competence Offices,<sup>8</sup> will raise awareness among local authorities and citizens of the new Commission priorities for the Gigabit society as well as provide a high degree of visibility and trust in the capacity of the EU to deliver connectivity and access to digital services across the European continent. Recognisability of the actions funded by the proposed measure will be guaranteed by a specific visual identity developed by the Commission that will be made available to beneficiaries for implementation, thus ensuring brand recognition.

- **Consistency with existing provisions on the policy area**

Currently, the legal framework for telecommunications in the Connecting Europe Facility provides for financial support in the area of telecommunications to digital service infrastructures (in the form of grants and/or procurement) and to broadband networks (in the form of financial instruments).

Regarding intervention in support of broadband, given the key importance of broadband networks for growth and jobs, and in view of the challenges – both financial and technical – connected to public investment in the sector, the Guidelines Regulation provides for a limited intervention. CEF finances a small contribution to the setting up of financial instruments at Union level, in particular in cooperation with the European Investment Bank to facilitate the efficient use of other public as well as private resources. It aims at the deployment of innovative broadband projects, based on state-of-the-art technology and with the potential for replicability, thus achieving its objectives both directly and through demonstration effect.

The proposed measure complements the end user-centred elements of the proposal for a European Electronic Communications Code. The support for the installation of local wireless access points in centres of local public life is complementary to other actions in the CEF telecommunications sector as well as to other sources of financial support, such as the European Structural and Investment Fund, supporting the rollout of broadband networks. As such actions are currently neither covered by the CEF nor by the Guidelines Regulation, it is proposed to amend those regulations accordingly.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The proposal is based on Article 172 TFEU, which covers EU intervention supporting the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures. In line with Article 170(1) TFEU, the initiative seeks to ensure that local communities can derive the full benefit from the Digital Single Market by setting-up an area without internal frontiers through the deployment of such networks.

- **Subsidiarity and proportionality**

The proposal complies with the proportionality principle, and stays within the scope of action in the field of the trans-European telecommunications networks, as defined in Article 170 of the Treaty on the Functioning of the European Union.

By taking particular account of the needs of local communities in the wider context of the Digital Single Market Strategy, the proposal contributes to the achievement of an internal market for electronic communications and enables the participation of communities therein. As the creation of an area covering the entire EU with high quality wireless connectivity

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<sup>8</sup> <https://ec.europa.eu/digital-single-market/en/broadband-competence-offices>.

cannot be sufficiently attained by Member State action, the proposal is consistent with the principle of subsidiarity of Article 5 TEU. It is expected that the intervention be promoted *inter alia* by the EU network of Broadband Competence Offices, which should help to ensure that the needs of local communities can be addressed efficiently and that administrative burdens are kept to a minimum.

Current initiatives related to free local wireless connectivity are fragmented, leading to inefficiencies. There is notably no overarching strategy to promote access to free wireless connectivity throughout the Union to further the participation of local communities in the Digital Single Market. As individual deployments of local wireless access points are territorially limited even within local communities, coordination of such effort is even more important to ensure that deployment promotes the common interest in EU-wide connectivity in a coherent manner. Coherence in the pan-European deployment of free wireless connectivity solutions will allow both to optimise the costs of the intervention (in particular by lowering the costs of administering small grants because of the effects of scale, but also by bringing down equipment prices) and ensure greater equality of access, thereby adding to economic, social and territorial cohesion inside the Union. The measure proposed is designed to add further European value by ensuring that the infrastructures deployed also enable access via digital service infrastructures to trans-European interoperable services of common interest like Europeana, safer Internet service infrastructures and interoperable cross-border e-health services.

The scope of the proposed intervention is limited to the provision of connectivity in centres of public life and outdoor spaces accessible to the public through access points that are inherently limited in coverage, and individual projects will be of small size. The intervention thus remains proportionate to the objective of enabling local communities to participate in the wireless dimension of the Digital Single Market without prejudice to commercial offers. At the same time, the measure is expected to have positive spill-over effects on general participation in connectivity offers through commercially provided access services. The effectiveness of the intervention is expected to be further strengthened by the ease of replicability and possible demonstrator effects of successful use cases.

The on-line administration of the measure proposed coupled *inter alia* with support from the network of domestic Broadband Competence Offices will ensure that the administrative burden incurred for the implementation of and participation in the initiative is kept to a minimum.

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

As this initiative is complementary to the new Telecommunications package, including the Communication setting out a European vision of Internet connectivity for citizens and business in the Digital Single Market and the legislative proposal reviewing the regulatory framework for electronic communications, it draws heavily on the stakeholder input and the extensive analysis carried out in the evaluation and impact assessment supporting these proposals and the staff working documents accompanying the communication. The most relevant points for the proposed measure are summarised below. Overall, the analysis demonstrates that while legislative and regulatory actions can remove barriers, enhance competitive incentives, provide greater predictability for investors and lower costs for network deployment, there is an important role for public funding to achieve Europe's long-term connectivity objectives.

The recent report<sup>9</sup> summarising the outcome of the public consultation carried out by the Commission for the review of the regulatory framework for electronic communications showed that many public authorities and private respondents supported the deployment of Wi-Fi networks in public premises, while seeking an appropriate regulatory environment for issues like access provider liability and exposure to electromagnetic fields (EMF). Operators stressed that any public support should be technologically neutral, while emphasizing that roll-out could also be facilitated via various forms of public-private partnerships. These findings are in line with the ex-post evaluation of the current regime, which accompanies the proposal for the review of the regulatory framework.

The impact assessment carried out for the review of the regulatory framework builds on those considerations expressed by stakeholders and proposes to introduce provisions on the deployment of small cells. These provisions aim to reduce the costs of deploying very dense networks and to enhance access to local wireless connectivity in order to meet the exponential demand for ubiquitous connectivity. The proposed measure, which complements the preferred option for the development of the regulatory framework in the area of spectrum management, will help to foster the provision of free local wireless connectivity and thereby contribute to making the European vision of Internet connectivity for citizens and business in the Digital Single Market a reality.

#### **4. BUDGETARY IMPLICATIONS**

Appropriations required by this proposal are to be fully financed within the Multiannual Financial Framework 2014-2020. EUR 70 million are to be reallocated within the programmed amounts for the CEF telecommunications sector 2017-2019 and EUR 50 million will be transferred to the financial envelope for the telecommunications sector through an amendment of Article 5(1) of the CEF Regulation. For reasons of consistency, this increase is also reflected in the proposal for an amendment of the legal framework for the European Fund for Strategic Investments<sup>10</sup>, as laid down in Regulation (EU) No 2015/1017<sup>11</sup>.

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<sup>9</sup> <https://ec.europa.eu/digital-single-market/en/news/full-synopsis-report-public-consultation-evaluation-and-review-regulatory-framework-electronic>

<sup>10</sup> Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (COM(2016)597).

<sup>11</sup> Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments, OJ L169, 1.7.2015, p. 1.



Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>12</sup>,

Having regard to the opinion of the Committee of the Regions<sup>13</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The Commission Communication setting out a European vision of Internet connectivity for citizens and business in the Digital Single Market<sup>14</sup> describes a number of possible measures capable of enhancing connectivity in the European Union.
- (2) Amongst measures to support the vision of European connectivity, it promotes the deployment of local wireless access points through simplified planning procedures and reduced regulatory obstacles. Such access points, including those ancillary to the provision of other public services or non-commercial in character, can make an important contribution to the improvement of current and the deployment of future generations of wireless communications networks by facilitating more granular coverage in line with evolving needs.
- (3) Following the Communication setting out a European vision of Internet connectivity for the Digital Single Market and in order to promote digital inclusion, the Union should support the provision of free local wireless connectivity in the centres of local public life, including outdoor spaces accessible to the general public, through targeted

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<sup>12</sup> OJ C, p...

<sup>13</sup> OJ C, p..

<sup>14</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Connectivity for a Competitive Digital Single Market - Towards a European Gigabit society (COM(2016)587).

support. Such support is so far not covered by Regulations (EU) No 1316/2013<sup>15</sup> and (EU) No 283/2014<sup>16</sup>.

- (4) Support of this kind should encourage entities with a public mission such as public authorities and providers of public services to offer free local wireless connectivity as an ancillary service to their public mission so as to ensure that local communities can experience the benefits of very high-speed broadband in the centres of public life. Such entities could include municipalities and other local public authorities, libraries and hospitals.
- (5) Local wireless connectivity should only qualify as free where it is provided without corresponding remuneration, whether by direct payment or other types of consideration, including, but not limited to, advertising and the provision of personal data.
- (6) Considering its specific purpose and targeted nature toward local needs, the intervention should be identified as a distinct project of common interest in the telecommunications sector within the meaning of Regulations (EU) No 1316/2013 and (EU) No 283/2014.
- (7) To provide this intervention with appropriate financing, the financial envelope for the implementation of the CEF in the telecommunications sector should be increased by an amount of EUR 50 000 000.
- (8) Given the non-commercial nature of this intervention and the small scale of individual projects foreseen, the administrative burden should be limited to a minimum. Therefore, the intervention should be implemented by the most appropriate forms of financial assistance, notably grants, available under the Financial Regulation, now or in future. The intervention should not rely on financial instruments.
- (9) Due to the limited reach of any single local wireless access point and the small value of individual projects covered, access points benefitting from financial assistance under this Regulation are not expected to challenge commercial offers. In order to further ensure that such financial assistance does not unduly distort competition, crowd out private investments or create disincentives for private operators to invest, the intervention should be limited to projects that do not duplicate already existing private or public offers of similar characteristics in the same area. This should not exclude additional support to deployments under this initiative from public or private sources of funding.
- (10) To ensure that connectivity in accordance with this Regulation is provided quickly, financial assistance should be implemented using to the fullest extent possible on-line tools that allow for the swift submission and handling of applications and support the implementation, monitoring and auditing of the local wireless access points installed.
- (11) Given Internet connectivity needs within the Union and the urgency of promoting access networks that can deliver, throughout the EU, an Internet experience of high

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<sup>15</sup> Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, OJ L 348, 20.12.2013, p. 129, as last amended by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015, OJ L 169, 1.7.2015, p. 1.

<sup>16</sup> Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC, OJ L 86, 21.3.2014, p. 14.

quality based on very high-speed broadband services, financial assistance should seek to attain a geographically balanced distribution.

- (12) Regulations (EU) No 1316/2013 and (EU) No 283/2014 should therefore be amended accordingly.

HAVE ADOPTED THIS REGULATION:

### *Article 1*

#### **Amendments to Regulation (EU) No 1316/2013**

Regulation (EU) No 1316/2013 is amended as follows:

1. In the first subparagraph of Article 5(1), point (b) is replaced by the following:

'(b) telecommunications sector: EUR 1 091 602 000;'

2. Article 7 is amended as follows:

- a) paragraph 1 is replaced by the following:

'1. Only actions contributing to projects of common interest in accordance with Regulations (EU) No 1315/2013, (EU) No 347/2013 and a Regulation on guidelines for trans-European networks in the area of telecommunications infrastructure, as well as programme support actions, shall be eligible for support through Union financial assistance, in particular in the form of grants, procurement and financial instruments.'

- b) paragraph 4 is replaced by the following:

'4. In the telecommunications sector, all actions implementing the projects of common interest and programme support actions identified in a Regulation on guidelines for trans-European networks in the area of telecommunications infrastructure and meeting eligibility criteria and/or conditions laid down in accordance with that Regulation shall be eligible to receive Union financial assistance under this Regulation, as follows:

(a) generic services, core service platforms and programme support actions shall be financed through grants and/or procurement;

(b) actions in the field of broadband networks shall be financed through financial instruments;

(c) actions in the field of providing free local wireless connectivity in local communities shall be financed through grants or forms of financial assistance other than financial instruments.'

3. In Article 9, the following paragraph is added:

'1a. Where justified by the need to avoid undue administrative burden, in particular in case of low value grants within the meaning of Article 185 of Regulation (EU) No 1286/2012, Member States' agreement may be given to a certain category of proposals under the work programmes pursuant to Article 17, without indicating individual applicants.'

4. In Article 10(4), the following third subparagraph is added:

'Actions in the field of providing free local wireless connectivity in local communities shall be funded by Union financial assistance up to 100 % of the eligible costs, without prejudice to the co-financing principle.'

## *Article 2*

### **Amendments to Regulation (EU) No 283/2014**

Regulation (EU) No 283/2014 is amended as follows:

1. In Article 2(2), the following point (h) is added:

'(h) 'local wireless access point' means a low power equipment of small size operating within a small range, using on a non-exclusive basis radio spectrum for which the conditions of availability and efficient use for this purpose are harmonised at Union level, and which allows wireless access by users to an electronic communications network.'

2 In Article 4(1), the following point (c) is added:

'(c) support the provision of free local wireless connectivity in local communities.'

3. Article 5 is hereby amended as follows:

a) paragraph 7 is replaced by the following:

'7. The total amount of the budget allocated to financial instruments for broadband networks shall not exceed the minimum necessary to establish cost-efficient interventions which shall be determined on the basis of ex-ante assessments as referred to in Article 14(1) of Regulation (EU) No 1316/2013.

That amount shall be up to 15 % of the financial envelope for the telecommunications sector referred to in point (b) of Article 5(1) of Regulation (EU) No 1316/2013.'

b) the following paragraph is added:

'5a. Action contributing to the projects of common interest in the field of providing free local wireless connectivity in local communities shall be supported by:

(a) grants; and/or

(b) forms of financial assistance other than financial instruments.'

4. In Article 6, the following paragraph 8a is added:

'8a. Actions contributing to projects of common interest in the field of providing free local wireless connectivity in local communities shall meet conditions set out in Section 4 in the Annex.'

5. In Article 8(9), the following point (d) is added:

'(d) the number of connections to local wireless access points established under actions implementing Section 4 of the Annex.'

6. In the Annex, the following section shall be inserted:

**'SECTION 4. WIRELESS CONNECTIVITY IN LOCAL COMMUNITIES**

Actions aiming at the provision of free local wireless connectivity in the centres of local public life, including outdoor spaces accessible to the general public that play a major role in the public life of local communities, shall be eligible for financial assistance.

Financial assistance shall be available to entities with a public mission such as local authorities and providers of public services undertaking to provide free local wireless connectivity through the installation of local wireless access points.

Projects for the provision of wireless connectivity through freely accessible local wireless access points may receive funding if they:

- 1) are implemented by an entity with a public mission capable of planning and supervising the installation of indoor or outdoor local wireless access points in public spaces;
- 2) build on very high-speed broadband connectivity enabling delivery of high quality Internet experience to users that
  - a. is free, easy to access, and uses state-of-the-art equipment, and
  - b. supports access to innovative digital services, such as those offered via digital service infrastructures;
- 3) use the common visual identity to be provided by the Commission and link to the associated online tools.

Projects duplicating already existing private or public offers of similar characteristics, including quality, in the same area shall not be covered.

The available budget shall be allocated in a geographically balanced manner to projects meeting the above conditions in view of the proposals received and, in principle, on a 'first come, first served' basis.'

### *Article 3*

#### **Entry into force**

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## **ANNEX**

### **Legislative financial statement**

#### **Proposal for a regulation amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities**

#### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

- 1.1. Title of the proposal/initiative
- 1.2. Policy area(s) concerned in the ABM/ABB structure
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

#### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

#### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. *Summary of estimated impact on expenditure*
  - 3.2.2. *Estimated impact on operational appropriations*
  - 3.2.3. *Estimated impact on appropriations of an administrative nature*
  - 3.2.4. *Compatibility with the current multiannual financial framework*
  - 3.2.5. *Third-party contributions*
- 3.3. Estimated impact on revenue

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

Proposal for a regulation amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>17</sup>

09.Communications networks, content and technology

#### 1.3. Nature of the proposal/initiative

☒ The proposal/initiative relates to a **new action**

☐ The proposal/initiative relates to a **new action following a pilot project/preparatory action**<sup>18</sup>

☐ The proposal/initiative relates to **the extension of an existing action**

☐ The proposal/initiative relates to **an action redirected towards a new action**

#### 1.4. Objective(s)

##### 1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The new Telecommunications package, to be adopted by the Commission on 13 September 2016, will include a Communication setting out a European vision of Internet connectivity for European citizens and businesses, as well as a legislative proposal reviewing the regulatory framework for telecommunications. The Commission proposals set out the reforms needed to further incentivise the deployment of the networks of the future and ensure that no one and no region is left behind.

This proposal will **encourage and support entities with a public mission, such as local public authorities, to offer free Wi-Fi connectivity in the centres of community life** (e.g. in and around public buildings, health centres, parks or town squares).

##### 1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective

The new package will provide financial incentives to projects proposed by entities with a public mission, such as public authorities and providers of public services, to install wireless access points and offer free connectivity in the centres of community life located within their jurisdiction or at their site of service (e.g. public administrations, libraries, health centres and outdoor public spaces).

In addition to stimulating demand in high-speed broadband connectivity and encouraging widespread take-up at community level, the initiative will also have several positive knock-on effects ranging from enhanced access to innovative digital services and early benefits of the gigabit society envisioned by the new strategy adopted by the European Commission.

ABM/ABB activity(ies) concerned

<sup>17</sup> ABM: activity-based management; ABB: activity-based budgeting.

<sup>18</sup> As referred to in Article 54(2)(a) or (b) of the Financial Regulation.

**1.4.3. Expected result(s) and impact**

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

The initiative is expected to bring the following impact:

The scheme has the potential to deliver connectivity to thousands of public spaces, which could result in 40 to 50 million Wi-Fi connections per day. Such local connectivity will support public authorities and local businesses in offering a wider range of local digital services, applications and products to their own populations as well as visitors, and thus to better integrate themselves into the Digital Single Market.

**1.4.4. Indicators of results and impact**

*Specify the indicators for monitoring implementation of the proposal/initiative.*

The main monitoring indicators are: a) the number of access points installed; and b) the number of connections they generate.

**1.5. Grounds for the proposal/initiative**

**1.5.1. Requirement(s) to be met in the short or long term**

The initiative is within the scope of actions in the field of the trans-European telecommunications networks, as defined in Article 170 of the Treaty on the Functioning of the European Union.

In parallel, a legislative proposal for a new electronic Communication Code which is a modernisation of the current regulatory framework for electronic communication services, will in particular remove legal obstacles for entities to deploy and share Wi-Fi access in Europe, when some local communities or private entities wanted to deploy and offer Wi-Fi access to their constituents.

Among the Union's strategic aims for 2025 (Communication on connectivity for a European Gigabit Society) is for all main socio-economic drivers such as schools, transport hubs and main providers of public services<sup>19</sup> as well as digitally intensive enterprises, to be equipped with Gigabit connections. The initiative promoting free WiFi access in the main centres of public life, including outdoor spaces accessible to the general public, is therefore providing a concrete example of scheme promoting such connectivity through the most up-to-date digital infrastructures.

**1.5.2. Added value of EU involvement**

Based on vouchers, the initiative will be delivered in a highly efficient manner, and attract to the CEF new categories of project promoters – typically local authorities. The emulation among local authorities and among other providers of public services will be promoted through the EU network of Broadband Competence Offices to be established in the new telecom package. Overall, the initiative will accelerate the awareness of the new Commission priorities for the Gigabit society at all levels of administration, as well as provide a high degree of brand recognition, visibility and trust in the capacity of the EU to deliver digital services to citizens across the European continent. The access points will be delivered in a

<sup>19</sup> Covering: e.g. primary and secondary schools, train stations, ports and airports, local authority buildings, universities, research centres, doctors' surgeries, hospitals and stadiums.



uniform manner and will provide best practice to entities interested in deploying Wi-Fi, thus serving as an innovative model aiming at replicability across the EU.

#### *1.5.3. Lessons learned from similar experiences in the past*

In recent years, this type of free WiFi access project promoted by municipal authorities has been emerging in many local areas across Europe. This scheme will therefore build on this experience and reinforce the replicability of this model by scaling it up to all EU Member States simultaneously.

#### *1.5.4. Compatibility and possible synergy with other appropriate instruments*

The initiative will complement the rollout of digital networks funded by the European Structural and Investment Funds (mostly ERDF and EAFRD) that bring backhaul and access broadband networks in areas where telecom operators have expressed no interest to invest. It will therefore create a further incentive for local authorities to equip the whole territory under their jurisdiction and connect those public space with very high-capacity backhaul networks.

The initiative will also encourage the development of innovative digital services and applications produced locally – often by local SMEs. For instance, building on the digitisation of local content and other historic sources, a museum or an outdoor heritage site may develop "enhanced reality" apps to enrich visitors' experience. The same applies for eTourism apps benefiting local commerce and municipal activities. This initiative will therefore underpin the digital entrepreneurship policy of the European Commission.

### **1.6. Duration and financial impact**

x Proposal/initiative of **limited duration**

- x Proposal/initiative in effect from 2017 to 2020
- x Financial impact from 2017 to 2020

☐ Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from XXX to XXX,
- followed by full-scale operation.

### **1.7. Management mode(s) planned<sup>20</sup>**

☐ **Direct management** by the Commission

- ☐ by its departments, including by its staff in the Union delegations;
- x by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated;
- ☐ international organisations and their agencies (to be specified);
- ☐ the EIB and the European Investment Fund;
- ☐ bodies referred to in Articles 208 and 209 of the Financial Regulation;

<sup>20</sup>

Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:

<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>

- ☐ public law bodies;
- ☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
- ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

*Specify frequency and conditions.*

A monitoring system will be put in place to ensure that this initiative is implemented quickly and produces immediate results. It will be implemented using primarily online tools and sample auditing of installations at the local wireless access points level.

### 2.2. Management and control system

#### 2.2.1. Risk(s) identified

Implementation Risk: the non-bureaucratic nature of the voucher scheme will build on experience of similar initiatives (e.g. ICT innovation for SMEs, satellite connectivity, etc.) at regional and national levels but it will be scaled up at EU level

Take up risk: established on a “first-come, first-served” basis, there is a risk of unbalanced take-up between territories. The Commission is however committed to ensure a balanced geographical impact and to take into account specific needs of smaller and economically lagging behind Member States and regions

Security and data protection risk: the scheme will ensure full protection of personal data and sufficient level of authentication to ensure the user-friendliness of the connection at the access point level.

Reputation risk: the quality of service will be ensured through beneficiaries' commitment to build on very high-speed broadband connectivity enabling delivery of high quality Internet experience to users and will be regularly monitored.

#### 2.2.2. #Information concerning the internal control system set up

The agreements and decisions for implementing the actions under CEF will provide for supervision and financial control by the Commission, or any representative authorised by the Commission, as well as audits by the Court of Auditors and on-the-spot checks carried out by the European Anti-Fraud Office (OLAF), in accordance with the procedures laid down in Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by OLAF.

#### 2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error

Summary of controls	Amount in MEUR	Nb of beneficiaries: transactions (% of total)	Depth of control * (assessment 1-4)	Coverage (% of value)
Management of actions from evaluation to ex-post audits	0.060	1) global monitoring of all projects: 100%	1	100%
		2) audit of selected projects: 5%	4	10%

### 2.3. Measures to prevent fraud and irregularities

*Specify existing or envisaged prevention and protection measures.*

The Commission shall ensure that, when actions financed under this Regulation are implemented, the financial interests of the Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulation (EC, Euratom) No 2988/95, Council Regulation (Euratom, EC) No 2185/96 and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

Contracts will be based on standard models, which will set out the generally applicable anti-fraud measures.

## 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- New budget lines requested

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	1a Competitiveness for growth and employment	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	<b>09 03 04 Wireless for EU (W4EU)</b>	Diff	YES	NO	NO	NO

### 3.2. Estimated impact on expenditure

[This section should be filled in using the **spreadsheet on budget data of an administrative nature** (second document in annex to this financial statement) and uploaded to DECIDE for interservice consultation purposes.]

#### 3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework	1a	Competitiveness for growth and employment
--	----	---

The appropriations required by this proposal are to be fully financed within the Multiannual Financial Framework 2014-2020. As indicated below, EUR 70 million are to be reallocated within the programmed amounts for the telecommunications-strand of the Connecting Europe Facility over 2017-2020 and EUR 50 million will be funded by making use of the Unallocated Margin.

Sources of financing for the initiative	2017	2018	2019	2020	Total
09 03 02 Creating an environment more conducive to private investment for telecommunication infrastructure projects — CEF broadband	19,422	19,967			39,389
09 03 03 Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level	0,578			0,350	0,928
09 04 02 01 Leadership in information and communications technology (LEIT)		30,033 <sup>21</sup>			30,033
Heading 1a unallocated margin			49,650		49,650
<b>TOTAL</b>	<b>20,000</b>	<b>50,000</b>	<b>49,650</b>	<b>0,350</b>	<b>120,000</b>

<sup>21</sup> This amount will be returned from CEF DSI (09.0303) to H2020 in 2019-2020

DG: CNECT / MOVE			2017	2018	2019	2020	TOTAL
Operational appropriations MEUR							
<b>09 03 04 Wireless for EU (W4EU)</b>	Commitments	(1)	19,330	49,610	49,260		<b>118,200</b>
	Payments	(2)	0	44,135	49,435	24,630	<b>118,200</b>
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>22</sup>							
<b>06 01 06 01 Innovation and networks Executive Agency – contribution from CEF</b>	Commitments		0,580	0,365	0,365	0,290	<b>1,600</b>
	Payments		0,580	0,365	0,365	0,290	<b>1,600</b>
<b>09 01 04 01 Support Expenditure for Connecting Europe Facility (CEF)</b>	Commitments		0,090	0,025	0,025	0,060	<b>0,200</b>
	Payments		0,090	0,025	0,025	0,060	<b>0,200</b>
<b>TOTAL appropriations for DG CONNECT/MOVE</b>	Commitments	=1+1a +3	<b>20,000</b>	<b>50,000</b>	<b>49,650</b>	<b>0,350</b>	<b>120,000</b>
	Payments	=2+2a +3	<b>0,670</b>	<b>44,525</b>	<b>49,825</b>	<b>24,980</b>	<b>120,000</b>

<sup>22</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.

<b>Heading of multiannual financial framework</b>	<b>5</b>	‘Administrative expenditure’
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EUR million (to three decimal places)

		2017	2018	2019	2020	TOTAL
DG: <CONNECT .....>						
• Human resources		0,204	0,204	0,204	0,204	<b>0,816</b>
• Other administrative expenditure		0,020	0,020	0,010	0,010	<b>0,060</b>
<b>TOTAL DG CONNECT</b>	Appropriations	<b>0,224</b>	<b>0,224</b>	<b>0,214</b>	<b>0,214</b>	<b>0,876</b>

X

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	<b>0,224</b>	<b>0,224</b>	<b>0,214</b>	<b>0,214</b>	<b>0,876</b>
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EUR million (to three decimal places)

		2017	2018	2019	2020	TOTAL
<b>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</b>	Commitments	<b>20,224</b>	<b>50,224</b>	<b>49,864</b>	<b>0,564</b>	<b>120,876</b>
	Payments	<b>0,894</b>	<b>44,749</b>	<b>50,039</b>	<b>25,194</b>	<b>120,876</b>

### 3.2.2. *Estimated impact on operational appropriations*

- ☐ The proposal/initiative does not require the use of operational appropriations
- x The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs  ↓			2017		2018		2019		2020		TOTAL	
	OUTPUTS											
	Type <sup>23</sup>	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE												
Accesses			967	0,02	2480	0,02	2463	0,02			5910	118,200
TOTAL COST			967	19,330	2480	49,610	2463	49,260			5910	118,200

<sup>23</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).



### 3.2.3. Estimated impact on appropriations of an administrative nature

#### 3.2.3.1. Summary

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	2017	2018	2019	2020	TOTAL
--	------	------	------	------	-------

<b>HEADING 5 of the multiannual financial framework</b>					
Human resources	0,204	0,204	0,204	0,204	<b>0,816</b>
Other administrative expenditure	0,020	0,020	0,010	0,010	<b>0,060</b>
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>0,224</b>	<b>0,224</b>	<b>0,214</b>	<b>0,214</b>	<b>0,876</b>

<b>Outside HEADING 5<sup>24</sup> of the multiannual financial framework</b>					
Human resources					
Other expenditure of an administrative nature	0,090	0,025	0,025	0,060	0,200
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>	<b>0,090</b>	<b>0,025</b>	<b>0,025</b>	<b>0,060</b>	<b>0,200</b>

<b>TOTAL</b>	<b>0,314</b>	<b>0,249</b>	<b>0,239</b>	<b>0,274</b>	<b>1,076</b>
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>24</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

### 3.2.3.2. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources.
- ☒ The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	2017	2018	2019	2020
<b>• Establishment plan posts (officials and temporary staff)</b>				
09 01 01 01 (Headquarters and Commission's Representation Offices)	1,0	1,0	1,0	1,0
XX 01 01 02 (Delegations)				
XX 01 05 01 (Indirect research)				
10 01 05 01 (Direct research)				
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>25</sup></b>				
09 01 02 01 (AC, END, INT from the 'global envelope')	1,0	1,0	1,0	1,0
XX 01 02 02 (AC, AL, END, INT and JED in the delegations)				
<b>XX 01 04 yy<sup>26</sup></b>	- at Headquarters			
	- in Delegations			
<b>XX 01 05 02 (AC, END, INT - Indirect research)</b>				
10 01 05 02 (AC, END, INT - Direct research)				
Other budget lines (specify)				
<b>TOTAL</b>	<b>2,0</b>	<b>2,0</b>	<b>2,0</b>	<b>2,0</b>

**09** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	
External staff	

### 3.2.4. Compatibility with the current multiannual financial framework

- ☒ The proposal/initiative is compatible with the current multiannual financial framework.
- ☐ The proposal/initiative will entail reprogramming of the relevant heading in the multiannual financial framework.

Explain what reprogramming is required, specifying the budget lines concerned and the corresponding amounts.

- ☐ The proposal/initiative requires application of the flexibility instrument or revision of the multiannual financial framework.

<sup>25</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JED= Junior Experts in Delegations.

<sup>26</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.
---

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.

**3.3. Estimated impact on revenue**

- X The proposal/initiative has no financial impact on revenue.

# **ANNEX** **to the LEGISLATIVE FINANCIAL STATEMENT**

Name of the proposal/initiative:

Proposal for a regulation amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities

- 1. NUMBER AND COST OF HUMAN RESOURCES CONSIDERED NECESSARY**
- 2. COST OF OTHER ADMINISTRATIVE EXPENDITURE**
- 3. METHODS OF CALCULATION USED FOR ESTIMATING COSTS**
  - 3.1. Human resources**
  - 3.2. Other administrative expenditure**

*This annex must accompany the legislative financial statement when the inter-services consultation is launched.*

*The data tables are used as a source for the tables contained in the legislative financial statement. They are strictly for internal use within the Commission.*

# 1. COST OF HUMAN RESOURCES CONSIDERED NECESSARY

☐ The proposal/initiative does not require the use of human resources

☒ The proposal/initiative requires the use of human resources, as explained below:

EUR million (to three decimal places)

HEADING 5 of the multiannual financial framework	2017		2018		2019		2020		... enter as many years as necessary to show the duration of the impact (see point 1.6)		TOTAL	
	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations
• Establishment plan posts (officials and temporary staff)												
09 01 01 01 (Headquarters and Commission's Representation Offices)	AD	1	0.134	1	0.134	1	0.134	1	0.134		1	0.536
	AST											
XX 01 01 02 (in Union Delegations)	AD											
	AST											
• External staff <sup>27</sup>												
09 01 02 01 ('global envelope')	AC	1	0.070	1	0.070	1	0.070	1	0.070		1	0.280
	END											
	INT											
XX 01 02 02 (in Union Delegations)	AC											
	AL											

<sup>27</sup>

AC = Contract Staff; AL = Local Staff; END = Seconded National Expert; INT= agency staff; JED = junior experts in delegations.

	END												
	INT												
	JED												
Other budget lines ( <i>specify</i> )													
<b>Subtotal – HEADING 5</b> of the multiannual financial framework		2	0.204	2	0.204	2	0.204	2	0.204			2	0.816

**XX** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Outside HEADING 5 of the multiannual financial framework		2017		2018		2019		2020		... enter as many years as necessary to show the duration of the impact (see point 1.6)		TOTAL	
		FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations	FTE	Appropriations
• Establishment plan posts (officials and temporary staff)													
10 01 05 02 (Direct research)	AD												
	AST												
XX 01 05 01 (Indirect research)	AD												
	AST												
• External staff <sup>28</sup>													
09 01 04 01 Sub-ceiling for external staff from operational appropriations (former 'BA' lines).	- at Headquarters	AC											
		END											
		INT											
	- in Union delegations	AC											
		AL											
		END											
		INT											
		JED											
XX 01 05 02 (Indirect research)	AC												
	END												

<sup>28</sup>

AC = Contract Staff; AL = Local Staff; END = Seconded National Expert; INT= agency staff; JED = junior experts in delegations.

	INT												
10 01 05 02 (Direct research)	AC												
	END												
	INT												
Other budget lines ( <i>specify</i> )													
<b>Subtotal – Outside HEADING 5</b> of the multiannual financial framework													
<b>09</b> is the policy area or budget title concerned. <b>TOTAL</b>													

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.



## 2. COST OF OTHER ADMINISTRATIVE EXPENDITURE

- ☐ The proposal/initiative does not require the use of administrative appropriations  
☒ The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to three decimal places)

	2017	2018	2019	2020	... enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
<b>HEADING 5</b> of the multiannual financial framework								
<u>At headquarters:</u>								
09 01 02 11 01 - Mission and representation expenses	0.020	0.020	0.010	0.010				<b>0.060</b>
09 01 02 11 02 - Conference and meeting costs								
09 01 02 11 03 - Committees <sup>29</sup>								
09 01 02 11 04 - Studies and consultations								
09 01 02 11 05 – Information and management systems								
XX 01 03 01 – ICT equipment and services <sup>30</sup>								
Other budget lines ( <i>specify where necessary</i> )								
<u>In Union delegations</u>								
XX 01 02 12 01 - Missions, conferences and representation expenses								

<sup>29</sup> Specify the type of committee and the group to which it belongs.

<sup>30</sup> ICT: Information and Communication Technologies: DIGIT must be consulted.

XX 01 02 12 02 - Further training of staff								
XX 01 03 02 01 - Acquisition, renting and related expenditure								
XX 01 03 02 02 Equipment, furniture, supplies and services								
<b>Subtotal HEADING 5</b> of the multiannual financial framework	0.020	0.020	0.010	0.010				<b>0.060</b>

09 is the policy area or budget title concerned.

EUR million (to three decimal places)

	2017	2018	2019	2020	... enter as many years as necessary to show the duration of the impact (see point 1.6)	TOTAL
--	------	------	------	------	---	-------

Outside HEADING 5 of the multiannual financial framework								
09 01 04 01 - Expenditure on technical and administrative assistance (not including external staff) from operational appropriations (former 'BA' lines)	0.090	0.025	0.025	0.060				0.200
- at Headquarters								
- in Union delegations								
XX 01 05 03 - Other management expenditure for indirect research								
10 01 05 03 - Other management expenditure for direct research								
Other budget lines (specify where necessary)								
<b>Sub-total – Outside HEADING 5 of the multiannual financial framework</b>	0.090	0.025	0.025	0.060				0.200

XX is the policy area or budget title concerned.

<b>TOTAL HEADING 5 and Outside HEADING 5 of the multiannual financial framework</b>	0.314	0.249	0.239	0.274				1.076
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The administrative appropriations required will be met by the appropriations which are already assigned to management of the action and/or which have been redeployed, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of existing budgetary constraints.

### 3. METHODS OF CALCULATION USED TO ESTIMATE COSTS

#### 3.1. Human resources

*This part sets out the method of calculation used to estimate the human resources considered necessary (workload assumptions, including specific jobs (Sysper 2 work profiles), staff categories and the corresponding average costs)*

<b>HEADING 5</b> of the multiannual financial framework
NB: The average costs for each category of staff at Headquarters are available on BudgWeb: <a href="https://myintracomm.ec.europa.eu/budgweb/EN/pre/legalbasis/Pages/pre-040-020_preparation.aspx">https://myintracomm.ec.europa.eu/budgweb/EN/pre/legalbasis/Pages/pre-040-020_preparation.aspx</a>
<ul style="list-style-type: none"><li>• Officials and temporary staff</li></ul> Use of DG BUDG average cost
<ul style="list-style-type: none"><li>• External staff</li></ul> Use of DG BUDG average cost

<b>Outside HEADING 5</b> of the multiannual financial framework
<ul style="list-style-type: none"><li>• Only posts financed from the research budget</li></ul>
<ul style="list-style-type: none"><li>• External staff</li></ul>

#### 3.2. Other administrative expenditure

*Give details of the method of calculation used for each budget line  
and in particular the underlying assumptions (e.g. number of meetings per year, average costs, etc.)*

<b>HEADING 5</b> of the multiannual financial framework
1 visit each MS during the first 2 years (average cost +/-715€) Follow up less intensive during the last 2 years.

**Outside HEADING 5** of the multiannual financial framework

IT development in 2017 and maintenance thereafter

Costs of evaluation at the end of the implementation