

Voucher Scheme Recommendation









































Voucher Scheme

- A regional authority offers a voucher to householders or businesses who cannot get basic broadband.
- The voucher is technology neutral and can be used for any form of broadband connection. It has a value of up to a certain amount.
- The voucher can be used to pay the up-front costs of a broadband service.
- The householder or the company pays the monthly charges as normal.
- This stimulates the take up of broadband. This increases GVA.







Why Is It A Good Idea?

- It allows the end-user to get connectivity in a way that gives them choice.
- The end-user is more likely to take up a service when there is a voucher scheme because the voucher reduces the connection charges.
- Service providers generally provide lower monthly charges for services because of potential increased demand so consumers get better value for money.
- The whole process is quick because it doesn't require infrastructure build.







What Does The Public Authority Do?

Decides on the objectives of the scheme (e.g. for households, businesses, schools)

- Applies for ERDF /EARDF funding and demonstrates the cost benefit analysis
- Decides on the details of the scheme
- Publishes a call in OJEU for potential suppliers to register for the scheme
- Advertises the scheme to potential end-users via radio, TV, press, or Web







Details Which Need Deciding

- The value of the voucher (e.g. €400)
 - Too little and consumers do not take it up because it makes no difference to them.
 - Too much and the cost benefit analysis may not work
- The performance required for broadband services eligible under the scheme (e.g. 10, 15, 20 or 30Mbit/s)
 - Too high and it can't be met by any technology available in rural areas
 - Too low and there is no point in the scheme
 - Broadband providers need to register to be eligible







Compliance with EU State Aid

- Vouchers count as "Demand stimulation"
- Covered by "de-minimis" state aid regulations
- Need to be in broadband "white areas"
- Must be technology neutral (i.e. must be able to be used to pay for any type of broadband)
- Voucher Schemes already successfully implemented in many EU Member States



