

**EXPERT EVALUATION NETWORK  
DELIVERING POLICY ANALYSIS ON THE  
PERFORMANCE OF COHESION POLICY 2007–2013**

**YEAR 1 – 2011**

**TASK 2: COUNTRY REPORT ON ACHIEVEMENTS OF  
COHESION POLICY**

**SPAIN**

**VERSION: FINAL**

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**A report to the European Commission  
Directorate–General Regional Policy**

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## LIST OF ABBREVIATIONS

- AEVAL Spanish agency for the evaluation of public policies and government services
- CDTI Centre for Industrial Technological Development
- CF NOP Cohesion Fund National Operational Programme
- DG FC DG Community Funds, Secretary of State for Finance and Budgets, Ministry of Economy and Finance.
- EEN Expert Evaluation Network
- ERDF European Regional Development Fund
- ESF European Social Fund
- IEF Spanish Institute for Fiscal Studies, Ministry for Economy and Public Finances
- FIR Financial Implementation Rate
- KBE NOP Knowledge Base Economy National Operational Programme
- MICINN Ministry for Research, Science and Innovation
- MITYC Ministry of Industry, Tourism and Commerce
- NOP National Operational Programme
- NSRF National Strategic Reference Framework
- OP Operational Programme
- ROP Regional Operational Programme
- RTD Research and Technological Development
- RTD Research, Technological Development and Innovation
- SMEs Small and Medium Enterprises
- TAR Target Achievements Rate
- TCSPOP Territorial Cooperation Spain Portugal Operational Programme
- TF NOP Technologic Fund National Operational Programme
- UAFSE Administrative Unit of the ESF, Secretary General for Employment, Ministry of Labour and Social Affairs.
- UPR Ultra Peripheral Regions

## EXECUTIVE SUMMARY

The outbreak of the current crisis caused a dramatic down-turn in the Spanish economy. The economy entered recession in 2009 (-3.7% GDP growth, -1.4% in the 1<sup>st</sup> quarter of 2010 and 0.6% in the 2<sup>nd</sup> quarter of 2011) while unemployment rates were over 20% (more than 40% of young people were and are unemployed). Initially, the government tried to address the crisis by increasing public spending and by adopting an intense programme of fiscal stimuli. The huge public deficit in 2009 (11.1% GDP) triggered alarm in the financial markets as to the sustainability of the Spanish debt and the viability of economic policy. After the debt crisis in the spring of 2010 the government changed its strategy by adopting significant measures to curb public spending and contain the public deficit.

There is some evidence that the economic recession has affected regions differently. Two Convergence regions (Andalusia and Castilla-La Mancha) and two phasing-in regions (the Canary Islands and Valencia) seem to have been more affected than others, both in terms of GDP and unemployment. By 2010, most Spanish regions were still not recovering or continuing to fall into recession (Andalusia, Castilla-La Mancha, Canarias, Valencia and Murcia come within the range of -0.8 – -0.6% of GDP growth). Unemployment rates rose sharply in all Spanish areas (20.9% average), but this increase has been particularly devastating in some of the poorest regions (Andalusia, 29.7%, Extremadura, 23.1%, Castilla-La Mancha, 23.0%) and in some phasing-in regions (Canary Islands, 29.7%, and Valencia, 26.7%).

Regional policy in Spain is targeted at reducing regional disparities and boosting investment in lagging regions. Convergence and transitory regime regions receive the biggest share (88.4%) of investment (total funding in ERDF programmes). The remaining 11.6% of funding goes to the 8 Spanish competitiveness regions.

ERDF programmes have been designed to cope with the main structural problems and the bottlenecks that have been hampering economic development. Financial allocations are focused on the priorities of the knowledge based economy, innovation and business development, which represent the biggest shares of total ERDF funding both in the convergence (including transitory regimens, 36%) and competitiveness regions (66%). Transport infrastructure is also a very important priority for the convergence objective (29%) and, to a lesser extent, for the Competitiveness objective (14%).

There have been no shifts in priorities and/or the allocation of EU funding. The main priorities of the different programmes have, as yet, remained unchanged since they were initiated. However, reprogramming is now needed to tackle the impact of the crisis on the implementation of the programmes.

The real Implementation level of ERDF Spanish programmes, up until the report for 2010, was considerably higher than the level suggested by financial implementation rates (share of certified expenditure) and outcome indicators. The difficulties with the setting up of the

verification and certification procedures and with the approval of the control systems gave rise to financial implementation and indicator figures which did not adequately measure the “real progress” of the programmes which was much greater than that suggested by the data which was eventually used.

This is one of the main reasons why, despite flagging socioeconomic indicators and a deceleration in the rate of implementation, both certified expenditure and the indicators themselves rose sharply in 2010. Financial implementation rates (shares of certified expenditure over total scheduled ERDF funding) have doubled over the previous year, reaching 18.9% in convergence and transitory objectives and 19.2% with respect to the competitiveness objective. Most of the more relevant indicators in the area of RTDI and business support doubled, while others tripled or rose even more, reflecting a highly significant increase in the number of targets achieved. To a large extent this was also due to the tuning of information gathering systems and there remains much work to be done in this area.

With regard to RTDI in Convergence, Phasing-out and Phasing-in Regions, 10,336 RTDI Projects (with a target achievement rate, TAR, 29.7%) have been carried out, and 59,163 Companies (17.2% TAR) have reaped benefits from these projects. In competitiveness Regions, 6,300 RTDI Projects (36.1% TAR) have been implemented, and 11,998 companies (32.8%) have benefited.

A survey conducted for the Spanish Foundation for Science and Technology (FECYT, 2011), using a sample of 46 technological parks, provides evidence for the positive results achieved by these interactions: 3,367 publications in SCI journals, 1,500 patents, 1,000 new products and 500 new processes.

With respect to Transport Infrastructure, the most notable achievement has been the Madrid–Valencia high-speed railway. This line, incorporating the most efficient transport technology, connects areas that produce 23% of Spanish GDP and host 19.2% of the Spanish population. Completing the project has involved building 490.9 Km of high speed railway (188.1% TAR).

In short, ERDF support<sup>1</sup> has helped Spanish regions to rapidly increase RTDI (resources and RTDI investment) and develop national and regional innovation systems, ICTs and business services. ERDF and Cohesion Fund have contributed significantly to the building and upgrading of the Spanish transport network, greatly improving the accessibility of peripheral regions, most of which were lagging behind, while at the same time generating significant spill overs for most of the continental regions of Portugal.

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<sup>1</sup> See Annex 1, the paper on innovation policy and the country report on the achievements of Cohesion Policy produced last year.

Recent studies Nombela (2005) and Nuñez et al. (2011) have confirmed the positive effect of infrastructure investments in Spain on total factor and business productivity<sup>2</sup>.

The concept of continuous evaluation was considered a "significant change of mentality" with respect to the 2000–2006 programming period. Evaluations are introduced in all phases of implementation by means of a continuous monitoring of operational programs. Operational evaluations are envisaged throughout the entire period without specific dates in time. In practice, the delay in setting up the procedures and information systems for expenditure verification and indicator collection hindered the undertaking of evaluations.

Nonetheless several evaluations<sup>3</sup> have been launched for the Catalonia ROP and, in the context of the NSRF, for the thematic evaluation of equal opportunities (gender), Environment and RTDI objectives. So far, the equal opportunities evaluation has been completed, the delivery of the Catalanian ROP evaluation is scheduled for October and the Environmental and RTDI evaluations are expected for late 2011 or early 2012. Currently, evaluations and proposals for reprogramming have been undertaken in several ROPS, in the ERDF–CF NOP, and in Technology Fund NOP in convergence and phasing-out.

The Spanish economy has shifted dramatically from a period of strong growth up until 2007, when the OPs were prepared, to a period of economic recession, low growth prospects and the current financial and debt crisis. Operational reprogramming is being prepared at the present in order to address the problems currently hampering implementation. These problems stem from the serious constraints faced by the private sector (high interest rates and the credit crunch arising from the country's perceived high risk of default) and the public sector involved in fiscal consolidation and cuts in public spending.

An operational evaluation has been prepared recently to assess the effects of reprogramming on TF NOP and the ROPs of Convergence, Phasing-out and Phasing-in objectives. Recommendations included increasing co-financing rates from 70% to 80%, in the priority of business development and innovation for ERDF ROPs in convergence, phasing out and phasing in objectives and in the TF NOP for the Convergence and Phasing-out Objectives. A reprogramming has been also recommended in Catalonia ROP.

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<sup>2</sup> By using panel data (regional and sectoral) as well as micro-data from Spanish companies, some evidence has been found to support the positive impacts on GDP and labour and company productivity arising from the accessibility to infrastructures.

<sup>3</sup> Notwithstanding, evaluations of communication plans were carried out for all OPs (only for Spain–Portugal OP in territorial cooperation).

## 1. THE SOCIO-ECONOMIC CONTEXT

The main features of the regional disparities and the socio-economic situation which development policy in Spain is confronted by, as pointed out in the 2010 country report, can be summarized in the following points:

- Spain with an area of 504,030 sq. km. is the second largest country in the European Union after France. Spain is placed in the south-west periphery of Europe far away from the core of Europe in terms of population potential and market access. The spatial structure of the country also shows a clear core-periphery pattern. The richest regions in Spain are situated close to continental Europe in the North Eastern triangular area Basque Country-Catalonia-Valencia together with the Madrid region in the centre, representing a quarter of the total Spanish Peninsular area but concentrating almost 50% of its population and 60% of its GDP.
- There are significant disparities in regional development levels. The eight regions eligible under the Competitiveness and Employment Objective are above the EU27 average of per capita GDP, whereas regions in Convergence Objective are well below this average (Extremadura, 72%, Andalusia, 81%, Castilla-la-Mancha, 82% and Galicia, 89%). Regional disparities are also reflected in structural features like the GDP percentage devoted to R&D expenditure (0.9% in convergence regions vs. 1.3% in competitiveness ones) and the employment share of finance and business services (much smaller 9.2% in Convergence regions than in Competitiveness ones 13.0%).
- The Spanish economy had a relatively high GDP growth rate (3.6% from 2003 to 2007) up to the outbreak of the current economic crisis. The boom of the 2000–2007 period was spread widely across all regions and the gap in GDP per head between Convergence and Competitiveness narrowed by around 5 percentage points over the 2000–2006 period.
- Construction and the related real-estate boom played an increasingly important role, over the period 2000–2007 in fuelling growth. This process was accompanied by significant job creation and unemployment rates fell markedly from 13.9% to 8.3%. Nevertheless, the Spanish economy followed an unfavourable trend in productivity, kept important structural rigidities and did not progress too much towards activities with higher value added and more technological and innovative content.

The outbreak of the current crisis caused a dramatic down-turn in the Spanish economy. The economy entered recession in 2009 (–3.7% GDP growth, –1.4% in the 1<sup>st</sup> quarter of 2010 and 0.6% in the 2<sup>nd</sup> quarter of 2011) while unemployment rates were over 20% (more than 40% of young people were and are unemployed). Initially, the government tried to address the crisis by increasing public spending and by adopting an intense programme of fiscal stimuli. The huge public deficit in 2009 (11.1% GDP) triggered alarm in the financial markets as to the sustainability of the Spanish debt and the viability of economic policy. After the

debt crisis in the spring of 2010 the government changed its strategy by adopting significant measures to curb public spending and contain the public deficit.<sup>4</sup>

The imbalances in the Spanish economy during the last growth period and the real-estate bubble and, in particular, the high current account deficit and high levels of external debt, have made Spain especially vulnerable to the impacts of the global economic crisis. The BBVA–IVIE report (2011) rightly points to productivity as being central to Spanish economic performance. However, balancing a budget laden with cumulous debt and reallocating resources across sectors will take a long time. The current pessimism in forecasts of economic growth, the burden of debt and the crisis in the financial markets<sup>5</sup> auger a scenario of protracted austerity for both the private and public sectors of the Spanish economy in the years that lie ahead.

In terms of per capita GDP, few significant changes in the regional disparities were reported in last year's paper<sup>6</sup>. However, there is some evidence that the economic recession affected regions differently. Two of the backward regions (Andalusia and Castilla–La Mancha) and two of the phasing-in regions (Canary Islands and Valencia) seem to have been more heavily affected, both in terms of rates of GDP growth and unemployment (see Map 1 below).

In 2010 only three regions, Navarra (1.2), Castilla–Leon (0.8) and the Basque Country (0.8) experienced positive but relatively low rates of GDP growth, rates which are well below the EU 27 average (1.8). The rest of Spanish regions were not recovering or falling further into recession (Andalusia, Castilla–La Mancha, Canarias, Valencia and Murcia are within the range –0.8:–0.6).

The recession has had a deep impact on the Spanish labour market. Unemployment rates have risen sharply in all Spanish areas (20.9% on average), but this increase has been particularly devastating in some of the poorest regions (Andalucia, 29.7%, Extremadura, 23.1%, Castilla–La Mancha, 23.0%) and in some phasing-in regions (Canary Islands, 29.7%, and Valencia, 26.7%). The best performers (The Basque Country, Navarra and Cantabria) have unemployment rates in the range of 11.6%–14.7%, whereas the unemployment rates of the rest of the Spanish regions are over 16.3%.

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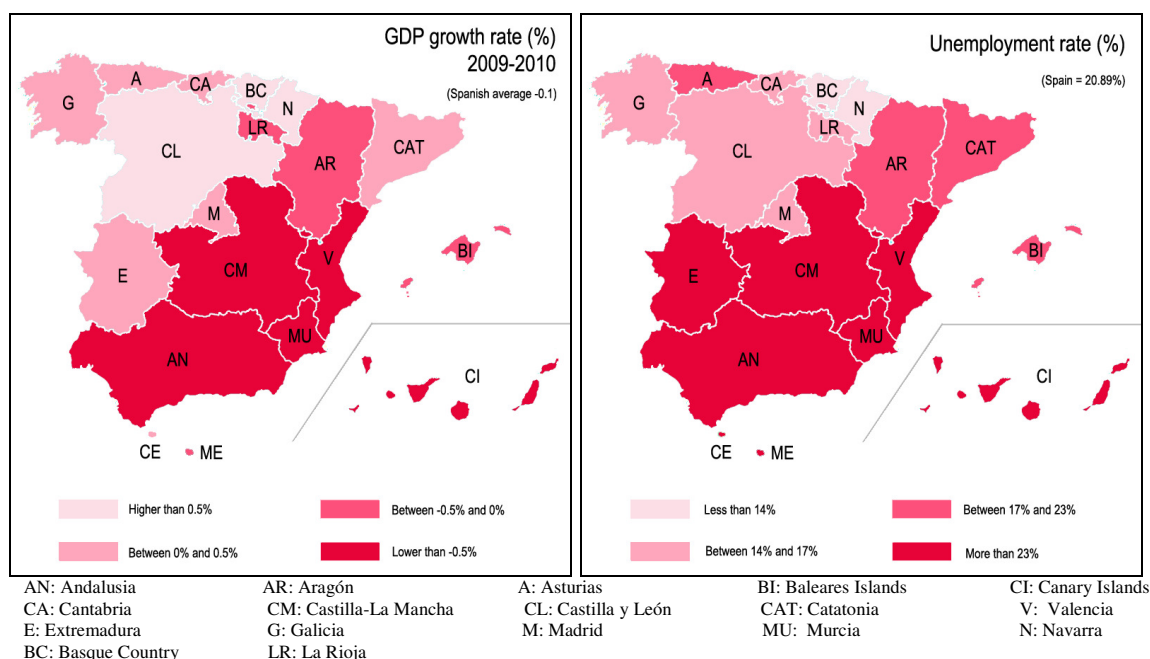
<sup>4</sup> OECD Economic Surveys: SPAIN, December 2010; Stability Programme Spain 2011 – 2014, Recommendation for a COUNCIL RECOMMENDATION on the National Reform Programme 2011 of Spain and delivering a Council opinion on the updated Stability Programme of Spain, 2011–2014 {SEC (2011) 718 final}, Brussels, 7.6.2011 SEC(2011) 817 final; International Monetary Fund, Spain—2011 Article IV Consultation Concluding Statement of the Mission, Madrid, June 21, 2011.

<sup>5</sup> Last August's interest rate spread went up to 340 basic points and companies quoted on the Madrid stock exchange lost over 25% of their market capitalization.

<sup>6</sup> Only two phasing-in regions have fallen slightly below the 90% threshold of the Spanish per capita GDP average. These are Valencia and Canary Islands, regions under transitory regime which seem to have been affected by the impact of the current crisis.



## MAP 1 – GDP and Unemployment in Spanish Regions



Source: Own elaboration based on Spanish Statistical Institute (INE) data

As a general rule, regions are not being affected differently by the macro-economic policy being pursued. However, the impacts of deficit control and the effects of the measures of fiscal consolidation tend to be greater when the financial imbalances of the regional governments concerned are themselves great.

Currently, the implementation of serious, credible fiscal consolidation policies, both at central and regional levels might reduce the funds available for supporting regional development.

## 2. THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND POLICY ACHIEVEMENTS OVER THE PERIOD

### THE REGIONAL DEVELOPMENT POLICY PURSUED

The main points reported in the 2010 country report are:

- Regional development policy in Spain is linked to the goals of the Lisbon strategy both in Convergence (including Phasing-out and Phasing-in) and Competitiveness regions. However, the features of Spain's spatial structure (territorial extension, peripheral position with respect to the main European economic centres) still require important investments in transport (rail and motorways) as well as in environmental (waste and water) infrastructures.
- Regional development policy in Spain is targeted at reducing regional disparities and boosting investment in lagging regions. Most of them are peripheral regions and important infrastructural investment to increase market accessibility is still needed.

- Spanish Convergence regions share some common weaknesses such as relatively small size of firms and a bias towards low value-added activities and low cost strategies. These features make it difficult to increase the rate of innovation, enter into foreign markets, perform business R&D activities and create jobs for high skilled workers. These weaknesses, though to a lesser extent, also apply to most Spanish Competitiveness regions.

With regard to the nature of support to regional development provided by EU funding in Spain no changes have yet taken place and the conclusions of the last year report still apply:

- Regional development policy in Spain and the corresponding ERDF programmes has been designed to cope with the main structural problems and bottlenecks hampering economic development. Financial allocations square with the main priorities and are also in line with the development and structural needs reflected in the different SWOT analyses which provide the rationale behind the planning and programming documents.
- EU structural funds in Spain are targeted at reducing regional disparities and boosting investment in lagging regions. Convergence regions receive the biggest share (88.4%) of investment (total funding), including phasing-out (5.1%) and phasing-in (16.2%). The remaining 11.6% of funding goes to the 8 Spanish competitiveness regions.
- The overall picture of financial allocations broken down by priorities provides the following results: 1) the biggest share of funding (36% Convergence, axis 1 plus 2, and 66% in Competitiveness, axis 1) is devoted to the knowledge economy, business development and innovation; 2) The second most important share of funding (29% in Convergence and 14% Competitiveness) is mainly devoted to transport infrastructure; 3) Environment and risk prevention is the third priority in Convergence regions (20%) whereas it is the last in Competitiveness (5%); 4) Local and urban development is the third priority in Competitiveness (13%) and it is the fourth in Convergence (7.5%) followed by social infrastructures (4%).
- Territorial Cooperation Objective is very important to reinforce integration and cooperative strategies across border regions for a long time separated by custom barriers. However, the total funding of these programmes (TCSPOP and TCSFAOP) is relatively small (1.8% of total EU support) as compared with Convergence and Competitiveness objectives. Their most important priorities are competitiveness and employment (35.2% of their overall funding), environment, cultural heritage and risk prevention (30.6%) and institutional and socioeconomic integration, accessibility, local and urban development<sup>7</sup> (29.4%). In terms of funding, at an aggregate level the most important priority is Competitiveness and Employment, which in the Spain-Portugal programme supports a large RD project to build a reference centre in nanotechnology, the Iberian Nanotechnology Lab.

<sup>7</sup> In order to compare the two programmes priorities 3 and 4 in TCSPOP have been merged.

There have been no shifts in priorities and/or the allocation of EU funding. The main priorities of the different programmes have not been changed since they were initiated. However, at present, an increase in co-financing rates and some reprogramming is being considered in some programmes: In particular, a reallocation of funding among priorities has been recommended for the ROPs of Andalusia, Extremadura, Asturias, Castilla La Mancha and Castilla y Leon, as well as in Catalonia within the competitiveness objective.

The support provided by the ERDF and the Cohesion Fund have very much helped to offset national budget constraints in financing heavy investment in transport and environmental infrastructure. European Union guidelines and ERDF funding have also played a key role in Spain, in attempting to increase the share of resources allocated to RTDI and ICT in public and business sectors. They have also provided support for the knowledge-based economy, increased competitiveness and entrepreneurship.

Most of the priorities in the Spanish ERDF and Cohesion Fund programmes are incorporated in the budgets of central and regional governments. Currently, within a process of intense fiscal consolidation, the allocation of ERDF funding is a highly effective barrier for limiting the withdrawal of funding for public investment from the identified regional development priorities.

## **POLICY IMPLEMENTATION**

The main findings of the 2010 country report can be summarized in the following points:

- The difficulties with the setting up of the verification and certification procedures and with the information systems gave rise to financial implementation and indicator figures which did not adequately measure the “real progress” of the programmes which was much greater than that suggested by the data which was eventually used.
- Implementation rates (in terms of expenditure) were very low and relatively similar both for national and regional ERDF programmes. The average rate, 9.6%, was the same for convergence (including phasing-out and phasing-in) and competitiveness objectives.
- In pure convergence regions, implementation rates were lower although again they were very close in both national (7.8%) and regional (7.6%) ERDF programmes.

Table A shows the 2010 and 2011 financial implementation rates (FIRs) of national and regional ERDF programs broken down according to priorities and objectives: Convergence and Competitiveness. The comparison reveals a significant acceleration in implementation rates for the two years.

**Table A – Financial Implementation Rates (FIRs) in Convergence, Phasing-Out and Phasing-in Regions (%)**

Axis	CONVERGENCE				PHASING-IN				PHASING-OUT				CONVERG. + PH-IN + PH-O			
	National		Regional		National		Regional		National		Regional		National		Regional	
	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	FIR 10
1	8.8	11.5	4.8	8.0	19.3	28.5	25.4	35.0	10.6	15.3	23.2	36.3	10.0	14.5	12.5	18.5
2	–	–	9.1	11.5	–	–	9.4	20.0	–	–	1.4	11.7	–	–	8.6	13.2
3	1.4	3.5	2.1	8.7	–	–	9.8	15.5	–	–	10.3	29.5	1.4	3.5	3.7	10.7
4	6.2	10.8	11.4	28.1	–	–	21.9	34.8	–	–	32.8	46.8	6.20	10.8	13.9	30.0
5	–	–	1.8	7.9	–	–	9.9	11.2	–	–	7.9	19.6	–	–	3.4	9.2
6	–	–	23.4	30.2	–	–	31.1	39.7	–	–	50.0	58.1	–	–	27.7	34.9
7	3.4	10.1	3.9	5.6	3.8	9.2	1.3	3.4	4.1	9.3	11.6	23.5	3.50	9.9	3.7	6.2
8	–	–	–	–	–	–	12.3	20.9	–	–	–	–	–	–	12.3	20.9
9	–	–	–	–	–	–	3.8	14.7	–	–	–	–	–	–	3.8	14.7
Total	7.8	11.0	7.6	16.6	18.9	28.0	14.0	23.0	10.5	15.1	19.6	32.9	9.2	13.2	9.5	18.9
Legend of the Axis																
1 Knowledge Economy					4 Transport and Energy					7 Technical Assistance						
2 Business Development and innovation					5 Local and Urban Development					8 UPR's: Investment expenditure						
3 Environment and Risk Prevention					6 Social Infrastructures					9 UPR's: Operational expenditure						

The rate of Financial Implementation speeded up considerably during 2010. Implementation rates (FIRs) have doubled during the last year reaching 18.9% in convergence and transitory objectives and 19.2% in competitiveness objectives.

**Table B – Financial Implementation Rates in (FIRs) (%) – Competitiveness Regions**

Axis	COMPETITIVENESS					
	National		Regional		TOTAL COMP	
	FIR 09	FIR 10	FIR 09	FIR 10	FIR 09	IR 10
1	23.7	47.1	7.8	17.9	10.5	22.8
2	–	–	2.7	8.4	2.7	8.4
3	–	–	15.5	21.3	15.5	21.3
4	–	–	1.8	3.7	1.8	3.7
5	6.1	13.0	3.6	8.6	4.9	10.8
Total	22.7	45.1	7.8	15.6	9.6	19.2
Legend of the Axis						
1	Knowledge Economy, Innovation and Business Development					
2	Environment and Risk Prevention					
3	Transport and Energy					
4	Local and Urban Development					
5	Technical Assistance					

All programs have substantially increased their implementation rates, but there are certain asymmetries when it comes to national and regional programs (NOP and ROP), with respect

to different objectives. With regard to national programmes, the Cohesion Fund OP (CF NOP) has reached a much higher financial implementation rate (FIR) than the average, 40.4%. The Technological Fund (TF NOP) and Knowledge Based Economy (KBE NOP) national operational programs have financial implementation rates (FIRs) which are well above average in terms of competitiveness (45.1%) and phasing-in (28.0%) objectives, whereas the financial rates of implementation (FIRs) of ROPs in competitiveness and Phasing-in objectives are lower (15.6% and 23.0% respectively). The situation is just the reverse in the convergence regions. The implementation rate of national programmes (FIR) has increased to only 11.0% in terms of pure convergence and 15.1% in phasing-out, while the implementation rates (FIR) reached by ROPs are considerably higher: 16.6% in convergence and 32.9% in phasing out.

2011 implementation rates, though considerably higher than those in 2010, are still not very satisfactory. The reasons are essentially those discussed in the previous report: the delay in approving the programs and, in particular, the difficulties with the setting up of the verification and certification procedures, the approval of the control systems, and the tuning of information, management and monitoring systems have made it impossible to reach the appropriate level of certified expenditure.

The tuning of verification and certification procedures has made possible a considerable increase in certified expenditure and financial implementation rates (FIRs) during the previous year. Information systems for indicators and monitoring have also been improved, and these have helped to show a considerable increase in the levels of outcome indicators and consequently in the rates of target achievements (TARs). However, much remains to be done in this area.

One of the main causes for the slow implementation of national programs in the Convergence objective is the mismatch of the business RTDI actions designed in the Technological Fund NOP for these regions. These measures, which are implemented by the Spanish centre for technological industrial development (CDTI), are not well suited to the features of convergence regions. The national and regional shares of ERDF funding for RTDI business policy in convergence regions have been disproportionately allocated to the large CDTI projects. ERDF funding for RTDI business projects in convergence regions should mainly be allocated to regional RTDI measures, because the majority of firms in convergence regions still need prior preparation with small/medium RTDI projects to develop capabilities which give them a realistic chance to successfully apply for high profile and large project ERDF funding delivered through CDTI measures.

Further areas of uncertainty have also arisen. More traditional lines of investment, such as regional incentives have been hard-hit by the crisis. In addition, the current financial climate has also exacerbated the financial difficulties for companies (credit crunch and increased interest rates due to the perceived risk of individual countries). The Spanish economy has experienced a dramatic change from the context of strong growth up to the year 2007–

when the OPs were prepared– to the current economic recession and the recent problems posed by low growth prospects and the current debt crisis.

Problems have emerged both from the demand and supply sides. Changes in the economic climate for the private sector are creating difficulties in the implementation of measures of business development and innovation (priority 2) in the ROPs of Convergence, phasing-out and phasing-in and in priority 1 (development of knowledge base economy) of the TF NOP (especially in Convergence and phasing-out regions). Moreover, fiscal consolidation and public spending cuts to preserve financial market stability (aggravated by the current flattening of economic growth prospects) are also creating difficulties for the implementation of interventions in important priorities (environment, transport infrastructures, local development and social infrastructures, priorities 3, 4.5 and 6) of the Convergence ROPs as well as in phasing-out and phasing-in objectives.

It is unfortunate that the delay in the tuning of programs prevented the optimum exploitation of the initial years of the programming period when growth rates and public spending were not yet facing serious problems. Today, the financial margins for public funding, both in central and most regional and local governments, are exhausted and co-financing difficulties have arisen.

An operational reprogramming is currently being prepared to address these problems. Specifically, it has been recommended to increase co-financing rates from 70% to 80% <sup>8</sup> in the priority 2 (business development and innovation) of ERDF ROPs in convergence, phasing out and phasing in objectives and in the main priority (priority 1, development of knowledge base economy) in the TF NOP for the convergence and phasing out objectives.

## **ACHIEVEMENTS OF THE PROGRAMMES SO FAR**

The main programme outcomes in the 2010 country report can be summarized as follows:

- Delays and problems in the setting up of the software applications (FONDOS 2007 and the information systems of intermediary bodies) resulted in a delay in the expenditure verification processes and the fact that only limited information was collected by the system of indicators.
- However the “real implementation” of the programmes went beyond the indicators and in many cases even the financial implementation figures.
- Indicator systems were not fully operational by the time 2009 AIRs were issued; even data on output indicators (generally the first to be released) were still scarce and fragmented. Relevant information contained in the ‘literature’ of the 2009 AIRs was used to provide the overall picture of the main achievements and relevant details according to objective, policy area and OP.

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<sup>8</sup> 85% in Canary Islands

Fortunately, the situation has improved this year. Table C shows the comparison between the indicators provided by the information system FUNDS 2007 in 2009 and results in 2010. Most of the indicators in the area of RTDI and business support doubled and others tripled.

The information system for indicators still needs to be improved and completed for many areas, particularly in the national programmes (KBE NOP and FT NOP). Output indicators in these programmes are still too low when compared with the outputs collected in AIRs. The information provided in their 2010 AIRs was used to complete the indicators for the number of RTD projects undertaken by DG for Research and National RTD and DG for Technology Transfer (both central Government branches at the Ministry for Research, Science and Innovation; MICINN). The information extracted from these AIRs was introduced into the indicator database.

Table C – Indicators and targets by main programmes 2009–2010

Table C.1 – Indicators in Enterprise Support and RTDI Policy Area

Indicators	KEOP+TFOP			ROP Comp. + Pin			ROP Conv. +P out			Total Value 09	Total Value 10	Total TAR (%)
	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)			
27	0	381	12.0	411	907	33.0	118	1,338	15.0	529	2,626	17.7
60	–	–	–	22	40	10.8	83	152	45.8	105	192	17.4
61	1	1	6.9	0	1	6.3	0	8	20.5	1	10	14.1
68	3,467	8,604	9.0	12,850	29,996	29.3	11,827	32,406	17.8	28,144	71,006	18.7
71	–	–	–	–	9	75.0	–	–	–	–	9	75.0
127	1,805	48,218	111.3	3,743	8,179	5.2	3,402	13,342	6.7	8,950	69,739	17.6
128	333	17,707	91.6	634	2,540	4.1	651	1,917	2.3	1,618	22,164	13.3
C4	361	4,670	20.0	1,821	6,966	32.5	830	1,836	24.8	3,012	13,472	25.7
C5	45	416	5.0	1,383	1,773	54.2	209	517	20.2	1,637	2,706	19.1
C7	–	–	–	7,690	13,800	36.6	3,922	8,999	18.8	11,612	22,799	26.6
C8	–	–	–	1,549	2,633	59.1	428	705	11.0	1,977	3,338	30.8
C9	7	13	0.7	2,679	6,131	24.9	4,493	21,140	17.3	7,179	27,284	18.4
C10	13.5	243	47.5	1,130.1	2,678.6	28.2	589.4	2,345.4	12.5	1,733	5,267	18.3
C11	0	199	111.6	114	844	22.4	3,249	3,461	74.8	3,363	4,504	52.5

27: Companies benefiting from having Environmental Management Systems ISO 14001 certificate and/or EMAS; 60: No. of centres of RTDI benefited; 61: No. of centres of RTDI created; 68: No. benefited Companies; 71: No. of cooperation projects between companies and research centres; 127: No. of persons participating in the projects; 128: No. of women participating in the projects; C4: No. RTD projects; C5: No. cooperation project enterprises–research institutions; C7: No. direct investment aid projects to SME; C8: No. start-ups supported; C9: Jobs created (gross, full time equivalent); C10: Investment induced (EUR million); C11: No. information society projects.



Table C.2 – Indicators in Transport Policy Area

Indicators	ERDF + Cohesion Fund			ROP Comp. + Pin			ROP Conv. + Pout			Total Value 09	Total Value 10	Total TAR (%)
	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)			
19	–	–	–	10	72	46.8	19	45	56.3	29	117	50
20	–	–	–	5	17	62.1	30	42	32.4	35	60	37.6
42	–	–	–	4.0	–	–	1.0	0.6	1.1	5.0	0.6	1.1
43	–	–	–	0.0	42.2	47.4	0.0	448.7	260.9	0.0	490.9	188.1
57	242.8	261.8	46.3	–	–	–	–	–	–	242.8	261.8	46.3
142	–	–	–	0	67	190.6	–	–	–	0	67	190.6
C13	3	4	57.1	1	2	18.2	21	95	16.9	25	101	17.4
C14	–	–	–	–	–	–	124.6	283.5	23.6	124.6	283.5	23.6
C15	–	–	–	–	–	–	0.0	143.7	98.0	0.0	143.7	98.0
C16	–	–	–	–	–	–	3,107.2	6,706.7	226.3	3,107.2	6,706.7	226.3
C18	0.0	93.6	–	0.0	2.6	2.9	0.0	–	0.0	0.0	96.2	60.5
C19	–	–	–	–	–	–	0.0	1.2	6.1	0.0	1.2	3.3

19: Actions carried out in airports; 20: Actions carried out in ports; 42: Kilometres of railway line built; 43: Kilometres of railway line built (AVE); 57: Length of built platform; 142: Platform double via AVE; C13: Number of transport projects; C14: km of new roads; C15: km of new TEN roads; C16: km of reconstructed roads; C18: km of TEN railroads; C19: km of reconstructed railroads.

Table C.3 – Indicators in Environment and Energy Policy Area

Indicators	ERDF + Cohesion Fund			ROP Comp. + Pin			ROP Conv. + Pout			Total Value 09	Total Value 10	Total TAR (%)
	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)			
C23	–	–	–	–	–	–	0	5,312	14.1	0	5,312	9.6
C25	974,548	368,280	7.3	90,730	90,730	7.8	288,229	375,955	9.2	1,353,507	1,483,446	14.4
C26	922,680	164,503	3.0	132,637	132,637	9.0	28,054	221,415	7.6	1,083,371	1,778,398	18.2
C27	136	109.9	19.3	0	0	0	67	102	31.3	203	211.9	23.3
C28	0	–	–	0	0	0	1	19	10.7	1	19	10.5
C29	–	–	–	0.4	3.4	2.4	0.0	56.6	20.3	0.4	60.0	14.2
C31	–	0	0	44.5	75	64	70	73	15.9	114	148	25.5

C23: No. Renewable energy projects; C25: Additional population served by water projects; C26: Additional population served by waste water projects; C27: No. waste projects; C28: No. projects on improvement of air quality; C29: Area rehabilitated (sq.km.); C31: No. risk prevention projects.

**Table C.4 –Indicators in Territorial Development Policy Area**

Indicators	ROP Comp. + Pin			ROP Conv. + Pout			Total Value 09	Total Value 10	Total TAR (%)
	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)			
40	72	88	21.8	3	179	50.4	75	267	35.2
180	95	157	47.1	2	209	30.4	97	366	35.9
C34	23	157	10	949	1,732	34.7	972	1,889	28.7
C36	–	–	–	117	538	58	117	538	58
C37	–	–	–	9,086	83,576	47	9,086	83,576	47
C38	139	197	16.4	19	797	257.9	158	994	65.8
C39	0	7	3.8	0	15	2.7	0	22	2.9
C40	0	1	0.6	0	6	1.2	0	7	1.1
C41	0	4	3	0	14	5.1	0	18	4.4

40: Buildings object of conservation and restoration; 180: No. projects of Protection' and preservation' cultural heritage; C34: No. tourism projects; C36: No. education projects; C37: No. benefiting students; C38: No. health projects; C39: No. projects ensuring sustainability and improving attractiveness of towns and cities; C40: No. projects of seeking to promote businesses, entrepreneurship, and new technology; C41: Number of projects offering services to promote equal opportunities and social inclusion for minorities and young people.

Table D – Indicators and targets by main objectives 2009–2010

Indicators	COMPETITIVENESS REGIONAL OP			CONV+PHIN+PHOUT REGIONAL OP			TOTAL REGIONAL OP		
	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)
27	176	339	29.1	353	1,906	18.1	529	2,245	19.2
60	83	40	11.4	22	152	43.4	105	192	27.4
61	0	1	8.3	0	8	18.6	0	9	16.4
68	4,119	11,643	35.1	20,558	50,822	20.2	24,677	62,465	21.9
71	–	9	75	–	–	–	–	9	75
127	1,653	4,014	4.2	5,492	17,630	6.8	7,145	21,644	6.1
128	154	1,596	4.6	1,131	2,891	2.6	1,285	4,487	3
C4	1,446	6,152	39.6	1,205	2,650	19.9	2,651	8,802	30.5
C5	256	646	32.1	1,336	1,644	43.2	1,592	2,290	39.3
C7	4,810	8,714	36.1	6,802	14,085	22.9	11,612	22,799	26.6
C8	813	1,313	86.4	1,164	2,025	21.7	1,977	3,338	30.8
C9	186	368	5.2	6,986	26,904	19.2	7,172	27,271	18.6
C10	1,218.3	1,016.71	40.8	501.2	4,007.2	15.6	1,719.5	5,023.9	17.8
C11	3,268	816	32.5	3,363	3,489	58.1	95	4,305	51.3

Indicators	COMPETITIVENESS NATOP			CONV+PHIN+PHOUT NATOP			TF NOT ATTACHED			NACIONAL OP		
	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)	Value 09	Value 10	TAR (%)
27	0	0	0	0	0	0	0	381	–	0	381	12
60	–	–	–	–	–	–	–	–	–	–	–	–
61	–	0	–	1	1	6.7	–	0	–	1	1	6.3
68	0	355	10.4	3,467	7,723	8.4	0	526	–	3,467	8,604	9
127	0	742	23.3	1,805	4,101	10.2	0	43,375	–	1,805	48,218	111.3
128	0	156	9.9	333	728	4.1	0	16,823	–	333	17,707	91.6
C4	0	148	7.9	361	3,957	18.4	0	573	–	361	4,678	20
C5	0	1	0.1	45	61	0.8	0	354	–	45	416	5
C9				7	13	0.7	0	0	–	7	13	0.7
C10	0.0	88.9	202.1	13.5	53.9	11.5	0.0	100.1		13.5	242.9	47.4
C11	–	0	–	0	198.6	111.6	–	0	–	0	198.6	111.6

27: Companies benefiting from having Environmental Management Systems ISO 14001 certificate and/or EMAS; 60: No. of centres of RTDI benefited; 61: No. of centres of RTDI created; 68: No. benefited Companies; 71: No. of cooperation projects between companies and research centres; 127: No. of persons participating in the projects; 128: No. of women participating in the projects; C4: No. RTD projects; C5: No. cooperation project enterprises–research institutions; C7: No. direct investment aid projects to SME; C8: No. start-ups supported; C9: Jobs created (gross, full time equivalent); C10: Investment induced (EUR million); C11: No. information society projects.

## 1) Achievements: An Overall View

The overall picture of the ERDF and Cohesion Fund outcomes in the years 2009 and 2010 is set out in Table C in which the main outcomes and results are broken down into programs and Policy Areas. The main indicators in the enterprise support and RDTI policy area are shown again in Table D, broken down into objectives. In order to show the distribution of the TF NOP outcomes by objectives, a distinction was made between Competitiveness and Convergence (including Phasing-out and Phasing-in).

First, some comments are made as to the progress in the main outcomes in each policy area, providing an overall view of the main outputs, results and problems. After this, the main actions and results across policy areas, programmes and objectives are provided.

In the policy areas of RTDI and linked activities and innovation and support for SMEs a major increase in indicators is seen in the ROPs of competitiveness and phasing-in (target attainments rate, TAR, from 20%–40%). The same happens in convergence and phasing-out objectives (TAR range between 12–25%). In national operational programs NOPs, KBEOP and FTOP, output indicators also increased significantly compared to last year, but the ratios of target achievements (TARs) are still small, in the range of 5.7–30.2%. There is a kind of asymmetry between national and regional programs.

Overall, the indicators show a significant leap forward in 2010. The index of *created jobs (gross, full time equivalent)* went from 7 to 27 thousand jobs (18.4% TAR), the *number of beneficiary enterprises* rose from 28 to 71 thousand firms (18.7% TAR) and the indicator of *induced private investment* increased from EUR 1.7 to 5.2 million (18.3% TAR).

However, not all of the measures are moving in the same way and the information provided by the indicators is similarly disparate; both the output and the results should be analysed on a disaggregated basis when studying the qualitative information on the main types of performance. First, the meaning and distribution of the main indicators over different policy areas (PA) are presented, and second, the achievements of the most important measures are given.

Performance indicators such as gross number of jobs created, beneficiary firms and induced private investment only capture values that are directly linked to the implementation of measures and projects. They do not imply any assessment or analysis to estimate the medium and long term impacts of the programs. There are important impacts coming through their effects on key variables such as productivity and competitiveness. It should be borne in mind that performance indicators capture information only on those outcomes directly linked to the measures carried out and do not provide much information on the final impact of implemented policies.

The bulk of the jobs associated with the measures of the programs are generated primarily in actions to support business investment in the ROPs of convergence with 22,807 jobs created (19.7% TAR). The measures that stand out are those applied by regional

governments and their development agencies with 19,441 jobs created, (31.8% TAR). The Central Government measure of regional incentives is facing implementation problems, because of the current economic situation. The impact of regional incentives on the employment indicator was relatively small for the size and bearing of the measure with: 3,366 jobs created (in the TF NOP), and this is a very low rate, 6.5% TAR.

The indicator for beneficiary enterprises concentrated 87.7% in ROPs with 62,400 firms benefitting (21.9% TAR) and brought together many different activities ranging from RTDI projects to small business services in innovation, ICT and internationalization. Most of the companies are beneficiaries according to the measures included in the innovation support for SMEs policy area (17.7% TAR), focusing on other measures to stimulate research and innovation and entrepreneurship in SMEs (19.8% TAR). The largest share of the rest of beneficiary firms fall into other investments in firms (25.4% TAR).

The bulk of induced private investment is to be found in ROPs (17.8% TAR). Measures to encourage business investment generate 65% of the total (15.1% TAR), mostly for the convergence objective (representing 62.6% of the total). The most important measures are those delivered by development agencies and regional governments (37.8% of total) and secondly, the regional incentives provided by central government (25.4% of the total, but only 1.74% TAR, since this measure has been hard hit by the crisis).

Another important area of policy-induced investment is support to innovation in SMEs (18.5% of total, 28.9% TAR) particularly for the measures aimed at stimulating research and innovation in companies. RTDI measures are also important (15.1% of the total, 45.5% TAR), particularly regional government RTDI projects for infrastructure, technological centres, and investments in firms which are directly linked to research and innovation in SMEs.

## **2) Achievements: The Main Measures**

### **PA 1.1. – RTDI and Linked Activities.**

This is one of the most important policy areas of ERDF programming in the current period. The most important measures are framed as research projects, endowments of scientific-technological infrastructure and equipment and other actions aimed at financing firms' investments and directly linked to the RTDI. To facilitate reading, the exposition focuses on the content and results of the measures, while details as to the different measures are provided in Annex 2.

#### ***PA 1.1. – A) RTDI projects for universities and research centres***

Actions linked to the National RTDI Plan consist, principally, of grants to research teams and groups in universities, public bodies and research centres (public or non-profit). They are included for ERDF funding (5.9% of total ERDF funded) through the KBE NOP in convergence, phasing-out and phasing-in regions; and they are delivered to competitiveness and employment regions through their ROPs. Moreover, actions linked to Regional RTDI Plans usually also include sectorial projects in collaboration with companies and technological

centres. Additional ERDF funding (3.1%) is allotted to these actions in ROPs in convergence regions and in competitiveness regions.

- *National RTDI plan*

The measures at national level are implemented by the Central government through public calls, according to the National RTD Plan. There are formal selection procedures with external evaluators reporting on the projects. Its main outcome is 3,325 RTD projects (2,807 in convergence 428 in competitiveness ROPs). An additional number of 846 biomedical RDT projects have been carried out under the auspices of the Carlos III Spanish Health Institute.

The size of the projects granted by the central government is relatively important. The average investment is EUR 106.5 thousand. An important part of these projects dealt with topics ranging from astrophysics, aeronautics, materials (new, molecular and nano) bio-pharmaceuticals, chemistry and engineering, to computing and information technology. There is also a relatively large tail of small RTDI projects of less than EUR 15 thousand. RTDI projects in social sciences and humanities are located at the bottom of the distribution.

The projects in biomedicine under the auspices of the Health Institute Carlos III have considerably lower amounts in the range of EUR 6.0 thousand to 150.0 thousand. However there are some large projects linked to research networks on biomedical issues such as diabetes, heart failure, cancer, cellular therapies and others.

- *Regional RTDI plans*

In convergence regions (principally Extremadura and Galicia) regional governments have selected ERDF funding for RTDI projects. The main output is 855 RTDI projects (48.6% of the target). A large proportion of these (214) are cooperative projects.

They deliver funding to research groups in universities and other research centres for carrying out RTDI projects. Incentives to technological centres and other regional innovation agents for RDI projects are also provided. Regional projects are usually linked to specific regional problems and to the development of strategic regional technology areas, new knowledge and technology. A large proportion of these projects is cooperative and involves collaboration with companies operating in the region.

These calls are relatively similar to those at a national level. However there are significant regional features: 1) a lower number of applications and less intense competition than in large national calls, 2) calls and granting conditions are adapted to the specific needs of the region. Moreover, the size of regional RTDI projects is relatively reduced. The average investment by RTDI project was EUR 30.8 thousand.

In competitiveness regions, in the Basque Country a special line of grants (GAITEK and INNOTEK programmes) has been selected for ERDF co-funding. They are aimed at business RTDI projects for developing or substantially improving new products, processes and

management. A large number of projects 1,197 have been carried out, though most of them are small projects, average investment by project is around EUR 27.1 thousand.

With regard to evidence as to the achievement of the intended effects it is worth mentioning that: These lines of RTDI projects contribute very effectively to fostering research in universities and the public research system and to increasing scientific and technological knowledge as well as high quality research. Participation of Spanish researchers in scientific and technological forums, applications to European Framework Programmes and international calls, as well as publications in high impact journals have all been substantially improved over recent years.

With respect to features of innovation: Priority is given to reinforce a fabric of knowledge by fostering research teams and networks. There are some special calls addressed to the consolidation of top-level research groups (CONSOLIDER). Regional governments have also set up measures to consolidate research and groups, though competition and requirements are not as stringent as those required in top national programmes. Moreover, special lines to incentivize and encourage the participation of Spanish teams in European and international projects have been set up.

#### ***PA 1.1. – B) RTDI Infrastructures and equipment in specific technologies***

Under this heading there are three main lines of action linked to different instruments designed in national and regional RTDI plans and in the national innovation strategy.

- *Actions linked to national RTDI plan*

The actions covered by the national RTDI plan are mainly aimed to build and/or equip research centres in a specific technology. These measures are essentially aimed at building capabilities in highly qualified science and technology fields. Their beneficiary centres are generally linked to Universities, public bodies and non-profit organizations. There are two main ways of action. One is implemented by means of covenants with regional governments and the other is based on public calls for project applications. The former is usually applied to projects of significant size (average investment is EUR 2.3 million). There are some interesting TC projects in progress, but little information available as to their degree of implementation. This is why we focus on projects awarded through public calls.

These policy measures are co-funded by ERDF (8.4% of total ERDF funding) through the KBE NOP for convergence, phasing-out and phasing-in regions, and by their ROPs for competitiveness regions. Their financial implementation rates are low (5.0%–7.7%), however their output in the number of projects carried out represent much greater shares of the targets: 25.9% in convergence regions versus 14.6% in competitiveness regions. This is probably due to the fact that the segment of small-medium size competitive projects has a higher implementation rate than that of the largest projects.

This measure consists of aid to purchase scientific equipment and communication networks for research. Most of these are granted through public calls which are resolved on a

competitive basis. An impression of the kind of things done in this measure can be obtained by examining the distribution of approved projects.

The largest projects, more than EUR 700 thousand (12.0% of the total) are made up of acquisitions of sophisticated and heavy scientific equipment ranging from a mass spectrometer adapted to detect proteins and tumours, experimental magnetic resonance equipment and a laboratory of stable isotopes for chemical metrology and quantitative proteomics; to concentrated solar energy pilot infrastructures, a geochemical lab and sensors for oceanographic ships. The bulk of the projects fall within the range of EUR 70–700 thousand (EUR 100 thousand average), including purchases of equipment such as electron microscopes, high resolution spectrometers for proteomics, and labs for recycling processes, as well as equipment for developing new materials, semi-liquid alloy continuous casting, and pre-industrialization of stone compound materials.

- *Actions linked to national innovation strategy*

Under this measure, grants to entities linked to scientific and technological parks for infrastructure and equipment for RTDI and the transfer of research results are delivered to organizations (public or non-profit) and firms. This measure is co-funded by ERDF through TF NOP (1.45% of total funding).

The main outcome is 208 projects promoting technology transfer centres and parks. The amount for these projects ranges from a maximum of EUR 6.8 million (Parc-tecnocampus Mataró-Maresme) to only a few thousand. The average amount per project is EUR 207.7 but the vast majority of projects fall below this amount. These projects cover a wide range of buildings and the establishment of centres and parks in the fields of general technological parks, specific technologies and sectorial parks (biology, biomedicine, and agro-biotechnology, engineering, automation, aerospace, transportation, automotive, ICT, energy, textile, food industries, etc.), as well as centres acting as incubators of technologically based companies, innovation, collaborative research projects between businesses and universities, and the like.

- *Actions linked to regional RTDI plans.*

Regional governments also provide support for infrastructure and RTD equipment for specific technologies. These measures include medium sized projects for building and equipping technological centres and smaller projects for purchases of technological equipment. ERDF funding (5.2% of total) is delivered through convergence ROPs and the competitiveness objective.

As a rule the regional government tends to promote specific technologies for regional development and those related to the main economic activities in the region. In convergence regions the reinforcement of 50 technological centres (50 projects, 73.3% TAR) in Andalusia should be mentioned. Some of the most significant of these include: Infrastructures in the Andalusian technological park (PITA) in Malaga (EUR 2.0 million) and in Almeria (1.4),



infrastructure for the high speed computational network NIR (1.2), equipment for the animal health lab in Cordoba and the like.

The largest projects, (of more than EUR 200 thousand), consist of acquisitions of equipment and infrastructure. Beneficiary research centres and laboratories have been designed for specific technologies linked to agriculture and fisheries, pesticides, livestock and forestry, as well as energy, construction and other scientific–technological parks. The rest of the projects (81.1%) are smaller (average investment around EUR 26 thousand) and cover a wide variety of technological areas, including biology, animal and plant health, agriculture technology, chemical laboratories, nanotechnology, informatics, environmental quality and renewable energy sources.

In competitiveness regions the main outcomes are actions reinforcing technological centres and small business–oriented projects. As regards technological centres, the new centre for biomedical research (EUR 24.6 million of certified expenditure) was set up in La Rioja and, 36 centres (27.7% of target) have been reinforced in Catalonia (27), Madrid (6) and Aragon (3), by means of the construction of new buildings and new laboratories and equipment to expand their activities. It is worth mentioning some of the projects in the area (in brackets, EUR million). Some examples are the Vall d'Hebron biomedical research park (3.6) and the Catalanian institutes for chemistry (5.9), energy (3.6) and photonic Science, the Madrid institute for nano–science, IMDEA (0.5) and the Aragon institute for technology, ITA (6.3).

Regarding evidence on the effects of these actions, the operational evaluation of Catalonia ROP has found interesting results. The consolidation of the Catalanian network of RTDI centres, in large part cofounded by ERDF (both in national and regional Ops), has generated results that would have been impossible without the assignment of such funds. Catalanian RTDI centres have been endowed with infrastructure facilities and equipment and this has mobilized the research talent in the region, promoting research activities and gaining an increasing share of European and international projects.

#### ***PA 1.1. – C) Regional aid schemes for firms' investment in research and innovation***

Governments and regional development agencies have launched aid regimes to promote business investment related to research and innovation. These aid schemes are co-funded by ERDF in ROPs (1.63% of total ERDF funding)

In convergence, phasing–out and phasing–in regions the main output of these measures is 689 projects and 748 beneficiary firms. Galicia, Asturias and Murcia have delivered grants for SMEs to promote investments in innovation and technology. Projects are usually small and their average value ranges from EUR 36.6 to 42.4 thousand. Castilla–Leon has set up aid schemes for young and innovative enterprises, as well as for SMEs in order to incorporate ICTs. These projects are relatively small and their average certified expenditure is EUR 14 thousand.

In competitiveness regions, Aragon, Madrid and the Basque Country have launched aid schemes for technological sectors and enterprise services related to technology and ICT issues. The main output of these measures is 320 projects. Madrid focuses on aeronautics, biology and biomedicine and the average amount for each of its projects is relatively high: EUR 124.2 thousand. Aragon and the Basque Country are involved in a wide range of activities. Moreover, in the Basque Country there are hundreds of small projects delivered by provincial governments (principally in Guipuzcoa), whose average is EUR 5.8 thousand.

#### **PA 1.2) Innovation Support for SMEs.**

##### **PA 1.2. – A) Aid schemes for business RTDI projects**

- *Reimbursable aids for business RTDI projects*

Partially reimbursable aid to companies for business RTDI projects: implemented by the Spanish Centre for Industrial Technological Development (CDTI). The main lines of CDTI actions are aimed at integrated business RTDI projects, projects of technological cooperation between SMEs (inter-companies line, formerly called Support for Innovative Business Groupings and "clusters") and business technology projects. That is, promoting RTDI cooperative business, consistent with one of the key lines of action of the Technological Fund Operational Programme: the set up and consolidation of clusters that help to structure the Spanish Science–Technology–Enterprise.

Partially reimbursable aids for RTDI business implemented by CDTI in TF NOP are assigned a very substantial share, 7.4% of total ERDF funding. The largest portion of this funding is assigned to convergence regions (70.0%).

Notwithstanding the importance of resources for business RTDI projects mobilized by CDTI, the achievements are still somewhat thin on the ground in the convergence objective both: A) With respect to the number of RTDI business projects implemented (49 projects, 0.8% TAR), and B) regarding the indicator of beneficiary companies, only 49 firms (0.5% TAR).

The results of CDTI measures in the competitiveness regions are considerably better than in the convergence objective; competitiveness regions are the most highly developed in the country and concentrate the largest portion of Spanish GDP. The main outcomes of CDTI measures in competitiveness regions are: A) With regard to the number of business RTDI projects, 125 projects have been implemented (0.8% of total, 19.2% TAR), B) With respect to beneficiary companies: CDTI aid reached 224 companies, representing 50.7% TAR.

Collaboration with governments and regional agencies is envisaged as a way to facilitate the formation of business consortia project developers and setting up a pipe-line of projects and submissions of aid applications. However, this partnership is not working properly and CDTI aid for RTDI business projects is not well suited to the needs of the convergence regions. Those responsible for these regions have stated that their business sectors have sufficient capacity to demand RTDI ERDF funding. The cause of the low implementation

rates in convergence regions lies, to a great extent, in the mismatch of CDTI project design conditions (too ambitious for the conditions of these regions).

- *Strategic projects in specific technologies*

PSE (Strategic projects in specific technologies) are projects designed to promote stable cooperation in RTDI between companies and research organizations (public and private). Its main purposes are to 1) foster large projects that increase the efficient access of scientific and technological research groups to international research programs. 2) promote the participation of SMEs in large-scale industrial research projects. 3) expand and optimize the joint use of public infrastructure and private research results by businesses, public research and innovation centres.

This measure is assigned in the TF NOP 0.24% of total ERDF funding. Its main output is 346 RTDI implemented projects. They are all large projects involving the cooperation of a large number of companies and technological centres across the whole Spanish territory. There are some large technological projects between 4.9 and EUR 1.0 million. They are devoted to subjects such as the capture of CO<sub>2</sub> (collection systems and storage), generation of electricity from sea waves energy, experimental infrastructure for public RTDI centres, studies of genome, etc.

The large majority of the projects are less than EUR 1 million and their average amount of certified expenditure is EUR 204.5 thousand. It is worth mentioning some of the subjects that these projects deal with: energy, environment, chemical and pharmacological, purification of chlorosilanes, processing of laser materials, small aircraft projects, new materials, automobile, database exploitation and many others.

- *Regional aid for business RTDI*

The main measures consist of aid schemes for RTDI business projects in SMEs. They are funded by ERDF (2.4% of total ERDF funding) in ROPs. The main outcome in convergence and phasing in regions are the number of projects and beneficiary companies. 526 projects have been carried out, a number of them (17.3%) involving cooperation between firms and technological centres. The Andalusian agency for innovation and business development (IDEA) and the agency for business investment and services (ADE) in Castilla/Leon are the main bodies awarding grants under this measure. The majority of projects cost less than EUR 200 thousand and the average certified expenditure is around EUR 60 thousand.

In competitiveness ROPs the main outcomes are, 746 projects carried out and 548 beneficiary firms. Most of these projects were carried out in Navarra, Madrid, Cantabria and La Rioja. They are innovation projects in companies related to technologies like those present in the agro-industrial sector (the fewest), industrial sectors (high-quality car chassis, aerospace, new materials and semiconductors), computer systems and management (broadband systems, handling systems and control), robotic facilities, artificial intelligence tools, home automation, as well as building materials, renewable energy, etc.

Projects are usually of a small dimension and their average certified expenditure is around EUR 33.3 thousand.

***PA 1.2. – B) Other measures to stimulate innovation and entrepreneurship in SMEs***

The main policy measures included under this heading contain the largest concentration of the target companies in the convergence objective. They are SMEs with an overwhelming majority of small and micro-enterprises.

*Small firms' access to services of innovation, quality and managerial tools.*

- *Actions on a national level*

The innovation programme for SMEs (Innoempresa) is carried out by the central government by means of partnerships with regional development agencies. It delivers aid to firms to stimulate SMEs to undertake innovative technologies and practices in processes, products, organization and management. This measure, included in the ROPs of the convergence, phasing-out and phasing-in, is assigned 1.17% of ERDF funding. Its main outcomes are the indicators: 1) 9,029 small companies (20.6% TAR) benefited from these actions, and 2) 591 jobs created (full time equivalent, gross) (11.8% TAR). The majority of projects are small-scale, their average cost being EUR 14.1 thousand. Their main areas are innovation services for companies: advanced business management systems, setting up new design lines for products and processes, strategic plans for SMEs to introduce environmental management systems, integrated system of quality management, product certification, etc.

- *Actions on a regional level*

These measures consist of grants and subsidized loans to SMEs (mainly small and very small firms) and a large number of self-employed people to facilitate their access to business innovation services, including subjects like process and product innovation, quality and industrial property management, innovative managerial tools and the like. These measures are assigned ERDF funding (3.4% of total) in ROPs.

The main outcome from these measures, according to the system of indicators, are 1,358 beneficiary companies and 8,723 people participating in the projects carried out in this field. In general, these are to be found in Galicia, Castilla La Mancha, Murcia and Valencia. In competitiveness regions Aragon, Balearic Islands, La Rioja, and the provincial government of Araba (Basque Country) also deliver a large number of small aid packages (there are 1,239 approved projects which have an average of EUR 8,600 thousand of certified expenditure).

***PA 1.2. – C) Innovation for ICT investments and business projects by SMEs***

- *Avanza SME programme*

The Avanza programme was launched by the central government to develop ICT and encourage its use across all population segments and business areas in the country<sup>9</sup>. Some

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<sup>9</sup> Within the Avanza programme there are also measures to foment business RTDI in ICT which receive ERDF funding through the TF NOP.

of the measures aimed at SMEs and very small firms are delivered by means of partnerships with private and financial institutions. It provides funding for developing business projects tailored to the needs of small and medium companies, as well as loans at zero interest for investment in ICT and promoting innovation in SMEs. The Avanza SME program has been allotted 0.9% of total ERDF funding in ROPs.

The main outcome is reflected in the indicator of beneficiary companies: a total of 18,193. The projects carried out include: 1) 117 SME loans (an average of EUR 42.0 thousand), 2) Some medium sized projects (EUR 157.8 thousand on average) and a very large tail (99%) of small projects averaging EUR 7.2 thousand. The issues covered include intelligent systems for the care of the environment, mobile reading prototypes for the blind, e-business solutions adapted to different kinds of activities, tools to optimize human and material resources, e-commerce platforms, electronic invoices, virtual catalogues, network control systems networks, web portals, etc.

- *Regional measures*

Complementary measures by regional governments and regional development agencies have been set up to foster ICT innovative business practices and new managerial tools among SMEs. They are included in the convergence ROPs and their main outcomes are 2,766 beneficiary firms and 1,018 jobs created. Most of these interventions occurred in Galicia. The size of the projects was relatively small, an average of EUR 13.8 thousand.

Other measures for improving access to and the efficient use of ICT by SMEs are adopted by regional governments, mainly in convergence and transitory regime regions. The main interventions were in the form of grants for regional non-profit organizations and other agents to expand and disseminate the knowledge and use of ICT. Some examples are "Cyberlibrary" services, proposals for the modernization and internationalization of organizational systems, digital magazines and corporate financial information, as well as micro and autonomous ICT grants. Most of the projects are small; an average of EUR 11.2 thousand, but there is a handful of larger projects managed by regional foundations that average EUR 1 million.

### **PA 1.3) ICT and Related Services**

This policy area includes measures for promoting ICT and their applications in the field of public administrations, social services and citizen services. It brings together a series of different activities, which have to be interpreted according to the qualitative characteristics of the implemented measures. The number of ICT projects (excluding telephone infrastructures and support to IT innovation in enterprises) is used as an indicator.

Measures concerning the promotion of ICT are included in the TF NOP implemented by the public enterprise RED.Es. In ROPs the most important stimulus to ICTs are delivered by regional governments and development agencies: 529 projects have been implemented in the convergence objective, whereas in competitiveness 119 projects have been carried out.

The most important policy measures in this area lie in the field of services and applications for citizens (e-health, e-government, e-learning, etc.). The measures implemented by the public enterprise RED.Es are allotted in KBE NOP, 2.9%, for ICT applications in public services and services to citizens. The main outcomes are 82 projects, with 491 people participating in them.

Regional governments are assigned a very significant portion of total ERDF funding in ROPs (4.8%). Their measures are aimed at e-government and ICT in health, education and social services. In convergence 316 projects have been implemented, and 2,177 people participated. In competitiveness 250 projects have been carried out.

Important achievements have been obtained in the computerization of public administration and social services (education and health especially), as well as in services for the citizens (civil registers and courts of justice). There are several lines of action: 1) Integration of ICT in educational processes (electronic solutions and provision of equipment). 2) Promotion of e-Health providing centres with basic infrastructure and advanced healthcare facilities, implementation of EHR (Electronic Health Record), management of electronic prescriptions, 3) Computerization of civil registers and the digitalization of handwritten books (in 2009: 309 civil registers were digitalized (completed) and at December 2010 9,724 books and more than 6.4 million pages of the Central Civil Registry were digitalized, 4) Administration and Public Services: e-administration for an Administration more accessible to citizens.

#### **PA 1.4 Other Investments in Firms**

This policy area includes actions to favour business location and investment in disadvantaged areas as well as the promotion of investments in modernization and internationalization of companies and the provision of support services to companies in the field of export and internationalization.

##### ***PA 1.4. – A) Regional incentives for attracting investments to areas lagging behind***

Regional incentives is one of the most traditional and powerful measures in regional policy. Based on an interregional solidarity principle, it provides incentives for attracting investments towards areas with lower levels of development. This was one of the star lines of convergence ROPs, and was assigned a large amount of ERDF funding, a share of 12.4% of ERDF funding (6.1% FIR). Not only is its financial implementation rate particularly low, but its contribution in terms of beneficiary companies is also scarce; only 128 projects (4.2% of target). Regional incentives are the second most important measure by volume of induced private investment and generate 25.4% of the total programme but it is clearly underperforming, because induced private investment is well below target at 1.7%. In line with the problems facing regional incentives, its impact on the employment indicator was relatively small for the size and bearing of the measure, 3,366 jobs, but only 6.5% over target.

One important reason which explains the problem with regional incentives has to do with the current economic downturn. The fall in domestic demand and the difficult conditions in financial markets have severely affected the investment sectors targeted by classical regional incentive measures.

***PA 1.4. – B) Services and aid for foreign market access and business internationalization***

Support services and aid to gain access to foreign markets and boost firms' internationalization processes are delivered by a series of agencies and governmental bodies.

On a national level, aid of a small quantity has been given by the Spanish institute for foreign trade (ICEX) to 12,080 companies in the Competitiveness regions (Catalonia, Madrid and the Basque Country, in that order, contain most of the beneficiary companies). In convergence regions, another 4,639 companies benefited from this measure. Moreover, the Council of the Chamber of Commerce has provided 562 export-internationalization services for SME companies through the ROPs of convergence. It has also delivered a number of (1,284) business services on innovation related subjects through the TF NOP in convergence and competitiveness objectives.

Regional Governments and development agencies also deliver support services and aid to SMEs for fostering access to foreign markets. Actions undertaken by regional governments are carried out in the pursuit of foreign trade enhancement and the internationalization of firms and local products. These measures cover a wide range of activities supporting established companies which are trying to expand in foreign markets.

In convergence regions, particularly in Andalusia and Galicia, around 1,400 small aid packages, designed to enhance firms' access to foreign markets have been delivered (the average amount is EUR 8.1 thousand). In phasing in regions, the Valencian institute for exports (IVEX) has delivered 985 units of aid for gaining access to foreign markets (the average amount is around EUR 30.0 thousand). Finally, in competitiveness regions, the Basque government has launched actions for improving firms' external competitiveness by supporting the consolidation of international activity and the opening up of businesses abroad. These actions benefited 404 companies (36.3% TAR).

***PA 1.4. – C) Innovative financing instruments***

At the national level the main measures are conducted by the National Enterprise for Innovation (ENISA) and the Spanish institute for public loans (ICO).

The National Enterprise for Innovation (ENISA) delivers unenforceable financing for business RTDI projects by means of equity loans and, to a lesser extent, venture capital. It is co-funded by ERDF in TF NOP. A total of 157 operations of venture capital and equity loans have being formalized. Their average is EUR 281.5 thousand. They cover a wide range of economic activities such as technological services for companies, software, engineering, bio

and nano-composite materials (composites), dietetics, biogas, pharmaceuticals, aeronautics, etc.

Last March, The Spanish institute for public loans (ICO), as the manager of a JEREMIE Fund (120 million EUROS), launched a Guarantee Fund (GF) of EUR 70 million. Essentially, this fund aims to facilitate guarantees for companies that have been awarded reimbursable aid from the Spanish institute for technological industrial development (CDTI). By the time the 2010 AIR was delivered, 44 operations had already been formalized with SMEs (77.2%) and large companies (22.7%). The average induced investment per project was EUR 388.9 thousand and EUR 661.4 thousand, respectively.

On a regional level the Catalanian agency for business development, ACCIO, has launched new lines to create technology companies and encourage business involvement in RTDI, resulting in the creation of 180 projects. Moreover a JEREMIE initiative has been set up with a fund of EUR 25 million. Currently the fund has delivered financial support to 318 guarantee operations and a relatively small number of microloans (16).

With respect to evidence on the effects of these actions, the operational evaluation of the Catalanian ROP has been quite revealing. In terms of fostering business RTDI and innovation, the financial absorption capacity has not been as high as expected, but interesting results have been obtained. The line of projects for innovation and technological enhancement (120 projects) has performed with 20 patents and 12 spin-offs. Specifically, it has been found that the launching of these actions has had a positive effect on the attitude of Catalanian companies towards RTD and innovation. The microloans line of the JEREMIE fund has yet to be reinforced. The guarantee line has been very well received by companies, although the crisis has meant that much of the demand tends to apply for general investment projects and to a lesser extent for RTDI projects.

The Andalusian agency for innovation and development (IDEA) has set up a JEREMIE fund that has been endowed with EUR 235.7 million. It is aimed at strengthening the venture capital market in the region. On the other hand a multi-instrumental fund is also envisaged to implement a capital and loan fund, an equity loans fund, and a guarantee fund. 22 operations have been approved and the multi-instrument line has mobilized EUR 68 million (average amount EUR 3.1 million).

### **PA 1.3 Transports**

With regard to the rail network the most important achievement has been the Madrid-Valencia high-speed train which is currently in operation. A total of 490.9 km (188.1% TAR) of high-speed rail have been built in the convergence ROP of Castilla-La Mancha (448.7 km) and in the Phasing-in ROP of Valencia (42.2 km). Other notable achievements are: the construction 66.7 km (190.6% TAR) of two-way platform for high-speed railways, (ROP Castilla-Leon), and the construction of 261.8 km (Cohesion Fund and ERDF-Cohesion Fund NOP, 46.3% TAR) of regular railway platform, 23.4 km from the ERDF-Cohesion Fund (7.3% TAR) and 238.4 km from Cohesion Fund (97.3% TAR).



A total 96.2 km of TEN railways have been built. In the CF NOP, 93.6 km for TEN railways were built (97.7% of total) and in the ROP for Valencia a further 2.6 km (2.9% TAR) were built.

In the policy area of roads, 283.5 km of new roads (23.6% TAR) have been built in convergence ROPs. Principally these were built in Andalusia (42.5%), Asturias (25.4%), Extremadura (19.7 %), Castilla–La Mancha (6.9%) and Galicia (5.5%). In these regions a further 143.7 km of new TEN roads (98.0% TAR) have been constructed. The regional distribution of the building of these roads was as follows; Extremadura (42.8%), Andalusia (30.4%), Galicia (14.3%) and Castilla La Mancha (12.5%). Under the umbrella of the convergence ROPs, the length of rebuilt road (6,706 km, 226.3% TAR) was also highly significant. Most of this rebuilding was carried out in Andalusia (5,970, 339.2% TAR), Castilla–La Mancha (519.4 km, 70.8% TAR) and Galicia (155 km, 50% TAR).

In the policy area of ports, 8,081 meters of a dam have been built, which are distributed between the CF NOP (5,391, 62.0% TAR) and the convergence ROPs (2,690 86.5% TAR). Also in the CF NOP 3,181 meters of docks (51.0% TAR) have been built. Finally in the ROPs of convergence (including the phasing-in) 762,590 m<sup>2</sup> of port area (43.7% TAR) have been conditioned. The bulk of the works was carried out in Andalusia in the port of Algeciras (525,832, 54.8% TAR).

#### **PA 4.2 Environment and Risk Prevention**

Management of household and industrial waste: In CF NOP, several interventions have been implemented to improve waste separation and to establish compost creation plants and to adapt waste disposal sites to EU regulations. Closure of dumps and acquisition of containers has also been supported on this policy measure. In addition, local policies have also been carried out to improve the collection and recycling of tyres, the prevention of excessive waste and, recycling.

Management and distribution of water (drinking water): 1,483,446 individuals (14.4% TAR) have been provided by distribution systems for drinking water. In pure convergence regions, performances focus on the expansion and improvement of water supplies for population settlements, whereas in phasing-in regions they focus on the improvement and construction of drinking water treatment plants. The construction of desalination plants and complementary works in Valencia are also worthy of mention.

In CF NOP, interventions have been carried out to promote the renovation, expansion and renewal of water supply networks, as well as the creation of several plants for the treatment of drinking water. In Barcelona they have made good progress in implementing two municipal policies: Reducing the consumption of drinking water in cleaning and irrigation and the reduction of water in public drinking fountains.

Water treatment (waste water): 1,778,398 additional members of the population (18.2% TAR) have been served by water treatment systems. In regions of pure convergence sanitation

networks have been established and wastewater treatment plants (WWTP) either improved or expanded. In the phasing-in regions, 40 sanitation networks (86.0% on target) were created in the waters of the Mediterranean.

In CF NOP, actions for improving the integrated water cycle and for upgrading wastewater treatment plants have been implemented. In the area of sanitation, special drainage was provided for particularly contaminated areas, while special hydraulic systems and general renovation and improvements were undertaken for sewerage systems.

Promotion of biodiversity and the protection of the natural environment: 253 projects (63.9% TAR) have been carried out in ROPs covering actions in Natura 2000 areas. 203 projects (65.7% TAR) have been implemented in the convergence regions; they include planning of conservation areas and protection zones for birds, as well as the protection and restoration of natural areas, the promotion of biodiversity in forest ecosystems and river areas and the conservation and recovery of flora and fauna. In phasing-in regions forestry projects have been carried out for river areas, the restoration of the river banks and the protection of eroded sections in different places around the Duero river basin. In competitiveness regions, 50 projects have been implemented (57.5% TAR) in the fields of infrastructure and sustainable management in protected areas, habitat restoration and improving environment-friendly recreational areas.

In convergence regions a further 412 projects (136.9% TAR) have been carried out in areas outside the Natura 2000 Network. These projects include recreational parks and the improvement and conservation of river basins (Duero and the Mediterranean in particular).

## **PA 5 Territorial Development**

### ***PA 5.1. Social infrastructures***

In Convergence and Phasing out ROPs; 454 centres (51.8% TAR) have been built and/or reformed, of which 440 centres were in Convergence ROPs (of these 337 were in Extremadura) and 14 centres in Phasing out ROPs.

Health infrastructures have been strengthened; Hospitals and Health Centres have been built and/or reformed. Further actions have ranged from the setting up of a heliport to the purchasing of health technology. A total of 454 actions (51.8% TAR) have been carried out of which 274 projects corresponded to Convergence ROPs (103% TAR), 8 in Phasing-In ROP (Canary Islands, 6.6% TAR) and 15 in Phasing-Out (53.6% TAR). In the case of infrastructure for nurseries and children (both construction and remodelling or equipment), 19 projects (89.5% TAR) were carried out in Convergence ROPs (most of these in Galicia). In convergence ROP, other centres (61, 72.6% TAR) were also built or remodelled for social purposes: the disabled, elderly, drug rehabilitation or child protection.

***PA 5.2. Tourism and culture***

Protection and preservation of cultural heritage: 207 projects (30.2% TAR) have been carried out in convergence ROPs. They include actions such as the painting and restoration of archaeological material in museums, the restoration of churches, bridges and buildings of cultural interest, archaeological sites and monuments, museums and libraries as well as the building of cultural centres. Moreover, 81 projects (62.3% TAR) have been carried out in Phasing-in ROPs and 76 (37.4% TAR) in competitiveness ROPs.

Promotion of natural assets and natural heritage: With regard to the number of projects for the protection and preservation of cultural heritage, 336 projects (35.9% TAR) have been carried out, of which 290 projects (35.5% TAR) were in Convergence ROPs, and 76 (37.4% TAR) in Competitiveness ROPs. 95 projects (56.5% TAR) have been carried out in convergence ROPs and 83 in convergence ROPs. They cover activities such as nature conservation and the preservation of forested areas, outreach and awareness campaigns, the signposting of Natural Areas and the construction and adaptation of facilities for environmental activities.

Other assistance for improving tourist services: Principally in the fields of cultural and natural heritage and related tourist services, 1,889 projects have been implemented (28.7% TAR), of which 1,732 (27.3% TAR) have been carried out in Convergence ROPs, and 157 (67.7% TAR) in Competitiveness ROPs. The vast majority of projects in the convergence regions involve supporting local authorities and tourism-related enterprises (modernization, expansion, marketing and promotional activities). In the competitiveness objective regions, projects focus on socio-cultural municipal equipment for multifunctional spaces and actions intended to attract visitors to villages in rural areas.

**Territorial Cooperation**

A major achievement in the territorial cooperation objective has been the completion of the INL (Iberian International Nanotechnology Laboratory in Braga) in the Technological Cooperation Spain Portugal Operational Program. Despite the economic and budgetary crisis in Portugal and to a lesser extent in Spain, the building has been completed and 24 researchers are now working in it.

## Tables of main physical indicators and achievements

<b>CONVERGENCE (Including Phasing-out and Phasing-in)</b>		
<b>Policy area</b>	<b>Main indicators</b>	<b>Outcomes and results</b>
Enterprise support and RTDI	<u>C4</u> : Number RTD Projects: 6,607 (19.7%) <u>68</u> : Number of Beneficiary Companies: 58,545 (17.0%) <u>C11</u> : Number of Information Society Projects: 3,687 (60.9%) <u>C9</u> : Jobs created (gross, full time equivalent): 26,916 (19.0%)	Impulse public RTDI system, Impulse knowledge transfer and cooperation and Support to RTDI projects in companies Services to companies and investment support Citizen Services, ICT in Public Administration
Transport and telecommunications	<u>C18</u> : km new TEN railway: 96.2 (60.5%) <u>43</u> : km high speed railways: 490.9 (188.1%) <u>C15</u> : km new TEN roads: 143.7 (98.0%) <u>C14</u> : km new roads: 283.5 (23.6%)	Territorial connection and Interregional solidarity Accessibility and market access
Environment and energy	<u>C25</u> : Additional population served by distribution systems of water (drink water): 1,483,446 (14.4%) <u>C26</u> : additional population served by water treatment systems (waste water): 1,778,398 (18.2%) <u>14</u> : Actions developed in areas outside Natura 2000 Network: 412 (136.9%)	Purifiers for water supply Waste water treatment and sewage. Environmental improvement, adaptation to EU Directive
Territorial development	<u>33</u> : Centres built and/or reformed: 454 (51.8%) <u>34</u> : Health centres built and/or reformed: 297 (71.6%) <u>180</u> : Number of projects of Protection and preservation of cultural heritage: 290 (35.5%) <u>C34</u> : Number of projects of natural heritage and tourist services: 1,732 (27.3%)	Infrastructure to improve human capital, in peripheral areas and backward regions. Learning, health and other social services. Protection and preservation of natural and cultural heritage.
<b>COMPETITIVENESS AND EMPLOYMENT</b>		
<b>Policy area</b>	<b>Main indicators</b>	<b>Outcomes and results</b>
Enterprise support and RTDI	<u>C4</u> : Number of RTD Projects: 6,300 (36.1%) <u>68</u> : Number of Beneficiary Companies: 11,998 (32.8%) <u>C11</u> : Number of Information Society Projects: 816 (32.5%) <u>C9</u> : Jobs created (gross, full time equivalent): 368 (5.2%)	Impulse public RTDI system, Impulse knowledge transfer and cooperation and Support to RTDI projects in companies Services to companies and investment support Citizen Services, ICT in Public Administration Citizen Services, ICT in Public Administration
Transport	NO SIGNIFICATIVE ACHIEVEMENTS	
Environment and energy	<u>10</u> : Projects developed in areas within Natura 2000 Network: 50 (57.5%)	Sustainable management in protected areas Habitat restoration and improving environment-friendly recreational areas
Territorial development	<u>180</u> : Number of projects of Protection and preservation of cultural heritage: 76 (37.4%) <u>C34</u> : Number of projects of natural heritage and tourist services: 157 (67.7%)	Protection and preservation of natural and cultural heritage.

### 3. EFFECTS OF INTERVENTION

Last year's report cited most of the studies on the impact of interventions based on simulations and estimations with macroeconomic models. Estimations with neoclassical Macroeconomic models (Villaverde & Maza, 2010) do not find significant effects in terms of the speed of convergence. However most of the studies based on macro-economic models (HERMIN type and others) strongly suggest that ERDF programmes have significant positive effects on the stock of private and public capital and on regional growth rates. Moreover when supply side effects are taken into account (Cancel et al 2009), positive regional impacts on factor endowments and growth rates last well beyond the end of the programmes.

The major challenges facing Spanish regions are recovery from economic depression and a need to reinforce their supply capabilities to successfully face increased competition resulting from globalization. The recent BBVA-IVIE (2011) report clearly highlights the main productivity problems that need to be tackled by the Spanish economy: 1) Internal company changes; new growth requires better, bigger and more productive companies, capable of competing in larger markets with higher quality services and products, greater dynamism and internationalization. 2) Redirecting productive specialization; enhancing the largest added-value activities in the service sector, reinforcing productivity in the manufacturing sector and fomenting the production and intensive use of ICT. 3) Promoting the productive use of knowledge, fostering technological or process innovation and business RTDI projects, intensifying the use of human capital, enhancing the use and exploitation of ICT as the basis for competitiveness.

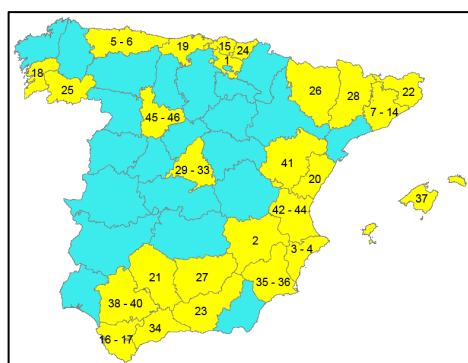
The orientation towards the Lisbon strategy guidelines under the NSRF and ERDF programs fits in well with these policy recommendations. The measures and results in the previous section on the achievements of the programmes show that the ERDF interventions in the policy area of RTDI and enterprise support have contributed substantially to meeting the challenges mentioned above. Since these are essentially intangible achievements, they are not as obvious as the physical ones. Furthermore, without being able to evaluate them it is difficult to comment on their efficiency in terms of opportunity. Overall, however, the main outcomes of the programmes suggest that ERDF interventions have strengthened regional capabilities in key aspects such as science, advanced technological and innovation services for firms, entrepreneurship and investment in lagging areas.

Last year's report highlighted the fact that ERDF support has helped Spain and Spanish regions to rapidly increase RTDI (resources and RTDI investment) and develop national and regional innovation systems. The positive effect of some ERDF co-funded policy measures on RTDI activities was supported by evidence from studies on some key measures such as reimbursable aid for business RTDI (CDTI, 2009), sectorial aid for industrial technology and ICT (Madrid, DG Innovacion Tecnologica, 2008) and others.

This year there is further evidence on the measures of cooperation and technology transfer, particularly with respect to interventions for science and technology parks. On the one hand, the Spanish Evaluation Agency (AEVAL, 2008) considers that the technology transfer measures for the period 2008–2011, financed, principally, by the ERDF, have been well designed. On the other, new evidence on the outcomes of the program of scientific and technological parks has been provided.

A survey conducted by the Spanish Foundation for Science and Technology (FECYT, 2011) using a sample of 46 parks provides evidence for the positive results achieved by these actions. Map 2 provides the location of these parks while the accompanying text box provides the main results.

## MAP 2 – Sample of the survey of Scientific and Technologic Parks



Results from the survey on a sample of 46 Scientific and Technological Parks (located on the map).

- ✓ 3,367 publications in SCI journals
- ✓ 1,500 patents
- ✓ 1,000 new products
- ✓ 500 new processes

1) P.T de Álava; 2) P.C. y T. de Albacete; 3) P.C-E de la Universidad Miguel Hernández de Elche; 4) P.C. de Alicante; 5) P.T de Asturias; 6) P.C. y T. de Gijón; 7) P. de Investigación – Parque UPC (Universitat Politècnica de Catalunya); 8) P. de Recerca Universitat Pompeu Fabra; 9) P.T Tecnocampus Mataró-Maresme; 10) P.C. Barcelona. 11) P. de Recerca Biomèdica de Barcelona (PRBB); 12) 22@Barcelona; 13) P. de Recerca UAB; 14) Consorci Dipol de L'ospitalet; 15) P.T de Bizkaia; 16) P.T Agroindustrial de Jerez; 17) P.T TecnoBahía; 18) Cidade Tecnológica de Vigo; 19) P.C. y T. de Cantabria; 20) P.C-E de la Universidad Jaume I. Castellón; 21) P.C.-Tecnológico de Córdoba; 22) P. C. y T de Universitat de Girona; 23) P.T Ciencias de la Salud. Granada; 24) Polo de Innovación Garaia; 25) P.T. de Galicia; 26) P.T Walqa, Huesca; 27) GEOLIT. P.C. y T.; 28) P.C. y T. Agroalimentari de Lleida; 29) P.C. de Madrid; 30) P.C. Tecnológico Universidad Alcalá; 31) Tecnogetafe; 32) Móstoles Tecnológico; 33) P.C. de Leganés Tecnológico; 34) P.T de Andalucía; 35) P.T Fuente Álamo; 36) Fundación P.C. de Murcia; 37) PARCBIT. P. Balear de Innovación Tecnológica; 38) P.C. y T. Cartuja 93; 39) P. Investigación y Desarrollo Dehesa de Valme; 40) P.T Aeroespacial de Andalucía; 41) TechnoPark – Motorland; 42) P.C. Universitat de València; 43) València P.T.; 44) Ciudad Politécnica de la Innovación; 45) P.C. Universidad de Valladolid; 46) P.T. de Castilla y León.

Source: FECYT, Spanish Foundation for Science and Technology (2011)

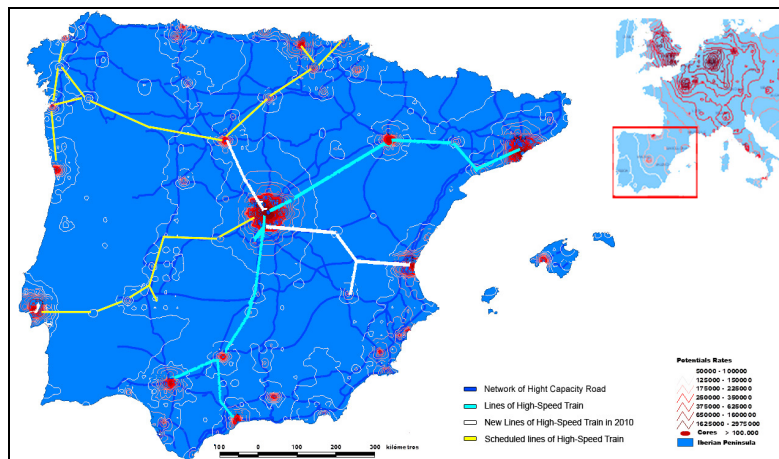
A recent study on the competitiveness of SMEs located in Scientific and/or Technological Parks (STCs) (Barge-Gil, Vasquez-Urriago and Modrego-Rico, 2011) provides evidence on the positive effects of this policy measure. SMEs (between 20–40 employees) located in STCs have increased their turnover by 40% compared to similar companies located elsewhere. The probability that SMEs become innovative increases by 25% if they are located in STCs. The "park effect" estimated in 2010 for these companies was a 26% increase in their investments in RTDI.

Recent studies in Spain have confirmed the positive effect of infrastructures on total factor and business productivity. Nombela (2005), using panel data, (regional and sectoral) has found positive impacts on GDP and labour productivity. Martin, Nuñez and Velázquez (2011) have also obtained evidence on positive productivity effects linked to infrastructure accessibility using micro-data from a data-base of Spanish companies.

ERDF has contributed significantly to constructing and upgrading the Spanish transport network, and increasing the accessibility of peripheral regions (most of them lagging) and in making Portugal and Spain more accessible to the rest of Europe (see Map 3).

The most important measure has been the Madrid-Valencia high-speed railway; just how important it is can be seen from Map 3 which presents the major axes of the transport infrastructure in Spain in relation to the spatial structure, population potential and market access.

### MAP 3 – Transport Infrastructures and spatial structure



Source: Own elaboration

The Madrid–Valencia high-speed line constitutes efficient transport technology that connects 23% of Spanish GDP and 19.2% of the Spanish population. It has been estimated that it will replace 25% of the journeys by car, 5% of bus journeys and 55% of flights. This substitution of cars and flights by train, especially for business trips, has a significant impact on

the productivity of managers, because access to telephone and internet allow a more productive use of time (Ministerio Fomento, 2011). Other scheduled lines play a major role in territorial balances and connections with Portugal. Nevertheless, the current crisis and public spending cuts, particularly the Portugal bail out, pose problems for these connections, especially for the TEN corridor Galicia–Porto.

ERDF co-financed projects have also considerably increased the endowment of environmental infrastructure in Spanish regions, especially for the supply of drinking water, sewage treatment and waste management. These interventions have been very important for the environment and compliance with Directive 91/271. The results of the evaluation by AEVAL (2009) have shown that in a series of cases, the analysis of liquid effluent from wastewater treatment plants do not meet all the requirements of the regulations. Some possible causes are identified: obsolete treatment systems, increasing population and changes in land use, technology treatment systems and others.

In short, ERDF programmes have significantly helped Spanish regions to reinforce their drive in RTDI over recent years and to articulate national and regional innovation systems. Investment in scientific and technological activities and infrastructures, technological centres, advanced business services for technological innovation, ICT and management processes and product capabilities for firms have also reinforced competitiveness in Spanish regions through ERDF programmes. ERDF funds have also significantly contributed to developing and upgrading the Spanish network of transport infrastructure. They have increased market access and the competitiveness of peripheral regions (with important spillover effects for mainland Portugal). Finally, the ERDF have also helped to bring the more backward Spanish regions (structurally lagging regions) more up to date in terms of environmental and social infrastructure.



## 4. EVALUATION AND GOOD PRACTICE

The current programming period in Spain was initiated with the aim of vastly improving strategic monitoring and on-going evaluation. Managers and experts, who often collaborate in the monitoring and evaluation of the Structural Funds, have confirmed their interest and concern for the development of a system of indicators and the treatment and homogenization of the information that they provide.

The Strategic Plan for Monitoring and On-going Evaluation of ERDF, ESF and Cohesion Fund, 2007–2013 (DG FC, 2009) was prepared to take into account the regulations and working documents of the European Commission. The emphasis was on the importance of evaluating public policies and the need for continuous monitoring and the evaluation of the interventions, strengthening coordination by means of common methodological approaches, and the participation of all of the managerial bodies involved. The concept of continuous evaluation was considered to constitute a "significant change of mentality" with respect to the evaluation system for 2000–2006 (DG FC, 2009, pp.16). Evaluations are introduced in all phases of implementation by means of continuous monitoring of operational programs. Operational evaluations are envisaged throughout the entire period without specific dates in time. Operational evaluations must be performed when certain conditions arise: significant deviations from targets, changing priorities, implementation difficulties, etc.

Despite the emphasis on the utility of a continuous assessment of policy, such approach was not actually applied so far.

Strategic and thematic evaluations have been launched at the national level (across all NSRF programmes). Two of them have been already completed (the first strategic evaluation – 2010 – and the one on gender equality – 2011); other thematic evaluations on environment and RTDI are underway.

In these studies, the regional authorities provide the evaluation unit of the national government (DG Fondos Comunitarios) with the necessary data and information. Despite the efforts to strengthen the monitoring system, the assistance provided by external evaluation experts was limited and there was little contribution to capacity building as a result. Almost none of the regional programmes (except Catalonia's regional OP) were evaluated before the burst of the crisis. All this makes the Spanish performance unsatisfactory from this perspective. In addition to ex ante evaluations, a time schedule was established for undertaking strategic evaluations of NSRF (2009 and 2012) and some thematic evaluations on equal opportunities (2010), environment (2011), Knowledge Economy (2011) and immigration (2011). During this period an integrated information system was set up for the selection of operations and projects, for verification and certification procedures and for the collection of information about indicators (related to the operations approved). The obligation to undertake evaluations was mainly linked to early warning indicators. Hence, the delays in setting up the information system hindered operational evaluations. Several

guidelines were issued for indicators and evaluation methodologies for a series of objectives, but ultimately operational evaluations have been postponed to the present year.

In Spain there are numerous qualified experts who can carry out good evaluations. Moreover, the administrative bodies managing EU structural funds have highly qualified personnel in their own evaluation units. DG Fondos Comunitarios has decided to conduct internal evaluation activities and to set up tools and methodologies to develop their own evaluation capacities. Its human resources are strengthened through collaboration with experts from the Spanish institute for fiscal studies (IEF), from the Spanish agency for evaluation (AEVAL) and from Spanish universities.

The results of evaluations are taken into consideration in designing the strategy and policy measures, but there are often significant time lags because of the timing of evaluations.

With regard to the assessment of ERDF and Cohesion Fund performance, since the 2010 report, several evaluations<sup>10</sup> have been launched for the Catalonia ROP and, in the context of the NSRF, for thematic evaluations of equal opportunities (gender), Environment and RTDI objectives. So far the equal opportunities evaluation is the only one which has been completed, the delivery of the Catalonia ROP evaluation is scheduled for October and the others (Environment and RTDI) are expected late 2011 or early 2012.

Moreover, an important operational evaluation has been prepared recently (last July 31) in order to assess the effects of an urgent reprogramming to address the adverse effects of the economic depression and current financial crisis on the implementation of TF NOP and the ROPs of Convergence, Phasing-out and Phasing-in objectives.

Below, there are some comments on the evaluation of gender equal opportunities and information about forthcoming evaluations.

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
Economic impact of the high-speed train Madrid–Valencia	Priority 3: Transport; Sub priority 3.1: Rail	To determine the economic, social and territorial impact of the Madrid–Valencia high speed railway	Increase in GDP and employment due to increased market accessibility and new opportunities for location of economic activities	Ministerio de Fomento, 2010. <a href="http://www.fomento.gob.es/CPMF/productdetails.aspx?productid=TT0184">http://www.fomento.gob.es/CPMF/productdetails.aspx?productid=TT0184</a>
Strategic Evaluation of equal opportunities	Equal opportunities. National Strategic Reference Framework	Assessing the contribution of EU Funds to gender equal opportunities	Indicators: in depth review of gender inequality indicators. Performance: increased participation of women in co-	D. G. FC and UAFSE (2011)

<sup>10</sup> Evaluations of communication plans were carried out for all OPs (only for Spain–Portugal OP in territorial cooperation).

Title and date of completion	Policy area and scope	Main objectives	Main findings	Full reference or link to publication
for men and women. February 2 2011			financed operations. Recommendations: incorporating specific targets for equal opportunities	
Operational Evaluation for reprogramming the ERDF ROPs and the Technology Fund NOP	Priority 2 of ERDF ROPs in convergence and transitory regions and in priority 1 in the Technology Fund NOP in convergence and phasing out objectives	Feasible remedies for implementation problems in ERDF OPs caused by the impact of economic depression and the current debt crisis	Co-financing rates must be increased from 70% to 80% in priority 2 of ERDF ROPs and in priority 1 in the Technology Fund NOP. Reallocation of funding among priorities is also needed in the ROPs of Andalusia, Extremadura, Asturias, Castilla La Mancha and Castilla y Leon	
Operational evaluation of the Catalonia ROP	Priority 1: Knowledge economy, innovation and business development. 2007–Sept. 2011	Reviewing and analysing strategic coherence of the programme. Analysing implementation.	The strategy is relevant and coherent. Scientific and technological infrastructures and equipment have mobilized research talent in the region. Several examples of good practice. Recommendations: reprogramming towards priority 1 in the areas of ICT and information society.	
Strategic Environmental Evaluation	Priority 4. Environment and energy focus on the water cycle. Forthcoming 2011 or 2012	Environmental matters in the NSRF and the OPs	To examine the horizontal theme of environment and specific actions. Analysing implementation results and reviewing the system of indicators. Priority is given to issues related to water management (water cycle)	
Strategic RTDI Evaluation	Knowledge economy. Forthcoming 2011 or 2012	To evaluate the Technology Fund as a pilot program aimed at fostering business RTDI	To discuss the design of the measures, the effect of changes in the current economic situation in Spain and the impacts of a series selected measures	

*1. Title: Economic impact of the high-speed train Madrid–Valencia*

General focus: To determine the economic, social and territorial impact of the Madrid–Valencia high speed railway.

Date: late 2010

Evaluation questions: Supply and demand side effect on GDP and employment in Madrid and Valencia regions. Travel demand estimation and substitution effect on other transport ways. Productivity gains. Environmental effects.

Method: comprehensive review of the literature and case studies on the impacts of high speed trains. Analysis with input-output tables. Survey on travel demand and alternative uses of time. Surveys for travel demand estimation.

Main findings: The high speed train has positive impacts on the growth of GDP and employment in the regions due to increased market access and location of economic activities. Replaces 25% of journeys by car, 5% of bus journeys and 55% of flights. Productivity gains of businessmen linked to the productive use of time on the train. Reduction of greenhouse gas emissions.

Recommendations: Implementing urban strategic actions to promote related economic activities and to exploit the potential benefits generated by this efficient mode of transport.

Assessment: good

## *2. Title: Strategic Evaluation of equal opportunities for men and women (February 2011)*

General focus: assessing the contribution of EU Funds (ERDF, ESF and Cohesion Fund) to the progress of equal opportunities for men and women in the current programming period 2007–2013. Assessing, on the one hand, specific actions on equal opportunities: actions specifically aimed at promoting IO (principally in the ESF) and horizontal measures: integration of the principle of equality in all phases of deployment of funds (ERDF, ESF and Cohesion Fund).

Evaluation questions: it examines the integration of the principle of equal opportunities in NSRF and in the most closely related measures in the OPs. It also analyses the implementation and effective integration of this principle at the operational level, analysing the specific actions carried out on equal opportunities co-financed by the EU Funds.

Time Scope: 2007 (beginning of the current programming period) until November 10, 2010.

Methods: Documental sources, quantitative analysis from indicators, qualitative interviews (responsible people in intermediary bodies and equal opportunities units) and case studies.

Main findings:

- ERDF indicators: An in depth review of gender inequality indicators is needed. It is necessary, however, to verify whether current performance levels are really due to a lack of implementation or to other problems. It seems that the only performance indicators for ERDF OPs are those concerning the number of participants disaggregated according to gender, most of them are linked to jobs and employment.
- Regarding performance: women are increasingly participating in co-financed operations: The main reason for this seems to be the introduction of positive

discrimination for women in selection criteria and the establishment of minimum quotas for female participation in certain actions.

Recommendations: undertaking wider situational analysis from a gender perspective and incorporating specific targets for equal opportunities.

Assessment: very good.

*3. Title: Operational Evaluation for reprogramming the ERDF ROPs of the Convergence objectives, Phasing-out, and Phasing-in and the Technology Fund NOP in the convergence objectives and phasing out*

General focus: analyse the current outcomes and the performance prospects of the TF NOP and the Convergence, Phasing-out and Phasing-in ROPs in terms of their implementation rates, financial absorption and outcomes according to present economic and financial outlooks.

Evaluation objectives: feasible remedies for implementation problems in ERDF programmes caused by the impact of economic depression and the current debt crisis which are seriously hampering the performance of objectives.

Main findings: Policy measures for resizing targets and increasing funding rates are urgently needed to address the serious impact of the current crisis and the worsening of economic prospects. More specifically, co-financing rates must be increased from 70% to 80% (85% in the Canaries) in priority 2 (business development and innovation) of ERDF ROPs in convergence, phasing out and phasing in objectives and in the main priority (priority 1, development of knowledge base economy) in the Technology Fund NOP for the convergence and phasing out objectives. Moreover a reallocation of funding among priorities is also needed in the ROPs of Andalusia, Extremadura, Asturias, Castilla La Mancha and Castilla y Leon.

Methods: Projections and simulations based on the information in FONDOS 2007 to estimate the effects of proposed reprogramming measures.

Relevance and usefulness: Extremely important and technically correct to address the serious impact of economic stagnation and the current financial crisis on the implementation of ERDF programmes.

Assessment: good

*4. Title: Operational evaluation of the Catalonia ROP*

General focus: The evaluation focus on priority 1, the knowledge economy, innovation and business development, which is the most relevant priority in the programme.

Evaluation questions: 1) Reviewing the strategic coherence of the programme. 2) Analysing the main outcomes from the implementation of different policy areas. 3) Assessing whether the results are in line with the aims pursued by the various policy measures. 4) Analysing

the implementation of the main policy measures of the programme. 5) Improving the indicator system in a more result oriented way

Time Scope: 2007 (beginning of the current programming period) until September 2011.

Methods: Document sources, quantitative analysis from indicators and exploitation of the databases of beneficiaries of the various measures, qualitative interviews with experts and managers (responsible people in management bodies) and case studies.

Main findings:

- The strategy is valid and relevant and the results are in line with the policies established, but, due to the change in the socio-economic context, a reprogramming would be appropriate.
- Regarding performance: 1) strengthening the network of research and technological centres of Catalonia has obtained results that could not have been achieved without funding from the ERDF. The provision of infrastructure and facilities with scientific and technological equipment allowed to mobilize research talent and to participate in European and international networks of excellence. 2) With respect to the goal of creating new and innovative technology companies with high growth potential, some positive achievements have been made in technological enhancement projects, however the most significant result is the change in mentality of Catalan companies realizing the competitive advantage of RTDI. 3) Funds allocated to enterprises and local administrations (business incubators and other) have been affected by the crisis and its implementation has been delayed. 4) Several examples of good practice have been identified.
- Recommendations: 1) reprogramming towards priority 1 in the areas of ICT and information society. 2) In depth review of indicators in the RTDI policy area, 3) to redefine the strategy of concentration of measures and priorities for the next programming period, 4) to learn from implementation experiences and assess whether the resources and actions achieve the objectives efficiently.

Assessment: very good.

#### *5. Title: Strategic Environmental Evaluation.*

Publication date: Forthcoming in late 2011 or early 2012

General focus: Environmental matters in the NSRF and the OPs.

Evaluation Objectives: To examine the horizontal theme of environment and specific actions. Analysing implementation results and reviewing the system of indicators. Priority is given to issues related to water management (water cycle) in order to perform an impact analysis of the investments in the sector. The previous evaluation carried out by the AEVAL (Spanish agency for evaluation) is taken into account.

Methods: carried out in accordance with the criteria contained in the Methodological Guide for Environmental Strategic Evaluation. Impact analyses are going to be performed through collaboration with the Institute for Fiscal Studies (IF)

*6. Title: Strategic RTDI Evaluation*

General focus: The evaluation is being carried out on the Technology Fund as a pilot program aimed, essentially, at fostering business RTDI.

Evaluation Objectives: To analyse the design, the degree of implementation and the performance of the Technological Fund NOP; to estimate its impact on the progress of the knowledge economy in Spain during the current programming period.

Publication date: Forthcoming in late 2011 of early 2012.

*7. Title: Mid-Term evaluation of Spain-France-Andorra Operational Programme (SFATCOP) in the Territorial Cooperation Objective.*

General focus: The evaluation has being carried out in the Territorial Cooperation Objective in order to analyse its mid-term implementation process.

Evaluation Objectives: To assess the fitting of projects in the planning and to analyse the management and implementation progress. To analyse the issues involved in the management of cross-border measures and projects.

Publication date: October 2010.

## 5. CONCLUDING REMARKS – FUTURE CHALLENGES

The main points made during last year's report (policy paper on innovation and country report on achievements) are as follows:

- From the operational standpoint, one of the principal challenges faced by Spanish ERDF programmes was the need to speed up the processes of verification and certification and to finish setting up of their information systems. From the point of view of monitoring, the main challenge was to put into practice the operational indicator system.
- The measures supporting business RTDI co-financed by ERDF in convergence regions are unbalanced towards high level research projects which are often too demanding for the capacity of local firms. The measures in the Technological Fund NOP which are implemented by the Spanish centre for technological industrial development (CDTI) are not well suited to the features of these regions. The RDI projects which can apply for CDTI aid under the Technological Fund NOP are ambitious, high profile undertakings and designed to foster entrepreneurial excellence, so it is important that regional firms are encouraged to aspire to CDTI aid. However, the national and regional shares of ERDF funding for RTDI policy in convergence regions certainly looks disproportionate given that the majority of firms in these areas still need prior preparation to acquire a realistic chance to access CDTI project funding on a large scale.
- The strategic evaluation of the Spanish NSRF found that the strategy of ERDF programmes, based on the objectives of the Lisbon strategy, remains valid and relevant. To some extent, the need to design a new model of growth for the Spanish economy was anticipated. Moreover, it was realised that the consequences of the economic crisis entailed the need to modify certain operational programs to reviewing their goals in order to ensure an effective absorption of funding. In accordance with the own provisions in the aforementioned evaluation, the deep impacts of the crisis require a re-evaluation of the programmes for prioritizing and resizing targets accordingly to the constraints posed by the dramatic changes in the economic situation.

Regarding the problems in setting up software applications (FONDOS 2007 and the systems of intermediary bodies) for the monitoring and reporting processes, fortunately, the situation has improved considerably this year. Fondos 2007 has become an integrated and comprehensive information system, which is an essential tool for assessing and monitoring the progress of operational programs.

Overall, both financial implementation rates and indicators advanced considerably in 2010. This development confirms the assertion made in the 2009 report: the degree of actual implementation of the programs went far beyond the information contained in the indicator system and in the financial performance figures gleaned from this system. The main reasons



for this are the delays and difficulties with the tuning of information systems (Fondos 2007) and the collection of information on indicators.

Currently, the experts of the evaluation unit (DG Fondos Comunitarios) consider the new information system FONDOS 2007 as a practical and very effective tool, which is based on records at the highest level of disaggregation, allowing them to add information for monitoring policies and programs with high accuracy and consistency.

Financial implementation rates and indicators clearly show the difficulties of delivering effective support to business RTDI projects in convergence regions through the measures implemented by CDTI. A large portion of the ERDF RTDI funding for convergence regions (5.1% of total ERDF funding) was placed in the Technological Fund NOP under the auspices of CDTI. The achievements are still somewhat scarce in the convergence objective. The number of RTDI business projects implemented is very low compared to the target (0.8%); other indicators such as people participating in these projects (2.2% TAR) and the number of beneficiary companies (0.5% TAR) confirm these difficulties.

Organizational changes have been made in CDTI and a new line of suitable actions for convergence regions (ERDF INTERCONECTA) is being designed in cooperation with regional governments; however it is, as yet, not operational.

Regional incentives, one of the most traditional and powerful measures (with a large a share of total ERDF, 12.4%), has been seriously affected by the economic crisis. This measure is clearly underperforming both in financial implementation (only 6.1% FIR) and in achievements of targets: induced private investment is well below its target (1.7% TAR) and employment has only reached a 6.5% TAR.

The Spanish economy has experienced a dramatic change from strong growth up to the year 2007—when OPs were prepared— to economic recession, low growth prospects and the current financial and debt crisis. An operational reprogramming is being prepared at the present time to address the problems hampering implementation because of the serious constraints faced by the private sector (high interest rates and credit crunch because of country risk) and the public sector involved in fiscal consolidation and cuts in public spending. Increasing co-financing rates from 70% to 80% is recommended for the priority of business development and innovation of ERDF ROPs in convergence, phasing out and phasing in objectives and in the Technology Fund NOP for the convergence and phasing out objectives.

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## INTERVIEWS

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D.G. Fondos Europeos y Planificación, Junta de Andalucía	M <sup>a</sup> Luz Picado Duran	Subdirectora General	*	25/05/2011
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D.G. Presupuestos y Fondos Comunitarios, Junta de Castilla León	Eva Martín Delgado	Jefa de Servicio de Fondos Europeos	***	25/05/2011
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D.G. Presupuestos y Fondos Comunitarios, Junta de Castilla La Mancha	José Antonio Poncela Blanco	Director General de Presupuestos y Fondos Comunitarios	***	25/05/2011
D.G. Asuntos Económicos, Generalitat de Catalunya	Silvia Vives Pastor	Responsable de la Coordinación de Políticas Estructurales	***	25/05/2011
Consejería de Administración Pública y Hacienda, Junta de Extremadura	Pilar Duran Solano	Directora General de Financiación Autonómica y Fondos Europeos	***	25/05/2011

COMPANY/INSTITUTION	NAME	POSITION	TYPE	DATE
Consejería de Administración Pública y Hacienda, Junta de Extremadura	Cristina Beatriz Cortés Barreto	Jefa de Servicio de Control de Fondos Finalistas	***	25/05/2011
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D.G. Fondos Europeos, Govern de Balears	Jaime Gelabert Vich	Jefe de Departamento	***	25/05/2011
D.G. Acción Exterior, Gobierno de La Rioja	Rebeca Fernández Fernández	Técnico en Acción Exterior	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Anatolio Alonso Pardo	Subdirector General de Administración de Fondos FEDER	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Natalia Vítóres Mingo	Subdirectora General de Certificación y Pagos	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Carlos Ortega Camilo	Subdirector General de Incentivos Regionales	***	25/05/2011
Ministerio de Economía y Hacienda	Rafael Cortés Sánchez	Subdirector General de Inspección y Control	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	José Luis Kaiser Moreiras	Subdirector General de Programación Territorial y Evaluación de Programas Comunitarios	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Ana Raquel García Rubio	Subdirectora General de Fondo de Cohesión y Cooperación Territorial	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Jorge Orozco Peral	Vocal Asesor	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Ángeles Gayoso Rico	Vocal Asesora	***	25/05/2011
S.G. Presupuestos y Gastos, Ministerio de Economía y Hacienda	Carmen Castaño Laorden	Vocal Asesora	***	25/05/2011
Ministerio de Trabajo e Inmigración	Carlos Tortuero Martín	Director de la Unidad Administradora del Fondo	***	25/05/2011
Comunidad de Madrid	Juan José Tomás Fernández Del Hoyo	Subdirector General de Fondos Europeos y Política Regional	***	25/05/2011
D.G. Economía y Planificación, Región de Murcia	Esther Ortiz Martínez	Director a General de Economía y Planificación	***	25/05/2011
D.G. Economía y Planificación, Región de Murcia	Mª Victoria Lorenzo Ibáñez	Jefa del Servicio de Coordinación y	***	25/05/2011

COMPANY/INSTITUTION	NAME	POSITION	TYPE	DATE
		Planificación		
D.G. Economía y Planificación, Región de Murcia	Loreto Salas Hernández	Subdirectora General de Planificación Y Fondos Europeos	***	25/05/2011
Servicio Acción Europea, Gobierno de Navarra	Ana Lizárraga Dallo	Directora de Servicio	***	25/05/2011
Servicio Acción Europea, Gobierno de Navarra	Cristina Blanco Vaca	Técnica de la rama Económica	***	25/05/2011
Gobierno Vasco	José Antonio Varela Alonso	Jefe del Servicio de Política Regional	***	25/05/2011
Representación Permanente España ante la UE	Vicente Rodríguez Sáez	Consejero Finanzas	***	25/05/2011
Consellería de Economía Hacienda y Empleo, Generalitat Valenciana	Eusebio Monzó Martínez	Director General	***	25/05/2011
Consellería de Economía Hacienda y Empleo, Generalitat Valenciana	Rosa Ramírez Quintana	Jefa del Área de Economía y Fondos Comunitarios	***	25/05/2011
Consellería de Economía Hacienda y Empleo, Generalitat Valenciana	Esperanza Gómez-Ferrer Boldova	Jefa del Programa de Verificación y Control de Fondos Comunitarios	***	25/05/2011
D.G. Economía, Generalitat Valenciana	María Vicenta Gil Vila	Jefa del Servicio de Política Regional y de la Competencia de la UE	***	25/05/2011
Consellería de Economía Hacienda y Empleo, Generalitat Valenciana	José Manuel Vela Bagues	Secretario Autonómico de Economía, Hacienda y Empleo	***	25/05/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	José Luis Kaiser Moreiras	Subdirector General de Programación Territorial y Evaluación de Programas Comunitarios	**	15/07/2011
CDTI	Javier Ponce Martínez	Director de Gestión Operativa	*	18/07/2011
CDTI	María Luisa Castaño	Subdirector General de Estrategias de Colaboración Público-Privada	*	18/07/2011
Red2Red	Enrique Martínez Cantero	Director del Área de Políticas Comunitarias	*	18/07/2011
S.G. Estrategias de Colaboración Público-Privada, Ministerio de Ciencia e Innovación	Bárbara Fernández Revuelta Fernández Durán	Jefa de Área	*	18/07/2011
S.G. Gestión Económica, Ministerio de Ciencia e Innovación	Adolfo Barrios Ruano	Jefa de Área	*	18/07/2011
S.G. Estrategias de Colaboración Público-Privada, Ministerio de Ciencia e Innovación	Mª Luisa Castaño Marín	Subdirectora General de Estrategias de Colaboración Público-Privada	*	18/07/2011
S.G. Programación Territorial y Evaluación de Programas Comunitarios, Ministerio de Economía y Hacienda	María Gorriti Gutiérrez-Cortines	Subdirectora General Adjunta	*	19/07/2011

COMPANY/INSTITUTION	NAME	POSITION	TYPE	DATE
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	M <sup>a</sup> Carmen Hernández Martín	Subdirectora General Adjunta de Fondo de Cohesión y Cooperación Territorial Europea	*	19/07/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Ana Raquel García Rubio	Subdirectora General de Fondo de Cohesión y Cooperación Territorial Europea	*	19/07/2011
S.G. Programación Territorial y Evaluación de Programas Comunitarios, Ministerio de Economía y Hacienda	María Muñoz		*	19/07/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	Anatolio Alonso Pardo	Subdirector General de Administración de Fondos FEDER	*	19/07/2011
Regio Plus Consulting	Félix Pablo Pindado	Director de Programación y Evaluación de Políticas de RegioPlus	*	18/07/2011
D.G. Fondos Comunitarios, Ministerio de Economía y Hacienda	José Luis Kaiser Moreiras	Subdirector General de Programación Territorial y Evaluación de Programas Comunitarios	**	10/08/2011
D.G. d'Afers Econòmics, Departament d'Economia i Coneixement, Generalitat de Catalunya	Joan Luria i Pagès	Subdirector General de Programació Econòmica	**	07/09/2011
S.G. Programación Territorial y Evaluación de Programas Comunitarios, Ministerio de Economía y Hacienda	María Gorriti Gutiérrez-Cortines	Subdirectora General Adjunta	**	08/09/2011
S.G. Programación Territorial y Evaluación de Programas Comunitarios, Ministerio de Economía y Hacienda	María Muñoz		**	08/09/2011
D.G. d'Afers Econòmics, Departament d'Economia i Coneixement, Generalitat de Catalunya	Laia Obiols Bragulat	Subdirecció de Programació Econòmica	**	09/09/2011
D.G. d'Afers Econòmics, Departament d'Economia i Coneixement, Generalitat de Catalunya	Joan Luria i Pagès	Subdirector General de Programació Econòmica	*	22/09/2011
D.G. d'Afers Econòmics, Departament d'Economia i Coneixement, Generalitat de Catalunya	Laia Obiols Bragulat	Subdirecció de Programació Econòmica	*	22/09/2011
Pricewaterhouse Coopers, Asesores de Negocios, SL	Sandra Pérez Martínez	Funds Evaluator	*	23/09/2011
Pricewaterhouse Coopers, Asesores de Negocios, SL	Elena Casas Martínez	Funds Evaluator	*	23/09/2011

Code: \* In situ interview, \*\* Telephonic Interview, \*\*\* General presentation and discussion at the meeting “Foro de Economía”, organized in Vigo by DG Fondos Comunitarios (Ministerio de Economía y Hacienda, Gobierno de España) and DG Planificacion y Fondos (Gobierno regional de Galicia).

## **TABLES**

See Excel file for Tables 1–4

Table 1 – Regional disparities and trends

Table 2 – Macro-economic developments

Table 3 – Financial allocation by main policy area

Table 3 CBC – Financial allocation by main policy area

Table 4 – Commitments by main policy area (by end-2010)

Table 4 CBC – Commitments by main policy area (by end-2010)



## ANNEX

### Annex 1 – Evaluation grid for examples of good practice

BASIC INFORMATION		
<b>Country</b> Spain		
<b>Policy area</b> RTDI and Enterprise support		
<b>Title of evaluation and full reference</b> Operational evaluation of the Catalonia ROP		
<b>Intervention period covered</b> ( 2007–2011)		
<b>Timing of the evaluation</b> March 2011 – October 2011		
<b>Budget (if known):</b> EUR 40,000		
<b>Evaluator</b> External evaluator		
<b>Method</b> Case study, analysis of indicators, exploitation of database of beneficiaries, qualitative interviews with managers and responsible people in the programme.		
<b>Main objectives and main findings</b> Due to the change in the socio-economic context, a reprogramming would be appropriate. Funds allocated to enterprises and local administrations (business incubators and other) have been affected by the crisis and its implementation has been delayed. The network of research and technological centres of Catalonia has permitted the mobilization of research talent and participation in European and international networks.		
<b>Appraisal</b> The analysis of strategic coherence is performed correctly. The exploitation of the databases of beneficiaries, the statistical information and the in-depth interviews with managers were carried out very professionally. Overall, evaluations are useful for program reorientation		
CHECK LIST	YES	NO
<b>UTILITY</b>		
<b>Report Clarity and Balance</b>		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	X	
Is the outcome of the intervention clearly reported?	X	
<b>RELIABILITY OF FINDINGS</b>		
<b>Evaluation design</b>		
Is the approach adopted by the evaluation and method used clearly set out?	X	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	X	
<b>Context</b>		
Is the socio-economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	X	
<b>Information Sources</b>		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
<b>Analysis</b>		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?	X	
Do the policy recommendations follow clearly from the findings of the analysis?	X	

BASIC INFORMATION		
<b>Country</b> Spain		
<b>Policy area</b> Equal opportunities for men and women		
<b>Title of evaluation and full reference</b> Strategic Evaluation of equal opportunities for men and women.		
<b>Intervention period covered</b> 2007–2013		
<b>Timing of the evaluation</b> 2011		
<b>Budget (if known):</b>		
<b>Evaluator</b> Internal evaluation		
<b>Method</b> Document sources, quantitative analysis from indicators, qualitative interviews (responsible people in intermediary bodies and equal opportunities units) and case studies		
<b>Main objectives and main findings</b> ERDF indicators: An in depth review of gender inequality indicators is needed. Regarding performance: women are increasingly participating in co-financed operations.		
<b>Appraisal</b>		
CHECK LIST	YES	NO
<b>UTILITY</b>		
<b>Report Clarity and Balance</b>		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	X	
Is the outcome of the intervention clearly reported?	X	
<b>RELIABILITY OF FINDINGS</b>		
<b>Evaluation design</b>		
Is the approach adopted by the evaluation and method used clearly set out?	X	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	X	
<b>Context</b>		
Is the socio-economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	X	
<b>Information Sources</b>		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
<b>Analysis</b>		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?	X	
Do the policy recommendations follow clearly from the findings of the analysis?	X	

BASIC INFORMATION		
<b>Country</b> Spain		
<b>Policy area</b> Priority 2 of ERDF ROPs and in the priority 1 in the Technology Fund NOP		
<b>Title of evaluation and full reference</b> Operational Evaluation for reprogramming the ERDF ROPs of the Convergence objectives, Phasing-out, and Phasing-in and the Technology Fund NOP in the convergence objectives and phasing out.		
<b>Intervention period covered</b> 2007–2013		
<b>Timing of the evaluation</b> 2011		
<b>Budget (if known):</b>		
<b>Evaluator</b> Internal evaluation		
<b>Method</b> Projections and simulations based on the information in FONDOS 2007 to estimate the effects of proposed reprogramming measures		
<b>Main objectives and main findings</b> Resizing urgently the targets and increasing funding rates. Co-financing rates must be increased from 70% to 80% (85% in the Canaries) in priority 2 (business development and innovation) of ERDF ROPs in convergence, phasing out and phasing in objectives and in the main priority (priority 1, development of knowledge base economy) in the Technology Fund NOP for the convergence and phasing out objectives. It is also needed in the ROPs of Andalusia, Extremadura, Asturias, Castilla La Mancha and Castilla y Leon		
<b>Appraisal</b> Extremely important and technically correct to address the serious impact of economic stagnation and the current financial crisis on the implementation of ERDF programmes.		
CHECK LIST	YES	NO
<b>UTILITY</b>		
<b>Report Clarity and Balance</b>		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	X	
Is the outcome of the intervention clearly reported?	X	
<b>RELIABILITY OF FINDINGS</b>		
<b>Evaluation design</b>		
Is the approach adopted by the evaluation and method used clearly set out?	X	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	X	
<b>Context</b>		
Is the socio-economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	X	
<b>Information Sources</b>		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
<b>Analysis</b>		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?	X	
Do the policy recommendations follow clearly from the findings of the analysis?	X	

BASIC INFORMATION		
<b>Country</b> Spain		
<b>Policy area</b> Policy Area 3: Transport; Subpolicy Area 3.1: Rail		
<b>Title of evaluation and full reference</b> El impacto económico de la línea de alta velocidad Madrid–Valencia. Ministerio de Fomento, Madrid, 2010.		
<b>Intervention period covered</b> 2007–2013		
<b>Timing of the evaluation</b> 2011		
<b>Budget (if known):</b>		
<b>Evaluator</b> External evaluator		
<b>Method</b> Case studies and example from Spain and other countries; Input-output Analysis; Economic and social Statistics. Surveys to enterprises and citizens, projections of demand and consumer expenditure.		
<b>Main objectives and main findings</b> To determine the economic, social and territorial impact of the M_V high speed railway: Increases in regional GDP and employment in both of the regions connected. Increased market accessibility and substitution effect of car and plane trips. Productivity gains.		
<b>Appraisal</b> It is based on a comprehensive review of the literature and case studies on the impacts of high speed trains. Performs rigorous analysis with input-output tables. Makes a survey on travel demand and alternative uses of time. It estimates the productivity gains of businessmen linked to the productive use of time on the train.		
CHECK LIST	YES	NO
<b>UTILITY</b>		
<b>Report Clarity and Balance</b>		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	X	
Is the outcome of the intervention clearly reported?	X	
<b>RELIABILITY OF FINDINGS</b>		
<b>Evaluation design</b>		
Is the approach adopted by the evaluation and method used clearly set out?	X	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	X	
<b>Context</b>		
Is the socio-economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	x	
<b>Information Sources</b>		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
<b>Analysis</b>		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?	X	
Do the policy recommendations follow clearly from the findings of the analysis?		

BASIC INFORMATION		
<b>Country</b>	Spain–France–Andorra	
<b>Policy area</b>	Territorial Cooperation	
<b>Title of evaluation and full reference</b>	Mid–Term evaluation of the 2007–2013 Spain–France–Andorra Operational Programme (SFATCOP) in the Territorial Cooperation Objective. Autoridad de Gestión SFATCOP, Zaragoza, 2010.	
<b>Intervention period covered</b>	2007–2013	
<b>Timing of the evaluation</b>	October 2010	
<b>Budget (if known):</b>		
<b>Evaluator</b>	External evaluator	
<b>Method</b>	Documental sources, quantitative analysis from indicators, qualitative interviews (responsible people in principal beneficiary bodies) and case studies	
<b>Main objectives and main findings</b>	Participation of private entities (non–profit) in projects. The projects are more abundant in proximity than transversal in all axes of the OP. The degree of overall financial performance is quite low but PO monitoring indicators (performance and outcome) well proposed.	
<b>Appraisal</b>	Technically correct. Useful findings and recommendations for cross–border cooperation programmes.	
<b>CHECK LIST</b>	<b>YES</b>	<b>NO</b>
<b>UTILITY</b>		
<b>Report Clarity and Balance</b>		
Are the objectives, methods and findings of the evaluation clearly described?	X	
Are the conclusions and recommendations clearly supported by the analysis?	X	
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?	X	
Is the outcome of the intervention clearly reported?	X	
<b>RELIABILITY OF FINDINGS</b>		
<b>Evaluation design</b>		
Is the approach adopted by the evaluation and method used clearly set out?	X	
Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?	X	
Are the details of the operation of the intervention clearly described?	X	
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?	X	
<b>Context</b>		
Is the socio–economic and policy context clearly set out?	X	
Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?	X	
<b>Information Sources</b>		
Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?	X	
Is the reliability of the data fairly assessed and described?	X	
<b>Analysis</b>		
Are appropriate procedures/techniques used to analyse the data and/or qualitative information?	X	
Are suitable procedures used to check the validity of findings?	X	
Is the validity of the findings reached clearly demonstrated?	X	
Do the policy recommendations follow clearly from the findings of the analysis?	X	

## Annex 2 – Measures, funding and indicators.

### PA 1.1) RDTI and linked activities.

#### RDTI aid schemes:

The following measures were implemented in this area in order to promote RDTI activities all over the Spanish Economy:

- ***RDT projects carried out for universities and research centres according to the National RDTI plan:***

Contents: Grants to research teams and groups in universities, public bodies and research centres (public or non-profit), which contributes very effectively to foster research in the public and education system.

Implemented by: Central government through public calls, according to National RDT Plan. Moreover, there are external evaluators reporting on the projects and some of the public calls (CONSOLIDER, for example) are addressed to top research teams.

Funded by: Convergence, Phasing-out and phasing-in cofounded by the ERDF through the KBE NOP (4.1% of total funds, 7.3% FIR); and delivered to competitiveness and employment regions through their ROPs (1.5% of total funding, 19.7% FIR).

Number of projects: 3,325 (19.5% of total), of which:

- 2,807 belong to the KBE NOP (16.9% of total, TAR is not available).
- 428 belong to competitiveness ROPs (38.7% TAR).

- ***Actions undertaken by regional governments to encourage RDTI projects:***

Contents: Mainly grants to stimulate regional scientific and technological research. It includes funding to research groups in universities and other research centres to carry out RDI projects, incentives to technological centres and other regional innovation agents for RDI projects. These projects are usually linked to specific regional problems and the development of strategic areas, new knowledge and technology.

Implemented by: Regional Governments.

Funded by: Convergence, Phasing-out and phasing-in funded through their ROPs (2.0% of total funding, 12.8% FIR), and competitiveness regions through their ROPs (1.1% of total funding, 46.3% FIR).

Number of projects: 2052 projects, of which:

- 855 belong to convergence, phasing-in and Phasing-out regions (48.6% TAR), of which 214 RD projects are cooperative.
- 1,197 belong to competitiveness regions (45.3% TAR), of which 624 are cooperative (56.7% TAR).

- ***Biomedicine R&TD projects:***

Contents: Aid to promote RDT projects and cooperation networks in biomedical research.

Implemented by: Spanish Health Institute Carlos III (Carlos III SHI).

Funded by: The ERDF through the KBE NOT (0.22% of total funding, 31.4% FIR) and through the Competitiveness ROPs of Catalonia, Euskadi and Madrid (0.04% of total, 96.4% FIR).

Number of projects: 846 biomedical RDT projects, of which:

- 438 belong to convergence regions (107.1% TAR).
- 408 belong to competitiveness regions (529.9% TAR).

#### RDTI Infrastructures:

The following measures were implemented in this area in order to promote the RDTI activities:

- ***R&DT infrastructures and centres of competence in a specific technology:***

Contents: Aid to purchase scientific equipment and communications networks for research. They are granted through public calls resolved on competitive basis.

Implemented by: DG for Research and National RDI Plan.

Funded by: The KBE NOP for convergence, Phasing-out and phasing-in regions (6.1% of total ERDF funding, 5.1% FIR), and by their ROPs for competitiveness regions (2.3% of total ERDF funding, 7.8% FIR).

Number of projects: According to the information provided in 2010 AIRs (KBE NOP and the ROPs for competitiveness objective), 423 projects (22.8% TAR), of which:

- 348 belong to convergence regions (25.9% TAR).
- 75 belong to regions eligible under the competitiveness and employment objective (14.6% TAR).

• ***Scientific and technological parks ACTEPARQ and CREA programmes:***

Contents: Grants for research infrastructure, equipment and RTD projects in scientific and technological parks ACTEPARQ and CREA programmes. In addition to project information provided in the 2010 AIR, there is some evidence on the effectiveness of the location in science and technology parks to encourage research and promote the commercial success of small companies.

Implemented by: DG for Technological Transfer and Business Development (MICINN).

Funded by: The ERDF through TF NOP (1.45% of total funding, 22.7% FIR).

Number of projects: 211 RTD projects (1.4% TAR).

• ***Support to infrastructure and RTD equipment in specific technologies:***

Contents: Grants to build and buy infrastructure and RTD equipment in specific technologies.

Implemented by: Regional governments.

Funded by: The ERDF, in convergence regions (2.59% of total, 19.0% FIR) and competitiveness regions (2.6% of total, 26.7% FIR).

Number of projects: 196 projects (9.5% TAR) carried out in RTD ROPs projects, of which:

- 169 belong to competitiveness (1.0% of total, 26.2% TAR).
- 27 belong to convergence (0.2% of total, 1.9% TAR).

Benefited companies: Moreover, 784 companies benefited from RTDI infrastructures projects in competitiveness regions.

**Other instruments:**

• ***Investment in firms directly linked to research and innovation:***

Contents: Investments in companies whose main activity is related to research and innovation for promoting this kind of activities.

Implemented by: Regional and local governments.

Funded by: The ERDF through ROPs (1.63% of total funding, 19.9% FIR) of which it addressed convergence, Phasing-out and phasing-in regions (0.65% of total, 28.1% FIR) and in convergence (0.99% of total, 4.5% FIR).

Number of projects: 1,009 projects by regional governments (24.1% TAR), of which:

- 689 belong to convergence regions (27.5% TAR).
- 320 belong to competitiveness and employment regions (19.1% TAR).

And 2,576 small projects (63% TAR) are implemented by local governments in Basque Country.

Benefited companies: 748 firms (54.6% TAR) have been reached by these measures in convergence regions, whereas 1,435 companies (44.4% TAR) benefited from measures in competitiveness regions.

**PA 1.2) Innovation support for SMEs.**

**Innovation aids schemes:**

• ***Technology transfer and cooperation network measures:***

Contents: Measures to promote research and business innovation. The projects are mostly cooperative between companies and CT's.

Implemented by: Regional governments.

Funded by: The ERDF through ROPs (0.8% of total ERDF, 10.0% FIR), of which it addressed convergence objective (0.2% of total ERDF, 22.0% FIR) and competitiveness regions (0.59% of total ERDF, 5.8% FIR).

Number of projects: 525 projects (35.2% of target), of which:

- 404 RTDI projects belong to convergence regions (44.0% TAR).
- 121 RTDI projects belong to competitiveness regions (21.1% TAR).

Benefited companies: These measures in the ROPs of convergence objectives have an important impact in terms of benefited companies, 1,405 (100.3% TAR).

Number of participants: It is relatively low in both objectives: 266 people (5.6% TAR), of which:

- 94 people belong to convergence ROPs (3.6% TAR).
- 172 belong to competitiveness ROPs (8.2% TAR).

• ***Measures implemented by development agencies and regional governments to stimulate RTDI projects in SMEs:***

Contents:

Implemented by: Development agencies and regional governments.

Funded by: The ERDF (2.4% of total funding, 58.8% FIR) through ROPs, which addresses convergence regions (1.1% of total ERDF, 78.3% FIR) and competitiveness regions (1.34% of total funding, 7.6% FIR).

Number of projects: 1272 projects, of which:

- 526 belong to convergence regions (12.7% TAR), of which 91 are cooperative projects (51.4% TAR).
- 746 belong to competitiveness regions (22.2% TAR).

Benefited companies: 1,674 firms (26.8% TAR), of which:

- 1,126 belong to convergence regions (29.2% TAR).
- 548 belong to competitiveness regions (23.0% TAR).

Number of participants: 5,492 people (82.0% of target), of which:

- 4,030 people belong to convergence regions (130.6% TAR).
- 1,472 people belong to competitiveness regions (40.7% TAR).

• ***AVANZA Program:***

Contents: This program consists of delivering RTDI assistance in ICT sector for SMEs, including aids for: Projects of industrial research, experimental development and innovation processes and organization (1), and dissemination and promotion actions (2).

Implemented by: DG of Telecommunications, MICTYC.

Funded by: The NOP.

Number of projects: 276 projects (126.6% TAR), of which:

- 57 are cooperative projects between companies and technological centres.

Benefited companies: 308 in convergence regions (49.1% TAR).

Number of participants: 3,192 people (206.2% TAR).

• ***Partially reimbursable aids to companies for business RTDI projects:***

Contents: The main lines of action are: integrated business RTDI projects, projects of technological cooperation between SMEs and business technology projects. It promotes RTDI cooperative business consistent with one of the key lines of action of the Technological Fund Operational Programme: the setting up and consolidation of clusters that help to structure the Spanish Science–Technology Enterprise.

Collaborations with governments and regional agencies to facilitate the formation of business consortia project developers. However, this partnership is not working properly as the CTDI aids and business RTDI projects are not well suited to the needs of the regions of convergence. The cause of the low implementation in convergence regions lies to a great extent in the mismatch of CTDI project design conditions (too ambitious).



Implemented by: Spanish Center for Industrial Technological Development (CDTI, under the auspices of the MICINN).

Funded by: The ERDF through the TF NOP (7.36% of total funding, 15.5% FIR), which is shared by convergence regions (5.15% of total funding), phasing-in (1.1% of total funding), Phasing-out (0.37% of total funding) and competitiveness regions (0.74% of total funding).

Number of projects: 174 projects, of which:

- 49 belong to convergence regions (0.8% TAR).
- 125 belong to competitiveness regions (0.8% of total, 19.2% TAR).

Benefited companies: 273 firms, of which:

- 49 belong to convergence regions (0.5% TAR).
- 224 belong to competitiveness regions (50.7% TAR).

Number of participants: 939 people, of which:

- 202 belong to convergence regions (2.2% TAR).
- 737 belong to competitiveness regions (2.4% of total, 72.3% TAR).

### **Other measures for innovation and entrepreneurship:**

#### **• *AVANZA SME programme:***

Contents: Delivered by means of partnerships with private financial institutions, provides funding for developing business projects and electronic billing tailored to the needs of SMEs, as well as loans at zero interest for investment in ICT and promoting innovation in SMEs.

Implemented by: DG for ICT, MITYC.

Funded by: The ERDF funding in ROPs (EUR 11.4 million certified investment, 19.5% FIR), shared by convergence, Phasing-out and phasing-in ROPs (0.28% of total funding, 27.6% FIR) and competitiveness ROPs (0.15% of total funding, 19.5% FIR).

Benefited companies: 18,193 firms (41.4% TAR).

#### **• *Innovation Programme for SMEs (Innoempresa):***

Contents: Aid to companies for stimulating SMEs innovative technologies and practices in processes, products, organization and management.

Implemented by: The central government, DG for SMEs (MITYC) through partnerships with regional development agencies.

Funded by: The ERDF through the ROPs of the convergence, Phasing-out and phasing-in regions (1.17% of total funding, 27.7% FIR).

Benefited companies: 9,029 small companies (20.6% TAR).

Number of participants: 591 people (11.8% TAR, full time equivalent, gross).

#### **• *Programme to promote Network Enterprises:***

Implemented by: The public enterprise RED.Es.

Funded by: The ERDF through ROPs (0.44% of ERDF funding, 19.5% FIR) in convergence and competitiveness regions.

Benefited companies: 2,358 firms (7.2% TAR), of which:

- 1,970 belong to convergence regions (6.3% TAR).
- 388 belong to competitiveness regions (22.1% TAR).

#### **• *Actions to stimulate research and innovation and entrepreneurship in the convergence ROPs Regional Governments:***

Contents: These actions consist of: aids to firms in the areas of ICT and quality, grants to SMEs for the promotion of new business units, mentoring activities for entrepreneurs. They also promote innovation in SMEs through assistance programmes or investing in much business project, information systems, computer firms and technology transfer. There have been carried out competitive public funding programmes for RTD and measures to stimulate knowledge and technological culture in society.

Implemented by: Regional Governments.

Funded by: The ERDF through the ROPs (3.19% of total ERDF funding, 16.8% FIR), shared by convergence regions (2.9% of total funding, 16.8% FIR) and competitiveness regions (0.3% of total funding, 17.0% FIR).

Number of projects: There are no indicators on number of RTDI projects.

Benefited companies: 1,358 firms (1.9% of total, 10.2% TAR).

Number of participants: 8,723 people (28.3% of total, 23.4% TAR).

• ***Actions to stimulate research and innovation in SMEs aimed to increase access to foreign markets:***

Implemented by: Spanish Institute of Foreign Trade (ICEX).

Funded by: The ERDF through the ROPs of convergence objective regions (0.01% of ERDF, 49.5% FIR).

Benefited companies: 436 firms (427.5% TAR).

Innovation actions aimed at gaining foreign market share (04): 67 business innovation projects (innovation and internationalization plans).

• ***Measure to foster ICTs in SMEs:***

Contents: This measure is intended to produce leverage effects in the adoption of ICT solutions in micro and SMEs. The procedure consists of identify some technological solutions well suited to specific groups of activities, select a sample of firms to conduct pilot studies and then disseminate the results among firms in the sector by means of demonstration projects and workshops.

Implemented by: RED.Es, a public company under the auspices of the Ministry for Industry (MITYC).

Funded by: The ERDF through the TF NOP (0.36% of total funding, 16.3% FIR).

Benefited companies: 6,562 firms (10.9% TAR)

• ***Other measures for fostering services and applications for SMEs:***

Contents: These measures include a wide range of activities: e-commerce, education and training, networking, etc.

Implemented by: Regional development agencies.

Funded by: The ERDF through ROPs of convergence regions.

Benefited companies: 2,391 firms (133.2% TAR), relatively concentrated in Galicia.

Number of participants: 1,018 people (161.6% TAR).

• ***Other measures for ICT in SMEs:***

Implemented by: Regional governments.

Funded by: The ERDF through the ROPs (0.26% of total funding, 47.6% FIR), shared by convergence objective regions (0.19% of total funding, 55.8% FIR) and competitiveness objective regions (0.07% of total funding, 28.3% FIR).

Number of projects: There is no indicator of number of projects available.

Benefited companies: 953 firms in competitiveness regions (9.6% TAR).

Number of participants: 1,931 people in competitiveness regions (6.0% TAR).

**PA 1.3) ICT and related services.**

• ***Measures concerning the promotion of ICT and their applications in the field of public administration, social services and citizen services:***

Contents: These measures lie in the field of services and applications for citizens (e-health, e-government, e-learning...). Important achievements have been attained in the computerization of the public administration and social services (education and health especially), as well in services for citizens (civil registers and courts of justice). There are several lines of action: Integration of ICT on educational processes (1), promote e-Health providing centres with basic infrastructure and advances healthcare facilities (2), computerization of civil registers and digitalization of handwritten books (3), Citizens Network: Promotion of ICT in society, setting up tele-centres in villages, ensuring quality and free DSL or satellite access to internet (4); administration and public services: e-administration more accessible to citizens.

Implemented by: RED.Es, a public enterprise under the auspices of MITYC.

Funded by: The ERDF through the KBE NOP (2.92% of total funding, 32.1% FIR).

Number of projects: 82 projects (221.6% TAR).

Number of participants: 491 people (135.6% TAR).

• ***Measures concerning the promotion of ICT and their applications in the field of public administration, social services and citizen services, implemented by regional governments:***

Contents: These measures bring together a series of different activities, which have to be interpreted according to the qualitative characteristics of the implemented measures, all of them in the field of services and applications for citizens (e-health, e-government, e-learning, etc).

Implemented by: Regional governments and development agencies.

Funded by: The ERDF through the ROPs (4.85% of total funding, 33.4% FIR), divided into convergence regions (3.5% of total ERDF funding, 33.7% FIR) and competitiveness regions (1.36% of total funding, 32.4% FIR).

Number of projects: 497 projects, of which:

- 316 belong to convergence regions (19.9% TAR).
- 181 belong to competitiveness regions (54.7% TAR).

Other local governments, especially in the deputation of Guipuzcoa (Basque Country), performed 69 projects (26.3% TAR).

Benefited companies: This number is relatively low, 607 firms, of which:

- 471 belong to convergence regions, mainly in Galicia (331 companies, 63.7% TAR), Andalusia (74 companies, 59.7% TAR) and Murcia (66 companies, 110% TAR).
- 105 belong to competitiveness ROPs, mainly in Madrid (18.2% TAR).

Number of participants: 2,177 people in convergence ROPs (221.7% TAR).

#### **PA 1.4) Other investments in firms.**

This policy area includes actions to favour business location and investment in disadvantaged areas as well as the promotion of investments in modernization and internationalization of companies and the provision of support services to companies in the field of export and internationalization.

• ***Regional incentives:***

Contents: This is one of the most powerful and traditional measures in regional policy, which consists of aids to companies for investing in the less developed areas of the country, the more developed the region is where a company is investing, the less percentage of aid it receives. It is based on an inter-regional solidarity principle, and this was one of the star lines of convergence ROPs, being assigned a large amount of ERDF funding.

Implemented by: DG of Community Funds.

Funded by: The ERDF funding (12.35% of total, 6.1% FIR).

Number of projects: Relatively low, 128 projects (4.2% TAR).

Number of participants: 3,366 people (only 6.5% TAR).

• ***Measures implemented by regional governments and development agencies to encourage investment in the creation and modernization of enterprises:***

Contents: They deliver grants to fund projects of industrial research and business investment projects (aid to strategic business projects and repayable grants to support start-up). Other measures support the creation of business parks in industrial locations (supplying land and infrastructure at competitive prices to improve settlement and internationalization), initiative to encourage entrepreneurship, new business creation and self-employment generation.

Implemented by: Regional governments and development agencies.

Benefited companies: 1,471 firms benefited by development agencies (15.0% TAR) and 6,318 firms by regional governments (17.6% TAR).

• ***Support services and aids to opening of foreign markets and internationalization implemented:***

Contents: Small aid to companies for internationalization by participating in international events and operations.

Implemented by: The Spanish Institute of Foreign Trade (ICEX).

Benefited companies: 16,719 firms, of which:

- 4,639 belong to convergence regions (38.5% TAR).
- 12,080 belong to competitiveness regions (36.3% TAR).

• ***Aids to SMEs for fostering access to foreign markets delivered by regional governments and development agencies:***

Contents: Actions undertaken by regional governments are carried out pursuing foreign trade enhancement and internationalization of firms and local products. Those measures cover a wide range of activities supporting established companies trying to expand in foreign markets.

Implemented by: Regional governments and development agencies.

Funded by: The ERDF through the ROPs and the TF NOP.

Benefited companies: 5,184 firms, of which:

- 1,332 start-ups were supported by development agencies and regional governments in convergence ROPs (26.3% TAR).
- 693 were supported by the ICEX in convergence regions, focusing on foreign trade.
- 1,313 were supported by the ICEX in competitiveness regions, focusing on foreign trade.
- 562 were supported by the Council of Chambers of Commerce in the ROPs of convergence, providing export-internationalization services for SMEs.
- 1,284 were supported in convergence and competitiveness regions by the TF NOP delivering business and innovation services.

### PA 3) Transport.

• ***Railways:***

Contents: The most remarkable achievement is the Madrid-Valencia high-speed train which is currently in operation. A total of 490.9 km (188.1% TAR) of high-speed rail have been built in the convergence ROP of Castilla-La Mancha (448.7 km) and in the Phasing-in ROP of Valencia (42.2 km).

Other notable achievements are the construction of 66.7 km (190.6% TAR) of two-way platform for high-speed railways (ROP Castilla y León), and the construction of 261.8 km (Cohesion Fund and ERDF-Cohesion Fund NOP, 46.3% TAR) of regular railway platform, which are distributed in 23.4 km from the ERDF-Cohesion Fund (7.3%) and 238.4 km Cohesion Fund (97.3%).

A total 96.2 km of TEN railways have been built. In the Cohesion Fund NOP were built 93.6 km of TEN railways (97.7% of total) and in the ROP of Valencia were built other 2.6 km (2.9% TAR).

• ***Roads:***

Contents: 283.5 km of new roads (23.6% TAR) have been built in convergence ROPs. They are mainly distributed in Andalusia (42.5%), Asturias (25.4%), Extremadura (19.7%), Castilla-La Mancha (6.9%) and Galicia (5.5%). In these regions other 143.7 km of new TEN roads (98.0% TAR) have been constructed. They are broken down by regions in the following way: Extremadura (42.8%), Andalusia (30.4%), Galicia (14.3%) and Castilla-La Mancha (12.5%). In the convergence ROPs it is also important the number of km of reformed roads (6,706 km, 226.3% TAR), most of them were carried out in Andalusia (5,970 km, 339.2% TAR), Castilla-La Mancha (519.4 km, 70.8% TAR) and Galicia (115 km, 50% TAR).

• **Ports:**

Contents: 8,081 meters dam have been built, they are distributed between the CF NOP (5,391 km, 62.0% TAR), and the convergence ROPs (2,690 km, 86.5% TAR). Also in the CF NOP, 3,181 meters of docks (51.0% TAR) have been built. Finally, in the ROPs of convergence (including phasing-in) 762,590 m<sup>2</sup> of port area (43.7% TAR) have been conditioned. The bulk of the conditioned surfaces was carried out in Andalusia in the port of Algeciras (525,832 m<sup>2</sup>, 54.8% TAR).

## PA 4.2) Environment and Risk Prevention.

• ***Aids to SMEs for fostering access to foreign markets delivered by regional governments and development agencies:***

Contents: Actions undertaken by regional governments are carried out pursuing foreign trade enhancement and internationalization of firms and local products. Those measures cover a wide range of activities supporting established companies trying to expand in foreign markets.

Implemented by: Regional governments and development agencies.

Funded by: The ERDF through the ROPs and the TF NOP.

Benefited companies: 5,184 firms, of which:

- 1,332 start-ups were supported by development agencies and regional governments in convergence ROPs (26.3% TAR).
- 693 were supported by the ICEX in convergence regions, focusing on foreign trade.
- 1,313 were supported by the ICEX in competitiveness regions, focusing on foreign trade.
- 562 were supported by the Council of Chambers of Commerce in the ROPs of convergence, providing export-internationalization services for SMEs.
- 1,284 were supported in convergence and competitiveness regions by the TF NOP delivering business and innovation services.