

## FRANCE

### FRANCE AXIONE INFRASTRUCTURE: FINANCING INFRASTRUCTURE THROUGH PROJECT BONDS

LONG TERM  
EXTERNAL  
RESOURCES

#### Association of several concessions to develop broadband networks

#### France Axione Infrastructure

- Investors : CDC/BPCE
- Lenders : BPCE / Crédit Agricole
- Industrial partner : Groupe Bouygues

#### DESCRIPTION & STAKEHOLDERS

- Axione Infrastructure includes 12 concessions operating companies for broadband infrastructure in France that serves 4.5 million inhabitants, 3,000 municipalities and 150,000 companies. Axione Infrastructure is open to all telecom operators and Internet Service Providers.
- Objective : accelerate the mobilization of private capital for large European infrastructure projects in areas with the lowest density, through the implementation of a project bond

#### INSTITUTIONAL AND REGULATORY FRAMEWORK

- 2004 Ordinance on PPP ; then 2008 legislation
- Implementation of a mission to support PPP (MAPPP) which validated the project
- Projects bonds mechanism implemented by the European Commission and examined by the EIB

#### USES

- Financing a combination of broadband networks

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## RESSOURCES

- Total cost of the project : 258 million Euros
- The bond issue allowed Axione Infrastructure to secure a 189,1 million Euros funding to continue and to extend the deployment of broadband and ultra-broadband infrastructure in France, covering many French departments
- The EIB's intervention, enabling the bond issue thanks to a 20% credit enhancement on senior debt, made it an attractive investment for potential funders.

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## MANAGEMENT

- Grant application to the EU
- Joint examination by EIB/ European Commission

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## ADVANTAGES

- Lowers the project cost for the conceding public authorities
- Attracts new investors to finance this type of projects in proposing alternative and secured forms of financing (to equity capital and loans)

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## DISADVANTAGES, ISSUES RAISED

- More complex financial structure
- Candidates can only arbitrarily estimate the amount of financing
- The calculation of the subsidy depends on the global amount and final expenditures cannot be precisely estimated during the dialogue phase