

InvestEU Scoreboard

Presentation of the financing or investment operation

Implementing Partner: NIB

Name of the Operation: Connectivity, Data Infrastructure & Digital Technologies

Type of approval:

- ☐ Individual financing or investment operation or
☒ Framework Operation

For Framework Operations, type of Final recipients/Financial Intermediaries:

The Final Recipients under the Framework Operation can be SPVs (special purpose vehicles) / project and investment companies or funds and private sector enterprises (SMEs, midcaps or large corporates).

Country(-ies) of implementation of the operation:

Denmark; Estonia; Finland; Iceland; Latvia; Lithuania; Norway; Poland; Sweden.

Short description of the financing or investment operation:

The aim of the Framework Operation is to provide debt financing to sub-projects in digital connectivity, data infrastructure, cloud services and other enabling digital technologies and solutions. The Framework will support investments into the build-out of Gigabit broadband networks (wired and wireless) such as fiber-optic cable and 5G mobile networks, including projects for network infrastructure roll-out in rural or peripheral areas. These ensure ultra-fast internet connectivity as envisioned by the EU's Digital Decade targets. The support can also be provided for high-capacity international network links that increase redundancy and network resilience, e.g. transnational fiber backbones and undersea submarine fiber-optic cables connecting European networks globally.

The Framework can also support deployment of high-capacity cloud data centers and their interconnection, enabling infrastructure as well as related technological solutions. The support may enable high-performance (HPC) and quantum computing and cloud-based data processing solutions and/ or provide infrastructure for AI, machine learning, big data analytics and scientific research.

Public Statement

The proposed Framework Operation is set up to provide financing support to operations in the area of digital connectivity, data infrastructure, cloud service providers and other enabling digital technologies and solutions. Projects under this FO will help with digital infrastructures (including data centers, hyperscalers, networks, especially, last mile connections) for digital transformation of businesses and ensuring public services, thus directly contributing to the objectives and targets of the Digital Decade Policy Programme 2030, which implements the vision set out in the 2030 Digital Compass: the European way for the Digital Decade, as well as and contribute to Nordic and Baltic countries' digitalisation goals.

The sub-projects are typically expected to be characterised by a higher level of risk, which could be associated with the exposure to unhedged market risk elements, exposure to countries and market segments with less consolidated regulatory framework and track record, structural features or risks related to the project implementation (e.g. construction risk, technology risk). The Framework Operation targets sub-projects supporting investments by firms in early stage of operation or focusing on higher risk activities, including the SMEs and small mid-cap companies. NIB's contribution is expected to have

crowding-in and signalling effects and contribute to addressing market gaps where alternative financing sources are scarce and/or prohibitively expensive.

NIB's due diligence process requires the review of relevant documentation including documents describing project characteristics, impacts and operational practices of the counterparty, ensuring amongst other that the sub-projects are in compliance with the EU 5G Cybersecurity Toolbox Guidance. NIB shall use its in-house expertise and employ the Technical guidance on sustainability proofing for the InvestEU Fund along with NIB's internal sustainability documents, to assess sub-projects social, climate and environmental impact. NIB will evaluate positive and negative impacts of each sub-project accordingly and request that all significant negative impacts or risks are reduced or limited through measures envisaged to avoid, prevent, reduce, or offset any identified significant adverse effect.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (Good)

Pillar 4 - Financial and technical contribution by the Implementing Partner (Good)

Pillar 5 - Impact of the financing or investment operation (Good)

Pillar 7 - Complementary indicators

Leverage and multiplier effect:

Ex-ante estimated leverage effect is 4.2x
Estimated multiplier effect is in the range of 8.4x-16.8x.

Amount of investment mobilised:

Ex-ante estimation of investment mobilised under the proposed Framework Operation is in the range of EUR 400-800 million.