

***Evaluation plan for aid scheme no. SA.108574 relating to aid for broadband infrastructure
in the continuity of the very high-speed France plan***

This evaluation plan has been notified to the European Commission following the entry into force on July 17, 2023 of regime No. SA.108574, in accordance with Article 1(2) of Regulation (EU) No. 651 /2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty (as amended).

Article 2(16) of the aforementioned regulation defines an 'evaluation plan' as being '*a document containing at least the following elements: the objectives of the aid scheme to be evaluated (IA) , the evaluation questions, the result indicators (BI) , the method envisaged for carrying out the evaluation (III. A.) , the data collection requirements, the proposed timetable for the evaluation, including the date of presentation of the report final evaluation (II.) , the description of the independent body carrying out the evaluation or the criteria which will be used for its selection and the procedures provided for guaranteeing the publicity of the evaluation (IV.)* ' .

I – Presentation of the evaluation plan SA.XXX X of the aid scheme SA.108574

A. Purpose of the aid scheme

The France Very High Speed Plan (PFTHD), initiated in 2013 by the Government, aims to generalize the deployment of very high capacity networks throughout the national territory by 2025. A significant part of this objective must be achieved thanks to the investments by private operators in areas where they have expressed their intention to deploy with their own funds. **Outside of these areas, the State provides support to local authorities or their groupings (hereafter referred to as “RIP carriers”) which design, deploy and operate public initiative networks.** Through various contractual arrangements (concession, leasing, interested management, management, partnership contract, global performance market), project leaders entrust the design, deployment and/or operation of their networks to private operators. The purpose of the plan is therefore to set up **public funding aimed at supporting the establishment of public initiative networks via the “Public Initiative Networks” call for projects.** These projects mobilize three types of public funding:

- Funding from the French State (including European funds from the Recovery and Resilience Facility): €3.51 billion;
- Funding provided by local authorities and their groupings (Regions, Departments, EPCI, etc.): 8.84 billion euros;

- European funds falling under regulations (EU) n°13 03/2013 ¹, n° 2021/1060 ²and/or n°2022/2472 ³, depending on the applicable regulation (ERDF, EAFRD, etc.): 550 million euros.

The PFTHD was the subject of a notification to the European Commission (decision SA.37183 of November 7, 2016), which expired on December 31, 2022. The purpose of this scheme is therefore to regulate the aid necessary for the finalization of these public initiative network projects already partially deployed and marketed, with the aim of achieving generalization of very high capacity networks in the public initiative zone.

In order to give a legal basis to projects whose aid remains to be granted in order to complete their deployment and complete their financing plan, the French authorities have informed the SA.108574 scheme for projects whose total amount of public aid is below the threshold of notification, and pre-notified the SA.108570 scheme for projects whose total amount of aid exceeds the notification threshold. This evaluation plan relates to the aid granted under the SA.108574 scheme, but may, if relevant, extend to all the projects benefiting from the PFTHD. The SA.108574 scheme entered into force on July 17, 2023 and is applicable to aid granted until December 31, 2026, subject to approval of this evaluation plan by the European Commission.

The aid granted under the SA.108574 scheme supports the financing, design and construction of fixed broadband networks, and transmission networks which are necessary for their operation, when a market failure is observed. The SA.108574 regime covers the entire network, including the reception infrastructures in the public domain necessary for the connections of premises for residential and professional use.

B. Planned annual budget under the plan

The French authorities have planned an annual budget of 500,000,000 euros under the SA.108574 scheme.

As part of the SA 37183 scheme, France Strategy has estimated the total amount of public and private costs invested in public initiative zones at 22.4 billion euros over the period 2013-2022, including 12.9 billion euros of public funds, i.e. an amount lower than the ceiling notified in 2013 and set at 13.3 billion euros. **The share of private funding amounted to 9.52 billion euros over the same period, or 42% of investments in public initiative networks.** Taking into account the public and private investments made in the public and private initiative zone, the PFTHD mobilized nearly 35.9 billion euros between 2013 and 2022, including 12.9 billion in public funds (including European funds) and 21.8 billion in private financing.

The forecast annual budget informed under the SA.108574 regime increases the amount of public investment in the public initiative zone in order to finalize deployments and achieve the objective of

¹ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 [laying down common provisions relating to the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and European Maritime and Fisheries Fund, laying down general provisions applicable to the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, and repealing Regulation \(EC\) Council No 1083/2006](#)

² Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions relating to the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Fund for Maritime Affairs, Fisheries and Aquaculture, and laying down the financial rules applicable to these Funds and to the Asylum, Migration and Integration Fund, the Internal Security Fund and the instrument for financial support for border management and visa policy

³ Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market pursuant to Articles 107 and 108 of the Treaty on the functioning of the European Union (Text with EEA relevance)

generalizing very high capacity networks throughout of the territory to 2025⁴. We can estimate private participation at least equivalent to that observed over the period 2013-2022 in the public initiative zone, namely that for 1 euro of public money, 0.73 euro cents could be invested by the private sector. As a result, private participation can be estimated at around 370M euros per year.

II – Purpose and timetable of the evaluation plan

This evaluation plan for the SA.108574 scheme is a continuation of the plan accompanying the notification of Plan France Very High Speed (SA.37183), insofar as the system evaluated is its extension.

A final assessment report will be sent to the European Commission before the SA.108574 scheme expires, i.e. before December 31, 2026.

III – Data and Evaluation Method

A. Evaluation based on a counterfactual analysis

In general, the evaluation plan will be based on the data and results obtained by the study carried out by France Strategy on the SA.37183 regime (published in January 2023⁵) in order to put into perspective the analysis already carried out with the most recent data.

❖ For direct effects

The deployment of the networks on the territory and the various direct effects are documented *via* data reported by the operators exploiting these networks, at the mesh of the address by means of the file called "IPE" for Enriched Prior Information. These "IPE" files allow the proper coordination between the infrastructure operator giving access to its network, and the commercial operators requesting access to these shared networks to make the Internet access service accessible to end users. This obligation to exchange information stems from the obligation to pool provided for in Article L. 34-8-3 of the Post and Electronic Communications Code (CPCE) specified by the regulatory framework established by the electronic communications, postal services and press distribution (Arcep), in particular Arcep decision no. 2009-1106 dated December 22, 2009⁶ and Arcep decision no. 2015-0776 dated July 2, 2015⁷, and on a contractual basis, the infrastructure operators provide operators with the daily update of this "IPE" file. This file gathers for each fiber address or in the process of deployment information such as the identifier of the building, the type of engineering, the number of dwellings, the type of zone, etc. Arcep publishes a quarterly database in open data of the progress of fiber roll-outs to the mesh of the building. This database is built from the consolidation of the IPEs of all the infrastructure operators. It is therefore possible to precisely assess the direct effects of the public financing governed by the present regime from this database.

According to the method of counterfactual analysis, the difficulty therefore lies in the choice of the right control group, and therefore in the selection of comparable zones which would not have been the subject of the present measurement. As the French plan aims to generalize very high capacity networks throughout the country, finding comparable areas that have not yet been the subject of public funding for network deployment could be a challenge to ensure the success of the assessment.

⁴However, some projects, including in particular that led by the Brittany Region (which will however be backed by scheme no. SA.108570), may have deployments that will extend beyond 2026.

⁵France Strategy, evaluation committee chaired by Pierre-Jean Benghozi, "Digital infrastructures and regional planning. Economic and social impacts of the Very High Speed France Plan. Report", January 2023, <https://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/fs-2023-rapport-thd-janvier.pdf>.

⁶https://www.arcep.fr/uploads/tx_gsavis/09-1106.pdf

⁷https://www.arcep.fr/uploads/tx_gsavis/15-0776.pdf

It follows that a replica of the methodology adopted within the framework of the France Strategy plan⁸ appears adequate, namely the construction of a theoretical model of entry into the market for the deployment of fiber by municipality, to control the relevance of the funds with regard to the entry threshold for private operators in the targeted areas. As specified in the previous valuation report, these methods nevertheless have a number of structural limitations specific to their assumptions. The theoretical model that will be built for this measure will therefore take these limits into account.

As regards the level of user adoption of fiber optics, which can be determined at national level, a comparison with other similar European countries could be envisaged.

❖ For indirect effects

France Strategy's evaluation report published in January 2023 and sent to the European Commission as part of the obligations under decision SA.37183 of November 7, 2016, noted as the main limit the minimum period of 3 years between deployment and the date of observation to be able to measure the indirect effects of the deployment of the fibre. The previous report saw its conclusions limited by this time constraint.

This evaluation plan is therefore an opportunity to extend the studies carried out by France Stratégie, and verify their preliminary conclusions. The study of the indirect effects of very high speed on the performance of companies and the attractiveness of territories will therefore be based on the same econometric methods making it possible to compare the areas covered with similar areas that have not yet been treated (i.e. where the deployment of networks optical fiber has not yet been realized).

B. Evaluation questions and possible indicators

The evaluation must first assess the achievement of the objectives set in terms of territorial coverage (a) direct effects of the aid). The study will then focus on assessing the relevance of the technological choices made under the plan and its operational implementation methods with regard to the social and economic benefits obtained (b) indirect effects of the aid). The study will examine the effectiveness and efficiency of aid granted under the PFTHD (c) relevance and appropriateness of the aid). To answer all the questions to be considered, detailed below, the study will use methods from qualitative and quantitative econometric analyses. The study will, as far as possible, make a comparison between the effects observed in the territories concerned by the public initiative and the territory as a whole. It will focus on the deployment of very high capacity networks (in particular optical fiber to the subscriber).

a) Direct effects of aid

Here we want to understand whether the plan has achieved its objectives in terms of territorial coverage. The questions addressed to the independent evaluation body will be the following:

- What is the administrative and financial progress of the public initiative networks submitted under the France Very High Speed Plan?
- What are the very high capacity networks actually deployed by the beneficiary projects approved under the France Very High Speed Plan, as well as their level of coverage?
- What is the level of effective subscription to the very high capacity networks deployed by the beneficiary projects approved under the France Very High Speed Plan?
- Has the France Very High Speed Plan effectively enabled a significant improvement in the capacity of available services compared to its launch date (2013)?

⁸https://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/etude_imt_entry_into_fiber_and_state_aid_for_the_deployment_of_high_speed_internet.pdf.pdf

- Has the Very High Speed France Plan actually improved the speeds available in the territories concerned by the public initiative? Do disparities exist between the public initiative zone and the private initiative zone? What is the level of very high speed and ultra high speed coverage in the territories covered by the projects benefiting from the France Very High Speed Plan?

b) Indirect effects of aid

This part aims to understand whether the deployment of THD has led to improvements in employment and productivity.

- Has the France Very High Speed Plan effectively enabled better economic and social development?
- What are the effects of the plan on business development?
 - Evolution of the added value of companies in the areas covered by the France Very High Speed Plan;
 - Evolution of employment in the areas covered by the France Very High Speed Plan;
 - Evolution of the number of job seekers
 - Evolution of job creation
 - Evolution of the number of companies in a territory;
 - Impact in terms of innovation (eg: creation of patents).
- What are the effects on the dynamics of territories?
 - Impact on the real estate market (eg: more transactions in fiber areas?);
 - Impact on the labor market (job creation).
- What are the effects of the plan on the development of new uses (eg teleworking)?

c) Appropriateness of aid and proportionality

In order to assess the impact of the system in a logic of national coherence, the following could be examined:

- the evolution of the dispersion of speeds accessible to end users;
- the evolution of commercial offers available: identical offers throughout the territory or specific locally, etc .;
- changes in the market shares of commercial and infrastructure operators.

d) Descriptive statistics

The evaluation of the France Very High Speed Plan published in January 2023 by France Strategy lists a number of results and descriptive statistics about the measure. These descriptive statistics and analyzes may be updated with the most recent data available. The France Strategy study indicates in particular that, by the 2022 deadline, 99.2% of premises are eligible for very high speed (greater than or equal to 30 Mbit/s). Fiber was preferred, but other technologies such as satellite or fixed 4G were deployed in areas where it was too complicated or expensive to bring in fiber. 46% of households with Internet subscriptions do so via fibre. The level of adoption by companies remains lower (32% at the end of 2020) even if an increase in subscriptions is observed.

Assessing body	Category	Question asked in the assessment	Indicators	Level	Population
France Strategy; other independent evaluation body chosen	direct effect	What is the administrative and financial progress of the public initiative networks submitted under the France Very High Speed Plan?	Number of files submitted	Data collected at the level of each project benefiting from the PFTHD and contracted as such. Analyzes carried out at least globally on all of these projects, and when possible and relevant, at the level of each project or projects solely financed by this measure.	All the indicators will relate to the data collected from the projects approved within the framework of the PFTHD or on the corresponding territory. There will therefore be no bias in the subpopulation selection process
			Number of files benefiting from a financing decision		
			Committed amounts		
			Number of agreements signed		
		Amounts disbursed			
	What are the very high capacity networks actually deployed by the beneficiary projects approved under the France Very High Speed Plan, as well as their level of coverage?	Linear shared optical local loop networks			
		Number of premises connectable in FttH			
	What is the level of effective subscriptions to the very high capacity networks deployed by the beneficiary projects approved under the France Very High Speed Plan?	Number of premises connected in FttH			
	Has the Very High Speed France Plan actually improved the speeds available in the territories concerned by the public initiative? Do disparities exist between the public initiative zone and the private initiative zone? What is the level of very high speed and ultra high speed coverage in the territories covered by the projects benefiting from the France Very High Speed Plan?	Evolution of the coverage in THD and UHD of the territories of the projects under agreement to date compared to the situation before the start of the project			
Penetration rate for "consumer" and professional connections					
		Level of commercialization of the networks of projects benefiting from the France very high speed plan.			
Indirect effect	What are the effects of the plan on business development?	Evolution of the added value of companies in the areas covered by networks marketed and deployed within the framework of the PFTHD			
		Evolution of employment within companies in areas covered by networks marketed and deployed within the framework of the PFTHD			
	What are the effects of the plan on the development of public services	Evolution of the number of business establishments in areas covered by networks marketed and deployed under the PFTHD			
Indicators of use of telemedicine, e-health					
Indicators of use of online public services					
What is the impact of the system on the offers offered in the beneficiary territories compared to the national situation?	Evolution of the dispersion of accessible flows				
	Evolution of commercial offers available: identical offers throughout the territory, or specific locally, etc.				

			Evolution of the market shares of commercial and infrastructure operators.		
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IV – Body in charge of the evaluation

As specified earlier, this scheme is a continuation of the SA.37183 scheme which was the subject of an evaluation plan operated by France Strategy. It seems logical to the French authorities that the evaluation body of the present scheme chosen should be, consistently, France Strategy. However, the appointment of this evaluation body has not yet been finalized. Any change in the choice of the evaluation body will be communicated to the Commission, and will follow the requirements of independence vis-à-vis the Member State, and level of expertise.

France Stratégie is an autonomous institution placed under the Prime Minister. France Stratégie contributes to public action through its analyzes and its proposals. It drives public debate and sheds light on collective choices on social, economic and environmental issues. It also produces evaluations of public policies at the request of the government. The results of its work are intended for public authorities, civil society and citizens.

V – Data collection

Several data sources will be used:

- Data on the level of administrative and financial progress of public initiative network files submitted under the France Very High Speed Plan may be made available by the ANCT;
- The agreements concluded between the State and the beneficiaries of the scheme provide that the beneficiary must provide a report (the "Progress Report") no later than June 30 of each year to monitor the progress of the project during the calendar year. previous one, on the technical, commercial and financial levels. The indicators required, project by project, within the framework of these annual reports constitute an essential source of information for the proper monitoring of the effectiveness of the France Very High Speed Plan, particularly in terms of the deployment and marketing of subsidized networks. The ANCT is the State body in charge of receiving these reports;
- To ensure the transparency of speeds accessible to end users, Arcep has already set up the France Very High Speed Observatory on its website ⁹. This cartographic tool, for which all the data is available as open data, makes it possible to visualize the speeds and the wired (ADSL; cable; optical fiber FttH) and non-wired (HD/THD-radio, 4G/5G fixed and satellite) networks available at the address throughout the territory ¹⁰. Arcep is currently working to enrich its observatory by adding deployment forecasts reported by operators;
- To ensure the transparency of the levels of adoption, in particular of optical fiber by end users, the Electronic Communications and Postal Regulatory Authority puts online the chronicles of the activity indicators of the electronic communications operators. This aggregated information (entire market) comes from surveys carried out among operators. These data are available in open data, and allow to know the number of active accesses by technology, and therefore the level of adoption of these technologies on a national scale.

In any event, all of the data for evaluating the direct effects of the system that may be transmitted to the European Commission will relate to the exhaustive scope of all the beneficiary projects of the France

⁹<https://www.arcep.fr/cartes-et-donnees/nos-publications-chiffrees/observatoire-des-abonnements-et-deploiements-du-haut-et-tres-haut-debit/derniers-chiffres.html>

¹⁰ [My internet connection | Arcep](#)

Very High Speed Plan which are the subject of signed agreements. There will therefore be no risk of bias and lack of reliability.

Finally, the evaluation may be based on data and studies from various sources, depending on the needs that will be expressed by the chosen evaluation body. For example, the report drawn up by France Stratégie within the framework of the evaluation of SA.37183 used INSEE data (particularly for questions of business competitiveness and employment thanks to the FARE 11 and Mermaid in particular). The report is also based on various studies that can be reused: IPP study ¹², INRAE study ¹³, EPPP study ¹⁴, CREDOC study ¹⁵ based on various bases (real estate prices (Acos), land value application file (DGFIP), employment (census) residence taxes and income taxes.

VI – Publishing

The evaluation plan and the final report which will be available at the end of the analysis will be made public on the website of the Directorate General for Enterprise (DGE) (<http://www.entreprises.gouv.fr>), as well as on the site of the chosen assessment body.

The confidentiality of individual data must be ensured throughout the study, as well as within the framework of its transmission to the European Commission and its publication.

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The French authorities remain at the disposal of the European Commission for any additional information that may be necessary in the context of this assessment .

11 Annual structural business statistics from the ESANE system (production of annual business statistics) which lists individual accounting data.

12 Paul Dutronc-Postel et al., “Micro-econometric evaluation of the France Very High Speed Plan”, IPP report no. 35, May 2022.

13 Chloé Duvivier et al., "Repercussions of very high speed on companies: what effects on digital uses, demography, innovation and performance?" », INRAE, June 2022.

14 Jean Beuve, Vincent Jardine and Stéphane Saussier , “The deployment of public initiative networks. Which modes of realization and exploitation for which performance? », EPPP, July 2022.

15 CREDOC and Arcep, “Digital barometer. Edition 2021. Survey on the diffusion of information and communication technologies in French society”, July 2021, <https://www.credoc.fr/download/pdf/Sou/Sou2021-4787.pdf>