

IPA III Results Framework Indicator Methodology Note

1. Indicator code and name
IPA III RF 3.2.1.2: Number of additional (a) dwellings and/or (b) enterprises with broadband subscriptions of minimum of 100 Megabit/s
2. Technical details
<p><u>OPSYS and Results Dashboard code:</u> 260931, 260933 .</p> <p><u>Unit of measure:</u> Number of (#)</p> <p><u>Type of indicator:</u> <i>Quantitative: Numeric; Actual (ex-post); Cumulative (not annual).</i></p> <p><u>Level of measurement:</u> this is an outcome indicator. It would logically be associated with an outcome such as "Increased use of secure, resilient and highly performant internet for all".</p> <p><u>Disaggregation:</u></p> <ul style="list-style-type: none"> • The indicator should be disaggregated by: a) dwellings OR b) enterprises • Where relevant / possible, please disaggregate by: location (urban/rural); download speed (100–500 Mbps/ 500–1 000+ Mbps). <p>Any disaggregation should be agreed with the relevant ministry or IP in advance.</p> <p><u>DAC sector codes:</u> 22020; 22040</p> <p><u>Main associated SDG:</u> SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p> <p><u>Other associated SDGs:</u> SDG 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p><u>Associated IPA III Level 1 indicator:</u></p> <ul style="list-style-type: none"> • Individuals using the internet (source: SDG 17.8.1) (Ind. 3.2.1) <p><u>Associated IPA III Level 3 indicators:</u></p> <ul style="list-style-type: none"> • Amount and share of EU-funded external assistance directed towards digitalisation • Leverage of EU blending and guarantee operations financed by EU external assistance, measured as: (a) Investment leverage ratio, (b) Total eligible financial institution financing leverage ratio, (c) Private financing leverage ratio
3. Policy context and Rationale
<ul style="list-style-type: none"> • IPA III PF: Window 3 - Green Agenda and Sustainable Connectivity, Thematic Priority 2: Transport, digital economy and society, and energy. • Chapter of the Acquis: the main concerned chapters of the EU <i>acquis</i> under this section are: chapter 7 (Intellectual property rights), chapter 10 (Information society and media), chapter 21 (Trans-European networks), distributed in clusters 2 (Internal Market), 3 (Competitiveness and Inclusive Growth) and 4 (Green agenda and sustainable connectivity).

Broadband, meaning faster, better quality access to the internet, is becoming increasingly important not only for business competitiveness, but also for helping social inclusion. It has been estimated that an increase of 10% in broadband connections in a country could result in 1% increase in GDP per capita per year¹.

As recalled in the [Economic and Investment Plan for the Western Balkans](#)² and the [Digital Agenda for the Western Balkans](#)³, digitalisation represents an opportunity as well as a challenge for many sectors of the economy and societies in the region. It is important to include the IPA III beneficiaries in the EU's efforts to embrace technological change and to avoid a widening digital gap between them and the EU. This will hinge upon the alignment with - and the implementation of - the EU acquis and the implementation of its [Digital Agenda](#)⁴. Successful economic integration with the EU will only be possible with enhanced connectivity and therefore IPA III aims at improving high speed, secure digital networks, focussing on the extension of the Trans-European Networks to the beneficiaries and on the rollout of next-generation broadband networks, in line with the evolving EU approach to secure network connectivity. IPA III will support sustainable connectivity and the twin green and digital transition. Furthermore, strengthening digital connectivity and the digital transformation of businesses and public services (with a special focus on e-Government, e-Procurement and e-Health in coordination with the other windows) has a great impact on growth, productivity, innovation, services, fight against fraud and corruption and ultimately on people lives. Digital Connectivity needs to be secure and resilient, mitigating risks in networks and preserving citizens' privacy and integrity.

4. Values to report

All of the following values must be determined according to the definitions provided in Section 5 below.

- **Reporting values in the logframe:**
 - **Baseline value:** The value assumed by the indicator at time t0, against which progress will be assessed.
 - **Reporting of current value** is done at least once a year. Current values will be the total highest number of annual subscriptions with advertised downstream ultra-fast speeds from ISP servicing areas benefitted by IPA III interventions, at any given year of the IPA III supported intervention (minus the baseline value) according to the applicable definitions provided in section 5 of the note. Be aware that contribution to results is not calculated on cumulative basis.
 - **Final target value:** estimated total number of annual subscriptions with advertised downstream ultra-fast speeds from ISP servicing areas benefitted by IPA III interventions by the target year and according to the applicable definitions provided in section 5 of the note.

¹ L. Holt, M. Jamison, "Broadband and contributions to economic growth: lessons from the US experience", Telecommunications Policy v. 33 p. 575-581; Global Industry Leaders' Forum, Broadband enabled innovation, ITU, 2011.

² <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52020DC0641>

³ <https://edz.bib.uni-mannheim.de/edz/pdf/swd/2018/swd-2018-0360-en.pdf>

⁴ <https://www.europarl.europa.eu/factsheets/en/sheet/64/digital-agenda-for-europe>

- **Intermediate targets (milestones).** A tool has been developed in OPSYS to automate the generation of intermediate targets⁵.
 - For outputs, the intermediate targets are generated using a linear interpolation between the baseline and target values because it is assumed that outputs materialise sooner and more progressively over implementation (than outcomes).
 - For outcomes, the expected progression over the course of implementation will vary across interventions. During the creation of a logframe, the expected outcome profile must be selected (OPSYS offers four options⁶) and this selection triggers the generation of intermediate targets for all 30 June and 31 December dates between the baseline and target dates for all output and outcome quantitative indicators. All automatically generated intermediate targets values and dates can be subsequently modified by the Operational Manager or the Implementing Partner with the approval of the Operational Manager.

5. Calculation of values

The value for this indicator is calculated by counting the **Number of dwellings/enterprises**, using the Technical Definitions and Counting Guidance provided below. Please double check your calculations using the Quality Control Checklist below.

Technical Definitions

- **Broadband⁷:** any infrastructure for high-speed internet access that is always on and faster than traditional dial-up access. The European Commission has defined three categories of download speeds: 1) *Basic broadband* for speeds between 144 kilobits per second (Kbit/s) and 30 Megabits per second (Mbit/s); 2) *Fast broadband* for speeds between 30 and 100 Mbit/s; and 3) *Ultra-fast broadband* for speeds higher than 100 Mbit/s.
- **Subscriptions of minimum of 100 Mbit/s⁸:** all fixed broadband subscriptions with advertised downstream speeds equal to, or greater than, 100 Mbit/s. Wireless broadband subscriptions not offered for users while in mobility are also considered fixed broadband subscriptions only when: Wi-Fi is used as a "last mile" technology and associated with a specific monthly billed broadband contract and an outside Wi-Fi signal is available within the premises. This solution is implemented by some operators in small villages, where reaching them with a wired cable would be too costly and the few premises can be covered with Wi-Fi. In this case, the Wi-Fi connection is the broadband connection and it is to be considered a "Fixed broadband subscription". Advertised speed refers to the speed at

⁵ This has been done in the framework of the **Intervention Performance Assessment**. Two composite indicators have been developed to provide an overall assessment of an intervention's current implementation and future prospects. These scores will be calculated for all NEAR interventions participating in the annual results data collection exercise.

- The **implementation score** reflects the relevance, efficiency and effectiveness already achieved by the intervention. The information on relevance is provided by the Operational manager's response to a question in a survey. The information on efficiency and effectiveness is provided by the logframe data, if sufficiently available, or the response to a question in a survey, if not.
- The **risk score** reflects expectations regarding the most probable levels of relevance, efficiency, effectiveness and sustainability to be achieved by the intervention in the future. In this case, all the information is provided by the Operational manager's responses to questions in a survey.

⁶ a. Constant: The outcomes are achieved continuously throughout implementation; b. Accelerating: The outcomes are achieved towards the end of implementation; c. At the end: The outcomes are mostly achieved at the end of implementation; d. None of the above.

⁷ [European Court of Auditors, Special Report 12/2018](#)

⁸ International Telecommunication Union, [Handbook for the collection of administrative data on telecommunications/ICT, 2020 edition](#), Indicator 3.6: Fixed-broadband subscriptions, by speed (i4213sp) pp.83-85 and indicator

which the internet service provider (ISP) markets the subscription, rather than the actual speed the user may experience.

- **Dwellings:** houses, flats, or other places of residence in areas served by ultra-fast broadband. Non-residential facilities (i.e. schools, administrative buildings, etc) or commercial lodging establishments are excluded from this category in the context of this indicator. Commercial lodging and non-profit organisations and administrative buildings will be accounted for in b) enterprises.
- **Enterprises:** an organization or business entity engaged in commercial, industrial, or professional activities. Businesses can be for-profit entities or non-profit organizations. For this indicator, enterprises must be registered in areas served by ultra-fast broadband.
- **Eligibility criteria:** To be eligible for IPA III support, large infrastructure projects should feature in the National Single Project Pipeline of the beneficiaries and produce no significant harm to climate and environment. IPA III-supported investments should be in line with the [Economic and Investment Plan for the Western Balkans](#), other relevant EU policies, including the [Digital Agenda for the Western Balkans](#)⁹ and relevant macro-regional strategies and should complement interventions under other available instruments such as the [Connecting Europe Facility](#)¹⁰ (CEF), which can support cross-border connectivity projects with EU Member States.

Counting Guidance

- **Reference to possible double-counting:** there is a risk of double counting in the case of multiannual subscriptions if ISP will not make the difference in their reporting to the IPs between new or already existing subscriptions. To discount this risk, the values will be reported annually and not cumulatively. In addition, when Wi-Fi is used on top of a fixed broadband subscription to distribute the signal at home or inside a premise or building, since the fixed connection is already counted as a "Fixed broadband subscription", the Wi-Fi itself is not to be counted as a broadband subscription.

Quality Control Checklist

1. Has double counting been avoided as indicated in the Counting Guidance above?
2. Have all relevant disaggregations been reported?
3. Has the baseline and final target been encoded with the right dates?
4. Did you encode the latest current value available?
5. Did you use the comment box to inform on the values encoded?

6. Examples of calculations

The EU supports interventions to reduce the digital gap and improve competitiveness of micro, small and medium size enterprises (MSMEs) in a candidate country. To this effect, a digital fund has been setup to complement co-investments of Local Authorities and internet service providers (ISP) interested in expanding middle mile networks, or upgrading current network's capacities and increase the end users coverage of ultra-fast broadband. Based on feasibility studies, the digital fund will have the capacity to expand the coverage of ultra-fast broadband in areas serving 200 000 households and 20 000 registered MSMEs. The demand of this new service has been estimated to interest 80% of all households and 100% of the MSMEs.

At the beginning of the intervention the ISPs reported 800 subscriptions for advertised speeds higher than 100 Mbit/s, all of them for MSMEs. In year 1 of the intervention, ultrafast broadband connections were newly installed in two municipalities with the support of the digital fund. The ISPs benefitting from increased coverage of the ultra-fast broadband have reported through a questionnaire the contracting of subscriptions for advertised speeds higher than 100 Mbit/s for

⁹ <https://edz.bib.uni-mannheim.de/edz/pdf/swd/2018/swd-2018-0360-en.pdf>

¹⁰ <https://ec.europa.eu/inea/en/connecting-europe-facility>

15 000 households and 5 000 MSMEs. In the second year, the ISPs have reported the contracting of subscriptions for advertised speeds higher than 100 Mbit/s for 30 000 households and 15 000 MSMEs.

Values:

Baseline value Year 0: a) 0 dwellings; b) 800 enterprises.

Target value: a) $200\,000 \times 0.8 = 160\,000$; b) $20\,000 \times 1 = 20\,000$

Value Y1: a) 15 000; b) 5 000

Value Y2: a) 30 000; b) 15 000

Contribution to results: a) 30 000-baseline value (0); b) 14 200-baseline value (800)

7. Data sources and issues

Data sources in the logframe:

- Data for this indicator must derive directly from the intervention, i.e. intervention internal monitoring and reporting systems from implementing organisations (e.g. governments, international organisations, non-state actors) through **baseline and end line studies/surveys** or collected from relevant national authorities or Internet Service providers. In both cases, values must be reported directly from IPA funded interventions.
- Implementing partner's monitoring and reporting systems and, when required, progress reports of the intervention (or their annexes) should capture relevant information from **primary sources** used for data calculation which, in the case of this indicator, are the Internet Service Providers (ISP)¹¹ benefitting from the IPA III interventions and who should provide the number of their fixed broadband subscriptions by the speeds indicated in section 3 of this note.
- Other possible sources include studies carried out in the framework of the interventions and external monitoring and/or evaluation reports.

Data source categories specified in OPSYS:

- EU intervention monitoring and reporting systems (Progress and final reports for the EU-funded intervention)

8. Reporting process & Corporate reporting

Who is responsible for collecting and reporting the data?

- The implementing partner (i.e. the entity responsible for delivering the infrastructures improvements) will need to ensure the counting starts at the lowest level of intervention and is reported upwards and aggregated for the entire intervention in the framework of regular monitoring and reporting systems.
- Data verification:
 - For indirect management by beneficiary countries, the National IPA Coordinator will verify the data.
 - For other modes of implementation, the Operational Manager in HQs/EUD will verify the data.
- It is then the responsibility of DG NEAR to receive and verify data for this indicator from all relevant interventions and to eventually ensure aggregation within and across all IPA Beneficiaries.

¹¹ International Telecommunication Union, [Handbook for the collection of administrative data on telecommunications/ICT, 2020 edition](#), Indicator 3.6: Fixed-broadband subscriptions, by speed (i4213sp) pp.83-85 and indicator

This indicator is used for corporate reporting in the following contexts:

- *IPA III via the Annual Report*

9. Other uses

IPA III RF 3.2.1.2 can be found in the following groups of EU predefined indicators available in OPSYS, along with other related indicators:

- IPA III RF Window 3: Green agenda and sustainable connectivity (IPA III W3)

For more information, see: [Predefined indicators for design and monitoring of EU-funded interventions | Capacity4dev \(europa.eu\)](#)

World Bank: Fixed broadband subscriptions (per 100 people)

Harmonized Indicators for Private Sector Operations (HIPSO): H-44 Number of fixed data subscriptions

International Telecommunication Union (ITU): Fixed-broadband subscriptions, by speed (i4213sp)

Used by the EU:

The Digital Economy and Society Index (DESI)/EUROSTAT: h_ubbfix- Households with ultrafast fixed broadband connection

Results indicators for European Regional Development Fund (ERDF): RCR 53 - Dwellings with broadband subscriptions to a very high-capacity network; RCR 54 - Enterprises with broadband subscriptions to a very high-capacity network

Core set of performance indicators for ERDF and Cohesion Fund: CCR 12 - Additional dwellings and enterprises with broadband subscriptions to a very high-capacity network

10. Other issues

None