

European Cohesion Policy in Spain

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The European Union (EU) comprises 27 Member States forming a community and single market of 493 million citizens. However, great economic and social disparities still remain among these countries and their 271 regions. European Cohesion Policy is at the centre of the effort to improve the competitive position of the Union as a whole, and its weakest regions in particular.

Through the European Regional Development Fund (ERDF) and the European Social Fund (ESF), otherwise known as the Structural Funds, as well as the Cohesion Fund, it invests in thousands of projects across all of Europe's regions to achieve its primary task: to promote economic and social cohesion by reducing these disparities between Member States and regions. With a budget of **€347 billion** for 2007–13, Cohesion Policy represents the single largest source of financial support at EU level for investment in growth and jobs, designed to enable *all regions* to compete effectively in the internal market.

However, as the challenges facing Europe's regions have changed over time, so too has the policy. Against a background of momentous change in the Union as a result of enlargement and of increasing globalisation, concerns about energy supplies, demographic decline, climate change and more recently, world recession, the policy has evolved, in step, as a key part of the response to meet these new realities.

IMPACT AND RESULTS OF COHESION POLICY IN SPAIN

Spain has narrowed the gap with the rest of EU-27 in terms of gross domestic product (GDP), moving from 92% to reach 106.8% of the Union average GDP per head between 1995 and 2007.

Growth in GDP per head was on average 0.5 percentage points a year higher than the EU average between 1995 and 2006.

Between 2000 and 2005, over 377 000 people received support for activities linked to self-employment and the social economy, which includes housing, childcare, training and skills development. Almost 2.5 million people received support in the form of continuous training.

Between 1995 and 2004, Cohesion Policy co-financed over 1 200 km of roads and motorways, saving an estimated 1.2 million hours of travel time a year.

Cohesion Policy 2007–13



The Spanish high-speed train network was extended in the period 2000–06 with connections linking Lleida-Tarragona-Barcelona, Cordoba-Málaga and Madrid-Valladolid (some 850 km in total).

Between 2000 and 2006, 2 000 km of water pipelines were renovated and 600 km of new pipelines constructed, serving some 2.6 million people (around 6% of the Spanish population). In addition, between 1995 and 2005, the construction or enlargement of 57 water treatment plants increased the coverage among the population of urban agglomerations from 41% to 77%. Finally, no later than the end of 2010, 13 newly built or improved desalination plants will provide an additional 850 Hm³ (= 850 billion litres) for both human and agricultural consumption.

A SNAPSHOT OF ACHIEVEMENTS

- 1 200 km of new roads and motorways (2000–06)
- An extension of some 850 km to the Spanish high-speed rail network (2000–06)
- 377 000 people received support as part of self-employment and social/economic activities (2000–05)
- Renovation of 2 000 km of water pipelines and construction of 600 km of new pipelines (2000–06)
- An investment of around €4 billion on R&D and innovation (2000–06)



European Union
Cohesion Policy

Between 2000 and 2006, expenditure from the Structural Funds amounted to around €4 billion in Spain on Research & Development (R&D) and innovation, together with the information society, covering:

- over 21 000 R&D and innovation-based projects;
- nearly 10 000 researchers participating in projects;
- support for over 500 technology and research centres;
- the co-financing of most of the present 64 Spanish technology parks;
- support for technology-based activities in around 100 000 small and medium-sized enterprises (SMEs);
- investment of nearly €1 billion in information and communications technologies (ICT) infrastructure, significantly narrowing the gap with the EU average.

EUROPEAN INVESTMENT IN SPAIN – 2007–13

For the 2007–13 period, Spain has been allocated more than €35 billion in total: €26.2 billion under the Convergence Objective (€3.5 billion from the Cohesion Fund), €8.5 billion under the Regional Competitiveness and Employment Objective and €559 million under the European Territorial Cooperation Objective¹.

Spain has 45 programmes under both the Convergence and the Regional Competitiveness and Employment Objectives. Of these, 23 receive funding from the European Regional Development Fund (ERDF) (including one joint programme with the Cohesion Fund), with 22 receiving funding from the European Social Fund (ESF). A new multi-objective 'Technology Fund' programme devoted to research and innovation for and by enterprises has also been set up.

Andalucía, Castilla-La Mancha, Extremadura, Asturias, Ceuta, Melilla, Murcia and Galicia fall under the Convergence Objective. Aragón, Baleares, Cantabria, Cataluña, Madrid, Navarra, País Vasco Canarias, Castilla y León, Comunidad Valenciana and La Rioja fall under the Regional Competitiveness and Employment Objective. From 2007 to 2013, 16.3 million people will be living in 'Convergence regions' (37% of the total, compared to 59% in 2000–06).

FUNDS FOR SPAIN IN BILLION € 2007–13

Objective	Fund	EU	National Public	Total
Convergence	CF	4	1	5
	ERDF	17	7	24
	ESF	5	1	6
Total Convergence		26		
Regional Competitiveness and Employment	ERDF	6	4	10
	ESF	3	2	5
Total Regional Competitiveness and Employment		9		
Total European Territorial Cooperation*	ERDF	1	-	1
TOTAL		36	15	51

Figures have been rounded up

* Each Territorial Cooperation programme includes a minimum of 15% co-financing from each participating Member State.

¹ The Convergence Objective concerns regions characterised by low levels of GDP and employment, where GDP per head is less than 75% of the EU average as it stood between 2000 and 2002. It applies to 99 regions representing 35% of the EU-27 population and aims to promote conditions conducive to growth and ones which lead to real-time convergence in the least-developed Member States and regions. The Regional Competitiveness and Employment Objective is applicable to the rest of the EU, or to 172 regions, representing 65% of the EU-27 population. It aims to enhance the competitiveness and attractiveness of regions, as well as boost their employment levels. It should be noted that the rural development and fisheries policy are separate and do not form part of this brochure.

DELIVERING THE LISBON STRATEGY FOR GROWTH AND JOBS

The relaunch of the Union's Lisbon Strategy in 2005 aimed to bolster the competitive position of EU regions in the world economy by placing growth, jobs and competitiveness at the top of the Union's agenda. For the 2007–13 period, European Cohesion Policy has attached increasing importance to delivering the so-called 'Lisbon objectives'.

For the programming period 2007-13, Spain has substantially refocused Cohesion Policy priorities from physical infrastructure in transport and environment towards the core Lisbon objectives, notably in the areas of research, innovation and the information society.

In financial terms, 79% of the funding in the 'Convergence regions' and 81% in the 'Regional Competitiveness and Employment regions' will be invested in Lisbon-related priorities. A significant increase has been agreed for the R&D, innovation and information society sectors, up from about €3.9 billion in 2000–06 to over €8 billion in 2007–13, including the two new multi-objective programmes: the 'Technology Fund' programme, devoted to research and innovation for and by enterprises, and the 'Knowledge Economy' programme.

MAIN PRIORITIES OF COHESION POLICY IN SPAIN, 2007–13

Investments in R&D, innovation, entrepreneurship, transport and **environmental projects** represent the highest area of support, with €12 billion of funds (35% of the total allocation for Spain).

In the 2007–13 period, the investments will focus on closing the remaining gaps in **transport** infrastructure, mainly in Convergence regions and remote areas, with investments of €7.5 billion.

To increase **labour participation**, Spain has allocated a large amount of the ESF money to attracting and retaining more people in employment. 45.5% of the ESF, or €3.6 billion, will support access to employment by modernising and strengthening labour market institutions and implementing preventive and active labour market institutions: €225 million of this allocation will be used to improve access to employment for women.

Particular attention has been given to the **water resources**, with €4 billion allocated to management and distribution of water (€2 billion) and to waste water treatment (€2 billion).

The ERDF will support **electronic services and applications for citizens** (e-health, e-government, e-learning, e-inclusion, etc.) with some €741 million within the 'Information Society' priority.

Some €461 million will be devoted to operations for **energy efficiency and alternative sources of energy**.

€860 million (10.6% of the total ESF allocation in Spain) will be devoted to the activities jointly undertaken by the social partners, notably regarding the **adaptability of workers and enterprises**.

A total of €218 million of ESF support has been directed towards the integration of **migrants**.

Of the ESF support for Spain, 6.65% aims to tackle the **poverty and social inclusion** challenges.

THE ESSENTIALS, 2007–13

- €12 billion for R&D, innovation, entrepreneurship, transport and the environment
- €7.5 billion for transport infrastructure
- €4 billion for management and distribution of water and for waste water treatment
- €3.6 billion to attract and retain more people in employment

ASSISTING THE OUTERMOST REGIONS

The EC Treaty and the four communications adopted by the Commission in 2004, 2007 and 2008² stress the need to recognise the special nature of the outermost regions³ and to put in place a genuine European strategy to support them. The 2007–13 Cohesion Policy combines several specific measures to assist the Canary Islands (and the other outermost regions):

- rates of assistance from the Structural Funds (ERDF and ESF) increased to 85%;

- a specific allocation to offset additional costs arising from the handicaps of the outermost regions which, for the Canary Islands, represents €490 million.

In addition, the Canary Islands benefit from an 'Innovation Fund' which supports initiatives that contribute to the stimulation of the innovating spirit in all sectors of the economy of the archipelago.

BUILDING BRIDGES BETWEEN NEIGHBOURS

In Europe today, economic success is often dependent on a region's capacity to develop networks with other regions. Cooperation and sharing experience between regions can be a key trigger in stimulating a dynamic, forward-looking regional development process. The EU has an important role to play in brokering and supporting such partnerships, both between regions within the Union, and with neighbouring regions outside. Thousands of projects developed over many years under the INTERREG initiative have demonstrated the benefits for regions of working in partnership, sharing ideas and charting new and innovative ways of harnessing European investment.

The **European Territorial Cooperation Objective** is financed through the ERDF for the period 2007–13 and

supports cross-border, transnational and interregional co-operation programmes to encourage regions and cities across the EU and further afield to work together and learn from each other.

In Spain, there are six territorial cooperation programmes: two cross-border cooperation programmes with EU Member States and four transnational programmes. In addition, Spain takes part in all four interregional cooperation programmes (total budget for all the 27 EU Member States: €443 million)⁴: INTERACT II, URBACT II, ESPON/ORATE and INTERREG IV C.

⁴ INTERREG IVC promotes exchange of experience and good practices among the regions, URBACT – thematic city networks, INTERACT – support for cooperation programme management organisation, ESPON – an observation network for spatial planning.

THE EU ON CALL

The **European Union Solidarity Fund** was created after the floods which hit Central Europe in summer 2002. It grants emergency aid to Member States and acceding countries in the event of a major natural disaster.

In 2002, Spain suffered €436 million in damage from the Prestige oil spill and received €8.6 million in aid from the Solidarity Fund. In 2003, Spain suffered €53 million in damage from the forest fires on the Portuguese border and received €1.3 million in aid from the Solidarity Fund.

Spain
€35 billion
for 2007–13
Boosting
growth, jobs and
competitiveness

² COM(2004) 343 final, COM(2004) 543 final, COM(2007) 507 final and COM(2008) 642 final.

³ The outermost regions (the Azores, Madeira, the Canary Islands and the four French overseas departments) face specific problems listed in the Treaty: remoteness, insularity, small size, difficult topography and climate, and economic dependence on a few products.

Regional Policy on the ground

► HIGH-SPEED TRAIN MADRID-BARCELONA-FRENCH BORDER (AVE)

One of the most important projects of railway transports in Spain is the high-speed train Madrid-Barcelona-French Border (AVE). The Madrid-Zaragoza-Barcelona line was inaugurated on 20 February 2008, after parts of the line had been in operation since 2003 (Madrid-Zaragoza-Lleida) and 2006 (Lleida-Tarragona). Construction is currently underway to connect the new high-speed line from Barcelona to the French TGV network via the Perthus tunnel under the Pyrenees.

The high-speed train Madrid-Barcelona (AVE) is currently one of the world's fastest long-distance trains in commercial operation, with non-stop trains covering the 621 km (386 miles) between the two cities in just 2 hours and 38 minutes (speeds up to 300 km/h).

With this line, Spain took a decisive step for the interoperability of its high-speed network, as well as the improvement of connectivity within different areas of the Spanish territory and between Spain and Europe. The connection between Madrid and Barcelona means that the two biggest cities in Spain are linked to each other in two hours and a half, with at least 10 000 people estimated to be taking this line daily. This has drastically reduced the air traffic between the two cities and enhanced the most environmentally-friendly mode of land freight and passenger transport in terms of energy consumption and, subsequently, carbon dioxide emissions.

The European Union has made an important financial contribution to this project, in particular via the Cohesion Fund and the TEN-T budget.

The total cost of this line is €10.5 billion, with EU Cohesion Policy contributions amounting to about €3.4 billion. Other sources of EU funding include the TEN-T budget, which contributed €70.9 million.

Website: <http://www.adif.es/>

► THE NATIONAL RENEWABLE ENERGIES CENTRE (CENER)

The National Renewable Energies Centre (CENER) is an industrial technology centre dedicated to the research, development and promotion of renewable energies in Spain. The objective of creating a national centre was to consolidate Navarra's expertise nationally and internationally and to become Spain's industrial reference centre for renewable energies and one of the leading centres in Europe.

From the outset, a key objective was to obtain a high degree of financial self-sufficiency through focusing on economically profitable activities and services, and to reach sales figures of €3 million by 2004.

The centre's purpose is to identify, generate, disseminate and transfer scientific and technical knowledge and value-added services to the renewable energy sector. This is done by collaborating with companies, institutions and official organisations to promote the development of renewable energies at national level, and it also contributes to advancing this sector to an outstanding position in the world.

The centre fulfilled the sales figures objective by 2004, and the remaining objectives were met by 2007. Revenue from contract research and development (R&D) and services amounts to some 60% of an annual budget of €12 million.

The total cost of the project was €46 million, with an EU contribution of nearly €3 million.

The National Renewable Energies Centre in Navarra aims to become one of the leading centres in Europe.

Website: http://www.navarra.es/home_es/

► ANDALUSIAN STONE TECHNOLOGY CENTRE (CTAP)

Macael marble has been hewn from the Sierra de los Filabres Mountains in Almería in southern Spain since Phoenician times. It was used in the Roman Theatre in Mérida, the Great Mosque in Córdoba and the Alhambra in Granada, as well as countless monasteries, cathedrals, palaces and sculptures. Today, the stone sector in Andalusia remains concentrated in the area of Macael in the north of the province of Almería, where there are some 400 companies and a direct workforce of some 9 000 people.

The Andalusian Stone Technology Centre was set up to develop the innovation aspects of the traditional Andalusian stone sector.

The CTAP works closely with businesses, providing them with the modern technologies required by the evolution of markets whilst promoting concepts from Andalusian craft heritage in these same markets. Activities range from laboratory tests to the development of quality programmes and certification, via a whole array of services to SMEs: design, technological development, respect for the environment, training and marketing.

The plant will allow the CTAP to become more efficient in its research effort, and it will also allow the companies in the sector to try new research and development projects and ideas without heavy investments or having to stop their production processes. The CTAP also owns two patents, and has developed various methods for innovation management in the companies in the sector.

The total cost of the project was €3.4 million, with an EU contribution of €2.5 million.



More information

EU Regional Policy

http://ec.europa.eu/regional_policy/

Cohesion Policy in Spain

http://ec.europa.eu/regional_policy/atlas2007/spain/index_en.htm

National website

<http://www.dgfc.sgpg.meh.es/index.jsp>

European Social Fund

<http://ec.europa.eu/social/>



Linking France and Spain by train