



Investment Committee of the InvestEU Fund

Meeting no 30 of 11-12 July 2024
Mercier-Post building (Publications Office)
20, rue de Reims, L-2417 Luxembourg
Meeting room **ARENA**

CRYSTAL FIBRE ROLLOUT (DE)

INVEU-ICR-0046-2024 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of the final recipient	Deutsche Glasfaser Group GmbH
Countries of implementation	Germany
Implementing partner	European Investment Bank

The project entails the design and rollout of a Fibre to the Home (FTTH) broadband network throughout Germany, with a focus on sub-urban and rural areas.

The project is within the areas eligible under InvestEU ("The development of digital connectivity infrastructure, whether physical or virtual, in particular through projects that support the deployment of very high capacity digital networks [...], particularly in rural areas and peripheral regions.").

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 11 July 2024 for the above-mentioned operation.

This project addresses the market failure to invest in Very High Capacity (VHC) digital infrastructure in underserved areas as a result of the historical market power of the incumbent for basic broadband and the low interest to invest in smaller local networks on a scattered basis over the country. Moreover, it will address the market failure to invest in lower-density areas due to the high commercial risks and costs involved and the expected positive externalities by enabling more users to benefit from the access to information, digital services and better communication, which are not captured by the project returns. The project is fully in line with the EU 2030 Digital Compass targets, stating that all households should have access to Gigabit connectivity by 2030.

EIB loan will diversify the sources of financing of the borrower, which is critical in the context of a large non-recourse financing and the fact that lending market may have reached its limits in terms of sector exposure. EIB participation in the project is expected to crowd-in further lenders. The EIB loan will accelerate the Borrower's investment plan. In addition, EIB financial added value will improve the financial sustainability of the borrower and the project. EIB provides further additionality through offering the potential option to maintain its loan after the currently foreseen maturity, subject to the project's risk profile remaining acceptable to EIB.

The project would not have been carried out to the same extent by the EIB without the InvestEU support.