

## Conclusions

### Fibre Optic Network Expansion Poland (FONEXP)

#### INVEU-ICR-0003-2022 – Sustainable Infrastructure

#### Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Swiatlowod Inwestycje Sp.z o.o.
Country(ies) of implementation	Poland
Implementing partner	EIB

The project relates to the deployment of a new FTTH (fibre to the home) access network in areas of Poland where very high capacity networks are not available. The new network will serve 1.1 million homes and will be operated on a non-discriminatory wholesale access basis only, selling wholesale services with equal terms and conditions to all retail operators.

The project is fully in line with the Digital Single Market Strategy, stating that by 2025 all schools, transport hubs and main providers of public services as well as digitally intensive enterprises should have access to internet connections with download/upload speeds of 1 gigabit per second to foster smart growth and develop an economy based on knowledge and innovation. A significant part of the project is located in cohesion priority regions.

#### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 31 March 2022 for the above mentioned operation.

The project addresses the market failure to invest in VHCNs as a result of the historical market power of the incumbent for basic broadband and the low interest to invest in smaller networks on a scattered basis over the whole country.

The improved VHCN coverage provided by the project in rural and/or underserved areas in Poland will have significant impact on the regional development, as these broadband connections are required to reap the benefits of digitalisation of economic sectors, such as agriculture, tourism and commerce. The project will produce significant energy savings comparing to existing broadband solutions thereby contributing to climate change mitigation.

The EIB's long-term loan will diversify the project sources of long-term funding in local currencies and ensures that the project does not have to be scaled back in the context of the current economic uncertainties resulting from the pandemic situation. Accordingly, EIB's participation will provide additional comfort to co-investor and co-lenders.

The Investment Committee recognised the added value of the implementing partner's participation to the finance structure. It also welcomed the signaling effect of the implementing partner's participation that diversifies the sources of funding of the borrower which is critical given the financing is denominated in the local currency.

The Investment Committee acknowledged the project to be crucial for achieving the Gigabit Society targets and to the access to broadband in rural and remoted areas, as substantial part of the project will be located in cohesion regions.