



**Expert evaluation network  
delivering policy analysis on the  
performance of Cohesion policy 2007-2013  
Year 2 – 2012**

**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 and Urban Policy**

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## List of abbreviations

- AEVAL Spanish agency for the evaluation of public policies and government services
- AIR Annual Implementation Report
- APTE Association of Science and Technology Parks of Spain
- CBC Cross Border Cooperation
- CDTI Centre for Industrial Technological Development
- FIR Financial Implementation Rate
- ICEX Spanish Institute of Foreign Trade
- MICINN Ministry for Research, Science and Innovation
- MITYC Ministry of Industry, Tourism and Commerce
- NOP National Operational Programme
- NOP CF National Operational Programme Cohesion Fund
- NOP KBE National Operational Programme Knowledge Base Economy
- NOP TF National Operational Programme Technologic Fund
- OP Operational Programme
- ROP Regional Operational Programme
- STP Scientific and Technological Park
- TAR Target Achievements Rate
- TC Technology Centres
- TCSPOP Territorial Cooperation Spain Portugal Operational Programme
- UAFSE Administrative Unit of the ESF, Secretary General for Employment, Ministry of Labour and Social Affairs.
- UPR Ultra Peripheral Regions

## EXECUTIVE SUMMARY

- A new contraction in Spanish GDP has been announced for the current year, 2012, (-1.7% according to official government data). The entire Spanish economy is losing ground to Europe. This is especially serious in Convergence regions, which are quickly falling behind. The imbalances of the Spanish economy (mainly low productivity and the real estate bubble) do not affect Spanish regions equally. The more technologically advanced regions (Competitiveness regions such as Basque Country, Navarra, Madrid, and Cataluña) are facing the current crisis more easily than some of the Convergence regions, especially the southern less developed regions, which are encountering serious problems with unemployment and economic stagnation.
- Most of the priorities and measures in Spain are aligned with the goals of the Lisbon strategy both in the Convergence (including Phasing-out and Phasing-in) and Competitiveness regions. The regional development policy in Spain is targeted at reducing regional disparities and boosting investment in lagging regions.
- Overall implementation and Target Achievement Rates (TARs) experienced significant progress in 2011. In general, an adequate balance between the two dimensions of financial implementation and TARs is perceived and it seems that the programmes' progress is overall positive.
- Despite this first impression, caution must be taken due to the extremely difficult prospects for the Spanish economy. Progress in implementation can hardly be expected to last in the forthcoming years. The main reasons for this include: warnings of increasing rates of failure of selected projects in some measures (especially in those addressed to business sectors) the prospect of an important recession for the current year which will continue into the next year (European Commission forecasts show a decrease of 1.4% for 2013, exactly the same as for 2012).
- A reprogramming action was approved in 2011. The most important action was to increase the co-funding rates in the vast majority of the axes in the Convergence Regional Operational Programme (ROP) and in the National Operational Programme Technologic Fund (NOP TF) to the maximum level. It was addressed to facilitate the absorption capacity and ease both the demand problems in the business sector and the supply problems regarding the national public sector funding. New reprogramming was proposed again last summer in most of the programmes (including the Competitiveness and employment objective).
- The main achievements of the ERDF programs in the current programming period can be summarised as follows. ERDF interventions have significantly helped Spanish regions to reinforce their drive in RTDI, developing and upgrading the Spanish network of transport infrastructure and bringing backward Spanish regions (structurally lagging regions) more up to date in terms of environmental and social infrastructure.
- Moreover, ERDF support to firms induced a volume of investment of around 0.3% of the Spanish GDP in the Competitiveness regions and had a sizeable effect on the Convergence regions (and transitory regimes) in which around 1.3% of their GDP was mobilised.
- Several important measures addressing development problems in Convergence regions are experiencing performance issues. Centre for Industrial Technological Development (CDTI)

aids for RTDI business projects were not well suited to the needs of the Convergence regions. Only a limited number of business RTDI projects were carried out in Convergence regions. A new line FEDER-INTERCONECTA was set up by means of agreements with regional governments and calls have recently been launched, projects have not yet been carried out but the prospects were good by the time this report was written. On the other hand, regional incentives, which are one of the most traditional and powerful measures in regional policy, are also underperforming. They have been affected by the current economic downturn and their TAR is extremely low.

- Nowadays, once the FONDOS 2007 information system is operational, a useful instrument will be available for the evaluation of the measures' performance by comparing the set objectives with their realisation.
- There are increasing difficulties with evaluations. Two strategic evaluations on environmental and RTD issues were announced (late 2011 or early 2012) in last year's report, but these have yet to be published. No further evaluations are expected at present.
- In interviews conducted with both the managers of the programmes and the private stakeholders involved in the projects have complained about the excessive workload and the excess of inspections and petitions of documentation.
- New readjustment measures must be put in place and new generalised reprogramming actions have recently been submitted in the majority of the programmes, both in Convergence and Competitiveness. Measures aimed at the right targets and timely design are now the main priorities. This requires the effort and collaboration of different stakeholders and decision levels. Some measures have been taken to tackle the urgent problems of unemployment and economic crisis, such as dedicated loans for reindustrialization projects and assistance to strategic industrial sectors and the financing of education infrastructure in Convergence regions to face early school leaving and provide training to young people to facilitate their inclusion in the labour market. An extremely large line of action using ERDF funds (now that it is able to finance current assets) would be a direct aid in alleviating the problems of funding affecting many companies with innovative and viable projects. Naturally, the reprogramming actions must be adequately designed to enable effective implementation. The Spanish financial sector and public administration specialised in the management of community funds possess sufficient human resources and expertise to achieve these goals.

## 1. THE SOCIO-ECONOMIC CONTEXT

Main points from previous country report:

- The outbreak of the economic crisis in 2008 changed the prospects of the Spanish economy and unearthed economic imbalances which were hidden by a decade of positive growth.
- The main imbalances affecting the Spanish economy lie in the stagnation of productivity and low levels of qualified labour, deepened as a result of the burst of the real estate bubble, high levels of private debt of Spanish companies and families (165% of GDP in 2011) and finally, the outbreak of a sovereign debt crisis (On 8 March, 2011, the yield on Spanish ten year bonds reached 6.4%, and the risk premium stood at just over 4 percentage points, or 400 basis points, with regard to German bonds).
- In 2011, there was little change in the overall context. Indicators showed relatively poor economic recovery in the first and second quarter (0.4% and 0.2% GDP growth, respectively), an economic stagnancy in the third quarter (0%) and a repeated fall into recession in the fourth quarter (-0.3%). According to official government data, this was the result of the debt crisis deterioration in the Eurozone and the rise of Spanish debt bond yields, in combination with the end of economic boost measures.

The high level of the government deficit (-9.4% of GDP for 2011) and the recent deterioration of the sovereign debt crisis led to the government's containment of the public deficit (deficit objectives in the upgraded Spanish stability programme range from 5.3% for 2012 and 3% for 2013, and finally 1.1% for 2015) by means of cutting public expenditure and increasing tax yields. In conjunction with the austerity measures, the government embraced a progressive structural reform programme as the main method to fix economy imbalances. However, experts and other international organisations do not expect the government to reach their public deficit goals. According to the European Commission, the public deficit will be approximately 8% in 2012, and 6% in 2013, hindering economic recovery. In terms of GDP per capita, few significant changes were noted in regional disparities.

However, there was some evidence to suggest that the economic recession had a different effect on separate regions. Two of the backward regions (Andalusia and Castilla-La Mancha) as well as two of the Phasing-in regions (Canary Islands and Valencia) seem to have been more heavily affected, both in terms of the rates of GDP growth and unemployment (see Figure 1 below).

The recession had a deep impact on the Spanish labour market. Unemployment rates rose significantly in all Spanish areas (21.7 on average), with a particularly devastating increase in some of the poorest regions (Andalusia, 29.7%, Extremadura, 23.1% and 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) had unemployment rates in the range of 11.6%-14.7%, whereas the remaining Spanish regions reached unemployment rates of over 16.3%.

As a general rule, regions were not affected differently by the pursued macro-economic policy. However, the impacts of deficit control and the effects of fiscal consolidation measures tended to be greater, the larger the financial imbalances of the regional governments involved.

**The main changes which have occurred in this regard since last year's report was produced were:**

According to Eurostat data, the GDP per capita of nearly all of the Spanish regions has fallen as a percentage of EU-27 average. The entire Spanish economy is losing ground to Europe. This is especially serious in Convergence regions, which are quickly losing their positions. For instance, Andalusia went from 81% in 2007 to 79% in 2009 with a similar pattern in Castilla-La Mancha (a fall from 85% to 82%) and Murcia (88% to 86%). According to more recent Spanish regional statistics, INE (2012), the GDP pc in current euros, in some of the Spanish Convergence regions such as Andalusia (or Galicia) remains equal to 70% of the EU 27 average in 2011. A new contraction in Spanish GDP has been announced for the current year, 2012, (-1.7% according to official government data). This has raised some concern regarding the feasibility of returning to the low levels of previous years.

Regarding the differential impacts of the current economic crisis at a regional level, the GDP pc ranking of Spanish regions has not changed significantly in the last year. However, the imbalances of the Spanish economy (mainly due to low productivity and the real estate bubble) do not affect Spanish regions equally. The more technologically advanced regions (Competitiveness regions, like Basque Country, Navarra, Madrid, Cataluña) are finding it easier to deal with the current crisis, while some of the Convergence regions, especially the southern less developed regions, are facing serious problems with unemployment and economic stagnation (Andalusia, Extremadura, Castilla-La-Mancha). Although unemployment rates do not tend to be as high in the Northern regions as in the South and South East regions, two transition regions, Murcia (Phasing-out) and Valencia (Phasing-in), are suffering from high unemployment rates and growth stagnation. Beyond that a general and systematic pattern is difficult to find. The evolution of GDP growth in 2011 suggests evidence of a certain level of recovery but it is mainly concentrated in the richest part of Spain, the northeast area.

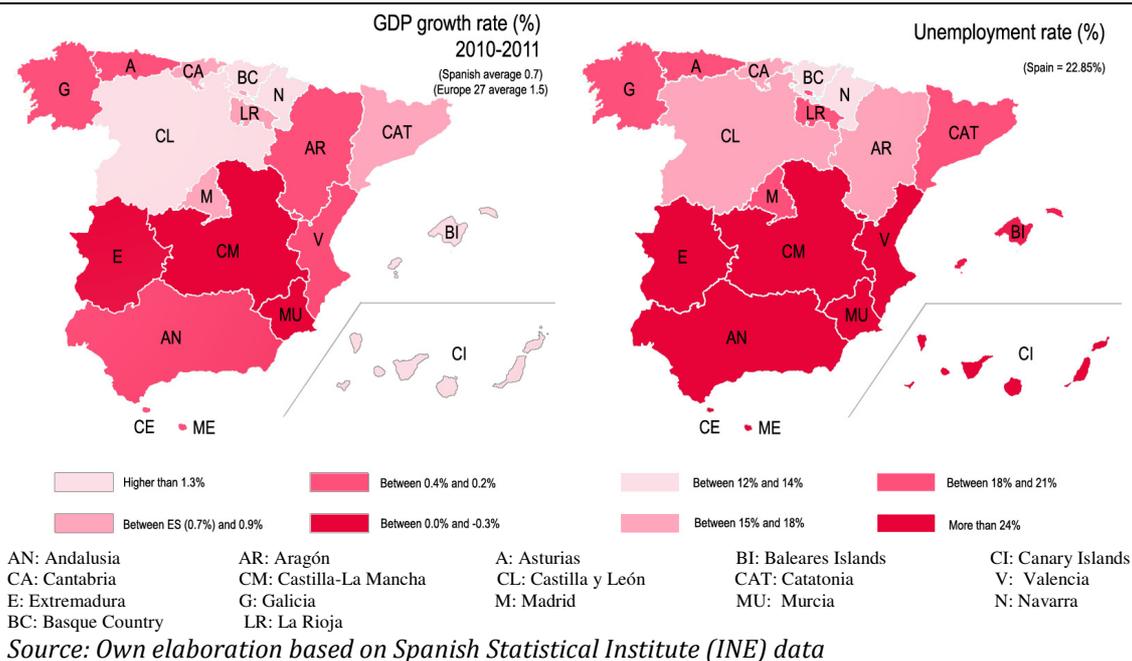
**Figure 1 - GDP and Unemployment in Spanish Regions**

Figure 1 depicts the situation above by plotting last year's regional growth (GDP) and unemployment rates respectively. Even if the data were to show some economic recovery in 2011, a realistic view of the economic context would not be possible without the taking into account of the 2012 GDP growth forecast, which is expected to again fall into recession according to official government data (-1.7%). This is the result of an ambitious fiscal consolidation programme aimed at decreasing the high levels of government deficit (-9.4% of GDP in 2011), combined with the deterioration of the current sovereign debt crisis.

Regions are affected differently by fiscal consolidation policies undertaken by their regional governments, generally depending on regional debt levels and fiscal sustainability. Murcia (public deficit -4.3% GDP), Castilla-la-Mancha (-7.3%), Valencia (-3.7%) and Cataluña (-3.7%) stand out in this regard but it is difficult to see these types of effects in central government fiscal policy. Due to an urgent need for public spending cuts and public deficit control, the possibility of a lack of national expenditure to co-finance ERDF measures cannot be ruled out. Solidarity and concern for regional disparities is becoming increasingly unfashionable in the face of the crisis, on the contrary regional governments are increasingly concerned with problems associated with public spending cuts and generating financial margins that are unavailable at present.

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

### THE REGIONAL DEVELOPMENT POLICY PURSUED

Main points from previous country reports:

- A majority of priorities and measures in Spain are aligned with the goals of the Lisbon strategy both in Convergence (including Phasing-out and Phasing-in) and Competitiveness regions. However, Spain's spatial structure (territorial extension, peripheral position with respect to the main European economic centres) still requires 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.
- ERDF programmes in Spain have 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.
- 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 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 one 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%).
- The Territorial Cooperation Objective is extremely important in reinforcing integration and cooperation strategies across border regions separated by custom barriers over a large amount of time. However, the total funding assigned to Cross Border Cooperation (CBC) programmes (Territorial Cooperation Spain Portugal OP and Territorial Cooperation Spain France Andorra OP) is relatively small (1.8% of total EU support) compared with Convergence and Competitiveness objectives, the most important priorities of which are Competitiveness and employment (35.2% of their overall funding included the Spain-Portugal programme which supports a large R&D project to build a nanotechnology centre, the Iberian Nanotechnology Lab), environment, cultural heritage and risk prevention (30.6%) and institutional and socioeconomic integration, accessibility, local and urban development (29.4%).

**Changes that have occurred since the 2011 country report are as follows:**

- A reassignment (reprogramming) among axes took place in the ROPs of Andalusia, Extremadura, Asturias and Castilla-Leon. The amount of redistributed funds is in the range

of 4% to 6% of the total funds assigned to the programme (an exception of 9.8% was reached in Asturias due the limited amount of total allocations). The main reason behind these reassignments was to improve the programmes' financial absorption, diverting expenditures from the business development axes (significantly affected by the fall in the entrepreneurial investment) to other axes such as the knowledge economy, environment and transport. Castilla-Leon is a very different case as the funds reallocations were channelled from axes 4, transport, multimodal and renewable energies to SME aids for R&D purposes. A general increase in the axes 2 rates, business development and innovation from the Convergence ROP, Phasing-in and Phasing-out from the current 70% to a maximum of 80% (85% in Canary Islands as an outermost region) and the increase in the co-funding rate of the NOP TF to 80% in the Convergence and Phasing-out regions. The increase in funding rates will not have an effect on aids but it will affect the expenditure and a decrease in the total investment is predicted. An increase in the co-funding rate from 70% to 80% in the 3, 4, 5, 6 axes of the Convergence, Phasing-out and Phasing-in OPs.

- The main reasons for these types of shifts are twofold: one general, clearly due to the increase in the co-funding rates to facilitate the funds absorption and to avoid de-commitment risks, due to the effects of the crisis in the investment downturn as well as to the great number of actions in the axes related to Business development, innovation and Knowledge Economy which depend upon the private entrepreneurial investments. In the case of the 3, 4, 5 and 6 axes of the Convergence ROP, the main motivation was to facilitate the fulfilment of the 2011-2014 stability programme goals minimising the national co-funding of the expenditure. An additional reason is to overcome the budget constrains faced by the Spanish public administrations due to the effects of the crisis on one hand and the financial adjustments put in place by the government on the other hand.
- The shifts from measures requiring entrepreneurial investment and the increase in the co-funding rates is clearly related to the changes in economic circumstances, as well as to credit constrains. It is also due to the fall in the private investments which must boost actions in the knowledge economy axes (in particular in the NOP TF) and in the Business development and innovation in the Convergence, Phasing-in and Phasing-out ROPs.

Nevertheless, these modifications will not be sufficient to alleviate the problems derived from the worsening of the crisis in 2012 and the poor prospects for 2013. In fact, at the present time, reprogramming requests with changes within the Lisbon strategy have taken place in order to facilitate financial absorption. These requests range from the axes most linked to entrepreneurial development to others with higher expenditure capacity in the fields of the knowledge and information society and environment. Almost all programmes are affected by reprogramming requests (Knowledge economy, Cohesion fund, Aragón, Baleares, Valencia, Canary Islands, Cantabria, Castilla La Mancha, Castilla León, Catalonia, Extremadura, Galicia, La Rioja, Madrid and Basque country).

**Table 1A - 2011 Total funding by Objectives and Priorities 2007-2013 (EUR million)**

Priority code	CONV.	PH-IN	PH-OUT	Total Conv + PhO + PhI	%	COMP.	%	Total
1	4,653.2	1,322.5	455.8	6,431.4	23.8	2,661.6	68.35	9,093.0
2	2,498.7	780.0	220.8	3,499.5	12.9	172.0	4.42	3,671.5
3	3,909.9	796.4	277.6	4,983.2	18.4	455.2	11.69	5,438.4
4	6,640.7	743.7	358.0	7,742.3	28.6	550.0	14.12	8,292.8
5	1,565.2	287.3	118.5	1,971.0	7.3	55.6	1.43	2,026.6
6	971.9	127.2	113.4	1,212.6	4.5			1,212.6
7	156.6	62.0	15.9	234.5	0.9			234.5
8		489.7		489.7	1.8			489.7
9		489.7		489.7	1.8			489.7
Total	20,395.6	5,098.5	1,559.8	27,053.6	100.0	3,894.3	100.0	30,948.2
%	65.9	16.5	5.0			12.6		100.0

**Table 1B - 2009 Total funding by Objectives and Priorities 2007-2013 (EUR million)**

Priority code	CONV.	PH-IN	PH-OUT	Total Conv + PhO + PhI	%	COMP.	%	Total
1	4,839.4	1,279.8	465.8	6,584.5	21.8	2,621.3	66.3	9,206.2
2	3,154.5	890.3	294.7	4,339.4	14.3	194.2	4.9	4,533.6
3	4,871.8	915.5	284.3	6,071.0	20.1	560.2	14.2	6,631.2
4	7,364.1	956.7	402.9	8,723.6	28.8	523.4	13.2	9,247.0
5	1,778.4	328.0	152.3	2,258.7	7.5	55.6	1.4	2,314.3
6	794.7	150.6	130.0	1,075.3	3.6			1,075.3
7	164.7	50.3	15.9	230.9	0.8			230.9
8		489.7		489.7	1.6			489.7
9		489.7		489.7	1.6			489.7
Total	22,967.0	5,550.4	1,745.9	30,263.3	100.0	3,954.6	100.0	34,217.9
%	67.1	16.2	5.1	88.4		11.6		100.0

**Legend Convergence**

- 1 Knowledge Economy
- 2 Business Development and innovation
- 3 Environment and Risk Prevention
- 4 Transport and Energy
- 5 Local and Urban Development
- 6 Social Infrastructures
- 7 Technical Assistance
- 8,9 Ultraperipheral Regions

**Legend Competitiveness**

- 1 Knowledge Economy, Innovation and Business Development
- 2 Environment and Risk Prevention
- 3 Transport and Energy
- 4 Local and Urban Development
- 5 Technical Assistance

Source: Own elaboration based on 2007 Data Base Funds

The support provided by the ERDF and Cohesion Fund (where relevant), helped to offset national budget constraints and the consequences of fiscal consolidation following the economic downturn by maintaining public investment levels. However, the worsening of the public financial situation in many Spanish regions throughout the course of this year will bring about tensions associated with expenditure cuts in some lines funded by the ERDF. The increase in the co-funding rates will aid the solving of these problems, even though it implies a reduction in expenditure.

No ERDF co-financed measure has been taken in the past two or three years to tackle the problems of youth unemployment and the inability of SMEs to obtain finance as a result of the credit crunch.

## **POLICY IMPLEMENTATION<sup>1</sup>**

The 2011 report highlighted a time lag in Financial Implementation Rates (FIR) and the adverse impact of the current economic crisis on implementation prospects.

Main points from previous country report:

- All programmes substantially increased their implementation rates during 2010, although asymmetries were observed with Convergence programs reaching lower implementation rates than Competitiveness and Phasing-in ones. To a large extent this occurred due to a certain mismatch of business RTDI actions designed in the NOP TF for Convergence regions. These measures, implemented by the CDTI, were not well suited to the features of Convergence regions.
- The comparison of 2009-2010 financial implementation rates and target achievement levels showed a significant acceleration in programmes' implementation rates over the two years. However, to an important extent financial implementation and indicator figures did not adequately measure the "real progress" of the programmes which were not as great as that suggested by the implementation ratios. The reason lies in the time lag which was a result of difficulties with the setting up of information systems and the verification procedures for expenditure declaration. The unfavourable impact of the current economic crisis on the perspectives of the programme implementation has been reported and it has therefore been recommended to consider the registered increases in the implementation rates with a certain degree of caution.

These considerations continue to hold true in 2011 to a certain extent, but the perspectives for the economic conditions of the Spanish economy for the present year, 2012 and next year are much worse. The financial implementation rates of the main objectives can be seen in the following tables where they are broken down in accordance with the two types of regional and pluri-regional programs (NOP Knowledge Base Economy (KBE) and NOP TF). It has been observed that the implementation rates are almost double in the vast majority of cases although they are greater in the Competitiveness and employment regions where the pluri-regional programmes reach financial implementation rates of 63% and the regionals reach rates of approximately 41%.

The asymmetry in the implementation rates commented on in last year report is carried through into this one. Convergence regions have implementation rates which are much lower in the pluri-regional programmes, 24.7% (FIR) in comparison to 43.9% in their own regional programmes. Overall, financial implementation rates increase substantially in the year 2011 in all programmes and objectives.

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<sup>1</sup> The indicators used in this section come from the AIR for 2011, which relate to the situation up to the end of 2011. A more up-to-date view of the aggregate position (though not of the situation in the different policy areas) is presented in the Synthesis Report for 2012 of the Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 which is based on data for payments from the ERDF and Cohesion Fund up to the end of 2012, i.e. after the present report was completed.

**Table 2A - FIRs (%) in Convergence, Phasing-out and Phasing-in regions**

Axi s	CONVERGENCE				PHASING-IN				PHASING-OUT				CONVERG. + PH-IN + PH-O			
	National		Regional		National		Regional		National		Regional		National		Regional	
	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11
1	11.5	23.6	8.0	23.7	28.5	45.1	35.0	52.9	15.3	33.3	36.3	53.7	14.5	27.9	18.5	34.9
2	-	-	11.5	28.2	-	-	20.0	40.3	-	-	11.7	44.6	-	-	13.2	31.9
3	3.5	12.9	8.7	32.7	-	-	15.5	47.8	-	-	29.5	60.9	3.5	12.9	10.7	36.8
4	10.8	29.1	28.1	68.1	-	-	34.8	84.5	-	-	46.8	99.4	10.8	29.1	30.0	71.9
5	-	-	7.9	26.1	-	-	11.2	51.0	-	-	19.6	61.8	-	-	9.2	31.9
6	-	-	30.2	50.8	-	-	39.7	50.8	-	-	58.1	86.6	-	-	34.9	54.2
7	10.1	26.1	5.6	30.3	9.2	34.2	3.4	11.8	9.3	26.8	23.5	37.4	9.9	27.5	6.2	24.0
8	-	-	-	-	-	-	20.9	47.2	-	-	-	-	-	-	20.9	47.2
9	-	-	-	-	-	-	14.7	51.6	-	-	-	-	-	-	14.7	51.6
Tot al	11.0	24.7	16.6	43.9	28.0	44.9	23.0	53.7	15.1	33.2	32.9	70.3	13.2	27.7	18.9	47.5

**Table 2B - FIRs in Competitiveness Regions**

Axi s	COMPETITIVENESS					
	National		Regional		TOTAL COMP	
	FIR 10	FIR 11	FIR 10	FIR 11	FIR 10	FIR 11
1	47.1	66.0	17.9	37.3	22.8	42.1
2	-	-	8.4	43.8	8.4	43.8
3	-	-	21.3	49.3	21.3	49.3
4	-	-	3.7	33.7	3.7	33.7
5	13.0	24.2	8.6	31.3	10.8	27.7
Tot al	45.1	63.6	15.6	38.6	19.2	41.6

**Legend Convergence**

- 1 Knowledge Economy
- 2 Business Development and innovation
- 3 Environment and Risk Prevention
- 4 Transport and Energy
- 5 Local and Urban Development
- 6 Social Infrastructures
- 7 Technical Assistance
- 8 Ultra Peripheral Regions (UPR): Investment expenditure
- 9 UPR's: Operational expenditure

**Legend Competitiveness**

- 1 Knowledge Economy, Innovation and Business Development
- 2 Environment and Risk Prevention
- 3 Transport and Energy
- 4 Local and Urban Development
- 5 Technical Assistance

Source: Own elaboration based on FONDOS 2007 Data Base

Drawing on the FIRs in Tables 2A and 2B, which have been computed on the previous Tables 1A and 1B (the most recent data available), the main points on policy implementation are now considered.

Until present, the funding allocations of programmes have mostly been in line with initial plans, with the exception of the relatively small readjustments of aid amongst the priorities reported in the previous section. However, financial implementation rates vary according to programmes and measures. To a certain degree the variation can be due to the different rhythms in the

maturity of the different measures. However, the evaluation reports (for reprogramming) (DG Fondos Comunitarios, 2011) as well as opinions of experts confirm that the effects of the credit constraints and unfavourable economic conditions are affecting entrepreneurial investment levels considerably (in some cases initially selected projects have fallen through and a generally low rhythm is perceived).

This affects the actions that depend upon the entrepreneurial investment in the Convergence ROPs quite considerably (particularly priority 2, business development and innovation) and in the NOP TF (priority 1 of this programme: knowledge based economy, innovation and business development), where forecasts point the inability to meet objectives and modifications which should be introduced to avoid de-commitments and to “guarantee the full and effective absorption” of the programme funds (DG Fondos Comunitarios, 2011).

Implementation accelerated considerably during 2011. However, the implementation prospects for this year as well as for next year (2013) are not promising. In other words, high increases in 2011 implementation rates must be taken with caution.

Two initiatives have been undertaken to accelerate implementation:

- Most importantly, the already commented 2011 reprogramming action has been approved. The most important action was to increase the co-funding rates to the maximum level in the vast majority of the axes, in the Convergence ROP and in axis 1 in the NOP TF. This would facilitate the absorption of the aid and ease both the demand problems in the entrepreneurial sector as well as problems of supply regarding national public sector funding. Due to the unfavourable economic prospects for the current year as well as the next, reprogramming actions have been taken by the monitoring committees in most of the programmes (both in the Convergence and Competitiveness objectives).
- Secondly, CDTI measures were redesigned through agreements with regional governments in order to solve the mismatching between the measures designed by the CDTI and real innovation and R&D needs of the companies in Convergence regions. Therefore, a new set of measures of FEDER-INTERCONECTA in the Technological fund was launched last year in autumn. On first impression, this new set of measures seems to be in high demand and a substantial degree of coverage is foreseen.

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

Main points from previous country report:

- Overall, the indicators showed a significant leap forward in 2010. However, not all of the measures moved in the same way and therefore both the output and the results should be analysed on a disaggregated basis to take the qualitative information collected on the extremely different types of performance into account.
- The Spanish information system, FUNDS 2007 for the management of ERDF programmes delivered indicators for a wide range of measures last year. However, the loading of indicator information remained in need for improvement and completion in some areas. In the case of the two national programmes related to scientific and technological knowledge and innovation (NOP KBE and NOP FT), output indicators were still too low when compared

with the outputs reported in the 2010 Annual Implementation Reports (AIRs). The information extracted from these NOP AIRs was used to complete the indicator database with a number of RTD projects reported by the main beneficiary bodies in the area.

- The comparison between the indicators provided by the information system in 2009 and the results in 2010 showed that most of the indicators in the area of RTDI and business support doubled with others tripling.

Nevertheless quick progresses in implementation can hardly be expected to last over the following years to come, due to a series of reasons, namely, warnings in 2011 AIRs (Castilla la Mancha, Extremadura and Galicia) regarding the increasing rates of failure of selected projects in some measures (especially in those addressed to business sectors), some beneficiary bodies reported that there are calls which have not been issued due to uncertainty on applications' demand, concerns about current implementation and finally, the prospects for recession in the Spanish economy.

In the following section, the results of the overall programmes are shown and compared to those from previous years. This approach serves as an idea of the portrait and progress of the programmes in the different policy areas. This aggregate information must be interpreted as a general indication of the programmes' progress in relation to the joint goals of employment, supported companies, induced investments, etc.

In order to minimise the heterogeneity problems related to aggregation, the indicators related to the companies and RTDI areas are shown in a disaggregated fashion according to the main type of programmes (national and regional) and by objectives. Next, the most remarkable measures will be commented on in an individualised manner, linking these to progress made in the financial implementation. Finally, the section will be concluded with a selection of indicators by objectives and policy areas with the aim to compare different countries.

#### *Targets: an overview*

Corrections in the objectives have been relatively moderated, generally in keeping with their meaning as quantitative targets to be achieved using different actions. This is the reason why the comparative tables contain the percentage of the TARs as an indication of the route that needs to be followed in the implementation in order to achieve the foreseen objectives

Table 3 shows the adjustments carried out in the objectives. The most important change refers to the objective of beneficiary companies which, in accordance with the increase in the co-funding rates in convergence and the economic evolution, is increased in the Competitiveness objective (7.4%) and reduced in the Convergence objective (21.8%). The net result is a reduction in the number of companies and the RTDI area objective of around 72 thousand beneficiary companies. A similar result occurs with the objectives of the number of RTD projects and the employment created in this area. The first is reduced by 2.5 thousand and the second by 3 thousand jobs due to the concentration of its objectives in Convergence (9.4% and 2.3% respectively). The relative effect is estimated to be higher in the number of RTD projects than in the jobs created. Other minor changes in the overall programming actions are the increase in the foreseen beneficiary firms and job creation in the tourism and culture, wellbeing and urban rehabilitation and the readjustments of the beneficiary population from the water purification objective to water provision.

**Table 3 - Readjustment of Targets**

PA	Competitiveness			Convergence			TARGET10	TARGET11	Δ
	TARGET10	TARGET11	Δ	TARGET10	TARGET11	Δ			
<i>Enterprise environment</i>									
68	36,565	39,289	2,724	343,271	268,335	-74,936	379,836	307,624	-72,212
C4	17,430	17,848	418	34,841	31,839	-3,002	52,271	49,687	-2,584
C9	7,077	7,243	166	141,343	138,056	-3,287	148,420	145,299	-3,121
C11	2,513	2,932	419	6,058	8,294	2,236	8,571	11,226	2,655
<i>Environment and energy</i>									
10	87	99	12	319	335	16	406	434	28
14		10	10	301	232	-69	301	242	-59
C25				5,471,547	5,957,801	486,254	5,471,547	5,957,801	486,254
C26				5,543,859	5,137,778	-406,081	5,543,859	5,137,778	-406,081
<i>Territorial development</i>									
33				876	876	0	876	876	0
34				415	236	-179	415	236	-179
68	203		-203	817	873	56	1,020	873	-147
180		201	201	385	819	434	385	1,020	635
C9				608	2,047	1,439	608	2,047	1,439
C11				1,028	1,258	230	1,028	1,258	230
C34	232	264	32	6,339	8,069	1,730	6,571	8,333	1,762
<i>Transport</i>									
43				261	268	7	261	268	7
C14				1,201	1,177	-24	1,201	1,177	-24
C15				147	147	0	147	147	0
C18				159	159	0	159	159	0

68: No. benefited Companies; C4: Number of RTD projects; C5: No. of cooperation project enterprises-research institutions; C9: Jobs created (gross, full time equivalent); C11: No. of information society projects. 43: Km of railway line built (AVE); C14: Km of new roads; C15: Km of new TEN roads; C18: Km of TEN railroads; C25: Additional population served by water projects; C26: Additional population served by waste water projects; 180: No. of projects 'Protection' and 'preservation' cultural heritage; C34: No. of tourism projects;

Source: Data from FONDOS 2007, provided by DG FONDOS COMUNITARIOS, MINHAP, MADRID

## Achievements by policy areas

### Enterprise and RTDI Policy Area

The evolution of the realisations of the total ERDF programmes in the enterprise support and RTDI Policy Area is shown in the next Table 4.1.

**Table 4.1 - Indicators in Enterprise Support and RTDI Policy Area**

Indicators	OP KBE +OP TF			ROP Comp + Pin			ROP Conv. + Pout			Total Value 2010	Total Value 2011	Total TAR (%)
	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)			
27	381	390	23.2	907	1,484	52.1	1,338	2,423	28.7	2,626	4,297	33.2
60	-	102	20.0	40	155	37.1	152	180	64.5	192	437	36.2
61	1	174	870.0	1	12	75.0	8	8	27.6	10	194	298.5
68	8,604	54,847	57.3	29,996	44,915	49.3	32,406	43,584	36.1	71,006	143,346	46.6
71	-	-	-	9.0	66	43.1	-	-	-	9	66	43.1
127	48,218	79,093	114.2	8,179	37,584	29.6	13,342	25,905	47.9	69,739	142,582	56.9
128	17,707	16,097	58.3	2,540.0	14,852	31.1	1,917	3,388	24.7	22,164	34,337	38.6
C4	4,670	17,265	74.7	6,966	9,297	45.9	1,836	4,922	77.9	13,472	31,484	63.4
C5	416	1,200	14.9	1,773	2,541	70.1	517	1,671	71.4	2,706	5,412	38.6
Indicators	OP KBE+OP TF			ROP Comp + Pin			ROP Conv. + Pout			Total Value 10	Total Value 11	Total TAR (%)
	Value 10	Value 11	TAR (%)	Value 10	Value 11	TAR (%)	Value 10	Value 11	TAR (%)			
C7	-	-	-	13,800	21,208	56.2	8,999	13,319	26.7	22,799	34,527	39.4
C8	-	-	-	2,633	3,769	74.4	705	932	14.7	3,338	4,701	41.2
C9	13	266	16.5	6,131	10,377	45.5	21,140	35,741	29.6	27,285	46,384	31.9
C10	243.0	553.3	15.3	2,678.6	3,876.4	40.1	2,345.4	3,754.2	19.5	5,267.0	8,183.8	25.2
C11	198	380	138.2	844	1,709	48.7	3,461	7,524	101.1	4,503	9,613	85.6

27: Companies benefit from having, with the 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. of RTD projects; C5: No. of cooperation project enterprises-research institutions; C7: No. of direct investment aid projects to SMEs; C8: No. of start-ups supported; C9: Jobs created (gross, full time equivalent); C10: Investment induced (EUR million); C11: No. of information society projects.

Source: Data from FONDOS 2007, provided by DG FONDOS COMUNITARIOS, MINHAP, MADRID

Accordingly with the set policy objectives, the area of companies and RTI has the highest share of gross job creation and induced investment of the ERDF programmes. During the last year, the indicator of gross job creation moved from 35.7 to 46.4 thousand (32% of TAR). The increase in the job indicator is concentrated in the measures carried out in ROPs, both in Convergence as well as in Competitiveness and employment regions. Overall, gross job creation in Spain represents 0.1% of the total number of employed people and 0.9% of unemployed people, which is a significant share when considering the alleviation of short run unemployment. Induced investment from the ERDF measures carried out in the companies and RTD areas increased from EUR 5,200 million to EUR 8,100 million (25% TAR) in 2011. Despite the relatively low TAR (especially in the NOP TF and in the central government regional incentives measure in Convergence ROPs), taking the whole of the Spanish economy into account, the cumulative induced investment until 2011 represents an important share of the Spanish GDP at 0.53% (current 2009 values). The largest shares of gross job creation and induced investment are linked to investment aids in companies in Convergence regions (65% of gross job creation and 63% of induced investment). However, it is important to bear in mind that gross job and induced investment indicators mainly capture short term results, whereas the highest impact on employment and investment of the measures related to innovation and RTD will become evident in the long term due to their impact on rising companies' competitiveness.

Beneficiary companies concentrate mainly in RTDI and linked activities (31.3%) and innovation support for SMEs (45.7%). The number of benefited companies also experienced an important increase of 50% during last year, to approximately 143 thousand. Overall, the support from the ERDF programmes is extremely important in relative terms, reaching around 4.3 % of the total number of companies in the country (nevertheless, it is important to bear in mind that the system counts benefits, not companies, whereby some companies can be the beneficiary in more than one line in different periods of time).

The breakdown of the overall achievements of ERDF programmes into objectives shows that the support intensity is concentrated in areas with a lower level of development. Gross job creation in the Convergence regions reached 3.8 thousand (30% TAR), which represents approximately 0.17% of the employment in those regions. In Competitiveness and Phasing-in regions gross job creation is around 10.4 thousand (45.5% TAR) which signifies a significantly lower share, 0.09%, of the total employment in these regions. Gross job creation in Convergence regions reached a sizeable share of the employed (0.4%) and unemployed (3.5%) population in 2011 and therefore, the effects on alleviating unemployment can be seen as relatively important in Convergence regions. Alternatively, (and Phasing-in) the comparative effect is much lower in the Competitiveness regions, reaching 0.1% of the total number of employed people and 0.3% of the unemployed ones.

Induced investment from the measures executed in ROPs is around EUR 3,800 million (40% TAR) in the Competitiveness regions (and Phasing-in) and EUR 3,750 million (30% Tar) in the Convergence regions (and Phasing-out). The meaning of these figures is clarified when they are compared with the GDP generated in these areas. The ERDF support to firms induces a volume of investment of approximately 0.30% of GDP in the Competitiveness regions and has a sizeable effect on the Convergence regions (and transitory regimes) in which it amounts to around 1.3% of their GDP. Naturally, once the figures are annualised (considering the several years length of the programmes time span), these shares are reduced. But, they continue to represent

important shares of the total investment in Spain, above all in Convergence regions, those most lagging behind.

In a similar manner, benefits for firms delivered through ERDF programmes are clearly distributed in such a way that development inequalities between the regions in both objectives tend to be mitigated. In Convergence regions, the number of benefits provided through the ROPs represents 4% of the total number of firms in Convergence regions, whilst this share falls to 2% in the Competitiveness (and Phasing-in) regions. Indicators in the large knowledge economy and NOPs TF go in the same direction. The number of benefits delivered in Convergence and transitory regime regions represents 4.1% of the total number of companies in these regions, whilst this share shrinks to 1.2% of the number of firms in these regions in the Competitiveness and employment objective.

#### *Thematic approach*

Next, some of the main measures are commented on with a detailed description offered in the corresponding annex as well as an overview of the scope of the different measures. A comparative table is used to compare the evolution of the most remarkable measures in the companies and innovation areas terms of achievements or realisations (indicators) as well as in terms of the expenditure executed.

In general, an adequate balance between the two dimensions (expenditure and achievements) is perceived and the image of the programmes' overall solid progress is obtained. Despite this first impression, the situation must be taken with caution due to the unusually difficult prospects for the Spanish economy (as mentioned several times) and the prospects of a significantly important recession in the current year which is predicted to last into the next one (although at a lower intensity level). As evident in the reports, financial problems are quite present in the 2011 AIRs.

#### *RTDI Projects and equipment*

A total of 1,134 RTD projects and 502 grants for scientific equipment purchases of the national RTDI plan have been supported by the ERDF. Most of them have been carried out in Convergence and transition regime regions where these actions are reaching higher TARs.

Moreover, ERDF programmes supported 4,899 RTD from regional RTDI plans (the largest part of which at 3,188 projects, correspond to Convergence and transition regime regions), a significant proportion of which (2,084, at 42%) were cooperative projects among companies and research teams and TCs. Overall performance is good, but TARs, both in individual and in cooperative projects, are much higher in Convergence regions where they are implemented through the NOP KBE.

National plan RTDI projects are aimed at impelling the public RTDI system and are implemented by means of grants given to research teams and groups in universities, public bodies and research centres (public or non-profit). They are implemented by the Central government through public calls, in line with the National RTD Plan. External evaluators report on the projects and some of the public calls (CONSOLIDER, for example) are addressed to top research teams.

Under the national RTDI plan, the central government also implements grants to purchase scientific equipment and a communications networks used for research. These are awarded through public calls on a competitive basis. The bulk of the projects fall within the range of EUR 70-700 thousands (EUR 100 thousands on 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-industrialisation of stone compound materials.

Under regional RTDI plans, regional government and allied bodies award grants to stimulate regional scientific and technological research through their ROPs. They include funding for university research groups and other research centres for carrying 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. An important line exists for cooperative projects among companies, research teams and TCs.

RTDI and equipment projects have effectively contributed to the fostering of research in universities and the public research system and to the increase in scientific and technological knowledge as well as in 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.

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

Just to provide some evidence from literature, Spanish publications in indexed reviews has doubled between 2003 (32,384) and 2005 (25,455, Thomson ISI, Web of Knowledge), whilst joint publications in international partnerships have grown from 12,143 to 26,455 in the same period (SCOPUS, Scimago Journal & Country Rank).

#### *RTDI Infrastructures and equipment in specific technologies*

A large number of projects have been implemented last year for Scientific and Technological Parks (STP) and Technology Centres (TC). Under the NOP TF, 9,570 projects (58.7% of them in Convergence and transition regime regions) were carried out in STPs and TCs. Moreover, 982 projects (75.7% of them in Convergence regions) have been carried out through ERDF ROP for building infrastructures and purchasing equipment in specific technologies.

According to the national innovation strategy, aids and loans to entities linked to STPs for infrastructure and equipment for RTDI and the transfer of research results are delivered to organisations (public or non-profit) and companies. This measure is aimed at promoting technology transfer centres and parks. 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, agro-biotechnology, engineering,

automation, aerospace, transportation, automotive, ICTs, energy, textile, food industries, etc.), as well as centres acting as incubators of technologically based companies and centres and services for innovation and collaborative research projects between businesses and universities.

By 2011, 80 centres in Competitiveness and 94 in Convergence regions (including transitional regimes) had been supported. The North West Metallurgical Association, AIMEN (Laser Application Centre), LEITAT central laboratories in Catalonia, the Park techno-campus Mataró-Maresme, the Electrical Technology Institute of Valencia and many others all across Spanish regions can be cited among the beneficiaries.

Regional governments, in line with their RTD plans and strategies, also provide support for infrastructure and RTD equipment for specific technologies. These measures include medium sized projects focused on the building and equipping of technological centres and smaller projects for purchases of technological equipment. Most of Spanish Convergence and Competitiveness regions have reinforced their regional innovation system by means of building research and innovation capabilities in Centres for specific technologies, usually related to the needs of the regional productive fabric.

In addition to the centres outlined in last year's report, several others can be cited, for example in Madrid, a series of research centres, IMDEA (Madrid Institute for Advanced Studies) have been supported (mainly equipment and facilities) in matters like IMDEA energy, materials, food, networks and others. In Catalonia, the "Common services for nanotechnology research" (scientific equipment) can be cited as well as the park UPF-social sciences and humanities, the Catalan Institute of Palaeontology, etc.

There is interesting evidence to suggest the effectiveness of science and technology parks in encouraging research and TC in order to promote the commercial success of small companies. This differential impact on SMEs productivity is commented on in section 3.

Some statistical data (Spanish Institute of Statistics, INE) shows that both RTD personnel employed in Spain and the number of patent applications has grown rapidly in recent years. An interesting figure for the comparison in performance is that Spanish participation in projects from the Seventh Framework Programme has risen from 6.6% in 2007 to 9.3% in 2001.

#### *Innovation support for SMEs*

Aids for encouraging RTDI in SMEs, awarded by regional agencies and governments, in ERDF ROPs are well suited to SMEs features and specific regional interest. These aids have seen a large increase during last year. The number of projects carried out has risen to 2,062 (81% in Convergence regions), involving 2,317 companies (95% in Convergence) and 11.6 participant people. Similarly, technology transfer and cooperative projects, mainly with TCs and research teams, reached 915, involving 1.4 hundred beneficiary companies and 6 hundred participant people, concentrated on Convergence regions.

The situation is rather different when looking at the aids for business RTDI projects awarded by the CDTI under the NOP TF. Even though the Technological Fund is primarily geared to the Convergence regions, the share of Convergence regions (486) in the number of business RTDI projects carried out reaches a mere 33.4%.

Finally it is worth mentioning the achievements of an extremely important initiative, the so-called AVANZA SME, for the widespread dissemination of ICTs among small and very small businesses. At 20,624, (61.8% TAR) a very large number of firms have been founded by means of partnerships with private and financial institutions.

The CDTI implements partially reimbursable aids to companies for business RTDI projects in order to encourage technological cooperation between SME (inter-companies line) and business technology projects. Indicators and results do not reflect a good performance and the results of the CDTI are rather poor in the Convergence objective. Merely 158 business RTDI individual projects have been carried out in Convergence regions, implying a very low rate of target and financial implementation (6.2% TAR, 23.4% FIR).

To a great extent, the cause of the low implementation rates in Convergence regions lies in the mismatch of CDTI project design conditions (overly ambitious for the conditions in these regions). Agreements have been reached with regional governments to implement new measures, specifically adapted to Convergence regions. A new line, FEDER INTERCONECTA, has been launched in Andalusia and Galicia (calls were published in October and November 2011).

The Avanza SME programme 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 SMEs. This measure includes some medium sized projects and a very large tail (99%) of small projects averaging at EUR 7.2 thousands. 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 intended to optimize human and material resources, e-commerce platforms, electronic invoices, virtual catalogues, network control systems networks, web portals, etc.

#### *ICT and related services*

Important achievements have been reached in the computerisation of the public administration and social services (education and health especially), as well as in citizen services (civil registers and courts of justice). The measures are mostly addressed to Convergence regions, (through the NOP KBE and their ROP) the number of projects has increased in the last year and the TARs are very high. The projects carried out in ROP have benefited approximately 8 hundred companies, most of them in Convergence regions (especially Galicia and Andalusia) with a small number (57) belonging to Madrid in the Competitiveness and employment objective.

#### *Other Investments in Firms*

Last year's report pointed out the clear underperformance of the regional incentive schemes. Its financial implementation rate was particularly low at 6.1% FIR and its contribution in terms of beneficiary companies was also scarce at just 128 projects (4.2% of target). The measures have been reprogrammed and some progress has been achieved in this year, though its financial implementation rate remains low at 32.3% and the number of projects at 217, only reaches 7% TAR.

Regional incentives is one of the most traditional and powerful measures in regional policy and was assigned a large amount of ERDF funding Convergence ROPs. Nevertheless, it is currently losing ground due to the revision of the regional aid ceilings in some Spanish Convergence regions lowering subsidy rates. The current economic downturn is connected to a very

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

### Transport policy area

Main points from previous country report:

- The main effort was concentrated in railways. The high-speed train, Madrid-Valencia became operational. Moreover 66.7 km of a two-way platform for high-speed railways were built in Castilla-Leon, as well as the construction of 261.8 km of regular railway platforms.
- In the field of motorways and other roads, the objectives of TEN have been fulfilled with 151 km already built last year (102.8% TAR). In the policy area of roads, 283.5 km of new roads were built in Convergence regions and a long length of road –over a thousand km- was rebuilt in Convergence regions, especially in Andalusia.
- In the policy area of ports, 8,081 m. of dam were built and 762,590 sq. m. of port area were conditioned. The bulk of the conditioned surfaces was carried out in Andalusia in the port of Algeciras.

**Table 4.2 - Indicators in Transport Policy Area**

Indicators	ERDF + Cohesion Fund			ROP Comp + Phasing-in			ROP Conv. + Phasing-out			Total Value 2010	Total Value 2011	Total TAR (%)
	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)			
19	-	-	-	72	107	69.5	45	64	80.0	117	171	73.1
20	-	-	-	17	25	75.6	42	60	46.2	59	85	52.1
42	-	-	-	-	4.0	37.4	0.6	0.6	1.1	0.6	4.6	7.4
43	-	-	-	42.2	42.2	44.1	448.7	454.7	264.4	490.9	496.9	185.5
57	261.8	261.8	46.2	-	-	-	-	-	-	261.8	261.8	46.2
142	-	-	-	66.7	66.7	48.7	-	-	-	66.7	66.7	31.6
C13	4	4	57.1	2	2	14.3	95	121	28.6	101	127	28.6
C14	-	-	-	-	-	-	283.5	426.8	36.3	283.5	426.8	36.3
C15	-	-	-	-	-	-	143.7	150.6	102.8	143.7	150.6	102.8
C16	-	-	-	-	-	-	6,706.7	2,186.4	73.4	6,706.7	2,186.4	73.4
C18	93.6	93.6	95.5	2.6	2.6	2.9	-	-	-	96.2	96.2	37.4
C19	-	-	-	-	-	-	1.2	1.2	60.6	1.2	1.2	6.4

19: Actions carried out in airports; 20: Actions carried out in ports; 42: Km of railway line built; 43: Km 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

In the rail policy area, large projects in high-speed lines are being carried out in a series of lines under construction in Castilla-Leon, Extremadura, Murcia and Andalusia, but no remarkable achievements have been reported so far. A new high-speed line has become operational in Galicia (Coruña-Santiago-Ourense).

In the policy area of roads similar progress to last year's has been achieved in new roads in Convergence regions and mistakes in the long length of rebuilt roads have been corrected, placing it at 2,186 km. The largest part of rebuilt roads corresponds to Andalusia.

Actions in airports and ports are being executed with target implementation rates in the number of actions of around 73% and 52% respectively.

## Environment Policy Area

Main points from previous country report:

- Regarding household waste management, several interventions were implemented to improve waste separation, to establish compost creation plants and to adapt waste disposal sites to EU regulations (closure of dumps, prevention of excessive waste and recycling).
- 1.4 million people were provided with drinking water using distribution systems. Interventions were 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 Convergence regions, sanitation networks were established and wastewater treatment plants either improved or expanded. In NOP Cohesion Fund (NOP CF), actions for improving the integrated water cycle and for upgrading wastewater treatment plants were also implemented.
- Finally, regarding the promotion of biodiversity and the protection of the natural environment, achievements in Convergence regions included 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 Competitiveness regions, a series of projects were implemented (57.5% TAR) in the fields of infrastructure and sustainable management in protected areas, habitat restoration and improving environment-friendly recreational areas.

**Table 4.3 - Indicators in Environment and Energy Policy Area (C25 and C26 in thousands of persons)**

Indicators	ERDF + Cohesion Fund			ROP Comp + Phasing-in			ROP Conv. + Phasing-out			Total Value 2010	Total Value 2011	Total TAR (%)
	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)			
C23	-	-	-	-	975	6.7	5,878	12,835	33.1	5,878	13,810	25.9
C25	1,016.8	1,164.0	23.2	90.7	109.6	7.3	376.0	401.9	9.0	1,483.4	1,675.5	15.3
C26	1,424.3	1,654.9	30.1	132.6	132.6	9.0	221.4	787.5	21.5	1,778.4	2,575.0	24.2
C27	152	180	30.1	1	4	20.0	102	134	38.4	255	318	32.9
C28	-	-	-	-	1	10.0	19	99	43.8	19	100	42.4
C29	-	-	-	3.4	7.9	7.9	56.6	88.8	37.2	60.0	96.8	28.5
C31	-	-	-	82	107	81.7	79	124	20.4	161	231	31.2

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

Last year, 60 new projects in urban waste management in the NOP FC and in the ROPs of Convergence were undertaken. The achievements consisted mainly of plant improvements in classification and recovery and composting, recycling centres and landfill sealing.

The additional population served by supply of drinking water increased by 192 thousand people, and major drainage projects from dams and supply lines were undertaken to improve the supply to towns and cities.

The population connected to water purification systems increased by 797 thousand people, with the action distributed between the NOP CF and the ROPs of Convergence regions. The

project consisted of construction, expansion and improvement of sewage treatment systems, waste collectors and clustering, etc.

In environmental protection, projects for the control of air pollution increased substantially in the Convergence programs: air quality networks of environmental laboratories. Less progress was recorded in Competitiveness regions.

### Territorial development policy area

Main points from previous country report:

- Regarding social infrastructures 454 centres were built or reformed in Convergence and Phasing-out ROPs. Many of them were education centres with several others (61) also built or remodelled for social purposes. Health centres and purchases of health equipment were also achievements from ERDF regional OPs in Convergence regions.
- In the area of tourism and culture, 355 projects (21% in Competitiveness region) were carried out for the preservation of cultural heritage (churches, monuments, museums, libraries and cultural centres). 178 projects were undertaken for the promotion of natural assets and natural heritage with many more projects devoted to assisting the improvement of tourist services. In Convergence regions, projects (1,732) usually involved the supporting of local authorities and tourism-related enterprises (modernisation, expansion, marketing and promotional activities), whereas in the Competitiveness objective regions, projects (157) tended to focus on socio-cultural municipal equipment and actions intended visitors to villages in rural areas.

Table 4.4 depicts the evolution of some indicators in the field of territorial development.

**Table 4.4 - Indicators in Territorial Development Policy Area**

Indicators	ROP Comp + Phasing-in			ROP Conv. + Phasing-out			Total Value 2010	Total Value 2011	Total TAR (%)
	Value 2010	Value 2011	TAR (%)	Value 2010	Value 2011	TAR (%)			
40	88	97	23.3	179	326	87.9	267	423	53.7
180	157	190	57.1	209	387	56.3	366	577	56.6
C34	157	446.3	52.9	1,732	1,851	24.7	1,889	2,297.3	27.6
C36	-	-	-	538	682	72.4	538	682	72.4
C37	-	-	-	83,576	148,212	80.7	83,576	148,212	80.7
C38	197	242	44.4	797	931	297.4	994	1,173	136.7
C39	7	29	12.4	15	25	5.4	22	54	7.8
C40	1	62	30.1	6	42	8.2	7	104	14.5
C41	4	24	17.4	14	69	24.2	18	93	22.0

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

In the area of social infrastructures, actions in education (actions in centres, most of them in Andalusia and Extremadura) increased slightly (36) last year with no remarkable achievements reported in the health area. However, the level of realisations in the health area exceeds the targets (136% TAR) and is relatively high in education (72 and 80% TAR). Actions in centres for

social purposes (disabled, elderly, drug rehabilitation or child protection) have made progress in their number but still have a long way to go before meeting foreseen targets (22% TAR).

The areas of local development and urban regeneration made some progress last year but their realisations are still far from targets (between 7% and 14% TAR).

Tourism projects in the Convergence regions, increased by 20% in the area of support to tourism services and in the conservation of natural heritage, while cultural heritage projects increased by almost 100%. Cultural facilities are concentrated in Galicia and cultural heritage in Galicia and Extremadura. In competitive regions, projects related to cultural heritage increased by 31%. In Aragon, they are aimed at promoting natural resources and heritage, whereas in Catalonia they are aimed at supporting tourism services. In field of cultural heritage projects, Aragon, Catalonia and the Basque Country are highlighted.

#### *2011 AIRs*

The AIRs have generally improved their presentation this year using more information and tables. They contain a wide palette of information regarding publicity and the visibility of the actions carried out through the programmes. However, information regarding the indicators in the AIRs is solely provided at an axis level. The presentation of achievements is structured by executing agencies and is quite cumbersome and full of administrative issues. Achievements are not clearly stated and it is often difficult to distinguish between the accomplishments achieved and the goals pursued by the actions underway. There are many indicators and performance targets, but information regarding the results is limited. The information for the assessment of impacts is still very poor.

**Table 5 - Main indicators and achievements (2011)**

Convergence (Including Phasing-out and Phasing-in)		
Policy area	Main indicators	Outcomes and results
Enterprise support and RTDI	<u>C4</u> : No. RTD Projects: 19,461 (61.1%) <u>68</u> : No. of Beneficiary Companies: 124,833 (46.5%) <u>C11</u> : No. of Information Society Projects: 8,426 (101.6%) <u>C9</u> : Jobs created (gross, full time equivalent): 43,045 (31.2%)	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
Transport and telecommunications	<u>C18</u> : Km new TEN railway: 96.2 (37.4%) <u>43</u> : Km high-speed railways: 496.9 (185.5%) <u>C15</u> : Km new TEN roads: 150.6 (102.8%) <u>C14</u> : Km new roads: 426.8 (36.3%)	Territorial connection and Interregional solidarity Accessibility and market access
Environment and energy	<u>C25</u> : Additional population served by distribution systems of water (drinking water): 1,675,488 (15.3%) <u>C26</u> : additional population served by water treatment systems (wastewater): 2,575,026 (24.2%) <u>10</u> : Projects developed in areas within Natura 2000 Network: 258 (77.0%) <u>14</u> : Actions developed in areas outside Natura 2000 Network: 512 (220.7%)	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: 648 (74.0%) <u>34</u> : Health centres built and/or reformed: 426 (180.5%) <u>180</u> : No. of projects of Protection and preservation of cultural heritage: 477 (58.2%) <u>C34</u> : No. of projects of natural heritage and tourist services: 2,078 (25,8%)	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.
Competitiveness and Employment Objective		
Policy area	Policy area	Policy area
Enterprise support and RTDI	<u>C4</u> : No. of RTD Projects: 12,023 (67.4%) <u>68</u> : No. of Beneficiary Companies: 18,513 (47.1%) <u>C11</u> : No. of Information Society Projects: 1,187 (40.5%) <u>C9</u> : Jobs created (gross, full time equivalent): 3,339 (46.1%)	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 SIGNIFICANT ACHIEVEMENTS	
Environment and energy	<u>10</u> : Projects developed in areas within Natura 2000 Network: 54 (54.5%)	Sustainable management in protected areas Habitat restoration and improving environmentally-friendly recreational areas
Territorial development	<u>180</u> : No. of projects of Protection and preservation of cultural heritage: 100 (49.8%) <u>C34</u> : No. of projects of natural heritage and tourist services: 219 (83.1%)	Protection and preservation of natural and cultural heritage.

### 3. EFFECTS OF INTERVENTION

Main points from previous country report:

- The 2011 report reviews important macroeconomic studies made on the impact of European funds on the Spanish economy. Neoclassical models do not find significant effects in terms of convergence speeds. However, simulations carried out with other

macroeconomic models (HERMIN and others) show a significant impact of the European funds which lasts over time when the effects on the productive capacity (supply effects) are considered.

- Most of the weaknesses of the Spanish economy, setting aside the devastating effects of the burst housing bubble and the bad economic prospects of the Spanish economy, lie in the productivity stagnation throughout the period in which the Spanish economy was exposed to the so called “extensive growth”. Experts recommended reinforcing the supply capacities to boost a structural change in the entrepreneurial sector in order to reinforce the activities with high value added and to promote the intensive use of knowledge, technology and innovation (BBVA-IVI, 2011).
- ERDF programme implementations in the current programmes are significantly concentrated in the RTDI area and focused on supporting companies and are therefore designed to tackle the key needs of the Spanish economy. A big share of programmes’ achievements and implementations are referred to as intangibles the contributions of which are difficult to comment on without careful evaluation of a representative sample of projects. However, the analysis of the main achievements and realisations of the programmes suggests that ERDF interventions led to the overall strengthening of regional capabilities in key aspects such as science, advanced technological and innovation services for companies, entrepreneurship and investment in lagging areas.
- The evidence showing important growth of RTDI activities and the effectiveness of some measures to boost the entrepreneurial RTDI (loans and reimbursable aids, CDTI; 2009, aids to industrial sectors and ICT, DG technological innovation, 2008) is complemented with last year’s report showing evidence of the positive results on the STPs to promote entrepreneurial innovation (FECYT, 2011). Moreover, statistical evidence of the differential increase in the SMEs’ capacities in the sphere of the STPs can be found: The probability that SMEs become innovative increases by 25% if they are located in STPs. In 2010 the estimated “park effect” for these companies was a 26% increase in their RTDI investments (Barge-Gil, Vasquez-Urriago and Modrego-Rico, 2011).
- The Madrid-Valencia high-speed line constitutes efficient transport technology which connects 23% of Spanish GDP and 19.2% of the Spanish population. It has been estimated that it will replace 25% of journeys by car, 5% of bus journeys and 55% of flights. This substitution of cars and flights towards trains, has a significant impact on managers’ productivity, especially on business trips due to access to the telephone and internet allowing for a more productive use of time (Ministerio Fomento, 2011).

The main contributions of ERDF projects to the development of regions receiving EU funding in the current programming period are concentrated in three main areas. Most importantly, ERDF interventions have helped Spanish regions to reinforce their drive in RTDI significantly over recent years and to articulate national and regional innovation systems. In second place, ERDF funds have significantly contributed to developing and upgrading the Spanish transport infrastructure network. Finally, the ERDF have also helped to bring the more backward Spanish regions (structurally lagging regions) increasingly up to date in terms of environmental and social infrastructure.

Indications of the extent to which the ERDF are strengthening economic development and improving the quality of life are provided by the relative weight of ERDF achievements in those areas.

- Both in Convergence and in Competitiveness regions ERDF programmes are supporting a large part of the achievements in scientific and technological activities, as well as in the provision of infrastructures, technological centres and advanced business services for technological innovation.
- In Convergence regions, ERDF financed measures are contributing towards substantial achievements in the deployment of ICTs both in the public sector (e-administration, citizen services, health and education) and in SMEs. ICT applications, improvement of management processes and product capabilities were delivered to reinforce SMEs' competitiveness.
- Investment in transport infrastructures has increased connectivity in the road system and competitiveness in peripheral regions (with important spill overs for mainland Portugal). Port infrastructures and operational capacities were improved. Finally, the preservation of nature and pollution control as well as environmental infrastructures were widened and improved. These interventions have been significantly important for the environment and compliance with Directive 91/271. Nevertheless, a recent evaluation (Spanish agency for the evaluation of public policies and government services (AEVAL), 2009) found several problems in wastewater treatment plants due to causes such as obsolescence of the treatment systems, the increasing population and changes in land use, sizing and technology treatment systems as well as others.

Regarding evidence that the Cohesion policy is helping regions to respond to the major long-term challenge of increased competition resulting from globalisation by means of promoting structural change, a new report published this year provided some interesting evidence that EU support to STPs and TCs (Infyde ID; 2011) is boosting SMEs' innovation and technology performance in Spanish regions.

Low innovation performance in the Spanish business sectors is a problem linked to the high proportion of small firms and the lack of technological tradition and of innovation culture. These bottlenecks have been partially overcome by resorting to the creation of STPs. These provide firms with innovation support services and with managerial capabilities delivering innovative culture and practice.

The impact of STPs on the dynamism and structural change of the provinces in which they are located is reflected in the growing participation of their activities in the overall GDP and employment of those provinces. In 2010, STPs reached 2.7% of the GDP on average and 3.4% of provincial employment<sup>2</sup>. Companies in STPs, mostly SMEs, are relatively intensive in employment. The next table offers a comparison with typical indicators in the RTDI subject.

STP indicators in R&D expenditure, personnel with tertiary education and knowledge intense activities are significantly greater than the European averages. The same has occurred with patent requests and employment productivity.

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<sup>2</sup> Average figures of the provinces with STP of the Spanish association APTE.

**Table 6 -Innovation Features of STPs in Spain**

INDICATOR	EU 27	SPAIN	STP APTE*	DATA SOURCE
R&D Expenditure (% GDP) 2009	2.0	1.4	5.4	EUROSTAT, APTE
R&D Personnel (% total employment) 2010	1.1	0.96	17.5	EUROSTAT, APTE
Employment in knowledge intensive activities (% total employment) 2009	13.0	11.3	98-99	IUS 2010 APTE estimation
25-64 Population with tertiary education (%) 2008	24.3	29.2	aprox. 50.0	EIS 2009, APTE
Patents (Application/ GVA (million))	4.0 STP 2007	1.3 SCT 2007	4.1 (General 2010)	EUROSTAT, APTE
Productivity in EUR (GDP/n employees) 2010	54,881	60,812	69,510	EUROSTAT, APTE

Note: \* Association of Science and Technology Parks of Spain, APTE

Source: Infyde ID, 2011

TCs in Spain also play an important role in boosting innovation and technology in the entrepreneurial sectors. With a different approach to STPs, they supply capacities and services in technologies more related to the entrepreneurial fabric of their proximity. The towing capacity of TCs is incomparable to that of the STPs', although there were 67 TCs in total in 2009 (integrated in the Spanish association FEDIT) with a turnover of EUR 605 million and 8,255 people employed. The number of customer companies to which their services were offered was 30,445. This provides an idea of the scope of TCs as drivers and collaborators in the SMEs' processes of technology and innovation.

#### 4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

As stated in last year's report, 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 Structural Funds, confirmed the interest and concern for the development of a system of indicators and the treatment and homogenisation of the information that these provide.

This attitude was manifested in the building and formulation of the goals at the ERDF programmes' design phase. The programmes of the current programming period show a noticeable improvement in indicators, the main goal of which is not only their traditional information nature but also to function as instruments of support to the management of their own programmes. This was the reason behind the setting up of expected values during the mid-term 2010 and the final stages of the programming period, 2013. Nowadays, once the information system is operational, the goals set in the different measures offer a guide and are a useful instrument in evaluating the measures' performance by comparing the realisations to the programmes' established achievements.

Unfortunately, the initial efforts were unable to be as successful as imagined. The new programmes were delayed, the verification procedures were approved quite late and it took almost three years for the information system used to manage the indicators to become operational. The management and monitoring of the programme using the indicators was not effective until the year 2011 and lost most of its efficacy. Nowadays, the system works well and provides detailed and precise information.

**Table 7 -List of evaluations and summary details**

Title	Policy area and scope	Main objective and focus	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/CPME/productdetails.aspx?productid=TT0184">http://www.fomento.gob.es/CPME/productdetails.aspx?productid=TT0184</a>
Strategic Evaluation of equal opportunities for men and women. February 2 2011	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-financed operations. Recommendations: incorporating specific targets for equal opportunities	D. G. FC and UAFSE (2011)
Operational Evaluation for reprogramming the ERDF ROPs and the NOP TF	Priority 2 of ERDF ROPs in Convergence and transitory regions and in priority 1 in the NOP TF 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 NOP TF. 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.	<a href="#">Evaluación estratégica del PO FEDER 2007-2013</a>

Table 7 shows the evaluations of the ERDF programmes and some ERDF co-financed measures carried out so far in Spain. The list is quite short, especially noting that two strategic evaluations on environment and RTDI issues that should have been released in 2011 have not been published yet. Despite the tough current economic situation in Spain, it is difficult to explain how mandatory strategic evaluations remain uncompleted. However, nothing seems to be planned for carrying out some ex post evaluations and it should be pointed out that the lack of scheduled evaluations for the upcoming years cannot be definitely considered as a sound practice.

## 5. FURTHER REMARKS - NEW CHALLENGES FOR POLICY

Main points from previous country report:

- One of the important challenges faced by Spanish ERDF programmes in the current programming was the tuning of the procedures and the information system FONDOS 2007. The situation improved considerably last year.
- Overall, both financial implementation rates and indicators advanced considerably in 2010. To a great extent this responds to the fact that the actual implementation of the programmes had gone far beyond the information contained in the figures gleaned from the information system.
- The Spanish economy has experienced a dramatic change in the context of strong growth up to the year 2007-when OPs were prepared- to the current economic recession and the financial and debt crisis. Operational reprogramming was presented in June 2010 to address the implementation problems posed by dramatic changes in the economic situation (credit crunch, cuts in public spending and high interest rates due to country risk), by means of a general increase in co-financing rates from 70% to 80% (85% in Canary Islands) in the ROPs of Convergence and transition regions and in the NOP TF for the Convergence and Phasing-out objectives. Moreover, ERDF co-funding rates were also increased in many other priorities (3, 4, 5 and 6 axes) of the Convergence and Phasing-out ROPs.
- Financial implementation rates and indicators clearly showed the difficulties associated with delivering effective support to business RTDI projects in Convergence regions through the NOP TF. A large portion of the ERDF RTDI funding for Convergence regions (5.1% of total ERDF funding) was placed in the NOP TF under the auspices of CDTI. The achievements were still somewhat sparse in the Convergence objective since these measures were unsuited to the specific needs of business sectors in these regions. Organisational changes were made in CDTI and a new line of suitable actions for Convergence regions (INTERCONECTA ERDF) was designed in cooperation with regional governments; however, its first calls were launched in summer 2012.
- Regional incentives, one of the most traditional and powerful measures for reducing regional disparities (with a significantly large share of total ERDF funding at 12.35%), were seriously affected by the economic crisis. This measure was clearly underperforming both in financial implementation (only 6.1% FIR) and in the achievement of targets: induced private investment and employment were well below target.

Many of the above mentioned problems remain to be solved. The issue of the verification procedures and expenditure certifications still requires a large amount of the MAs' time and energy. Their attention is diverted from the pressing problems such as how to contribute to the mitigation of the extremely difficult economic situation.

Both the managers of the programmes and the private stakeholders involved in the projects complained about the workload and have expressed concern for the difficulties, the slowness of procedures and the excess of inspections and requests of documentation. The management expenditures are substantially high, and they require substantial effort and energy.

The worsening economic conditions and the lack of recovery prospects continue to make the implementation of ERDF programmes difficult. New readjustment measures must be put in

place and new generalised reprogramming actions in the majority of the programmes, both in Convergence and Competitiveness, have been submitted recently. However, full implementation is still a challenge and measures involving the right targets and timely design are now the main priorities. This requires the effort and collaboration of the different stakeholders and decision levels.

In order to increase to the maximum allowed, the ERDF co-funding rate seems to be a sensible measure to improve progress. However, it is also important to review the lack of participation of the private sector in the co-funding of the eligible expenditure.

The entrepreneurial fabric has been losing ground and the entire load regarding ERDF co-funding relays on the public sector in the current programming period.

Recently, the investment perspectives in infrastructures have been released and the importance of public-private collaboration has been mentioned. The facilitation and study of ways in which co-funding could be gathered using similar mechanisms for projects deemed suitable would present a big step forward.

Opening participation to the private sector, entrepreneurial and/or non-profit organizations (associations, foundations, etc.) would revitalise and further tailor the offered support measures to the real needs of the customers. The readjustment of the measures devoted to boosting technology and innovation projects in the entrepreneurial sector of the Convergence regions, achieved by negotiations with the respective branches of the regional governments (which are more acquainted with their entrepreneurial needs and are more in contact with the innovative segments of their markets) is a good example of the lines of action to follow.

An additional point worth stressing is the need for the fast and effective implementation of these projects in order to achieve the desired effect of the redesigned measures as quickly as possible. The policy of the STPs and TCs (with their societies, associations and/or foundations) is another good example of the advantages which could be generated by a decentralised design and management.

Decisions and changes in the structures are important elements in opening new ways of action in the ERDF programs. Some measures have been undertaken to tackle the urgent problems of unemployment and economic crisis. For instance: the support to a new aid scheme through dedicated loans for reindustrialization projects and assistance to strategic industrial sectors; the financing of education infrastructure in Convergence regions to face early school leaving and provide training to young people to facilitate their inclusion in the labour market. In addition to financial instruments such as the JEREMIE fund incorporated in the NOP TC and in the ROP of Andalusia and Catalonia, the Spanish official credit institute (ICO) and the regional development agencies have a long standing tradition and experience in the management of financial instruments (loans, credits, guarantees, etc). For many years, especially in periods of high interest rates and credit constrains (before the financial boom which came along with the adhesion of Spain to the euro area), Spain has managed loans, reimbursable aids and subsidies in collaboration with financial entities with enough expertise to select viable projects and to manage the risks associated with these.

A large line of action using ERDF funds (now that it is able to finance current assets) would be direct aid to alleviate funding problems affecting many companies with innovative and viable

projects. Naturally, the reprogramming actions must be designed and implemented carefully, but Spain, its financial sector and public administration specialised in the management of community funds have enough human resources and expertise to fulfil these goals with a reasonable amount of success.

## REFERENCES

Experts should list here, giving bibliographical details:

Relevant evaluations by type, indicating the coverage and focus, the method used, when they were carried out and the period they relate to:

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  - b) Evaluations of specific OPs
- Evaluación del Programa Operativo de Cataluña, noviembre 2011, Barcelona
- c) Evaluations of specific aspects of OPs
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  - MINISTERIO DE FOMENTO (2010), “Estudio sobre el Impacto Socioeconómico de la Línea de Alta Velocidad Madrid-Albacete-Valencia”. See below the link to the web edition of the report: <http://www.fomento.gob.es/CPMF/productdetails.aspx?productid=TT0184>

## INTERVIEWS

NAME	POSITION (CURRENT AND FORMER ROLES)	PLACE	DATE	FORM
Antonio Galán	Coordinador General de la Agencia Idea	Seville	15-03-12	Face-to-face
Adolfina Martínez Girado	Jefa de Servicio de Planificación de la D.G. Fondos Europeos y Planificación, Junta de Andalucía	Seville	16-03-12	Face-to-face
Carlos Ruiz Beneyto	Responsable Local del JESSICA Holding Fund de Andalucía	Seville	16-03-12	Face-to-face
Patricia Eguilior	Directora de la D.G. Fondos Europeos y Planificación, Junta de Andalucía	Seville	16-03-12	Face-to-face
Ricardo Enrique Piña Martínez	Jefe de Servicio de Fondos FEDER de la D.G. Fondos Europeos y Planificación, Junta de Andalucía	Seville	16-03-12	Face-to-face
María Gorriti Gutiérrez-Cortines	SG Adjunta de la S.G. Programación Territorial y Evaluación de Programas Comunit. del Mto. Economía y Hacienda	Madrid	26-03-12	Face-to-face
Ignacio Martínez Huertas	S.G. Programación Territorial y Evaluación de Programas Comunitarios del Ministerio de Economía y Hacienda	Madrid	28-03-12	Face-to-face
María Muñoz	S.G. Programación Territorial y Evaluación de Programas Comunitarios del Ministerio de Economía y Hacienda	Madrid	28-03-12	Face-to-face
Francisco Javier Rodríguez Seijo	Director de Planificación y Fondos de la D.G. Planificación Económica y Fondos Comunitarios de la Xunta de Galicia	Santiago	29-03-12	Face-to-face
Juan Conde	Jefe Servicio Evaluación de la D.G. Planificación Económica y Fondos Comunitarios, Xunta de Galicia	Santiago	29-03-12	Face-to-face
Cristina Quintela	IGAPE	Santiago	29-03-12	Face-to-face
Sílvia Vives i Pastor	Responsable de Coordinació de Polítiques Estructurals de la DG d'Afers Econòmics de la Generalitat de Catalunya		27-04-12	By Skype
Teresa Torres	Directora de la Instruments Financers per a Empreses Innovadores, SL (IFEM). Institut Català de Finances.		27-04-12	By Skype
Adofina Martínez Guirado	DG Fondos Europeos y Planificación, Junta de Andalucía	Seville	10-07-12	Face-to-face
Antonio Moya	Adjunto a la Secretaría General de la Confederación de Empresarios de Andalucía (CEA)	Seville	10-07-12	Face-to-face
Carlos Ruiz Beneyto	JESSICA and Investment Funds Division del Banco Europeo de Inversiones	Seville	10-07-12	Face-to-face
Carlos Fernández-Palacios	Coordinador de la Agencia IDEA	Seville	10-07-12	Face-to-face
Martín Larroque	Responsable Local del Fondo JEREMIE, ICO.	Seville	10-07-12	Face-to-face
Pedro Parias	Secretario General de la Asociación de Comunidades de Regantes de Andalucía (FERAGUA)	Seville	10-07-12	Face-to-face
José Manuel Medina Picazo	Coordinador de Presupuestos de la SG Técnica de la Consejería de Agricultura, Pesca y Medio Ambiente	Seville	11-07-12	Face-to-face

Bienvenido Ortega	Miembro del equipo de la Evaluación Intermedia del Programa Operativo Integrado de Andalucía (2000-2006)	Seville	12-07-12	Face-to-face
Felipe Romera	Presidente del Parque Tecnológico de Andalucía (PTA)	Seville	12-07-12	Face-to-face
Rosa Cobo Mayoral	Antigua SG Administración del FEDER del Ministerio de Agricultura, Alimentación y Medio Ambiente	Seville	19-07-12	Face-to-face
Anatolio Alonso	Subdirector General de la DG Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas	Madrid	26-07-12	Face-to-face
Ignacio Fernández-Huertas Moraga	Vocal Asesor de la DG de Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas	Madrid	26-07-12	Face-to-face
Jorge García Reig	Subdirector General de Programación Territorial y Evaluación del Ministerio de Hacienda y Administraciones Públicas	Madrid	26-07-12	Face-to-face
José María Piñero	Director General de la DG Fondos Comunitarios del Ministerio de Hacienda y Administraciones Públicas	Madrid	26-07-12	Face-to-face

## ANNEX 1 – TABLES

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Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross border cooperation

Excel Table 4 - Commitments by main policy area (by end-2011)

Excel Table 4cbc - Commitments by main policy area (by end-2011) – cross border cooperation

**Annex Table A – Summary table on main achievements by FOI and evolution 2010-2011**

Area	Measure	FOI	Instruments	Beneficiaries	2010		2011		Evolution	
					Exp FIR	Achievements TAR	Exp FIR	Achievements TAR	Δ Exp	Δ Achiev
Scientific Research Projects	RTD projects for universities and research centres (NT RTDI plan)	1	Grants	Public Sector	+	++	++	+	++	-
Scientific Research Projects	Actions undertaken by regional governments for RDTI projects	1	Grants	Public Sector	+	+	++	+	++	+
Scientific Research Projects	Biomedicine RTD projects	1	Grants	Public Sector	++	+	+	++	-	++
Scientific Research Infrastructures	RDT infrastructures and centres of competence in specific technology	2	Grants	Public Sector	+	+	+	+	+	+
Applied Research and Enterprises	ACTEPARQ and CREA programmes	2	Infrastructures and facilities	Private Sector	+	+	++	++	+	++
Applied Research and Enterprises	Support to infrastructure and RTD equipment in specific technologies	2	Infrastructures and facilities	Public and Private Sector	=	+	=	++	=	++
Applied Research and Enterprises	Technology transfer and cooperation network measures	3	Aid schemes	Network	+	+	++	++	+	++
Applied Research and Enterprises	Measures to stimulate RDTI projects (development agencies and regional gov.)	4	Aid schemes	Public & Private Sector	+	+	-	++	+	++
Applied Research and Enterprises	Partially reimbursable aids to companies for business RTDI projects (CDTI)	4	Aid schemes	Private Sector	+	+	-	+	--	-
Inn. Fr. Environment	Investment in firms directly linked to RTDI	7	Aid schemes	Private Sector	+	+	+	++	+	++
Inn. Fr. Environment	Innoempresa	9	Aid schemes	Private Sector	+	+	++	++	+	++
Inn. Fr. Environment	Actions to stimulate RD and entrepreneurship in Conv. ROPs	9	Aid schemes	Private Sector	+	+	+	++	+	++
Inn. Fr. Environment	Programme to promote Network Enterprises	9	Aid schemes	Private Sector	+	+	+	+	+	+
Inn. Fr. Environment	Actions to stimulate RD in SMEs aimed to increase	9	Aid schemes	Private Sector	+	+	++	++	+	++

Area	Measure	FOI	Instruments	Beneficiaries	2010		2011		Evolution	
					Exp FIR	Achievements TAR	Exp FIR	Achievements TAR	Δ Exp	Δ Achiev
	access to foreign markets (COMP.)									
Inn. Fr. Environment	Other measures for fostering services and apps for SMEs	9	Services	Private Sector	+	+	++	++	+	++
ICT's	AVANZA SME programme	9	Aid schemes	Private Sector	+	+	-	-	=	=
ICT's	Measure to foster ICTs in SMEs	14	Aid schemes & Services	Private Sector	+	+	++	++	+	+
ICT's	Other measures for ICT in SMEs	15	Aid schemes	Private Sector	+	+	+	++	+	++
ICT's	Promotion of ICT and their applications (public administration)	11	Grants	Public Sector	+	+	+	+	+	+
ICT's	Promotion of ICT and their applications (public administration by regional gov.)	11	Grants	Public Sector	+	+	++	++	+	++
Regional Investment Aids and other investment in Firms	Regional incentives	8	Aid schemes	Private Sector	--	-	-	--	+	--
Regional Investment Aids and Other Investment in Firms	Measures to encourage investment in the creation and modernization of enterprises	8	Aid schemes	Private Sector	+	+	+	++	+	++
Regional Investment Aids and Other Investment in Firms	Support service and aids to opening of foreign markets and internationalization (COMP.)	8	Services	Private Sector	+	+	++	++	++	++

## ANNEX 2 - MEASURES, FUNDING AND INDICATORS - 2012

### PA 1.1) RDTI and linked activities.

#### **RTDI aid schemes:**

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

#### ***RTD projects carried out for universities and research centres according to the National RTDI plan (FOI 01):***

**Contents:** It consists of 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 RTD 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:**

**-2010:** Convergence, Phasing-out and Phasing-in cofunded by the ERDF through the NOP KBE (4.13% of total funds, 7.3% FIR); and delivered to Competitiveness and employment regions through their ROPs (1.5% of total funding, 19.7% FIR).

**-2011:** NOP KBE (42.9% FIR), and delivered to Competitiveness and employment regions through their ROPs (17.8 % FIR).

#### **Number of projects:**

**-2010:** 3,325 (19.5% of total), of which:

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

**-2011:** 4,221 projects, of which:

- 3,576 projects belong to the NOP KBE (63.6% TAR).
- 645 projects belong to Competitiveness ROPs (48.9% TAR).

#### ***Actions undertaken by regional governments to encourage RDTI projects (FOI 01):***

**Contents:** It consists chiefly of grants to stimulate regional scientific and technological research. It includes funding to research groups in universities and other research centres for carrying 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:**

**-2010:** 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).

**-2011:** Convergence, Phasing-out and Phasing-in funded through their ROPs (21.1% FIR), and Competitiveness regions through their ROPs (37% FIR).

#### **Number of projects:**

**-2010:** 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).

**-2011:** 4,899 projects (80.7 %), of which:

- 3,188 belong to Convergence, Phasing-in and Phasing-out regions (93.3% TAR), of which 1,119 RD projects are cooperative (101.3 % TAR)
- 1,711 belong to Competitiveness regions (64.5% TAR), of which 965 are cooperative (87.3% TAR).

### ***Biomedicine R&TD projects (FOI 01):***

Contents: They consist of aids for promoting RTD projects and cooperation networks in biomedical research.

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

Funded by:

**-2010:** 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).

**-2011:** NOP KBE (57.2%) and Competitiveness regions through their ROPs (106.4% FIR).

Number of projects:

**-2010:** 846 biomedical RDT projects, of which:

- 438 belong to Convergence regions (107.1% TAR).
- 408 belong to Competitiveness regions (529.9% TAR).

**-2011:** 1,087 biomedical RDT projects, of which:

- 653 RDT projects in Convergence regions (TAR 159.7%).
- 434 RDT projects in Competitiveness regions (TAR 165%)

### ***RTDI 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 (FOI 02):***

Contents: This measure consists of aids 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:

**-2010:** The NOP KBE for Convergence, Phasing-out and Phasing-in regions (6.11% of total ERDF funding, 5.06% FIR), and by their ROPs for Competitiveness regions (2.26% of total ERDF funding, 7.75% FIR).

**-2011:** NOP KBE for Convergence, Phasing-out and Phasing-in regions (14.3% FIR), and by their ROPs for Competitiveness regions (21.4 % FIR).

Number of projects:

**-2010:** According to the information provided in 2010 AIRs (NOP KBE 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).

**-2011:** 502 projects, of which:

- 380 projects to Convergence regions (30.3% TAR).
- 122 projects to Competitiveness regions (22.8% TAR)

#### ***Scientific and technological parks ACTEPARQ and CREA programmes (FOI 02):***

Contents: It consists of 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 (Ministry for Research, Science and Innovation -MICINN).

**Funded by:**

**-2010:** The ERDF through TF NOP (1.45% of total funding, 22.7% FIR), which is shared by Convergence regions (19.2% FIR).

**-2011:** The ERDF through TF NOP (49.5% FIR), which is shared by Convergence regions (52.1% FIR) and Competitiveness regions (33.7% FIR).

**Number of projects:**

**-2010:** 211 RTD projects (1.4% TAR).

**-2011:** 9,570 RTD projects (394% TAR), of which:

- 5,618 belong to Convergence regions (257% TAR).
- 3,952 belong to regions eligible under the Competitiveness and employment objective (1,626% TAR).

***Support to infrastructure and RTD equipment in specific technologies (FOI 02):***

**Contents:** It also consists of grants to build and buy infrastructure and RTD equipment in specific technologies.

**Implemented by:** Regional governments.

**Funded by:**

**-2010:** The ERDF, in Convergence regions (2.59% of total, 19.0% FIR) and Competitiveness regions (2.6% of total, 26.7% FIR).

**-2011:** The ERDF, in Convergence regions (29.3% FIR) and Competitiveness regions (47.5% FIR).

**Number of projects:**

**-2010:** 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).

**-2011:** 982 projects, of which:

- 238 belong to Competitiveness (30.6% TAR).
- 744 belong to Convergence (76.5% TAR).

**Benefited companies:**

Moreover, 609 companies were benefited from RTDI infrastructures projects in Convergence regions.

***Other instruments:***

***Investment in firms directly linked to research and innovation (FOI 07):***

**Contents:** It consists of 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:**

**-2010:** 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).

**-2011:** The ERDF through ROPs (25.4% FIR) of which it addressed Convergence, Phasing-out and phasing-in regions (29.2% FIR) and in Convergence (22.9% FIR).

**Number of projects:**

**-2010:** 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.

-2011: 4,376 projects by regional governments, of which:

- 855 belong to Convergence regions (67.2% TAR).
- 3,521 belong to Competitiveness and employment regions (61.2% TAR)

**Benefited companies:**

-2010: 748 firms (54.6% TAR) have been reached by these measures in Convergence regions, whereas 1,435 companies (44.4% TAR) were benefited by measures in Competitiveness regions.

-2011: 990 firms (75.3% TAR) have been reached by these measures in Convergence regions, whereas 2,008 companies (61.8% TAR) were benefited by measures in Competitiveness regions.

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

**Innovation aids schemes:**

***Technology transfer and cooperation network measures (FOI 03):***

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

Implemented by: Regional governments.

Funded by:

-2010: 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).

-2011: The ERDF through ROPs (39.1% FIR), of which it addressed Convergence objective (26.7% FIR) and Competitiveness regions (47.2% FIR).

**Number of projects:**

-2010: 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).

-2011: 915 projects, of which:

- 829 RTDI projects belong to Convergence regions (78% TAR).
- 86 RTDI projects belong to Competitiveness regions (61.9 % TAR).

**Benefited companies:**

-2010: These measures in the ROPs of Convergence objectives have an important impact in terms of benefited companies, 1,405 (100.3% TAR).

-2011: These measures in the ROPs of Convergence objectives have an important impact in terms of benefited companies, 1,433 (84.4 % TAR).

**Number of participants:**

-2010: 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).

-2011: It is relatively low in both objectives: 622 people (13.2 % TAR), of which:

- 450 people belong to Convergence ROPs (17.1 % TAR).
- 172 belong to Competitiveness ROPs (8.2 % TAR).

***Measures implemented by development agencies and regional governments to stimulate RTDI projects in SMEs (FOI 04):***

Contents: Implemented by: Development agencies and regional governments.

Funded by:

**-2010:** 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).

**-2011:** The ERDF (29.2% FIR) through ROPs, which addresses Convergence regions (43.4% FIR) and Competitiveness regions (8.6% FIR).

Number of projects:

**-2010:** 1,272 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).

**-2011:** 2,062 projects, of which:

- 1,673 belong to Convergence regions (38.4% TAR), of which 591 are cooperative projects (87.3% TAR).
- 389 belong to Competitiveness regions (11.6% TAR).

Benefited companies:

**-2010:** 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).

**-2011:** 2,317 firms (34.5% TAR), of which:

- 2,187 belong to Convergence regions (50.5% TAR).
- 130 belong to Competitiveness regions (5.5% TAR).

Number of participants:

**-2010:** 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).

**-2011:** 11,609 people (173.4% of target), of which:

- 10,137 people belong to Convergence regions (329.3% TAR).
- 1,472 people belong to Competitiveness regions (40.7% TAR).

#### ***AVANZA Program (FOI 04):***

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:

**-2010:** The FT NOP.

**-2011:** The FT NOP for Convergence regions (47.6% FIR).

Number of projects:

**-2010:** 276 projects (126.6% TAR), of which:

- 57 are cooperative projects between companies and technological centres.

**-2011:** 418 projects in Convergence regions (97.2% TAR).

Benefited companies:

**-2010:** 308 in Convergence regions (49.1% TAR).

**-2011:** 443 in Convergence regions (82.0% TAR).

Number of participants:

**-2010:** 3,192 people (206.2% TAR).

**-2011:** 4.692 people (303.1% TAR).

***Partially reimbursable aids to companies for business RTDI projects (FOI 04):***

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 OP TF: the setting up and consolidation of clusters that help to structure the Spanish Science-Technology Enterprise.

Collaborations with governments and regional agencies is envisaged as a way 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 CDTI project design conditions (too ambitious).

Implemented by: CDTI, under the auspices of the MICINN).

Funded by:

**-2010:** The ERDF through the TF NOP (7.36% if 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)

**-2011:** The ERDF through the TF NOP (32.5% FIR), which is shared by Convergence regions (23.4% FIR) and Competitiveness regions (70.6% FIR)

Number of projects:

**-2010:** 174 projects, of which:

- 49 belong to Convergence regions (0.8% TAR)
- 125 belong to Competitiveness regions (0.8% of total, 19.2% TAR)

**-2011:** 468 projects (11.8% TAR), of which:

- 158 belong to Convergence regions (6.2% TAR)
- 310 belong to Competitiveness regions (22.2% TAR)

Benefited companies:

**-2010:** 273 firms, of which:

- 49 belong to Convergence regions (0.5% TAR)
- 224 belong to Competitiveness regions (50.7% TAR)

**-2011:** 468 firms (11.8% FIR), of which:

- 158 belong to Convergence regions (6.2% TAR).
- 310 belong to Competitiveness regions (22.2% TAR).

Number of participants:

**-2010:** 939 people, of which:

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

**-2011:** 2.315 people (27.3% TAR), of which:

- 689 belong to Convergence regions (12.5% TAR).
- 1.625 belong to Competitiveness regions (54.7% TAR).

**Other measures for innovation and entrepreneurship:*****AVANZA SME programme (FOI 09):***

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, Ministry of Industry, Tourism and Commerce (MITYC).

Funded by:

-2010: 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).

-2011: The ERDF funding in ROPs (25.4% FIR), shared by Convergence, Phasing-out and phasing-in ROPs (25.4% FIR) and Competitiveness ROPs (15.7% FIR).

Benefited companies:

-2010: 18,193 firms (41.4% TAR).

-2011: 20,624 firms (61.8% TAR)

***Innovation Programme for SMEs (Innoempresa) (FOI 09):***

Contents: It consists of aids 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:

-2010: The ERDF through the ROPs of the Convergence, Phasing-out and phasing-in regions (1.17% of total funding, 27.7% FIR).

-2011: The ERDF through the ROPs of the Convergence, Phasing-out and phasing-in regions (68.8% FIR).

Benefited companies:

-2010: 9,029 small companies (20.6% TAR).

-2011: 12982small companies (68.4% TAR).

Number of participants:

-2010: 591 people (11.8% TAR, full time equivalent, gross).

-2011: 828 people (42.2% TAR, full time equivalent, gross).

***Programme to promote Network Enterprises (FOI 09):***

Implemented by: The public enterprise RED.Es.

Funded by:

-2010: The ERDF through ROPs (0.44% of 1ERDF funding, 19.5% FIR) in Convergence and Competitiveness regions.

-2011: The ERDF through ROPs (22.2% FIR) in Convergence (25.4% FIR) and Competitiveness regions (15.7% FIR).

Benefited companies:

-2010: 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).

-2011: 2425 firms (7.4 % TAR), of which:

- 1971 belong to Convergence regions (6.3 % TAR).
- 454 belong to Competitiveness regions (25.9 % TAR).

***Actions to stimulate research and innovation and entrepreneurship in the Convergence ROPs Regional Governments (FOI 09):***

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 and programmes of 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:

-2010: 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).

-2011: The ERDF through the ROPs (23.7% FIR), shared by Convergence regions (21.9% FIR) and Competitiveness regions (32.4% FIR).

Number of projects:

-2010: There are no indicators on number of RTDI projects.

-2011: 4969 projects (30.6 % TAR), of which:

- 3669 projects belong to Convergence regions (27.2% TAR).
- 1300 projects belong to Competitiveness regions (46.9 % TAR), mainly in Galicia (1489 projects), Valencia (1742 projects).

Benefited companies:

-2010: 1,358 firms (1.9% of total, 10.2% TAR).

-2011: 5101 firms (54.1% TAR), of which:

- 4556 belong to Convergence regions (56.2 % TAR), mainly in Galicia (1456 companies), Valencia (2798 companies)
- 545 belong to Competitiveness regions (41.5 % TAR).

Number of participants:

-2010: 8,723 people (28.3% of total, 23.4% TAR).

-2011: 17992 people (47.4 % TAR)

***Actions to stimulate research and innovation in SMEs aimed to increase access to foreign markets (FOI 09):***

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

Funded by:

-2010: The ERDF through the ROPs of Convergence objective regions (0.01% of ERDF, 49.5% FIR).

-2011: The ERDF through the ROPs of Convergence objective regions (0.01% of ERDF, 49.5% FIR).

Benefited companies:

-2010: 436 firms (427.5% TAR).

-2011: 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 (FOI 14):**

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 MITYC.

Funded by:

-2010: The ERDF through the TF NOP (0.36% of total funding, 16.3% FIR).

-2011: The ERDF through the TF NOP (22.8% FIR).

Benefited companies:

-2010: 6,562 firms (10.9% TAR).

-2011: 10,968 firms (18.3% TAR).

**Other measures for fostering services and applications for SMEs (FOI 09):**

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

Implemented by: Regional development agencies.

Funded by: foi

-2010: The ERDF through ROPs of Convergence regions.

-2011: The ERDF through the ROPs (23.9% FIR), shared by Convergence regions (21.1% FIR) and Competitiveness regions (37% FIR).

Benefited companies:

-2010: 2,391 firms (133.2% TAR), relatively concentrated in Galicia.

-2011: 4,556 firms (56.2% TAR), relatively concentrated in Valencia and Galicia

Number of participants:

-2010: 1,018 people (161.6% TAR).

-2011: 17,993 people (47.4% TAR).

**Other measures for ICT in SMEs (FOI 15):**

Implemented by: Regional governments.

Funded by:

-2010: 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).

-2011: The ERDF through the ROPs (39.2% FIR), shared by Convergence objective regions (39.4% FIR) and Competitiveness objective regions (38.7% FIR).

Number of projects:

-2010: There is no indicator of number of projects available.

-2011: 750 projects (61.2 % TAR), of which:

- 16 belong to Convergence regions (1.9% TAR)
- 734 belong to Competitiveness regions (61.2% TAR).

Benefited companies:

-2010: 953 firms in Competitiveness regions (9.6% TAR).

-2011: 1814 (17.1% TAR), of which:

- 349 belong to Convergence regions (51.2% TAR)
- 1465 belong to Competitiveness regions (14.8% TAR).

Number of participants:

-2010: 1,931 people in Competitiveness regions (6.0% TAR).

-2011: 12112 people in Competitiveness regions (37.9 % 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 (FOI 11):***

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:

-2010: The ERDF through the NOP KBE (2.92% of total funding, 32.1% FIR).

-2011: The ERDF through the NOP KBE (49.3% FIR).

Number of projects:

-2010: 82 projects (221.6% TAR).

-2011: 110 projects (152.2% 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 (FOI 11):***

Contents: As the last measures discussed, 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:

-2010: 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).

-2011: The ERDF through the ROPs (43% FIR), divided into Convergence regions (56.2% FIR) and Competitiveness regions (38.1% FIR).

Number of projects:

-2010: 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).

-2011: 1,025 projects (82.7% TAR), of which:

- 966 belong to Convergence regions (94.2% TAR).
- 59 belong to Competitiveness regions (27.6% TAR).

Benefited companies:

-2010: 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).

-2011: 805 firms, of which:

- 748 belong to Convergence regions, mainly in Galicia (533 companies, 102.5% TAR), Andalusia (119 companies, 94.4% TAR) and Murcia (96 companies, 160% TAR).
- 57 belong to Competitiveness ROPs, mainly in Madrid (9.9% TAR).

Number of participants:

-2010: 2,177 people in Convergence ROPs (221.7% TAR).

-2011: 934 people in Convergence ROPs (333.6% 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 (FOI 08):***

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 where a company is investing, the less percentage of aids 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:

-2010: The ERDF funding (12.35% of total, 6.1% FIR).

-2011: The ERDF funding (32.3 % FIR).

Number of projects:

-2010: Relatively low, 128 projects (4.2% TAR).

-2011: Relatively low, 217 projects (7.1% TAR).

Employment:

-2010: 3,366 people (only 6.5% TAR).

-2011: 5,050 people (9.8% TAR)

Induced private investment:

-2010: 1.74% TAR

-2011: 14.6% TAR

***Measures implemented by regional governments and development agencies to encourage investment in the creation and modernization of enterprises (FOI 08):***

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 encourage entrepreneurship, new business creation and self-employment generation.

Implemented by: Regional governments and development agencies.

Funded by:

-**2010:** The ERDF through the ROPs (30.8% FIR), divided into Convergence regions (31.2% FIR) and Competitiveness regions (22.8% FIR).

-**2011:** The ERDF through the ROPs (34.5% FIR), divided into Convergence regions (39.3% FIR) and Competitiveness regions (33.7% FIR).

Benefited companies:

-**2010:** 1,471 firms benefited by development agencies (15.0% TAR) and 6,318 firms by regional governments (17.6% TAR).

-**2011:** 32,038 firms (41.4% TAR), of which:

- 20,336 belong to Convergence regions (31.7 % TAR)
- 11,702 belong to Competitiveness regions (88.7 % TAR)

***Support services and aids to opening of foreign markets and internationalization implemented (FOI 08):***

Contents: It consists of small aids to companies for internationalization by participating in international events and operations.

Implemented by: The ICEX.

Funded by:

-**2010:** The ERDF through the ROPs (37.0% FIR), divided into Convergence regions (36.5% FIR) and Competitiveness regions (37.4% FIR).

-**2011:** The ERDF through the ROPs (58.1% FIR), divided into Convergence regions (61% FIR) and Competitiveness regions (55.9% FIR).

Benefited companies:

-**2010:** 16,719 firms, of which:

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

-**2011:** 18,440 firms (76.4% TAR), of which:

- 7,243 belong to Convergence regions (60.1 % TAR).
- 11,197 belong to Competitiveness regions (92.7% TAR).

**PA 3) Transports.**

***Railways:***

**2010**

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- NOP CF, 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 NOP CF 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).

**2011**

Contents: The most remarkable achievement is the Madrid-Valencia high-speed train which is currently in operation. A total of 496.9km (185.5% TAR) of high-speed rail have been built in the Convergence ROP

Other notable achievements are the construction of 66.7 km (31.6% TAR) of two-way platform for high-speed railways (ROP Castilla y León), and the construction of 261.8 km (CF ERDF, 46.2% TAR) of regular railway platform.

A total 96.2 km (37.4 % TAR) of TEN railways have been built. In the NOP CF were built 93.6 km of TEN railways (95.5% TAR) and in the ROP of Valencia were built other 2.6 km (1.6% TAR).

**Roads:****2010**

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).

**2011**

Contents: 354 km of new roads (23.6% TAR) have been built in Convergence ROPs. They are mainly distributed in Andalusia (72%), Extremadura (18.07%), Castilla-La Mancha (5.56%) and Galicia (4.37%). In these regions other 150.6 km of new TEN roads (102.8% TAR) have been constructed. They are broken down by regions in the following way: Extremadura (40.83%), Andalusia (33.59%), Galicia (13.67%) and Castilla-La Mancha (11.95%). In the Convergence ROPs it is also important the number of km of reformed roads (2186.4km, 73.4% TAR), most of them were carried out in Andalusia (1308.2 km, 74.3% TAR), Castilla-La Mancha (82.5 km, 82.5% TAR) and Galicia (176.1 km, 56.8% TAR).

**• Ports:****2010**

Contents: 8,081 m. dam have been built, they are distributed between the NOP CF (5,391 km, 62.0% TAR), and the Convergence ROPs (2,690 km, 86.5% TAR). Also in the NOP CF, 3,181 m. of docks (51.0% TAR) have been built. Finally, in the ROPs of Convergence (including phasing-in) 762,590 m2 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 m2, 54.8% TAR).

**2011**

Contents: 8709 m. dam have been built, they are distributed between the NOP CF (5391 km, 62% TAR), and the Convergence ROPs (3018 km, 24.1% TAR). Also in the NOP CF, 3776 m. of docks (60.5% TAR) have been built. Finally, in the ROPs of Convergence (including phasing-in) 954212.1 m2 of port area (47.1% TAR) have been conditioned. The bulk of the conditioned surfaces was carried out in Andalusia in the port of Algeciras (529831.8 m2, 55.2% TAR).

**PA 4.2) Environment and Risk Prevention.*****Management and distribution of water (drink water and water treatment (waste water)).***

Implemented by: Regional governments and development agencies.

Funded by: The ERDF through the ROPs, ERDF-CH and the CF programmes.

C25: Additional population served by distribution systems of water (drink water): 1,675,488 (15.3%)

- 1.163.999 son de NOPs (1.163.999 FCH)
- 511.489 son de ROPs (282.102 AN, 109.589 CL, 19.700 CM, 500 EX, 99.598 GA)

C26: additional population served by water treatment systems (waste water): 2,575,026 (24.2%)

- 1.654.906 son de NOPs (1.654.906 FCH)
- 920.120 son de ROPs (492.065 AN, 6.669 AS, 132.637 CL, 88.453 EX, 200.296 GA)

10: Projects developed in areas within Natura 2000 Network: 258 (77.0%)

- 258 son de ROPs (17 AN, 2 CE, 20 CL, 5 CM, 159 EX, 55 MU)

14: Actions developed in areas outside Natura 2000 Network: 512 (220.7%)

- 512 son de ROPs (14 AN, 27 CL, 4 CM, 455 EX, 12 MU)