



Rialtas na hÉireann  
Government of Ireland

# National Broadband Plan

## State Aid Reporting – Third Year Update

### 2022/23

Prepared by the Department of  
the Environment, Climate and Communications

# Table of Contents

1	Status of the National Broadband Plan .....	2
2	Baseline Speed and Retail Service Providers.....	4
3	Contractual Targets.....	4
4	Subsidy Payments.....	5
5	Final Remedial Plan .....	6
6	Network Deployment and Map .....	6
7	Wholesale Products.....	8
8	Wholesale Pricing.....	9
9	Non-Discrimination .....	9
10	Take-Up and Connections .....	10
11	Broadband Connection Points (BCPs).....	10
12	School Strategic Connection Points (School SCPs).....	11
13	Islands.....	12
14	Cost to the State and Protections .....	13
15	Cost of the NBP to date .....	14
16	Contract Governance Arrangements .....	14
17	National Broadband Ireland (NBI).....	14
18	Ownership of NBI .....	15
19	Ministerial Appointee to the Board of NBI .....	16
20	NBI Annual State Aid Intensity Test.....	17
21	Interim Evaluation Plan.....	17

# 1 Status of the National Broadband Plan

The National Broadband Plan (NBP) contract, which was signed on 19 November 2019, provides that a future proofed high speed broadband network will be deployed by National Broadband Ireland (NBI) to people living and working in the Intervention Area (IA). It is expected that over 600,000 premises, including new builds, will be connected over the lifetime of the project.

The NBP network will offer those premises in the Intervention Area a high speed broadband service with a minimum download speed of 500 Mbps from the outset. All counties have seen premises passed in the first 2 years and over 90% of premises in the State will have access to high speed broadband within the next two years. The build is currently based on a full fibre to the premise network.

This Plan is the largest infrastructural project in rural Ireland since rural electrification, spanning 96% of Ireland's land mass. It will bring high speed broadband to 23% of Ireland's population (69% of national total of farms). It will deliver fast, reliable broadband through laying 140,000 km of fibre cable, utilising over 1.5 million poles and over 15,000 kilometres of underground duct networks.

While the Covid-19 pandemic created many challenges, NBI has also faced many more complexities working with existing networks and subcontractors than initially envisaged. This is due to the sheer scale and complexity of rolling out fibre to the home in a rural environment. This has included significant tree trimming to ensure cable can be placed on overhead poles, remediation of ducting that has been in place for many decades and the co-ordination of hundreds of contracting crews while addressing the many issues arising week on week which could not have been foreseen until the build was initiated on the ground.

Significant progress has been made on the preparatory work pre-build. Design work is complete or ongoing in target townlands across every county in Ireland, and over 373,660 premises have been surveyed as of 31 March 2023.

Surveys are needed to establish the state of existing poles and ducts, to ascertain whether repairs are needed. NBI's contractors have walked the fibre route to inspect infrastructure and gather detailed information on local conditions and this work is on-going.

This survey work is feeding into detailed designs for each Deployment Area (DA) and there are a number of other further steps required prior to connection:

- survey results are fed back to NBI's design teams who will develop detailed designs for each of the 227 DAs for submission to the Department of the Environment, Climate and Communications (DECC) for "Approval to Proceed";
- repair/activities to "make ready" existing pole and duct infrastructure is carried out to ensure infrastructure is upgraded in advance of cabling activities to pass the premises with fibre;
- installation of the electronic equipment to each exchange building;
- laying of the physical fibre along the poles and ducts;
- development of computer systems within NBI to allow broadband operators to place orders and schedule connections; and
- customers can then request a connection which is activated by the broadband operator that they have chosen.

The current numbers of premises passed or connected do not accurately reflect the scale of activity or work completed in terms of delivery of this project at this stage. The following gives a sense of what has been achieved to date, noting that this was against the backdrop of challenging circumstances brought about by the pandemic.

As of 31 March 2023:

- 20,265+ kilometres of cable were installed;
- 61,300+ poles were remediated or newly installed;
- 288,400+ premises were submitted to Openeir for Make Ready;
- 663 section 254 licence applications were submitted across all 31 Local Authorities, with 617 approved;
- Over 169,000 premises (in 51 DAs) across 26 counties were under build or had build completed;
- 146,136 premises could order or pre-order high-speed broadband services across 26 counties;
- 131,000 premises could order high-speed broadband services across 26 counties;
- 36,127 connections were completed across all counties;
- 283 Broadband Connection Points (BCPs) were installed;
- 609 school Strategic Connection Points (SCPs) were installed; and
- 62 Retail Service Providers (RSPs) were contracted, with 50 onboarded.

## 2 Baseline Speed and Retail Service Providers

The National Broadband Plan network will offer users a high speed broadband service with a minimum download speed of 500 Mbps from the outset. This has been increased from the 150 Mbps commitment set out in the NBP Contract, with businesses able to avail of even higher speeds. It is a requirement of the Contract that NBI keeps pace with upgrades in urban areas.

As a wholesale provider, NBI will work with RSPs to provide connections directly to customers and a list of all providers will be available on NBI's website – [nbi.ie/where-can-i-buy](https://nbi.ie/where-can-i-buy) – once orders become available. In the meantime, NBI is encouraging people to register their interest via the website, so they can be notified with the latest information.

In total, NBI has signed reference orders with 62 RSPs who will offer services nationally on the NBP network. 50 of these RSPs have already been through the onboarding process with NBI and are certified ready to start selling services as connections become available, meaning end-users will receive choice and competition from day one.

RSPs are actively selling on the NBI Network with over 146,100 premises across 26 counties able to place orders and pre-orders through local broadband service providers, including on four islands off the coast of Donegal. To date, the level of connections is in line with projections. In several counties, the level of take-up has exceeded 30% only a few months after services were made available, which is very positive.

Where fibre has been available from NBI since 2021 the take up is reaching 40%. There are currently around 3,000 premises connecting to the NBP network every month and this monthly connection number is expected to increase to approximately 4,000 per month during 2023.

The initial connection charge and the monthly charges from service providers to the individuals living in rural Ireland will be similar to those paid by residents in urban areas, with the ability to avail of services such as voice, broadband and TV from the same service provider.

## 3 Contractual Targets

As a result of significant challenges arising during the first year of the contract, primarily due to the impact of the Covid-19 pandemic, delivery of original milestones under the Contract has

been delayed. This is being managed under the relevant contractual governance provisions which provide for such eventualities.

It should be noted that despite these delays, NBI has still made strong progress and the fibre network is live and operational in all counties. Of particular note, as of 31 March 2023, NBI has:-

- Completed detailed designs for over 373k premises;
- Completed the build for over 145,000 premises;
- Installed 892 SCPs, including 609 primary schools, which are a key element of the NBP, and will provide high speed broadband in every county in advance of the roll out of the fibre to the home network;
- Signed contracts with 62 RSPs who will deliver services to end users through the NBI network; and
- Directly employed over 300 people and provided indirect employment for over 1,130 through its sub-contractors.

NBI continues to work closely with the Department to ensure all measures are taken to mitigate the impact of this delay.

## **4 Subsidy Payments**

NBI is only entitled to claim relevant subsidy when targets are met. Relevant subsidy payments will therefore be held until NBI has met the milestones set out in the Contract.

The Public Spending Code obliges public sector entities to ensure that contracts are managed and delivered to the specified standard, within budget and on time. The Contract with NBI contains a comprehensive set of protections and legally binding obligations.

The Contract requires significant monthly, quarterly and annual reporting of costs and revenues to the Department, with the subsidy released only upon achievement of Contract milestones, which are verified through an independent certification process.

The Contract also provides that, in instances where NBI fails to achieve certain key performance indicators (KPIs), penalties can be applied in the form of a deduction to subsidy payments due. These deductions are based on clear and measurable requirements which are specified in the NBP Contract and include:

- Time to connect end-user once service is ordered; and
- Number of end-user faults per Contract year.

A series of clawbacks in the Contract were inserted to ensure that the taxpayer gets value for money when savings are achieved or the financial performance of NBI is greater than forecast by “clawing back” subsidy in a number of circumstances.

## **5 Final Remedial Plan**

Following an Interim and Updated Interim Remedial Plan, the Department worked closely with NBI to put in place a Final Remedial Plan (FRP) to take account of the knock on effects of the Covid-19 pandemic and other delays to the Programme. This plan was concluded in December 2022.

The focus is to continue to build momentum in the build programme, catching up on the delays experienced. Under this Final Remedial Plan, NBI committed to delivering a cumulative target of 185,000 premises passed by the end of January 2024.

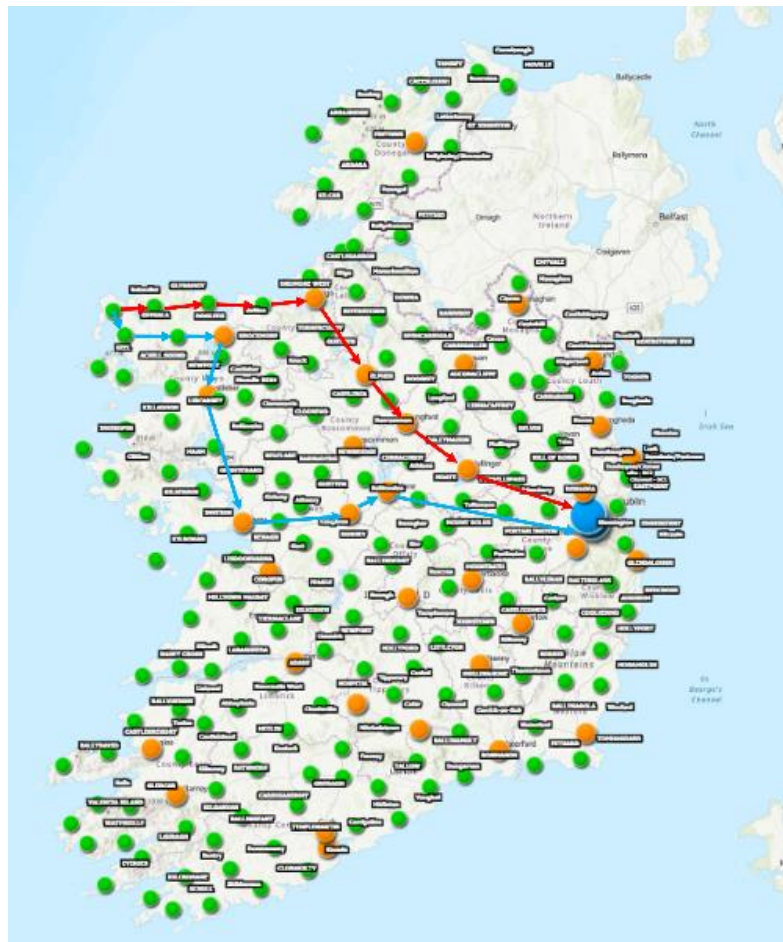
Due to the positive pace of the rollout, the forecast for the end of 2023 is due to be exceeded, with more than 190,000 premises passed by mid-December 2023. This will put NBI ahead of their target for the end of January 2024.

## **6 Network Deployment and Map**

The network rollout for the National Broadband Plan is divided into 227 Deployment Areas (DAs) across the country. These are typically areas of approximately 25 km in radius and, in total, they cover 96% of Ireland’s landmass. The architecture of the network design is specifically based on the design of the NBI network coming from the eir exchanges or the metropolitan area networks (MANs) managed by Enet. It is based on an engineering design that allows NBI to get to every premise as quickly as possible working within the confines of how fibre networks are built.

The following map illustrates how the network works, depicting premises connecting to the local exchange, then on to the regional exchange and finally back to the larger data centres.

- When a premise connects to the internet, the data goes to a **Local Exchange**.
  - From there the local exchange sends the data to the **Regional Exchange**.
  - Then the data is sent to **Data Centres**, this is where to most internet traffic ends up. These are primarily in Dublin.
- Primary Data Path  
— Backup Data Path



Each DA creates a 'fibre ring' which is essential to ensure reliability, robustness and resilience. Critical to the success of the network, NBI's fibre rings are built with back-ups, ensuring that in the event of one fibre cable being disrupted, the whole network continues to perform. Each fibre ring that NBI deploys is designed in a way that is non-discriminatory, meaning that as the rollout progresses, it may pass relatively urban areas at the same time as passing some of the most remote premises within the Intervention Area. The design will utilise existing infrastructure to a very significant degree.

The High Speed Broadband Map, which is available at [www.broadband.gov.ie](http://www.broadband.gov.ie) shows the areas covered by the State led intervention as well as those targeted by commercial operators.

As part of its network deployment and communications plan, NBI's website contains a map detailing the rollout of the broadband network for the full seven year deployment plan. The NBI



website ([www.nbi.ie](http://www.nbi.ie)) also provides details at individual premises level through its website, which is searchable by Eircode. The website will be updated on a rolling basis as the build progresses.

NBI has been incrementally updating and refreshing its website in order to provide greater transparency to end users and a better end user experience. This includes an interactive map which colour codes each of the DAs to show what stage they are at. The map has a search function by county and provides a dashboard to give an overview of key statistics on a county basis (premises statistics, investment per county, etc.).

## 7 Wholesale Products

NBI is a wholesale service provider, and thus provides both passive and active wholesale products to RSPs.

In order to meet the NBP objectives of providing high quality and future proofed broadband services, NBI must offer a number of wholesale products in the Intervention Area. These wholesale products must be offered to RSPs and Wholesale Service Providers (WSPs) that wish to provide services in respect of the Intervention Area.

There are three different categories of Wholesale Products:

- Minimum Required Wholesale Products;
- Additional Required Wholesale Products; and
- Other Permitted Wholesale Products.

The product and operational performance of these wholesale products improve in line with equivalent products in the excluded area, throughout the lifespan of the project.

NBP provides the following types of products:

- 500 Mbps connections,
- 1 Gbps connections,
- 2 Gbps business connections,
- Bitstream product,
- VUA Multicast,
- VUA Business product,

- VUA consumer product,
- 100 Gbps Interconnect,
- Mast Backhaul product (varying speeds), and,
- 200 Mbps up to 5 Gbps Symmetric Ethernet Services (SES) product, targeted at SMEs and larger business markets.

## 8 Wholesale Pricing

In accordance with the State Aid Guidelines, the NBP uses benchmarking to ensure that the aid granted will serve to replicate market conditions like those prevailing in competitive broadband markets. NBI is obliged to ensure that wholesale access pricing is limited to the levels of the most comparable regulated wholesale products in Ireland. The benchmarking criteria, which were clearly indicated in the tender documents, were further developed during the competitive dialogue.

DECC's contractual rules set out three categories of wholesale products (noted above). DECC consulted regularly with the Commission for Communication Regulation (ComReg, the national regulator) with regards to wholesale products and pricing. A detailed description of the aid project, including the DECC's approach to wholesale access pricing, was sent to ComReg prior to the notification. Furthermore, ComReg had a role in assisting the DECC in the implementation, monitoring, and enforcement of these pricing obligations.

## 9 Non-Discrimination

Under the Contract, NBI, as a wholesale service provider, will provide a portfolio of passive wholesale products and active wholesale products to RSPs on an open access, non-discriminatory basis.

NBI's wholesale products and services are made available to RSPs/WSPs on the basis of Equivalence of Inputs (EoI). This ensures that NBI deals with all RSPs/WSPs on a non-discriminatory basis, that all RSPs/WSPs are offered the same terms and conditions, are dealt with in the same timeframe, and that all of NBI's wholesale products and services are made available to RSPs/WSPs using exactly the same systems and processes in each case. In order to ensure they are dealing with all RSPs/WSPs in a transparent manner, NBI makes

relevant commercial and technical details of its wholesale products and services publicly available in the form of Reference Offers.

To-date, NBI are fully compliant with their open access and non-discrimination obligations, with market shares at retail level distributed amongst larger retailers (79.83%) and smaller operators (20.17%).

## 10 Take-Up and Connections

The number of connections, as well as take-up rates across the NBP network have been positive. To date, the level of connections is in line with projections. In several counties, the level of take-up has exceeded 30% only a few months after services were made available which is very positive.

Where fibre has been available from NBI since 2021, the take up is reaching 40%. There are currently around 3,000 premises connecting to the NBP network every month and this monthly connection number is expected to increase to approximately 4,000 per month during the rest of 2023.

The process of Copper Switch Off is expected to start within the next year. This will stimulate significant demand for the NBP fibre to the home network, over and above the take-up levels to-date.

The latest ComReg quarterly report also indicates the impact the NBP rollout is having on broadband connections across Ireland. At the end of Q1 2023, ComReg reported that:

- there were 1.96 million active broadband subscriber lines;
- there was a 7.3% increase in the number of fibre to the home (FTTH) lines; and
- 34.2% of fixed broadband subscriber lines had speeds of at least 500 Mbps.

## 11 Broadband Connection Points (BCPs)

Broadband Connection Points (BCPs) are a key element of the NBP and will provide high speed broadband in every county in advance of the roll out of the fibre to the home network. The high speed broadband service will be switched on in these publicly available locations

through service provider contracts managed by the Department of Rural and Community Development.

BCPs are a key support for promoting balanced regional development as part of a sustainable and equitable post-pandemic recovery and will enable rural communities to avail of the opportunities presented by the digital economy.

The planned BCP locations include a range of community facilities, and the full details of their location are on both the Department of the Environment, Climate and Communications' and NBI's websites.

BCPs have been developed to become digitally-enabled community assets and activities currently underway include:

- the establishment of remote working facilities at a significant number of locations;
- remote eHealth consultation booth pilot projects;
- digital skills training for children and young people; and
- a national BCP film festival that will be screened at BCPs.

Technical connectivity for BCP sites will be provided by NBI. Vodafone Ireland has been awarded the contract to provide services to the BCPs. Where any works are required in the relevant buildings, for example, office fit out, etc, this will be carried out by the owners of the BCP with assistance, both financial and otherwise, from the Local Authority and local LEADER office.

As of 31 March 2023, 283 BCP sites have been installed by NBI, and 279 of the sites have been connected with high-speed broadband service through a service provider contract with Vodafone.

## **12 School Strategic Connection Points (School SCPs)**

School SCPs will be provided with high speed broadband, for educational use only, through a service provider contract managed by the Department of Education. A SCP at a school location will underpin the Department of Education's Digital Learning Framework for Schools

and digital technology advisors in the Professional Development Service for Teachers will be involved with the SCP programme to see how the connected schools can engage their high speed connectivity in their Digital Learning Planning. Technical connectivity will be provided by NBI, while various Retail Service Providers will be used under contract to the Department of Education to provide the service.

Government and NBI have agreed to accelerate the rollout of high speed broadband to over 670 schools across the State, all of which will be completed by the end of 2023. This will ensure that all schools will have the necessary infrastructure to carry out their critical day to day educational activities unimpeded by poor broadband.

As of 31 March 2023, 609 school SCPs have been installed and 371 are now connected with high-speed broadband through a service provider contract managed by the Department of Education.

## 13 Islands

Under the National Broadband Plan, every premises on every island within the IA will be provided with access to high speed broadband connectivity as part of the overall NBP deployment. The majority of islands will be connected by the end of 2025, with the remainder connected by the end of the rollout.

As of Q1 2023, NBP intervention ensured that high speed broadband was available on all BCPs located on islands, and school SCPs on islands are also being connected in advance of the main rollout.

In terms of the overall islands' rollout, as of Q1 2023:

- NBI has completed a pilot of fibre build activity on 4 islands off County Donegal (Eighter, Eadarinis/Inishcoo, Rutland and Inishfree islands). Premises on these islands are now able to order/pre-order high-speed broadband services.
- NBI is progressing fibre design and build activities in six additional islands off Counties Galway, Mayo and Cork (Inishturk, Turbot, Carrowholly, Kilmeena, Long and Hare Islands) which are in build or built. Premises on these islands will be able to order/pre-order high-speed broadband services in mid-2023.

The provision of high speed broadband will be particularly important for island communities, allowing them the connectivity required to facilitate remote working and schooling.

## 14 Cost to the State and Protections

The maximum possible cost to the State will be €2.7 billion over 25 years. This includes €500m for contingency costs, which are only allowed in 14 specific categories of cost. It should be noted that since Contract award, Revenue confirmed to the Department of the Environment, Climate and Communications that the majority of VAT is not applicable to the project, and this reduced the initial estimate of €2.9 billion to €2.7 billion.

In the event of encroachment into the Intervention Area by a commercial operator, a payment can be claimed by NBI for this encroachment. However, payment for encroachment is a maximum of €100m excluding VAT and can only be applied for where there is encroachment by other operators of a fibre or other equivalent network. As the Department undertook a further consultation on the Intervention Area in 2019, the possibility of an encroachment subsidy being applied for is reduced. No claims have been submitted for encroachment to date, and NBI does not believe they will need to submit a claim in the future.

A series of clawbacks will operate to ensure that the tax payer gets value for money by “clawing back” subsidy in a number of circumstances. These clawbacks include:

- Deployment Saving clawback - 100% of any cost savings accrued during the network build phase);
- Excess Profit clawback - minimum 60% of any excess profits made during network operation;
- Sale of NBPCo (the section of NBI which is responsible for the design, build and operation of the network) - 25% share of excess profits from the sale up to year 10; and
- Terminal Value clawback - 40% of the value on contract expiry.

The use of clawbacks will be used to reduce the overall State investment figure. Where costs are lower, the Government claws back the excess. Where costs are higher, all of the risk is on NBI. There are a comprehensive set of protections and legally binding obligations set out in the Contract which include a suite of key performance indicators and significant penalties for under performance to ensure the service is maintained appropriately.

## **15 Cost of the NBP to date**

As of 31 March 2023 (end of Q1), €378.54 million has been paid to NBI under the NBP Contract. This is comprised of the first 59 subsidy payments to NBI in relation to the construction of the NBP high speed broadband network, as well as 18 connection payments.

## **16 Contract Governance Arrangements**

The contract for the National Broadband Plan (NBP) State led intervention was signed with NBI in November 2019. The Contract is a complex and detailed document which sets out the specific terms of the NBP Contract with NBI in respect of the rollout of the high speed broadband network under the State intervention.

To protect the State investment and to ensure that the NBP milestones and deliverables are met, the Contract has been designed to include extensive protections, quality checks and reporting and monitoring obligations.

The Department of the Environment, Climate and Communications, as the Contracting Authority, will manage all of the elements of Contract governance. The Department has a core existing team, which is augmented by specialist external services to effectively manage the Contract. These include technical, commercial advisory, business process and legal services.

A governance structure has been established within the Department to monitor Contract compliance and includes a NBP Senior Management Team and a number of NBI Engagement Groups.

## **17 National Broadband Ireland (NBI)**

NBI, an Irish registered company, will build, operate and maintain the network. The NBP Contract is with NBI, a wholly owned subsidiary of Granahan McCourt Dublin Limited. The equity for the project will be invested by Granahan McCourt/Tetrad and Oakhill (OHA (UK) LLP).

NBI has put together a team with significant Irish experience in large telecoms projects, as well as substantial international, industry experience to deliver the Plan.

Since January 2020, NBI has mobilised the staff, subcontractors, infrastructure and material providers, required to deliver the NBP from their new headquarters in City West, Dublin.

The NBP has delivered significant employment opportunities, with NBI providing direct and indirect employment to circa 1,430 people, including staff employed on design activities through design subcontractors Indigo and Entegro. Further employment is being provided by build subcontractors including KN Group, Actavo, TLI, Secto Gaeltec and Bradleys, as well as other vendors such as Nokia, who are providing active equipment in Local Exchanges for the project.

Additionally, Openeir, Enet, Ivertec, Viatel, Vodafone and Surecom are providing infrastructure and delivery services.

Two design subcontractors are on the ground carrying out survey work with support teams in the back offices for design work; these are Indigo and Entegro.

Six build sub-contractors are on the ground carrying out fibre build work: KN Group, Actavo, TLI and Secto, Gaeltec and Bradleys. Additional subcontractors may be onboarded in the near future to support the fibre build work requirements and will be communicated in due course.

## **18 Ownership of NBI**

In 2019, Granahan McCourt was awarded the Contract for the National Broadband Plan. They were the head of a consortium which included the network build partners enet, KNN, Kelly Networks, Actavio and Nokia.

The consortium put in place a special purpose vehicle ('NBPCo'), which is responsible for the design, build and operation of the network. They also put in place a special purpose vehicle ('BuildCo') to support NBPCo during the deployment phase. Both NBPCo and BuildCo form part of NBI.

In July 2022, NBI wrote to the Department advising that it had entered into a process whereby several existing shareholders expressed their intention to sell their shareholding in Metallah (the parent company of NBPCo and BuildCo). The proposal was that they would be replaced



by a new single entity, Asterion Industrial Partners (Asterion). This process is known as a 'Change in Ownership'.

In October 2022, Minister of State with responsibility for Communications Ossian Smyth confirmed he had advised Government of his decision to grant Ministerial consent in respect of NBI's proposed change of ownership. In November 2022, NBI confirmed this transaction was completed.

As a result of the Change in Ownership process, Asterion is an 80% shareholder in NBI. The remaining 20% of NBI will continue to be held by founding shareholders.

Following this transaction Asterion has become an 80 per cent shareholder in NBI. The remaining 20 per cent of NBI will continue to be held by founding shareholders Granahan McCourt (the investment vehicle of Granahan McCourt Capital and Tetrad Corporation) and by Yakida Ltd. Further information on the ownership structure is shown below.

Asterion is a pan-European independent investment management firm based in Spain. It was established in 2018, and its focus is on infrastructure in the European mid-market, and has invested in telecoms across Spain and Italy.

The change in ownership does not result in any changes to the NBP Contract which will continue to impose the same extensive reporting and governance obligations on NBI and afford the same protections to the State.

As noted above, the Contract contains a Sales Clawback in the event of the sale of shares in NBPCo, if the shareholders' return on investment exceeds a 25% rate of return. The Sales Clawback amount from the sale of shares amount to some €42.7 million, and this amount has been transferred by NBI to the Department.

## **19 Ministerial Appointee to the Board of NBI**

Ms. Bernie Gray has been appointed to the Board of NBI as the Minister for the Environment, Climate and Communication's appointee. Ms. Gray is a management consultant, executive coach and accountant. She formerly held a number of senior management positions in Telecom Eireann. She is currently Chair of Coillte plc and a member of the Accountability

Board of the Civil Service and the Governing Authority of DCU. She has also held a number of non-executive roles including Chairperson of Eirgrid plc, board member of Business in the Community, Irish Payment Services Organisation, the Public Appointments Service and Telecom Eireann.

## **20 NBI Annual State Aid Intensity Test**

In accordance with the Contract, NBI will give an annual calculation for the State Aid Intensity Test. If at any time during the Contract Period the calculation of the State Aid Intensity Test results in a percentage that is greater than 92%, NBI will be required from that point forward to submit the State Aid Intensity Test on a quarterly basis until such time as the calculation of the test results in a percentage that is lower than 92%. The result of the Intensity Test for May 2023 was 87%.

## **21 Interim Evaluation Plan**

In accordance with State Aid reporting requirements, the Department will provide an Interim Evaluation Report at year 3.5 of the project. This will focus on the progress of the coverage and rollout of the National Broadband Plan, as well as the indirect benefits that the rollout has brought to end users. With the challenges experienced to date, as set out in this Third Year Update, the development of the evaluation design is continuing through its preparatory phase. The tendering process to onboard an independent evaluator for the first Interim Evaluation Report is ongoing, and the process should commence in support of the timelines and evaluation requirements set out against the Interim Evaluation Plan, as agreed with the Commission.

Year 3.5 was agreed upon based on this being the expected midway point of the rollout, with approximately 50% of the premises within the Intervention Area passed at this stage. Of note for the European Commission is the significant challenges arising during the first year of the Contract, largely due to the impact of Covid-19. This impacted delivery of original milestones under the Contract. This is being dealt with under the relevant contractual provisions, and as a result of actions taken by NBI, the project has been building momentum and month on month increases in the number of premises passed are being recorded. This is expected to continue in 2023 and beyond.

As well as the Covid-related issues, the initial tendering process for an independent evaluator had to be re-run following the collapse of the first tendering process. As discussed with the European Commission, it was agreed to alter the timelines for the first Interim Evaluation Report to account for these delays and to provide the best opportunity for the evaluation to have the appropriate amount of data for an assessment of where the programme would have reached had there been no Covid-related delays. As agreed with the European Commission, the Department will now submit this report in 2024.