

Study on the relevance and the effectiveness of ERDF and Cohesion Fund support to Regions with Specific Geographical Features – Islands, Mountainous and Sparsely Populated areas

Second Intermediate Report

June 2011

Study coordinated by ADE

This report has been prepared by ADE
at the request of the European Commission.

The views expressed are those of the
consultant and do not represent the official
views of the European Commission.

2. Analysis of the five selected sparsely populated regions

2.1 Castilla-La-Mancha

1. Identification

1.1. Identification of NUTS2 area and corresponding NUTS3 region(s)

Code	Name	Nuts level	Country
ES42	Castilla-La Mancha	2	ES
ES421	Albacete	3	ES
ES422	Ciudad Real	3	ES
ES423	Cuenca	3	ES
ES424	Guadalajara	3	ES
ES425	Toledo	3	ES

Source: Eurostat, 2011.

1.2. Identification of relevant programmes supported by ERDF or Cohesion funds: Regional Development Programmes for Castilla-La Mancha

Period	Programme	Progr. type	EU Contribution (EuroM)		
			ERDF	ESF	EAGGF
00-06	Objective 1 Programme for Castilla-La Mancha	Regional	1,528	242	429
00-06	Objective 1 Programme "Improving Competitiveness and Developing Production Structures"	Multiregional	1,864		
00-06	Objective 1 Programme "Research, development and innovation"	Multiregional	1,477	215	
00-06	Objective 1 Programme "Local development"	Multiregional	112		
07-13	Operational Programme "Castilla-La Mancha"	Regional	1,439		
07-13	Operational Programme "Cohesion Fund – ERDF"	National	4,900		

Source: European Commission, 2011.

Overall, there was a decrease of Euro89M (6%) in the 2007-2013 Operational Programme "Castilla-La Mancha" as compared to the previous Objective 1 Programme for Castilla-La Mancha from the 2000-2006 programming period.

For the current period, as well as the Cohesion Fund, Spain has two other national, multi-regional Operational Programmes, which are managed by the central government. The 'Knowledge based-economy' OP has a total budget €2.1 billion, including €1.5 billion of ERDF; this represents approximately 6% of the ERDF financial package for Spain under

Cohesion Policy 2007-13. The objective is to increase investments in R&D and innovation across Spain in line with the Lisbon Strategy objectives. The 'Research, Development and Innovation for and by Enterprises - Technology Fund' OP has a total budget of €3.3 billion, including €2.2 billion of ERDF; this again amounts to approximately 6% of the ERDF financial package for Spain for the current period. The objective is to increase the competitiveness of the Spanish economy through improving the innovation performance of industry and service sectors.

2. Regional features and Domestic Policy Responses

2.1. Main characteristics of NUTS2 and 3 regions

Located in central Spain, the region of Castilla-La Mancha is a relatively large region in terms of territory but with a relatively low population density. Interestingly, at the NUTS3 level it contains two regions that are identified as having specific geographical features – the first is Cuenca which is classified as sparsely populated whilst the second is Guadalajara which is actually defined as mountainous. It is possible to explore the role of ERDF in the differing territorial contexts within the same region.

2.2. Position, trends and dynamics

The population of Castilla-La Mancha (1.9M) represents around 4% of the total population of Spain and has experienced some 12% increase during the last period 2000-2007. Yet its population density in 2007 was quite low (24.8 per km²) compared to the national average (89.4).

Population

Nuts code	Region name	Total Population (M)		Incr.	Population density (per km ²)		Incr.
		2000	2007		(2000)	(2007)	
	EU27	n.a.	n.a.	n.a.	112.3	115.5	3%
ES	Spain	40.049708	44.474631	11%	79.6	89.4	12%
ES42	Castilla-La Mancha	1.728782	1.929947	12%	n.a.	24.8	n.a.
ES423	Cuenca	n.a.	0.210156	n.a.	n.a.	12.5	n.a.
ES424	Guadalajara	n.a.	0.215246	n.a.	n.a.	18.2	n.a.

Source: Eurostat, 2011.

In terms of economy, the region also lags behind the national average; Spain had in 2007 a GDP of 23,500 versus 18,200 of Castilla-La Mancha. However for the 2000-2007 period, the total growth of the region, 58% is close to the 62% national average. Until 2007 the unemployment rate of the region and the state were similar (7.6% and 8.3%), yet under the EU average (7.2%). It is worth noting too that the two provinces of Castilla-La Mancha, having special geographical features, Cuenca and Guadalajara, scored better – until 2007 – than the regional average (5.7% and 4.9% respectively).

The employment trend for 2000-2007 followed a similar pattern at state, regional and province level. The Agriculture and Fishing sector decreased around 11% whilst Services increased by 32% for Spain and 38% for Castilla-La Mancha. Again, both Cuenca and Guadalajara enjoyed, for the Services sector, a larger increase than the region, particularly

Guadalajara, 49% increase. This may be explained, partially, by the fact that Guadalajara, despite being a special geographical area, has its capital – Guadalajara – very well located, around 55km away from Madrid and very well connected to the capital through high-speed roads and trains.

GDP and unemployment

Nuts code	Region name	GDP at current market prices		Total Growth 99-07 (%)
		2000	2007	
	EU27	19100	24900	n.a.
ES	Spain	15700	23500	62.1
ES42	Castilla-La Mancha	12300	18200	58.3
ES423	Cuenca	11900	18200	51.7
ES424	Guadalajara	13600	19500	50

Source: Eurostat, 2011.

Unemployment rate

Nuts code	Region name	Unemployment rate % (15 or over years),		Incr.
		2000	2007	
	EU27	9	7.2	-20%
ES	Spain	13.9	8.3	-40%
ES42	Castilla-La Mancha	12.6	7.6	-40%
ES423	Cuenca	11.4	5.7	-50%
ES424	Guadalajara	11	4.9	-55%

Source: Eurostat, 2011.

Employment by economic activity, at NUTS levels 1 and 2 ('000)

Nuts code	Region name	Employment					
		Agriculture, fishing			Services ⁴		
		2000	2007	Incr.	2000	2007	Incr.
	EU27	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES	Spain	1037	925	-11%	10464	13793	32%
ES42	Castilla-La Mancha	114	102	-11%	327	451	38%
ES423	Cuenca	20,2	17	-13%	34,8	48	40%
ES424	Guadalajara	6	11	98%	34	51	49%

Source: Eurostat, 2011.

Tourism in Castilla-La Mancha (number of bed-places) increased during the same period at a similar rate as the national average (24%-25%) more than double the EU average (10%). Yet there seem to be major differences within the region with Cuenca at 16%, whilst Guadalajara achieved 49%.

Finally, it is worth noting the outstanding promotion on the information society and new technologies within the region for 2000-2007 when the percentage of households having broadband Internet access increased by 148%.

⁴ Services include (except extra-territorial organizations); Wholesale and retail trade; hotels and restaurants, transport; Financial intermediation; real estate, public administration and community services; activities of households

Accessibility

Nuts code	Region name	Motorways (km)			Other roads (km)			Railway lines (km)		
		2000	2007	Incr.	2000	2007	Incr.	2000	2007	Incr.
	EU27	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES	Spain	9049	13013	40%	154508	152998	-1%	12310	13368	9%
ES42	Castilla-La Mancha	847	1487	76%	17841	17778	-0,4%	1541	1632	6%

Source: Eurostat, 2011.

Tourism

Nuts code	Region name	Tourism (Nr. of bed-places*)		
		2000	2007	Incr.
	EU27	10639232	11715177	10%
ES	Spain	1315697	1642417	25%
ES42	Castilla-La Mancha	27529	34194	24%
ES423	Cuenca	4760	5541	16%
ES424	Guadalajara	3443	5126	49%

Source: Eurostat, 2011.

* Hotels and similar establishments

ICT: Households that have Broadband Internet access at home

Nuts code	Region name	Households that have Broadband Internet access at home (%)		
		2006	2010	Variation 00-07 (%)
	EU27	n.a.	n.a.	n.a.
ES	Spain	n.a.	n.a.	n.a.
ES42	Castilla-La Mancha	21	52	148%

Source: Eurostat, 2011

The **main geographical challenges** of Castilla-La Mancha derive from a dispersed territorial model with articulation difficulties, problems of accessibility and intra-regional connection; water deficits (more than half of the region's water resources are transferred to other regions), and high intensity of energy consumption per unit of output; and, lack of cross-cutting high-speed roads (connections focus on Madrid, with more limited connections between province capitals and within the provinces).

To address these challenges the region counts on the high potential of the tourism sector, especially the rural and historic heritage; an existing and well established culture for consultation between various social partners (Pact for Development and Competitiveness 2005-2010); the presence of new airport facilities and development of logistics activities (platforms logistics); a strategic location within the national territory and proximity to the national capital (Madrid); a Strategic Plan for Infrastructure and Transport (PEIT) that aims to create 2,700 kms of roads and 1000 kms high-speed; a great wealth of historical and artistic heritage, natural and cultural assets.

The **main economic challenges** come from:

- 1) a low level of productivity;
- 2) the effects of EU expansion and the progressive liberalisation of the developed economies (especially on certain industry sectors where the region shows high specialisation, such as textiles, footwear, wood);

- 3) low investment and low endowment of human resources for R & D. Low innovative capacity, particularly of corporate character;
- 4) increased emissions of greenhouse gases (+42% in 2004 compared to 1990);
- 5) specialisation productive industries focused on low-tech; and, small size of enterprises and high degree of industrial dispersion.

To address these challenges the region counts on the following potentials: significant levels of expertise accumulated in some sectors that can help diversify the productive sector and increase levels of internationalisation; the possibility of renewal and diversification in the traditional and more complex sectors; good positioning in energy production from renewable sources. There is availability of renewable energy sources; strong commitment to R & D and development of ICT integration into a single plan the whole process from the creation of knowledge to industry innovation processes.

Finally, the **main socio-demographic challenges** comprise: low population density, population ageing and depopulation of rural areas; comparatively high rate of early school leavers; and, comparatively high rate of temporary employment. To address these challenges the region basically counts on its potential to introduce the work-life balance/conciliation factor in the socio-economic environment.

2.3. Domestic Policy Responses

In 2000 the Government of Castilla-La Mancha launched 'The Regional Development Plan 2000-2006', its flagship strategy for regional development for 2000-2006. The central objective was the creation of jobs through boosting economic growth. The idea of this strategy was the consolidation of an economic base to make sustainable development possible for employment in the long run, but considering also the improvement of the citizen's living conditions.

The Plan was structured around five main axes, all aligned with the objectives of the 'Objective 1 Programme for Castilla-La Mancha'. One of these axes addressed the specific geographical features of the region - axis 4: Local and Urban Development -, complementing the objective 4 of the OP - Strengthening endogenous development, improvement of regional accessibility and their levels of basic infrastructure.

For the period 2008-2013 the Government of Castilla-La Mancha, in collaboration with the central Government - Ministry of Rural and Marine Affairs, launched the 'Strategic Plan for Sustainable Rural Development of Castilla-La Mancha 2008-2013' following the national 'Law on Sustainable Rural Development'.⁵ The aim of this instrument is the arrest of depopulation of rural areas, especially affecting women and young people, improving the living conditions of its people through the widespread development of services to the population, and socio-economic development of all endogenous potential of the territory.

The Plan focuses on both compensating disadvantages as well as seizing opportunities through the following objectives: (a) Maintaining and expanding the economic base of rural

⁵ Rural means the geographical area formed by the aggregation of municipalities having a population less than 30,000 inhabitants and a density less than 100 inhabitants per km²

areas and diversification of the economy; (b) Maintain and improve the rural population, and improve the welfare of its citizens; (c) Conserve and restore the heritage and natural and cultural resources through public and private actions; (d) Provide rural areas, in particular their villages, with infrastructure and basic public facilities (transport, energy, water and telecommunications); (e) Improve the delivery of basic public education, health and safety; (f) Facilitating access to housing in rural areas; (g) Guarantee the right that services in rural areas are accessible to persons with disabilities and elderly people.

This plan does not intend to replace existing EU funds (ERDF, CF) but to complement them by preventing interferences or incompatibilities, proposing measures and specific actions to suit the needs of rural areas. This will involve a 'complementarity analysis' with the existing financial instruments provided for each rural area. Specifically, for the ERDF, complementarity is expected with the following axis: 1-Knowledge economy; 4-Transport and energy, 5-Sustainable local and urban. 6-Social infrastructures.

The Plan envisages a total investment of Euro228.8M over the next five years for 29 rural areas. There will be a Zone Plan for each area to show in detail the necessary actions, as well as various financial instruments, and action plans of those Authorities involved, which will help decide the operational actions that must be financed.

In 2005 the agreement between the Government of Castilla-La Mancha and the main economic and social stakeholders enabled the 'Covenant for Development and Competitiveness of Castilla-La Mancha 2005-2010', which marks the regional development strategy up to 2010. The purpose of the Covenant is to accelerate the convergence of Castilla-La Mancha with Europe, raising regional competitiveness and strengthening economic, social, industrial and labour in the region and improving its infrastructure.

Of the four blocks of action of the Covenant: 1-Dynamics, 2-Labor market and human capital; 3-Innovation and research; 4-Infrastructure and Environment, the latter is perhaps the one which most focuses on the special geographical features of the region. The plan intends to capitalize on the potential of the geo-strategic position of Castilla-La Mancha, promoting a harmonised development and avoiding excessive dependence of certain corridors of major road network. Its excellent location is underused by the lack of cross-cutting communication lines. In this sense, it is explained that "the provision of infrastructure per square km in Castilla-La Mancha is less than the national average, with negative implications on the connectivity of the region. In particular, this deficit is identified in the road infrastructure, rail and hydraulic infrastructure per square km, as well as at airports and urban structures of local corporations per capita".

There are some other major plans and programmes for the region dealing with its specific geographical features, namely: the 'Plan of Infrastructure and Transport' (PEIT) prepared by the Ministry of Development of Spain. In collaboration with the Government of Castilla-La Mancha, the Plan has allowed the region to experience a dramatic improvement in its communications infrastructure. The 'Internationalisation Plan of Castilla-La Mancha' managed by the regional Government, which when describing its 'Programme of comprehensive training in foreign trade' (strategic line 4.1) directly addresses the geographical issue: "... to ensure an adequate supply of training across the regional

geography with special attention to the problems generated in this regard the vast distances of our territory".

3. ERDF and CF (where relevant) Programme priorities and fields of intervention

The total EU budget allocation for Castilla-La Mancha's regional operational programme for the 2000-2006 period was of Euro2,199M. The contribution came from different funds, namely the ERDF Euro1,528M (69%), followed by EAGGF Euro242M (30%) and finally the ESF Euro429M (11%). During that period, the region also benefited from three multiregional programmes⁶, which summed Euro4,461M. Two of these only received funds from the ERDF ('Improving Competitiveness and Developing Production Structures' and 'Local development') whilst the 'Research, development and innovation' programme also received a minority sum of funds from the ESF (13% of a total of Euro1,692M).

For the 2007-2013 programming period, the regional operational programme 'Castilla-La Mancha' received a total of Euro1,439M, entirely coming from the ERDF. This allocation represents a decrease of 6% with respect to previous programming period 2000-2006. In addition to this, the region also benefited from the national type programme 'Cohesion Fund – ERDF'⁷, entirely financed by the ERDF (Euro4,900M)

Looking at budget allocated by priority, the tables below show that for the 2000-2006 period, there were 3 areas receiving 72% of the budget, namely '6-Transport and energy networks' (33%), '3-Environment, nature and water resources' (21%), and '1-Improving competitiveness and developing the productive fabric' (19%). At further distance came the 7% allocated to the priority area '7-Agriculture and rural development'.

Similarly to the previous programming period, for the 2007-2013 programme there are three priority areas receiving 75% of the funds, namely '4-Transport and Energy' (37%), '3-Environment, natural surroundings, water resources and risk prevention' (21%), and '2-Entrepreneurial development and innovation' (17%). The distribution between these three is very similar to 2000-2006 as well as the subjects covered. If only, for 2007-2013 there is a slight change in the naming of the areas with the aim of focusing more on innovation and entrepreneurial development.

It is worth noting also the relative increase in funding for the priority area '5-Local and urban sustainable development', (Euro127M) accounting for 9% of the 2007-2013 total budget in comparison to 5% in 2000-2006. Even more notorious is the increase of the priority area '1-Knowledge economy (R & D, Information society, ICT)' for which the 2007-2013 budget allocates 10% of funds compared to just 2% in 2000-2006.

⁶ The area covered by these programmes is that of regions falling within Objective 1 during the 2000-2006 period, namely, Andalusia, Asturias, Canary Islands, Cantabria (transitional support), Castilla-La Mancha, Castilla-Leon, Ceuta, Extremadura, Galicia, Melilla, Murcia, Valencia.

⁷ The operational programme of the European Regional Development Fund (ERDF) under the "Convergence" objective applies to the Autonomous Communities of Andalusia, Castilla-La Mancha, Extremadura and Galicia whereas the Cohesion Fund applies to the whole of Spain for the period 2007-2013.

Allocation by priority

2000-2006: Objective 1 Programme for Castilla-La Mancha		Contribution		
Priority Area	Total	EU	%	National
1 - Improving competitiveness and developing the productive fabric	572,775,543	407,198,529	19	165,577,014
2 - Knowledge society (innovation, R+D, information society)	61,535,091	43,074,567	2	18,460,524
3 - Environment, nature and water resources	661,554,681	451,231,154	21	210,323,527
41 - Education infrastructure and reinforcement of professional, technical education and training	276,057,802	188,146,733	9	87,911,069
42 - Insertion and professional reinsertion of unemployed people	110,717,910	77,502,537	4	33,215,373
43 - Reinforcement of stability in employment and adaptability	12,038,589	9,028,941	0,4	3,009,648
44 - Insertion of people with particular difficulties in the labour market	12,684,189	9,513,141	0,4	3,171,048
45 - Participation of women in the labour market	23,006,875	18,405,498	1	4,601,377
5 - Local and urban development	176,007,359	119,491,964	5	56,515,395
6 - Transport and energy networks	1,050,143,699	719,489,706	33	330,653,993
7 - Agriculture and rural development	214,001,206	146,739,998	7	67,261,208
9 - Technical assistance	12,988,166	9,741,122	0,4	3,247,044
Total	3,183,511,110	2,199,563,890		983,947,220

Source: European Commission, 2011.

2007-2013: Operational Programme 'Castilla-La Mancha'		Contribution		
Priority Area	Total	EU	%	National
1 - Knowledge economy (R & D, Information society, ICT)	179,924,248	143,939,389	10	35,984,859
2 - Entrepreneurial development and innovation	352,887,037	247,020,925	17	105,866,112
3 - Environment, natural surroundings, water resources and risk prevention	435,322,605	304,725,821	21	130,596,784
4 -Transport and Energy	820,429,223	533,278,994	37	287,150,229
5 - Local and urban sustainable development	181,988,048	127,391,636	9	54,596,412
6 - Social Infrastructure	95,660,550	76,528,439	5	19,132,111
7 - Technical Assistance	8,135,866	6,508,690	0,5	1,627,176
Total	2,074,347,577	1,439,393,894		634,953,683

Source: European Commission, 2011.

For the 2007-2013 Operational Programme “Cohesion Fund – ERDF”, the CF contributes with 73% of funds whilst the ERDF takes the rest. Both instruments, financed transport and environment related projects nationwide. However, while the CF instrument nearly balanced the funds allocated to both areas (33% to transport and 38% to environment), the ERDF mainly focuses on transport and energy (24%).

2007-2013: Operational Programme “Cohesion Fund – ERDF”		Contribution		
Priority Area	Total	EU	%	National
1 - TEN-T – Transport - (Cohesion Fund)	1,997,382,054	1,597,905,643	33%	399,476,411
2 - Environment and sustainable development	2,354,778,512	1,883,822,810	38%	470,955,702

(Cohesion Fund)				
3 - Environment, nature, water resources and risk prevention (ERDF)	210,287,500	168,230,000	3%	42,057,500
4 - Transport and energy (ERDF)	1,485,901,668	1,188,721,334	24%	297,180,334
5 - Technical assistance (Cohesion Fund)	76,855,694	61,484,555	1%	15,371,139
Total	6,125,205,428	4,900,164,342		1,225,041,086

Source: European Commission, 2011.

By field of intervention at NUTS2 and NUTS3 level, (see table below) the SWECO analysis for the 2000-2006 programming period identifies two types of NUTS3 regions: ES423-Cuenca as sparsely populated (SP) region and ES424-Guadalajara as mountainous region (M). For the 2000-2006 period, Cuenca accounts for 17% of total ERDF and CF, and Guadalajara for 9%.

The SWECO analysis concludes that for both regions, there was a high level of funding commitment in basic infrastructure, very similar to the Spanish and Objective 1 average, but with apparently two different strategies in the same region: Cuenca (sparsely populated region) received relatively more investment in transport infrastructure (66%) whilst Guadalajara (mountainous region) showed higher investment in environmental infrastructure (42%). Both regions, however, presented very little commitment to the fields of tourism (0.1-0.2%) and to assisting SME and the craft sector (0.1%).

Comparison of ERDF and CF commitments by fields of intervention, 2000-2006

Fields of intervention	Territorial level (Nuts)		EU	EU	EU	ES	ES42	ES423	ES424
	Name			Mountains	Sparsely populated	Spain	Castilla-La Mancha	Cuenca	Guadalajara
	Region eligibility		Obj. 1	Obj. 1	Obj. 1		Obj. 1	Obj. 1	Obj. 1
	SGF			M	S			SP	M-
11 Agriculture			0,1%	0,1%	0,9%		0,0%		
12 Forestry			0,0%				0,0%		
13 Promoting the adaptation and the development of rural areas			0,4%	0,3%	0,7%	0,1%	0,4%	0,6%	0,7%
14 Fisheries			0,1%	0,2%			0,0%		
15 Assisting large business organisations			5,8%	4,8%	3,4%	10,2%	12,4%	7,1%	10,7%
16 Assisting SMEs and the craft sector			9,6%	12,6%	19,2%	0,1%	0,1%	0,0%	0,1%
17 Tourism			2,9%	4,5%	3,7%	0,2%	0,2%	0,1%	0,2%
18 Research, technological development and innovation (RTDI)			6,2%	4,1%	9,3%	7,9%	5,7%	2,6%	6,3%
21 Labour market policy			0,1%	0,0%			0,0%		
22 Social inclusion			0,1%	0,0%	0,0%		0,0%		
23 Developing education and vocational training			1,5%	0,8%	1,6%	2,3%	3,7%	3,0%	8,4%
24 Workforce flexibility, entrepreneurial activity, innovation, ICT			0,0%	0,0%			0,0%		
25 Positive labour market actions for women							0,0%		
31 Transport infrastructure			34,0%	33,6%	39,1%	33,5%	37,8%	66,0%	17,0%
32 Telecommunication infrastructure and information society			3,2%	3,9%	4,9%	0,7%	0,2%	0,3%	0,3%
33 Energy infrastructure			1,0%	1,0%	0,3%	0,2%	0,1%	0,0%	0,0%
34 Environmental infrastructure			19,3%	17,3%	8,2%	26,6%	27,7%	9,9%	42,2%
35 Planning and rehabilitation			10,1%	10,7%	5,8%	14,9%	9,1%	8,7%	12,4%
36 Social and public health infrastructure			4,2%	4,6%	1,7%	3,2%	2,5%	1,5%	1,1%
41 Technical Assistance and innovative actions			1,4%	1,5%	1,2%	0,2%	0,2%	0,2%	0,5%
Total			100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Total 1 Productive environment			25,1%	26,7%	37,2%	18,5%	18,7%	10,4%	18,1%
Total 2 Human resources			1,8%	0,9%	1,6%	2,3%	3,7%	3,0%	8,4%
Total 3 Basic infrastructure			71,7%	71,0%	60,0%	79,0%	77,4%	86,4%	73,1%
Total 4 Technical Assistance			1,4%	1,5%	1,2%	0,2%	0,2%	0,2%	0,5%

Source: SWECO 2008.

4. ERDF and Cohesion Fund (where relevant) strategies and relevance

The Operational Programme (OP) for 2000-06 addresses the problem of the geographical specificity of the region in the context of the analysis of the current situation of the region and in the framework of the strategy development for the Programme. In fact, there is a special section devoted to the problem of rural areas "... a third of the municipalities in the region have populations ranging between 101 and 500 inhabitants, and 54% of the municipalities have fewer than 500 inhabitants " to conclude that "... the rural world comes to a magnitude of relevance in the region, and the danger of depopulation clearly threatens it". Further implications of the geographical factor in the economy and society are analysed in the OP 2000-06 documents. For example, in terms of infrastructures "... the length of the road network is less than 60% of the total, showing significant deficits in some areas, which happen to be the least developed areas, mainly due to problems of accessibility and interlock". The study continues, "among the determinants of the regional development it is worth noting the desertification of extensive geographical areas and the abandonment of a large number of municipalities within the rural area".

Despite the above, the OP 2000-06 finds some potentialities of the region to overcome these constraints, "... opportunities to generate alternative jobs, opportunities to diversify the production structures and conditions of welfare and quality of life for its inhabitants..." or the "important and significant effort made in the field of rural tourism, which can play an important role in the seasonal and dissemination of regional tourism".

The Ex-Ante Evaluation Report for the OP 07-13 in its SWOT analysis diagnoses the geographical specific features of the region and shows similar results as for the 00-06 period. Amongst the weaknesses listed W1 - Low population density, population aging and depopulation of rural areas; W9 - Dispersed territorial model presenting difficulties for articulation, and problems of accessibility and regional intra-connections; W10 - Lack of cross-cutting high-speed roads. In the same manner as OP 2000-06, the Ex-Ante evaluation also identifies consequences and opportunities derived from the mentioned territorial weaknesses, amongst the latter, to name a few, the high potential of the tourism sector, particularly related to the rural and historic heritage; the strategic location within the national territory and proximity to the capital of Spain; and the historical, natural, and cultural heritage of the region. The Programme shows a matrix establishing clear links between weaknesses / strengths and intermediate objectives. For example, W1 is strongly linked to objective 9 'Improve the quality of life in the urban and rural environment' and objective 7 'Improve the level of intra-regional accessibility', and partially linked to objective 5 'Promotion and use of ICT infrastructure'.

No dedicated analysis to the needs of two areas concerned with geographical features has been identified in the OP 2000-06, beyond sporadic references shown during the analysis of the current situation, "... the low population density constitutes a most notorious feature of the region, yet there are significant variations at the provincial level, with Cuenca and Guadalajara provinces presenting lower population densities (11.77 and 12.87 inhabitants per km², respectively)." or, "... there is lack of sufficient services in sparsely populated areas and low density, specially in the provinces of Cuenca and Guadalajara and

in the mountainous areas of other provinces".

The 2007-13 OP, however conducts further analysis of the different areas of Castilla-La Mancha attending to their level of population and identifying the underlying causes for such differences, "...A study of population densities reveals significant internal differences, that can be divided into three geographic areas noted for their high levels of density and which largely correspond to the major growth corridors in the region...". There is also an explicit mention to the mountainous areas of the region, "... mountainous areas are located along the regional boundaries. The Central System comprises Sierra de Ayllón, Ocejón and Somosierra in northern Guadalajara...". Furthermore, the OP 07-13 establishes 5 different rural areas, 2 of them being "mountainous zones" and "disadvantaged peripheral areas" and analyses in detail the main features for each of the five.

The OP 00-06 clearly links the weaknesses arising from the geographical specificity of the region, with the intermediate objectives of the Programme and with the priorities of the intervention. Thus Objective 3 of the OP 'Strengthening endogenous development, improvement of regional accessibility and the level of basic infrastructure' deals with geographical constraints by means of the following axis: '5-Local and urban development', '6-Transport and energy networks', and, '7-Agriculture and rural development'.

Similarly, the OP 07-13 defines some immediate objectives, which directly address some of the geographical constraints. These objectives, namely, 'Promotion of infrastructure to securing energy supply, water and the natural environment'; 'Improve the level of intra-regional accessibility'; 'Improve the quality of life in the urban and rural environment' are strongly matched to axis 3-Environment, natural surroundings, water resources and risk prevention; 4-Transport and Energy; 5-Local and urban sustainable development; and 6-Social Infrastructure. There is also some moderate link with axis 2-Entrepreneurial development and innovation.

The legal framework of the OP 00-06 caters for *de minimis aid* to deal with geographical specificities. This is achieved through several measures of the Programme such as 'Modernization and diversification of companies within the crafts sector', 'Promote the creation, modernization and diversification of SMEs in the tourism sector', 'Grant for the recovery of tailings and abandoned mining areas and rehabilitation of adjacent areas', etc. The 2009 Annual Report OP 07-13 states that all public aids granted under the Operational Programme ERDF 2007-2013 Castilla-La Mancha comply with EU rules on state aid. Any modification of an approved aid scheme or individual aid must be notified to the Commission and must not be effective before its approval.

The Updated Interim Report of the OP 2000-06 (October 2005) indicates that the programmed expenditure for the period 2000-2004, which is strongly related to the Lisbon and Gothenburg objectives amounts to Euro2,012M (around 90 % of the total). The most supported priorities are those related to competitiveness policies (63%) and social cohesion and employment (18%). According to the Ex-Ante Evaluation Report for the OP 07-13, the percentage of expenditure for the categories of expenditure included in the ratio of earmarking by the European Commission is 76.21% for the regional OP 07-13 of Castilla-La Mancha. In summary, the dedication of resources to the Lisbon goals through EU

funds is in excess of the requirements established by the Council.

5. Quantitative results of the ERDF/CF programme

The financial effectiveness of the 2000-06 OP was 93% for the years 2000-2004, which points towards successful management skills displayed by the various executive bodies involved. The main elements were the actions related to the Information Society (114%), Transport and Energy Networks (113%) and human resources, employability and equal opportunities (103%).

According to the Updated Interim Evaluation Report OP 2000-2006 (October 2005) only 26% of the physical indicators to monitor the implementation do not reach a minimum level of 50% effectiveness; most of the indicators perform above 50% and a significant portion of them (almost a quarter) over 90%. The Interim Evaluation also notes that "the ratings achieved by the OP 00-06 have been positive. The analysis concludes that two-thirds of spending has been applied in actions that have achieved adequate margins and efficiency, only 3% may be considered inefficient".

According to the Ex-Ante Evaluation Report of the OP 07-13, if put into perspective the effects generated for the entire period 1988-2006 (the period for which the region has benefited from European support), it is clear that the effects experienced by Castilla-La Mancha have been superior to those experienced by other Objective 1 regions. In fact, while the real production level has increased in Castilla-La Mancha around 4.49% as a result of aid, the figure rises to 4.01% in the other Objective 1 regions.

Finally, despite the positive results of the Programme, the Updated Interim Report 2000-2006 highlights remaining further challenges, including "... social and territorial obstacles: the geographical dispersion of the population implies a major constraint and cost with a view to achieving the necessary territorial cohesion of the region" and that therefore, the next OP should promote the structuring of the territory, through actions in favour of balanced development in rural and urban environments: basic provision of essential services to the society, and endogenous development based on the creation of comparative advantages (rural tourism, cultural heritage, local economy, etc..

It is difficult to make comparisons between the results of both programming periods, since no conclusive reports exist for the 2007-13 programming period. However, the Annual Report of 2009 points to a low level of implementation, mainly due to delays in the Programme approval and adaptation to formal requirements for the new programming period together with the economic crisis of the past two years.

The certified expenditure in 2009 amounted to Euro376M representing 129.60% of total programmed for 2009. Data for the expenditure executed by December 31, 2009 amounted to Euro527M, representing 25.42% of the total expenditure planned for the programming period.

Taking into account the certified expenditure in total scheduled for 2009, the axis 4-Transport and Energy stands greatly above the rest, with a 253% achievement. Followed at

a distance by axis 6-Social Infrastructure (86%), axis 3- Environment, natural surroundings, water resources and risk prevention (63%) and axis 1- Knowledge economy (R & D, Information society, ICT) (52%). Only two axis, excluding the Technical Assistance, score below 50%, axis 2-Entrepreneurial development and innovation (42%) and axis 5-Local and urban sustainable development with a strikingly low percentage (5%).

Relevant programme's indicators

Looking at the result indicators for transport and environmental infrastructure, 6 out of 17 scored beyond their target whereas of the others, 5 did not present any improvement at all. Regarding transport, it is worth noting the 573% for the 'increase in total traffic' indicator for roads and motorways, and for the second group, noting that the 'increase in heavy traffic' only achieved 25% of the target. Regarding environmental infrastructure indicators, there are four of them exceeding 99% of their target, namely, 'homes potentially supplied by the network', 'increase in treated water supply', 'irrigation area supplied by the improved network', and 'inhabitants connected to waste-treatment plants'. On the other hand, 'population benefiting from the new supply networks' or 'tons of solid urban waste treated per year' only reached 4% and 0% respectively of their target value (see tables below).

Transport infrastructure

Theme'	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved ⁸
Rail	Result	Increase in speed	km/h	2006	70	344	2006
Roads and motorways	Result	Increase in heavy traffic	veh/day	2006	798	196	2006
	Result	Increase in total traffic	veh/day	2006	4724	27077	2006

Source: ADE, 2008.

Environmental infrastructure

Measure		Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Water supply to population and economic activities	Drinking water (collection, storage, treatment and distribution)	Result	Increase in water retaining capacity	hm3	2006	60.12	0	2006
		Result	Homes potentially supplied by the new network	number	2006	98000	97146	2006
		Result	Population benefiting from the new supply networks	number	2006	574295	21686	2006

⁸ Color code:

- Dark red: less than 66% of target is achieved
- Light red: Between 66% and 90% of target achieved
- Light green: Between 90% and 110% of target achieved
- Dark green: More than 110% of target achieved

		Result	Increase in treated water for supply (desalination, water treatment, etc.)	m3	2006	14000	13840.16	2006
		Result	Increase in supply to economic activities	m3/year	2006	25510000	0	2006
		Result	Increase in water retaining capacity	hm3	2006	60.12	0	2006
		Result	Increase in water supply to population	m3/year	2006	8834000	2828000	2006
Improvement in the effectiveness of existing infrastructures and water use	Drinking water (collection, storage, treatment and distribution)	Result	Aquifers recovered	number	2006	4	0	2006
	Environmental infrastructure (including water)	Result	Moist areas recovered	number	2006	2000002	0	2006
		Result	Irrigation area supplied by the improved network	ha	2006	292725	484484	2006
Sewage and waste water treatment	Sewerage and purification	Result	Increase in waste-water treated	m3	2006	4440000	1051200	2006
	Drinking water (collection, storage, treatment and distribution)	Impact	Inhabitants connected to waste-water treatment plants (91/271/CEE)	number	2006	150000	106706	2006
Solid urban and industrial waste management	Urban and industrial waste (including hospital and dangerous waste)	Result	Tons collected at clean spots or transfer plants	mt/year	2006	100000	0	2006
		Result	Tons of solid urban waste treated per year	mt/year	2006	25000	0	2006
Protection and regeneration of the natural environment	Environmental infrastructure (including water)	Result	Individuals benefiting from awareness campaigns	number	2006	10000	3000	2006
		Result	Individuals	number	2006	1906869.1	664291	2006

			benefiting from conditioni ngs, canalizatio ns	r					
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Source: ADE, 2008.

6. ERDF Governance and complementarities with other sources of funding

The governance of the funds for the 2000-06 programming period was structured around three main bodies: the management authority, the paying authority and the control authority. Supporting these, there was the monitoring committee, which meets at least once a year to guarantee the effectiveness and successful development of the Programme.

As stated by the Cohesion Policy 2007-13 documents, for 2007-13 programming period, the certification authority and the auditing authority replace the previous regulation's paying authority and control authority. The functions and responsibilities, though, show no significant changes.

Both in 2000-06 and 2007-13, the management authority role is the DG Fondos Comunitarios y Financiación Territorial (DGFCFT) from the Ministry of Economy and Finance, through its Subdirectorate General for ERDF in collaboration with the Regional Administration of Castilla-La Mancha to secure a successful coordination of all regional stakeholder involved in the co-financed actions. For the 2007-13 programming period, there are 20 intermediate bodies nominated by the National Government, including institutes, public organisations and private companies; and other 2 nominated by the Regional Government.

The role of the paying authority is played in both programming periods by each one of the three ERDF Administration Units from the Ministry of Economy and Finance, Ministry of Labour and Social Affairs, and Ministry of Agriculture, Fisheries and Food.

Control over the OP is achieved by means of different authorities. At a state level, the 'Tribunal de Cuentas' is responsible for the external control, while the 'Intervención General del Estado' (IGAE) focuses on internal aspects, whilst at regional level, the 'Tribunal de Cuentas de Castilla-La Mancha' takes the external control and the 'Intervención General de Castilla-La Mancha' the internal.

Members of the monitoring committees practically remain the same during the two programming periods. These include representatives from the Ministry of Economy and Finance, Regional Authority on the Environment, and the Regional Authority on Equal Opportunities. Additionally, the Commission may take part in an advisory role. Further to these, the monitoring committee may set up sectoral and thematic working groups as required. The only changes from one period to another refer to the Ministry of Agriculture, Fisheries and Food and Ministry of Labour and Social Affairs (members in 2000-06) and the inclusion of representatives from economic and social stakeholders as well as NGOs (for 2007-13).

It is not clearly described in the OPs analysed (00-06 and 07-13) the extent to which stakeholders from SGF territories of Castilla-La Mancha may have participated in policy design and implementation activities. However, one should not infer from this that they were not involved. In fact, both 00-06 and 07-13 OP documents explain that several regional stakeholders were directly or indirectly involved in the design of the programme. In this sense, for example, the three key documents 'Regional Development Plan for Castilla-La Mancha 2000-2006'; 'Industrial Covenant for Castilla-La Mancha'; and 'Regional Employment Agreement for Castilla-La Mancha' which constitute the foundation for the OP 00-06, were agreed amongst a wide spectrum of regional stakeholders, including trade unions, chambers of commerce, business associations, financing entities, universities, etc. Similarly, the Ex-Ante Evaluation of the OP 07-13 states that the ERDF Programme "has enjoyed the participation and consensus of multiple agents, both the ones involved in the future implementation of the Programme as well as those concerned with its content and potential impact". In the same manner, for the 2007-13 all main regional socio-economic stakeholders signed the "Covenant for the Development and Competitiveness in Castilla-La Mancha 2005-2010", one of the main strategic references for the OP 07-13.

With regards to coordination with other financial sources allocated within the region, the OP 07-13 foresees representatives from other administrations managing regional community funds sitting on the monitoring committee in an advisory role. Some of these include members from the Sub-directorate General of Cohesion Fund and European Territorial Cooperation, members from the Administrative Unit of the ESF, and representatives from the Rural Development Programmes co-financed by FEADER. Furthermore, as the Ex-Ante Evaluation Report for the OP 07-13 explains, representatives from ESF, EAFRD, and EFF were involved in the design phase of the Programme, and – according to the 2009 Annual Report OP 07-13 – there are ongoing Working Groups and sectoral networks that include representatives from ERDF, EAFRD, and EFF.

7. Conclusion

Overall, it can be said that ERDF/CF programmes for 2000-2006 and 2007-2013 programming periods are relevant to Castilla-La Mancha's specific geographical features if the following three points are considered:

Firstly, in the analysis of situation and relevance of the strategy for both Objective 1 Programme for Castilla-La Mancha 2000-06, and Operational Programme Castilla-La Mancha 2007-13, there are clear and precise references to facts and figures derived from the specific geographical feature, such as "... a third of the municipalities in the region have populations ranging between 101 and 500 inhabitants, and 54% of the municipalities have fewer than 500 inhabitants " or "among the determinants of the regional development it is worth noting the desertification of extensive geographical areas and the abandonment of a large number of municipalities within the rural area".

Secondly, it is worth noting the wide spectrum of stakeholders that, directly or indirectly, have participated in the elaboration of the Programmes. Despite no explicit mention made in the analysed documents to specific stakeholders from those areas having specific

geographical features, it could be inferred that amongst the involved stakeholders there would be representatives from such areas. The typology of stakeholders invited include trade unions, chambers of commerce, business associations, financing entities, universities, etc.

Thirdly, both operational programmes build a clear link between the objectives of the programme, the priority axis established to articulate them, and the weaknesses or deficits that will be addressed by each axis. Since some of the specific geographical features of the region - mountainous or sparsely populated -, imply some clear weaknesses, once these are matched against one or more axis of priority, it should be relatively easy to see where the needs of the regions with specific geographical feature are dealt with.

However, there does not seem to be, or at least it is not explicitly described in the programme documents, different objectives and priorities at NUTS3 level. In fact, programme objectives and priorities are for all defined for all the five provinces of Castilla-La Mancha, at least at the programme design phase. Yet, one would expect that such differentiation has / is taking place in the actual criteria for specific calls for projects during the implementation phase, although no evidence has been found in this sense.

With regard to the extent the programmes have been successful in addressing the needs of regions with specific geographical features would certainly require further interviews to provide exact facts and figures. However, and with the information available, it could be said that, in general terms, for the 2000-06 period, the Programme was successful due to its overall rate of 93% financial spending for the respective period. Of course, in itself high spending does not necessary constitute a successful programme as more factors needs to be taken into account. In fact, the 'Transport and Energy Networks' axis, strongly linked to the needs of mountainous and sparsely populated regions, achieved an overly targeted result (113%). As for 2007-13, this analysis gets even more complicated given the actual time within the Programme timeline, yet some indicators point towards similar results as for the previous period. For example, the axis 4-Transport and Energy achieved 253% of the certified expenditure by 2009. Other axis also linked to the analyzed regions, however, showed some insignificant outcomes, namely, axis 5-Local and urban sustainable development (5%). Overall, it seems too early to judge the effectiveness of the 2007-13 Programme.

In terms of successful projects, probably one of the best examples of regions that have capitalised on its handicaps to produce opportunities is the northern mountainous area of the province of Guadalajara. This area has experienced within the last decade a tremendous increase in its tourist activity, thanks to the aid received from European funding instruments such as ERDF and CF, amongst other community funds. Located in the so-called area of 'Los pueblos de la arquitectura negra'⁹ (the black architecture villages), this area is now well connected by road to the capital of Guadalajara (30 min by car) and also to Madrid (90 min) thanks to ERDF community funds received to substantially improve road accesses and connections. Furthermore, the ERDF instrument has co-financed projects related to the preservation of its natural heritage, as well as the refurbishing of rural guest-

⁹ <http://www.arquitecturanegra.com/>

houses, and the development of ‘Tourism Competitive Plans’¹⁰. Overall, these measures are having a very positive impact on boosting the economic and social life of an area nearly forgotten and depopulated not so long ago. More in-depth research would be advisable to provide a deeper analysis on this.

Other examples of projects transforming disadvantages into opportunities include the ‘Plan to Promote Tourism Product of the Serrania de Cuenca Alta’ and the ‘Almadén Mining Park’.

The ‘Plan to Promote Tourism Product of the Serrania de Cuenca Alta’¹¹, co-financed by ERDF, is a joint effort between various governments and agents, with the aim of promoting the tourism sector in an area that, despite having sufficient resources, these are not fully incorporated into the tourism development process. The Plan is articulated through the implementation of the following actions: (a) Boost the local heritage; (b) Promote the region as tourist area; (c) Improve the image of the territories by marketing the quality of its products and destinations; (c) Develop innovative products able to capture new markets.

Finally, the ‘Almadén Mining Park’¹², co-financed by ERDF, is another good example for this exercise. However, it must be noted beforehand for the purpose of this study, that its location is not featured as ‘sparsely populated areas’ or ‘mountainous area’. In an educational, cultural and tourist site that was built to preserve the vast mining and industrial heritage of the world’s largest mercury mines, forced to shut down in 2003. It was created to reverse the environmental damage of 2000 years of extraction activities, and to promote historical and scientific knowledge about the local mining industry amongst the public. The Mining Park has already developed into an important tourist site in the area.

¹⁰ <http://www.pueblosarquitecturanegra.es/index.php/contenido/presentacion>

¹¹ <http://www.serraniaaltadecuenca.es/index.php>

¹² <http://www.parqueminerodealmaden.es/>