

# Monitoring report on Next Generation funding in Spain

Current situation and  
recommendations from  
a corporate viewpoint

Third report  
July 2022



## **Contents**

### **3** 1. Key Messages

### **7** 2. Monitoring of investments & reforms

- 2.1. Calls for subsidies
- 2.2. Bids for public procurement contracts
- 2.3. Reforms

### **15** 3. Monographic analyses

- 3.1. PERTEs
- 3.2. Digitisation

### **33** 4. Comparative view

### **36** 5. Recommendations & proposals in regard to Spanish businesses

### **40** Annex. Sources of information

**This report is based on data  
updated to 15 July 2022**

# 1

## Key Messages

*The rate at which Spain receives funds should be matched by the rate at which they are passed on to businesses.*

### **1. Shared efforts by businesses and the public sector are key for EU funding.**

- We acknowledge the **major efforts** being made by public administrations, coordinated by the central Spanish government, to maximise the impact of European funding in Spain.
- However, it must also be realised that **businesses have also worked hard, and indeed continue to do so, to get their projects ready**, especially so that they can fit into the various calls for subsidies and tenders for public-sector contracts.

### **2. Spain tops the list for funds already transferred by the EU.**

- It is certainly great news that the EU has put **Spain at the forefront of the deployment** of the recovery plan.
- As indicated by Commission President Ursula von der Leyen, Spain is the **first country to apply for its second payout**, corresponding to the fulfilment of milestones and targets to December 2021, for the sum of €12 Bn. We also welcome the **recent proposal by the European Commission to green-light that payout**.
- We hope and trust that the Council will ratify that decision in the coming weeks, and that the €12 Bn will reach Spain shortly.

### **3. It is fundamental to match the rate at which Spain receives funds to the rate at which they reach the real economy.**

- It is important for the rate at which funds reach Spain to be matched by the rate at which funding reaches the real economy.
- In this sense, a **rapid increase in the publication** of tenders and calls is observed, but there is still room for **the process to be sped up further**, especially in certain areas such as PERTEs.
- It must be recalled that the reforms have had more effect than investment in the attainment of milestones and targets to date, and some were already ongoing when the Plan was submitted to Brussels. We therefore consider it necessary to **focus on speeding up investment** in forthcoming payouts.

*The excessive fragmentation of calls and the limited focus on innovation in their design continue to be two major areas for improvement.*

#### **4. The transformational impact of funds must be assured, so that another Plan E is avoided.**

- Between us all we must ensure that the input of funds into the real economy results in a **substantial impact for Spain in terms of employment and economic growth.**
- It is therefore essential to **ensure in all cases**, and especially for tenders, that the projects involved are **transformational actions not linked to the essence of Plan E**, which was set up by the government in 2008.

#### **5. The main problems for accessing funds on the part of businesses have not changed.**

- The **excessive fragmentation** of calls, i.e. too many calls with very low budget endowments, which makes things harder for businesses and the public sector alike. This may reduce the transformational impact of funding.
- **Continuity in calls** with respect to aid already set in motion in previous years. This is a problem, because the challenges arising from the digital transition in Spain call for disruptive calls suited to the current needs of businesses.
- **Difficulties for SMEs and the self-employed**, especially due to the deadlines for some calls, the high percentages of joint financing and the design of the calls. We also believe it necessary to work at EU and domestic levels to assess and set consistent criteria on the subsidisability of VAT.
- The **excessive centralisation of calls** on the central Spanish government is a hindrance to smooth action and to adapting targets to the actual situation in the various territories.
- **Lack of flexibility on the part of the administration.** Although steps have been taken to speed up administrative procedures, it is concerning to see that the full effects of Royal Decree-Law 36/2020 have not yet been deployed and that its progress through parliament continues to be blocked by the Parliamentary Committee (after more than 50 extensions), so improvements cannot be made to the text via amendments.

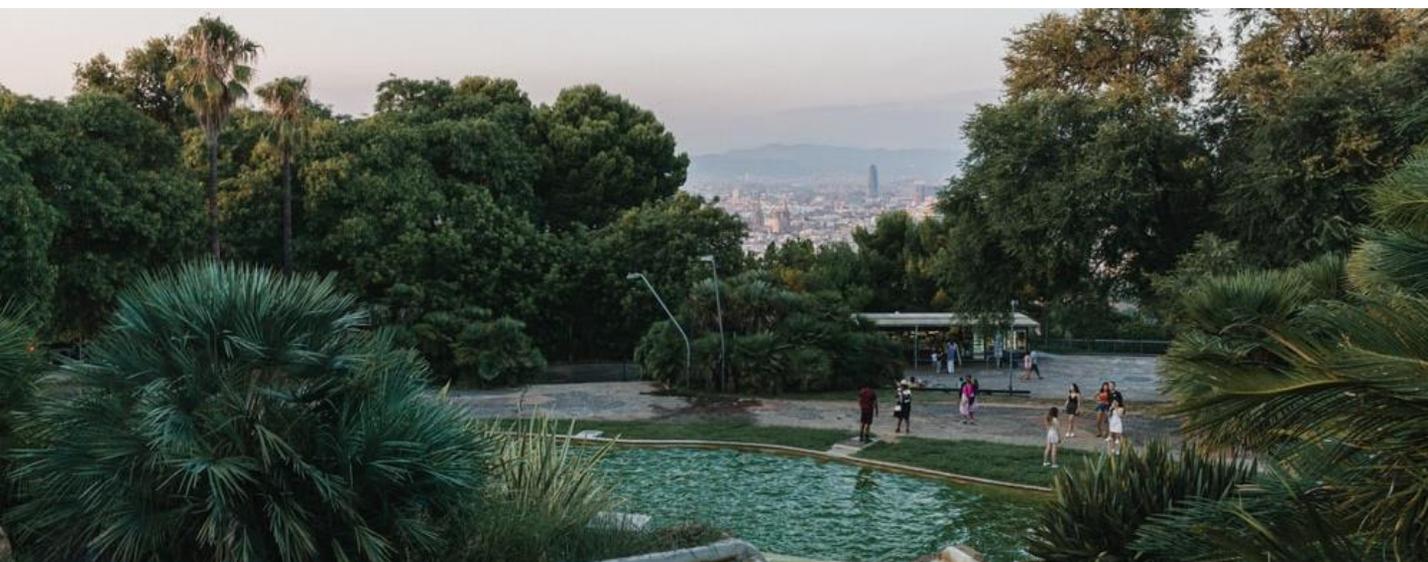
## *Aggregate, centralised information on the implementation of funds by all public administrations is needed*

### **6. The lack of aggregate information on the level of implementation of funds is another matter that remains pending for the public sector.**

- There is a need to provide more in-depth information on calls, tenders and the implementation of funds, especially updated details on **how much funding has actually reached the real economy**.
- There is also **room for improvement in the publication of aggregate data by public administrations as a whole**, not just the central Spanish government. It is especially important to reinforce the data from regional governments and local bodies. Only then can we determine where there is room for improvement.
- The Recovery Plan platform set up by the Spanish government is a useful tool, but **it needs to be improved to incorporate all tenders and calls published by public administrations** (i.e. also those at regional and local levels).

### **7. To ensure proper governance of funds, management tools and common criteria in regard to VAT need to be deployed rapidly.**

- There is a need to configure the key mechanisms for fund management, e.g. the case of **CoFFEE (the Common Platform for the Management of European Funds)**, in which the management bodies (mainly regional governments) must upload the data on implementation of investments, as it is not yet fully operational.
- There is also a need to set common criteria on the management of funds, especially in those aspects which are fundamental for investments, such as whether (or not) **VAT is included as eligible expenditure**. The current situation, in which the different ministries are setting contradictory criteria, leads to **uncertainty on the part of businesses, especially SMEs and the self-employed**.



# 2

## Monitoring of investments & reforms

2.1. Calls for subsidies

2.2. Bids for public procurement  
contracts

2.3. Reforms

## 2.1. Calls for subsidies

*Spain is reaching cruising speed on subsidies, but there is still a need to speed things up.*

**1. In the last quarter Spain has begun to approach cruising speed in the deployment of investments, but there is still room to speed up further. The lack of coordination between administrations remains one of the chief obstacles.**

- Official data indicate that the Sectoral Conference has already agreed on the distribution of €15.581 Bn (€11.247 Bn in 2021 and €4.335 Bn in 2022), **but much of that funding has not yet been received.**
- This and other administrative difficulties have led to the management of subsidies on the part of regional government ministries going very slowly in most cases. The data observed reveal that regional bodies are **opting to implement via tenders as an alternative to subsidies.**
- Taking into account that the regional autonomous communities hold the authority for managing 55% of the funds in the Recovery Plan, **the actual completion of transfers need to be sped up** so as to reverse the trend and encourage the implementation of funds on an earmarked basis.

**2. Since the start of the Recovery Plan, Spanish businesses have preferably opted for "regional flagship projects", so we welcome the recent RETECH initiative.**

- The First Deputy Prime Minister is looking into the idea of setting up an **investment fund** to meet the needs and priorities of the devolved regional communities (which were previously asked to submit strategic projects).

- Finally, on the updating of the España Digital ['Digital Spain'] Agenda on 8 July last, the Ministry of Economic Affairs and Digital Transformation (MINECO) announced the **creation of the RETECH project, aimed at supporting digital transformation projects proposed by the regional authorities.**

- Under RETECH **€530 million will be earmarked for the deployment of digital transformation projects at regional level.** The plan will include additional funding from the regional authorities and, depending on how successful it is, may be supplemented via the addendum to the Recovery Plan to be presented in the second half of the year.

**3. In spite of a general lack of smoothness, some initiatives have been implemented in a positive fashion, e.g. the substantial increase in calls from the Ministry of Science & Innovation.**

- The stand-out bodies in terms of level of activity continue to be the **AEI (State Research Agency)**, with R&D&i projects on strategic lines and 'Europa Excelencia 2022' projects; and essentially the CDTI (Centre for Technological & Industrial Development), which in the past few months has published its Aeronautical Technology Programme, its Science & Innovation Missions, NEOTEC and aid for R&D projects in audiovisual technologies and video games.
- Spanish firms welcome the publication of these programmes and the consequent public sector aid for eligible projects, as they **encourage R&D in technology, attract investors to business projects and foster the purchasing of innovative assets.**

## *Leading figures can be identified in the deployment of aid at institutional level (IDAE, Red.es, CDTI & AEI) and in terms of initiatives (e.g. the Digital Kit, the MOVES plan & internal consumption)*

- However, some nuances must be acknowledged:
    1. Most of these calls are **continuations**, i.e. new editions of programmes that have been published over the course of several years);
    2. Many of the initiatives require **cooperation between businesses** (Missions, PTA, etc.). In practice this is an obstacle for many companies (especially SMEs).
    3. Some are aimed at **technology centres**, not at firms, SMEs and the self employed in general in Spain.
  - Another management body is the **IDAE**, which is responsible for designing the programmes for MOVES, internal consumption and storage, among others. However, both these initiatives have sparked **substantial interest** in the real economy, entailing a need to increase their budget endowments.
- #### **4. The Digital Kit is a groundbreaking initiative which has its good and bad points but has been welcomed by businesses (including SMEs, recipients of vouchers and digitalisation organisations)**
- The first (and for the moment only) call for subsidies under the Digital Kit was published in late February, aimed at companies with between 10 and 49 employees, has made substantial progress.
  - The latest data from MINECO on the implementation of the programme, which began in April, indicate that there have been over **65,000 applications and 11,000 vouchers have been awarded**.
  - Programme management body Red.es also reports on progress region by region. For example the highest uptake under the Digital Kit is among firms in **Castilla y León**. Specifically, 3289 firms (**60.5% of the 5437 businesses** with workforces of between 10 and 49 in the region) applied for a digital voucher in the first call, and over 1000 have already received the €12,000 in aid to help them digitise their businesses.
  - In view of these good results, at the end of May Red.es agreed to **add a further €100M** to the initial budget endowment of €500M in the call for aid to digitise businesses in Segment I (between 10 and 49 employees).
  - Upcoming milestones include the publication, expected in late July, of the call for Segment II (firms with 3-9 employees), with Segment III (individual self-employed persons and SMEs with up to 3 employees) expected in October. **This is certainly where the biggest challenge can be expected.**

## 2.2. Bids for public procurement contracts

*In the second quarter tenders for public sector contracts funded under Next Generation continued to increase, especially at local level.*

### 1. Throughout the quarter there was an upward trend in tenders funded via Next Generation, especially in the area of local corporations.

- Over the last few months there has been a gradual **rise in the number of public tenders** by public authorities that manage investments under the Recovery Plan. **This format has outstripped calls for subsidies.**
- According to data published on the Recovery, Transformation and Resilience Plan website, as of the date of this report **almost 3200 public-sector contracts have been tendered** under Next Generation funds.
- Within the area of operation of the central Spanish government, the main tendering organisations continue to be Empresa de Transformación Agraria S.A. (TRAGSA), RENFE and ADIF. **Universities and public hospitals** also stand out.
- However, we must highlight the increasingly central role being played by public-sector contracts in the form of tenders at the level of **local corporations**. For some months now most of the public tenders based on Next Generation funds have come from municipal and provincial councils.
- In a large proportion of those cases, the goals of the contracts are concerned with **sustainable urban mobility strategies**, especially projects involving:
  - The supply and installation of technological devices for the full deployment of Low Emission Zones (LEZ).

- Improvements in pedestrian mobility within municipalities.
- Work to upgrade and maintain publicly-run bike sharing schemes.
- Improvements in traffic regulation and CCTV systems.
- Real-time signposting of above-ground parking spaces.
- Provision of electric bikes.

### 2. We must avoid the risk of slipping into another Plan E.

- It must be borne in mind that the spirit of the Plan España lies in **encouraging resilience and modernisation** of the fabric of production and of society via both structural reforms and **investments with the potential to create pull effects and bring about transformations.**
- For the impact of EU funds to serve really for modernisation, **the investments** implemented under the Plan (calls & tenders) **need to be programmed and implemented from a purely transformational, digital sustainable approach.**
- There have been tenders for public-sector contracts for transformational purposes (e.g. for the supply and renewal of healthcare and scientific equipment; for improvements in energy efficiency, etc.), but there are also **numerous public-sector contracts** funded under the Recovery Plan **which have little transformational potential.**

*Faced with a lack of resources, some ministries have resorted to outsourcing via public-sector tenders.*

- The project for the upgrading of Avenida de Balsicas, set up by the municipal council of San Javier (in the Murcia region) to the tune of almost €2.5M is a case in point: as a **mere "management improvement" scheme it benefits citizens but is not consistent with the essence of recovery funds.**

### **3. The biggest tenders in monetary terms are those for infrastructure projects and schemes outsourced by ministries.**

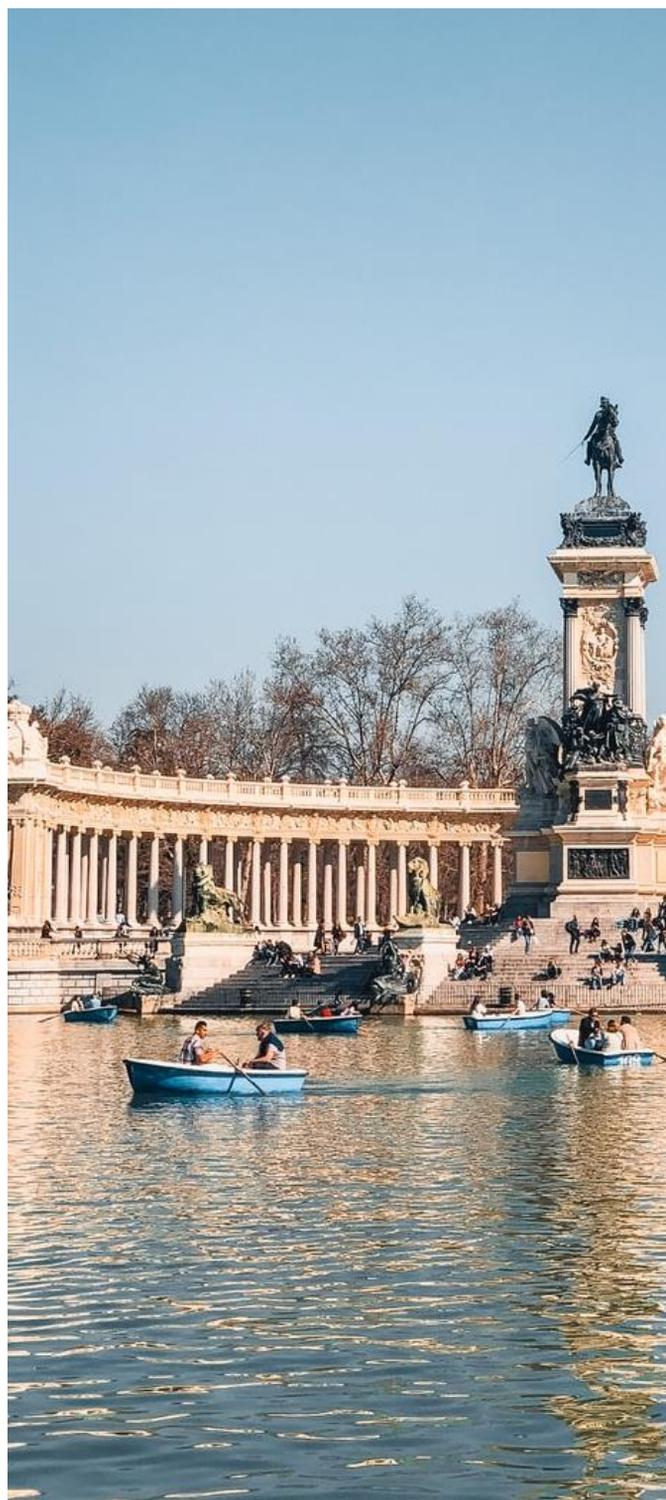
- Some ministries do not have sufficient capacity to manage all their Next Generation funding under the Recovery Plan (services for the analysis, implementation, management and control of programmes and projects), and have **opted to outsource them via tenders.**
  - The **Ministry of Health** launched a tender for **analysis, management, monitoring, assessment, information and control of activities under operational programmes** associated with projects under the digital health strategy and projects funded under the Recovery Plan to the tune of **€17.248M.**
  - The **Ministry of Labour & Social Security** launched a tender (in two parts) **worth €11.6M** for new developments and modernisation of applications, via the Secretariat of State for Employment and the Social Economy and the Subsecretariat for Labour and the Social Economy.
- The **Ministry of the Treasury & Civil Service** also launched a tender for financial supervision of cohesion funds, as it did not have the staff to handle the project itself, to the tune of **€2,321,352.20** over the next four years.
- Other ministries have also launched tenders under Next Generation funds for the **supply of IT equipment.**
- Thus, since November **several ministries** (mainly Interior, Labour and Territorial Policy) have launched 13 tenders for the acquisition of over **10,000 personal computers.** Most of them are regulated under the 02/20 Framework Agreement for the supply of PCs, monitors and other workstation solutions. The total value involved is **€12.6M.**



*In 10% of tenders for public-sector contracts under EU funds no successful bids were made. Inflation is beginning to have a key impact.*

**4. It is feared that rising inflation may lead to tenders not attracting bids, in view of the uncertainty and risks faced by businesses.**

- As stated by **AIREF Chair Cristina Herrero** in her appearance before the Treasury Committee of the lower house of the Spanish parliament, a substantial proportion of the tenders issued for public-sector contracts are not being implemented because **there have been no bids** by firms. Specifically, **almost 10% of public-sector contracts are receiving no successful bids**.
- The main reason why these tenders are not attracting sufficient interest among firms lies in their low budget endowment, in the **rise in inflation** and in the uncertainty generated by price instability.
- That uncertainty is hindering the mobilisation of private investment, as winning firms have no **assurances that their investment will prove profitable**.
- A case in point is the project for the **complete refurbishment of the old "El Carmen" hospital in Ciudad Real to turn it into an administrative complex**. This project is under way, but **a second tender had to be launched because no bids were submitted for the first, due to increases in the cost of materials**.



## 2.3. Reforms

*The European Commission has expressed scepticism as to the fiscal sustainability of the pension reform undertaken (milestone 407)*

### 1. The European Commission gave the go-ahead for the package of reforms presented by Spain for the first half of 2022, enabling the second tranche of aid to be released (€12 Bn)

- In the last two months examined, **the Commission analysed and approved the 40 milestones and targets set** – 30 related to reforms and 10 to investments – to which Spain committed for the first half of 2022. Fulfilment of these milestones was an essential prerequisite for receipt of the second tranche of non-refundable funding, to the tune of €12 Bn. This is the largest payout on the time-line for Next Generation funds in Spain.
- It comes after the €10 Bn received at the end of 2021 and the initial €9 Bn received as advance funding in the summer of last year.
- Next, it is up to the Economic & Financial Committee of the Council of the EU to give its final approval or, if any deviation from compliance with the plan is detected, to refer the matter to the European Council for discussion at the meeting of EU Heads of State and Government.

### 2. In spite of the green light from the European Commission, there are doubts as to the viability of some milestones, e.g. the reform of the pension system

- This second payout was the one that generated most uncertainty, not just because it was the largest but because **the milestones and targets on which it depended included some major reforms**. Apart from the Riders Act, the Charter of Digital Rights, the approval of the Safe, Sustainable, Connected Mobility Strategy and the route plan for offshore wind energy, the two milestones that sparked most expectations were the labour reform and the first part of the reform of the pension system.
- The Commission eventually gave the green light in regard to compliance with all milestones and undertakings. However, in the ruling itself the Commission, led by Ms. Von der Leyen, expressed its **scepticism in regard to milestone n° 407 concerning the maintenance of the purchasing power of pensions and the alignment of effective retirement age with legal retirement age**.
- That scepticism is rooted in the **fiscal sustainability of pensions**, and more specifically in the **estimated impact of index linking pensions to the Consumer Price Index (CPI)** of between 2.2% and 2.7% of GDP proposed by the Spanish government.

## *At the end of 2022 the government is to submit an analysis of the tax impact of pension reforms to the European Commission.*

- The problem originated when the Spanish government sent the European Commission an estimate of the impact of index linking pensions to the CPI based on a figure of 2.2-2.7% of GDP and savings of 1.1-1.6% via some of the measures approved to attempt to close the gap between the actual and legal retirement ages.
- The Commission supported the analysis submitted by the Spanish authorities, but it considers that the **estimates may be too optimistic, and put the analysis as lower.**
- Thus, the working document in which the Commission analyses compliance with measures states that Spain has provided estimates indicating that the measures to increase the effective age of retirement result in savings of between 0.2% and 0.4% of GDP by 2030 and between 1.1% and 1.6% by 2050. The services of the Commission consider that the reform will generate tax savings, but that whether those savings reach or exceed the lower limit indicated is subject to a very high degree of uncertainty. They add that "The Spanish authorities have provided estimates according to which replacing the sustainability factor with the intergenerational fairness mechanism would be fiscally neutral. **But the Commission services consider that it will probably lead to a significant increase in government spending as a percentage of GDP over time**".
- For the moment the Commission cannot yet assess the full impact of the pension reform package, as the extension of the period for calculating

pensions, the reform of social security contributions by the self-employed and the increases in the taxable base have not yet been finalised. This must wait until **the end of 2022, when the government is to submit an analysis of the tax impact of pension reforms to the European Commission.**

### **3. Over and above the complex reforms undertaken in recent months, the government must now continue to work to meet the milestones to which it is committed in the 2nd half of 2022 so that the third tranche of transfers can be released**

- In the **second half of 2022** the Spanish government must prove **compliance with 29 actions (23 milestones and 6 targets)**, so as to access the next tranche of non-refundable aid (in this case €6 Bn).
- In regard to commitments to Brussels, **reforms continue to carry considerable weight**, e.g. improving the rates of access to the subsistence minimum, the entry into force of legislation to combat tax fraud, changes in tax categories for vehicle registration and use, changes in the current system or supplementary pensions and the setting up of legislation for an integrated system of vocational training.
- However, meeting milestone n° 411 looks to be particularly complex. It concerns **changes in social security contributions by the self-employed**. At the CEOE we support undertaking this reform on the basis of the utmost respect for social dialogue.

# 3

## Monographic analyses

3.1. PERTEs

3.2. Digitisation

## 3.1. PERTEs

*This instrument is one of the main new features of the Plan, and a major opportunity for public/private sector cooperation.*

### 1. Strategic Projects for Economic Recovery and Transformation (PERTEs) are taking centre stage in the implementation of the España Puede Plan.

- Since the outset of the plan, PERTEs have sparked considerable interest, as they are an **instrument for public/private-sector cooperation ex novo** based on IPCEIs in Europe. They seek to encourage investment and development in strategic sectors.
- The category of PERTE was established via Royal Decree-Law 36/2020, which sets **six criteria as requirements** for their adoption:
  - i. Contribution to the creation of wealth and employment, and a pull effect.
  - ii. Combination of knowledge generation and support for industry as a two-fold way of promoting solutions to major challenges and shortcomings in the market.
  - iii. High R&D&i content.
  - iv. Projects with a sufficiently broad scope in terms of quality and/or quantity.
  - v. A pull effect for ecosystems of SMEs and encouragement of collaborative environments.
  - vi. Links to the targets of PRTRs and targets set at EU level.
- The Cabinet approved the first PERTE in December last year. Since then a total of **11 projects** have been approved, with a total budget endowment of **over €30 Bn** in public-sector investment:

1. Electric and connected vehicles
2. Cutting-edge healthcare
3. Renewable energy, renewable hydrogen & storage
4. Agri-food chain
5. Language valley
6. Circular economy.
7. Shipbuilding
8. Water cycle digitisation
9. Aerospace
10. Micro-electronics & semiconductors
11. Social & care economy

- Another PERTE must now be added to the list, concerned with the **decarbonisation of industry**. The government is working on it but it has not yet been approved by the Cabinet.

- Each PERTE seeks to encourage public/private-sector collaboration in its particular sector, but with a single **core thread**: they must all include a **plan for public aid** for the public and/private sector, aimed at **introducing changes in the direction of sustainability and digitisation**.

### 2. In spite of the great interest sparked by PERTEs, there is room for improvement in their implementation.

#### A. Degree of progress and implementation

- Aside from the PERTEs for electric vehicles and renewables, hydrogen and energy storage, **more progress is needed in publishing calls** for the remaining projects.

*The right balance between major, transformational projects and smaller calls aimed at SMEs and the self-employed may be the key to the success of the plan.*

- Accordingly, the **latest official data** published in June by the Spanish government indicate that the investments published and/or awarded amount to just **€6,654,750,000** out of the total funding of €33,118,600,00 allocated to PERTEs (i.e. 20% of the total budget endowment).
- It must also be pointed out that **these figures do not represent actual implementation or earmarking**: the fact that calls for aid have been launched does not mean that the money has reached potential beneficiaries.
- As shown in the table, **the calls have not yet been published for several PERTEs** (circular economy, shipbuilding, digitisation of water, micro-electronics), and in many others the **level of implementation is very low** (e.g. the new language economy and the care economy)

## B. Heterogeneity

- The 11 strategic projects approved so far share certain features (a design centred on public/private-sector collaboration, a twin transition approach, etc.), but there are also significant differences between them, especially in the following:
  - The **scale of the public budget endowment** (€12.25 Bn for the CHIP PERTE compared to €300 M for the shipbuilding PERTE).
  - The **degree of progress** in their implementation: some projects are at an advanced stage (especially the VEC PERTE, but also the ERHA and cutting-edge health PERTEs) while others have hardly begun to be implemented (e.g. circular economy, digitisation of the water cycle, CHIP and the social and care economy).
  - The **level of detail concerning the source and status of funding**: in some projects this is still not defined, as it depends on the addendum to the España Puede Plan. Cases in point are the CHIP and agri-food PERTEs.

Graph 1

### Official data on implementation of PERTEs

PERTE	Public budget endowment (€M)	Calls completed & open (€M)
VEC PERTE	4,295	3,735
HEALTH PERTE	982	288
ERHA PERTE	6,920	1,840.5
Agri-food PERTE	1,827.5	177.5
New language economy PERTE	1,100.6	5
Circular economy PERTE	492	--
Shipbuilding PERTE	310	--
Aerospace PERTE	2,193.1	585.75
Water cycle digitisation PERTE	1,940	--
CHIP PERTE	12,250	--
Social & care economy PERTE	808.4	22
<b>Total</b>	<b>33,118.60</b>	<b>6,653.75</b>

Source:  Plan de Recuperación, Transformación y Resiliencia

*Businesses are prioritising calls for subsidy based on competitive bidding over other instruments (loans, etc.).*

### C. "PERTE within a PERTE"

- It must be highlighted that PERTEs are, in essence, a **group of different aids and funding instruments** (mainly calls for subsidies, but also innovative public procurement measures, public tenders, etc.).
- However, the general impression given is that in most cases **the fabric of production is interested mainly in just one** (or sometimes two) **of those aid instruments: calls for subsidies awarded on a competitive basis**, for which candidates must submit a consortium-based project of considerable size. This type of action can be seen as a "PERTE within a PERTE".
- The first such groundbreaking measure was the call for **"integrated actions in the value chain for electric and connected vehicles (VEC)"**, which can be taken as an example for learning lessons so as to improve the results of future calls published along similar lines.



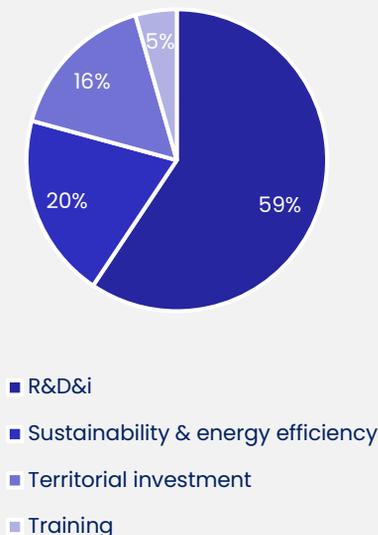
### 1. PERTE for electric & connected vehicles

- This was the first PERTE to be approved by the Cabinet, on **13 July 2021**, making it the **first macro-project in the EU** to foster electric vehicles.
- It seeks to support a **strategic transformation of the automotive industry and its value chain**.
- It is the **third biggest PERTE in terms of public budget endowment** (€4.3 Bn), after the Chip and ERHA PERTEs.
- It centres on twelve financing instruments, with particular focus on **four transformational measures**.
- Of those four, businesses are interested mainly in just one: **integrated actions in the industrial chain for VEC**, managed by DGIPYME (MINCOTUR):
  - This measure accounts for **€2.975 Bn** out of the total of €4.3 Bn in public funding allocated to the PERTE (i.e. over 69%): €1.425 Bn in the form of loans and €1.55 Bn as subsidies.
  - The deadline for submitting proposals has passed, and the **provisional ruling** is expected to be announced in July:

## The VEC PERTE has enabled highly valuable conclusions to be drawn on how to help SMEs participate.

- **13 flagship projects** were submitted (2 for battery plants - 1 in the Valencia Region and the other in), covering **487 primary projects**.
- These projects involve **327 organisations** (56% SMEs, 39% large companies & 5% knowledge centres)
- The territory where most projects were submitted was Catalonia (89 primary projects), followed by the Valencia Region (82) and the Basque Country (39).
- Almost 2 out of every 3 projects submitted are based on the **R&D&i block**:

**Graph 2**  
**Breakdown of types of primary project by blocks**



Source: **CEOE**

### It is important to draw lessons from this first call, as the same structure may be used again in future:

#### I. It is hard to ensure a minimal percentage of SMEs and knowledge centres in consortia.

- At the start of the call, the condition was set that 30% of aid to consortia should fall to SMEs.
- The resulting complications led to a change of criteria to make **the participation of SMEs more flexible**. Under the new wording, the amount contracted and subcontracted by large companies to SMEs is counted as aid.
- After this change, the check that 30% of funding managed by SMEs was not carried out during the award process but on supervising case files during the process of the provision of proof.

#### II. The obligation to submit applications for calls as a group

- It is not unusual in applications for public aid in Spain for there to be calls for subsidies in which cooperative projects are required (the Science & Innovation Missions call by the CDTI is a case in point).
- However, in the formation of consortia for the VEC PERTE emphasis was placed on the **joint and several responsibility of all members**, "including an obligation to provide proof, a duty to refund or repay loan instalments and an indication of liability for infringements"

## Joint and several responsibility is one of the main obstacles to access to calls for PERTEs.

### I. Several constraints are also maintained, such as the following obligations:

- The candidates awarded the aid must implement their projects by 30 September 2025.
- 40% of the organisations involved must be SMEs.
- Each project must have a cost estimate of at least €40 M.

### I. Interpretation of "business in crisis".

### II. Short deadlines given the complexity of setting up consortia and configuring projects.



## 2. PERTE for cutting-edge healthcare

- Approved on **30 November** 2021.
- With a public-sector budget endowment of **€982 M**.
- The idea is not just to reinforce prevention, diagnosis, treatment of and research into diseases but also to **encourage digital transformation and the development of new therapies and precision medicines**.
- There are **four specific targets** and **five cross-sectoral working lines** (*development & strengthening of national health service (SNS) capacity for clinical research; innovation and strengthening in industrial terms; collaboration & coordination for the transfer of technology; supplementary plans with regional authorities; and training*)
- Unlike other PERTEs, where management is more centralised, here **the devolved regional governments carry much of the burden of implementation**.
- Actions of interest which are about to be launched include the following:
  - ✓ Specific aid for personalised medicine from ISCIII (€81.5 M).
  - ✓ Agreements with regional governments for the digital transformation, from MINECO (€70 M).
  - ✓ Agreements with regional governments for the setting up of a health *data lake*, involving ISCIII and CDTI (€55 M).

*There is a great opportunity to increase our strategic autonomy in the ERHA PERTE.*



### 3. ERHA PERTE

- This project was approved on **14 December**. It is **led by the IDAE**, and seeks **to strengthen the position of Spain in renewables**, and especially to develop **renewable hydrogen**.
- Its public-sector endowment of **€6.92 Bn** is the second largest of any PERTE, behind only the CHIP PERTE.
- Out of that total budget endowment, **€3.558 Bn will be earmarked for transformational measures**, i.e. measures intended actually to drive transformation in the sector, in five main areas of action:
  - I. Innovation & integration of renewables.
  - II. Renewable hydrogen as a country project.
  - III. Electricity infrastructures, promotion of smart networks & deployment of flexibility & storage.
  - IV. Fair Transition strategy.
  - V. National system of science, technology & innovation.
- **Most investment** will be concentrated in area of action III, which seeks to promote **renewable hydrogen as a country project**.
- Programmes of interest under this PERTE are expected to be published in 2022, e.g. aid for one-off projects for bio-gas facilities from MITECO (€150 M) and direct subsidies to electricity distribution firms, also from MITECO (€525 M).



### 4. Agri-food chain PERTE

- This was approved on **8 February 2022**, with an initial **public-sector budget endowment of €1.0029 Bn**, funded mainly via the Recovery Plan but also via other funds (EAFRD & funds from the MAPA itself).
- However, the addendum to the Plan could see the initial endowment **increased by a further 800 M**.
- Aid under the PERTE will be structured into **three areas**: (i) strengthening the agri-food industry; (ii) digitising the sector; and (iii) R&R&i in the agri-food area.
- However the biggest opportunities for businesses under this PERTE are linked to the forthcoming call to bid for subsidies for **“measures to support the agri-food industry”, in implementation of Area 1** of the PERTE, the specifications for which are expected to be published by August 2022. However, some details of the call are already known:
  - Managed by **MINCOTUR**.
  - Initial budget endowment: **€400 M** (€150 M in subsidies & €250 M in loans).
  - Structure of the VEC PERTE: **Consortia of at least 5 or 6 organisations**, which must set up a flagship project plus a number of primary projects.
  - Actions in **at least 2 blocks**: competitiveness (optional), sustainability (optional), traceability and food safety (compulsory).

# Many sectors are awaiting the publication of the calls for the circular economy PERTE



## 5. New language economy PERTE

- Approved on **1 March 2022** by the Cabinet, with a public-sector budget endowment of **€1.1 Bn.** However, that endowment may be **increased by €400 M** thanks to the addendum to the Plan.
- The idea is to mobilise public- and private-sector investment to **maximise the value of Spanish and Spain's joint official languages in the digital transformation process** worldwide, and drive the whole value chain of **knowledge and artificial intelligence.**
- The second half of 2022 is expected to see the start of work to promote the **14 flagship projects** that make up this PERTE, with major participation by public administrations, universities and research centres as well as the private sector.
- The flagship projects are based on five **strategic lines**:
  - I. A knowledge base in Spanish and the joint official languages.
  - II. Artificial intelligence in Spanish.
  - III. Science in Spanish.
  - IV. Learning in Spanish and Spanish around the world.
  - V. The culture industry.
- Unlike other PERTEs, implementation will be mainly through agreements and tenders, with **calls for bids for subsidies playing a secondary role.**



## 6. Circular economy PERTE

- Approved on **8 March 2022**, with a public-sector budget endowment of **€492 M.** This is the second smallest PERTE in terms of public funding endowments.
- It seeks to foster investment for progress towards a **Spanish circular economy strategy.**
- It is structured in **simpler measures** than other PERTEs:
  - **Line of action 1** (€300 M) is aimed at key sectors for circularity (plastics, textiles & fashion, plus capital goods for renewables). In the coming months, 17 specific instruments (calls for subsidies) will be deployed for these sectors.
  - **Line of action 2** (€192 M) is a cross-sectoral line aimed at all other sectors, which is to be implemented solely via call for bids for subsidies, the specifications for which are expected to be published in July.
- This is one of the **PERTEs that have sparked most expectations among businesses**, especially in regard to the cross-sectoral call (Line of Action 2), for which the draft order for specifications was made available for public consultation in March.

## *It is essential to speed up the publication of calls to reinforce the transformational impact of funding*



### 7. Shipbuilding PERTE

- Approved on **15 March 2022**, with a low public-sector budget endowment of **just €310 M**.
- The main target is to **transform the value chain of the shipbuilding industry**, through **diversification, digitisation, improved sustainability, training and upskilling**. The design also envisages synergies with the ERHA PERTE.
- The ministry responsible is MINCOTUR, which expects to provide support for **at least 30 innovative projects** via this PERTE.
- The structure of the PERTE is simple: there are three actions that concentrate investments, and break down essentially into **two calls for competitive applications for subsidies**:
  - **The integrated line of action for the modernisation and diversification of the shipbuilding industry**, to be managed by MINCOTUR, which has not yet been published. The public-sector budget endowment will be almost **€200 M** (65% of the total for this PERTE) and candidates must apply in groups (at least two must be classed under code 3011 of the CNAE (National Classification of Economic Activities))
  - The **"Science & Innovation" Mission** is managed by the CDTI. As a new feature this year, a further €30 M is available for technologies applicable in the field of shipbuilding.



### 8. Aerospace PERTE

- Approved on **22 March 2022**, with a public-sector budget endowment of around **€2.2 Bn**.
- This PERTE seeks to provide better conditions to encourage technology firms to address the **major challenges facing the aerospace industry** (recovery after Covid, decarbonisation of transport, new uses of space), by fostering **innovative solutions based on new conditioning factors** (miniaturisation of satellites, new launchers, etc.).
- It has a simple structure based on **three lines of action** linked to three specific targets: OE1-aeronautics; OE2-space; OE3-cross-sectoral.
- **Most of the budget endowment** for the PERTE is to be concentrated in OE2: in all €1.48 Bn will be earmarked for supporting the **space industry**.
- This aid will be channelled mainly through tenders, agreements and joint initiatives with Portugal for the development of the **Atlantic Constellation**, an earth observation satellite programme.
- It also includes the **PTA (Aeronautics Technology Programme)**, another interesting programme of subsidies from the CDTI. The 2021 and 2022 editions are now closed, but another is expected in 2023.

## The micro-electronics & semiconductors PERTE depends on the design of the addendum on loans



### 9. Water cycle digitisation PERTE

- Approved on **22 March 2022**, with a public-sector budget endowment of **€1.94 Bn.**
- MITECO, **acting via the Directorate General for Water**, is the organisation chiefly responsible for this PERTE. It expects to start implementing it **in 2022 and it is expected to last until 2026.**
- The PERTE is intended to **foster the use of new information technologies throughout the water cycle**, to improve management, increase efficiency, reduce losses in supply networks and move towards meeting the environmental targets set under water system plans.
- It is based on **4 lines of action**: LA1- improvement of governance in managing water use; LA2- boosting digitisation of water-basin management organisations; LA3- development of a programme of aid for different water users; and LA4- fostering training and innovation in digital skills at public administrations and in water management.
- **Much of the investment involved is associated with Line of Action 3**, where it will be distributed mainly through agreements with devolved regional governments and through calls for subsidies (competitive and non competitive) in regard to the urban water cycle, irrigation and industrial use.



### 10. Micro-electronics & semiconductors PERTE

- This PERTE was approved on **24 May 2022**, and has the biggest public-sector budget endowment of all at **€12.25 Bn.** The project is expected to be **funded** almost entirely via **the addendum** to the Plan.
- This PERTE is intended to **develop capacity for design and production in the micro-electronics and semiconductor industries** in Spain. This is a major challenge at domestic and European levels to attain some degree of **strategic autonomy for the industry.**
- It covers **the whole semiconductor value chain**, from research into new technologies and investment in product design to the erection of processor manufacturing plants in Spain.
- Most of the investment is concentrated in Line 3, concerned with the erection of manufacturing plants (€9.35 Bn).
- However, neither the form (management instruments) nor the timing for the launch of aid **has yet been fully defined.** Indeed, these measures have a medium-to-long-term outlook (2027 and 2030, respectively). Accordingly, several expressions of interest (EOI) are expected to be launched to specify actions.

# The social & care economy PERTE needs to be open to private sector companies



## 11. Social & care economy PERTE

- The PERTE was approved on **31 May 2022**, and has a public-sector budget endowment of **€808 M**, to be implemented through various instruments from 2022 to 2026.
- The main organisations responsible for this PERTE are the **Ministry of Labour and the Social Economy** and the **Ministry of Social Rights**.
- The main goal of the PERTE is to support and boost **those sectors associated with the care of persons so that they provide more effective, more local service for the elderly**. This will be done by strengthening partnerships between cooperatives, organisations, research centres and other bodies working in the social and care economy.
- In view of the fact that this PERTE is not yet sufficiently implemented, **the greatest uncertainty for the fabric of production is whether or not there is enough room for private companies** in the aid processes published.
- Lines of aid are expected to be published in the coming months for boosting and developing the Spanish economy and its transformational potential (€100 M), plus a call for aid for applied R&D&i projects and knowledge transference in the field of vocational training centred on the care sector, to the tune of €1.5 M.



## 3.2. Digitisation

*The digital transition is the second most significant pillar of the España Puede Plan, accounting for 28% of the total funding*

### 1. The digital transformation: a trend or a necessity?

- "Digitisation" is not a new concept. However, it has changed in recent times: society, businesses and the public sector no longer see digitisation as a trend or a choice but as a **necessity in terms of being individually and collectively competitive**.
- The World Bank's **DAI** (Digital Adoption Index) analysis indicates that there is a direct link between the **level of digitisation** of a country and its **economic development** (measured in terms of GDP).
- Advances in digital technology prevented the effects of the paralysis of social and business affairs in the months of global lockdown that followed the onset of the Covid-19 pandemic from being even more serious.
- As we continue to feel the consequences of Covid-19, the European Commission has realised what a challenge the digital transformation poses for companies and the public alike. Accordingly, it has announced its intention to set up a **"Digital Compass": a road map to 2030** to make this a digital decade in Europe. This is the ideal time for firms to concentrate on transforming the way in which they do business.

### 2. The digitisation of businesses in Spain: room for improvement

- One of the main tools for determining the level of digitisation of a country is the European Commission's **Digital Economy & Society Index (DESI)**, an annual indicator that looks at the

five main factors in digital performance. Using the DESI, the Commission can monitor trends in digital competitiveness in all 27 Member States. The five indicators are: (I) Connectivity; (II) Human capital; (III) Internet use; (IV) Integration of digital technology; and (V) Digital public services.

- The latest report (DESI 2021) is based on data from the first half of 2020. It provides information on the **main advances in terms of the digital economy and society in the first year of Covid-19**. The data from this latest DESI therefore does not reflect the effects of Covid-19 on the use and provision of digital services or the results of the policies applied since (e.g. Next Generation funds). To see those effects we must wait until the next report, for 2022.
- According to this latest DESI, Spain is ranked 9th in the general ranking of the 27 Member States, in spite of having the EU's fourth biggest economy :
  - Spain stands out for its **good results in digital public services**, thanks to the digital strategy applied throughout the central administration, and in **connectivity**, in spite of gaps between urban and rural areas.
  - However, the Commission indicates that there is **room for improvement in the area of human capital**, though Spain has climbed up the ranking in recent years, **especially in the indicator for "Specialists"** in information and communication technologies (ICTs);

## Spain has most margin for improvement in the integration of digital technologies, especially at SMEs and among the self-employed

- However, the area where Spain has most room for improvement is in the **integration of digital technologies**, where it is ranked below average at sixteenth among EU Member States. In this regard, the report concludes that **Spanish businesses are not yet making the most of new technologies such as IA (artificial intelligence), macro-data and the Cloud**, which could help them develop their productivity and e-commerce.
- These last figures from the DESI report for Spain on the integration of digital technologies are consistent with the **Global Operations Study 2018**, drawn up by PwC on the basis of over 1000 interviews with company management. The study concludes that **2 out of 3 Spanish firms are lagging behind in the process of digitisation**, and that only 20% of their revenues come from digital products and services.

### 3. SMEs at the heart of the digital transformation of the fabric of business in Spain

- INE data indicate that 99% of all businesses in Spain are SMEs. 94% of the firms that made up the private sector as of October 2021 were micro-enterprises (no more than 9 employees).
- Any discussion of digitisation of businesses must therefore take into account that if the Spanish economy is to undergo a digital transformation **it is not only large corporations**

**that must digitise but also micro-enterprises, SMEs and the self-employed.** They also need to move into technologies such as Big Data, robotics, 5G, IA, the Internet of Things (IoT), Cloud Computing, e-commerce, 3D printing and cybersecurity, because doing so will make the more productive, competitive, effective and efficient.

### 4. The role of digitisation in designing Next Generation funds and the “España Puede” Recovery Plan

#### 4.1. Commitments undertaken by the 27 Member States

- On the drawing up of the Recovery and resilience Mechanism (RRM), which is the main instrument for Next Generation funds, channelled by Member States through their national transformation and resilience plans, **the Member States committed to earmarking at least 20% of the investment allocated to them to the digital area.**
- Most Member States have invested strongly in the **development and deployment of high-speed networks to close the digital divide** and digitise their public administrations and human capital, with specific investments in training & retraining of personnel and changes to education systems.
- Finally, most countries have also invested in **the digitisation of businesses, especially SMEs and the self-employed**, introducing advanced digital technologies and improving production processes.

*The digitisation of the public sector takes up a substantial amount of the plan. It is important to combine this with ensuring that funds reach the fabric of production.*

#### 4.2. The “España Puede” Plan

- According to the European Commission's report 'Digital Path to Recovery and Resilience in the European Union', investments and reforms linked to the digital transition account for **28% of the total budget endowment of Spain's Recovery and Resilience Plan (the “España Puede” plan)**, i.e. **€19.46 Bn.**
- The close to €20 Bn that Spain is dedicating to digital goals is set to support investments up to 2026 in five blocks:



#### Connectivity

- Extension of ultra-fast broadband and mobility with 30 Mbps coverage (€812 M)
- Deployment of 5G innovations & networks (€1.4 Bn)
- Enhanced connectivity for health centres and socio-economic hubs (€480 M)
- Connectivity vouchers for SMEs and groups classes as vulnerable (€80 M)
- Improvements in connectivity via cross-border digital projects (€500 M)



#### Electronic administration, digital public services and local digital ecosystems

- Digital transformation and modernisation of the general state administration (€960 M).
- Projects for digitising the general state administration (€1.2 Bn).
- Digital transformation of the Ministry for Territorial Policy and the Civil Service and of the administrations of devolved regional government and local bodies (€1 Bn).
- Electronic healthcare services & apps (€240 M)
- Digital transformation of social services (€216 M)
- Improvements in accessibility of public service websites and mobile apps for disabled persons (€12 M)
- Digitisation of the processing of applicants for asylum (€14 M)

# Training in digital skills needs to be made a priority in Spain.



## Human capital

- Digital skills (€735 M)
- Digital transformation in education (€1.412 Bn)
- Improvements in digital infrastructures, equipment, technologies, teaching and assessment at universities (€147 M)
- Joint programmes & work experience at public administrations, aimed at training young workers, with a strong digital component (€67 M)
- Digital skills for employment: qualifications and upskilling for employees and the unemployed (€1.256 Bn)
- Digital specialists (€190 M)
- Retraining and upskilling of workers associated with specialist qualifications (€92 M)
- Training in digital matters for workers on furlough (€107 M)
- Digital transformation of vocational training (€256 M)
- Digital skills for women in rural & urban areas (€26 M)



## Investment in digital skills & development of advanced technologies

- New National AI strategy (€500 M)
- Promotion of the Spanish cybersecurity ecosystem (€524 M)
- Sectoral data spaces – contribution to transformational projects for the digitisation of strategic sectors of production (€400 M)
- Renewal & sustainability of data infrastructures (€80 M)
- Creation of a "data lake" for the healthcare sector (€100 M)

*It is important to facilitate access to aid, especially in those sectors where there are most SMEs and self-employed persons*



## **Digitisation of businesses**

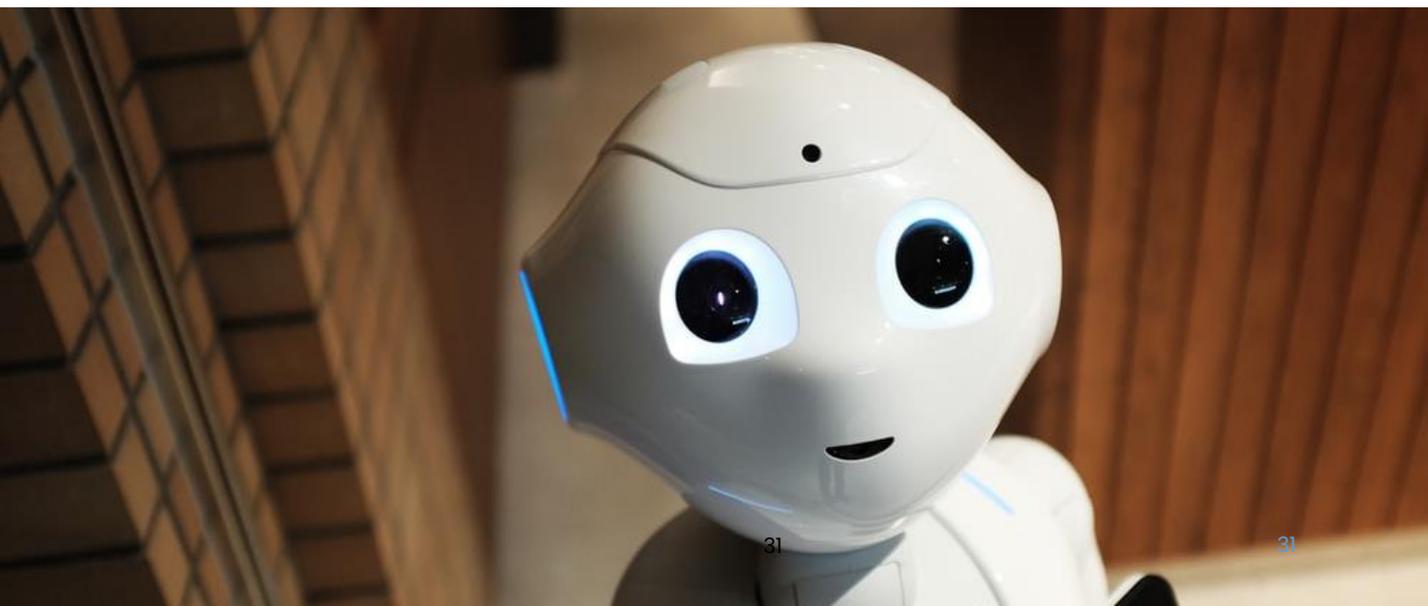
- Digitisation of the agri-food and forestry industries (€38 M)
- Digitisation of the fishing industry (€11 M)
- Projects to support digitisation and innovation in industry (€457 M)
- Minor projects for the digitisation of internal processes at industrial firms (€95 M)
- Actions in support of the digital transition for business owners (€329 M)
- Digitisation & innovation at micro-SMEs (€3.548 Bn)
- Digital tools for the tourist industry (€186 M)
- Digitisation of the tourist industry (€337 M)
- Digitisation of the culture industry (€66 M)
- Fostering of culture in rural areas (€13 M)
- Digitisation of the main cultural services (€220 M)
- Programme to promote, modernise & digitise the audio-visual industry (€200 M)



# *It is still too soon to gauge the impact of the aid for raising the level of digitisation of the Spanish economy*

## **5. Aid for digitisation based on the experience of Spanish businesses**

- In view of the foregoing, there can be no doubt that the digital transformation and the ecological transition are the two main lines on which the reforms and investments under the España Puede plan are centred.
- However, in the opinion of businesses, **the main thing is for these investments actually to reach the real economy** (mainly through calls for subsidies and/or tenders for public contracts) and for them **to have sufficient impact** in terms of making SMEs and companies more competitive and furthering overall macro-economic progress.
- Digitisation is highly important for furthering other investments under the Plan, so there is also a need to prioritise this sector and its key areas, such as connectivity. For example there is an **urgent need for aid to be approved for active 5G equipment** so that the road map for its deployment can be completed properly.
- **For the moment the way in which funds are reaching firms and their impact are not ideal.** This is due to three main factors:
  1. Aid is not fully deployed.
  2. The public sector has failed to publish aggregate information on the degree of implementation of budget items over and above individual programmes such as the Digital Kit.
  3. The groundbreaking, transformational nature of these investments must be stressed.
- At the CEOE we have therefore been engaged in a **process of work with our businesses and organisations** in regard to **digitisation**, and have drawn the following conclusions:



*2 out of 3 firms surveyed state that they obtained information on EU funds via private-sector sources rather than public ones.*

## Conclusions drawn from the digital sector survey

### 1. Problems in identifying opportunities

Almost half of the respondents were unable to fit their company digitisation projects into any line of aid.

Most of those who were able to do so mentioned the **Digital Kit from RED.ES**. A few respondents mentioned the CDTI's Science & Innovation Missions programme, the INCIBE's AI programme and the digital skillstraining programmes

### 2. Experiences & good practices involving the Digital Kit:

- ✓ **Participation.** 41% of respondents say that they have taken part in the scheme (almost 6 of every 10 as digitised SMEs and 3 out of 10 as digitisation actors).
- ✓ **Positive aspects.** Flexibility, speed of management and the ability to impact on large numbers of SMEs.
- ✓ **Points for improvement.** A broader spectrum of potential beneficiaries (SMEs with up to 250 employees rather than 50), an extended catalogue of digital solutions and the incorporation of improvement actions.

### 3. It is hard to identify contracts aimed at digitising public administrations:

The data obtained show that 3 out of 4 firms interested in these tenders do not seem even to have had access to information.

### 4. Problems in accessing public information

2 out of 3 firms surveyed state that they obtained information on aid from private-sector sources rather than public ones.

### 5. Slow pace of aid processes

60% of respondents who state that they have taken part in an aid process under the Recovery Plan say that they have not yet received information on how the call went. 24% have been notified that they will be receiving aid, 12% have already received funds and 6% have had their applications rejected.

### 6. Problems in accessing, preparing and/or implementing projects for calls for aid

The obstacles here consist mainly of problems in meeting the specifications laid down, red tape and a lack of clarity on the part of the administration. Deadlines need to be longer and firms need greater ability to anticipate requirements.

# 4

## Comparative view

# 5

## **Recommendations & proposals in regard to Spanish businesses**

*The addendum to the Plan submitted by Spain for the €70 Bn in loans needs to include the participation of social partners and regional authorities.*

**1. The application for €70 Bn in loans that Spain is to submit in the second half of 2022 needs to be set up as a plan at country level, not just at government level. The participation of social partners and regional authorities must therefore be taken into account.**

Businesses are closely monitoring the calendar for the application for the €70 Bn in loans envisaged by Spain, and the contents of the **addendum** to the España Puede Plan.

Moreover, a further €7.7 Bn from an update of the economic forecasts by EUROSTAT can be added.

To that end, at the CEOE we are establishing **a close dialogue with the European Commission and with the government** in this area, with a view to including certain improvements.

**In this regard, we believe that it is essential to involve social interlocutors and the devolved regions in drawing up the reforms and investments to be included in the addendum to the Plan.**

This will provide a country plan that engages with all stakeholders from the initial design stage. We need to correct the problem of low levels of participation of social interlocutors at the definition stage.

**2. As businesses, we have certain proposals for points to be included in the addendum that can help to correct current errors and maximise the impact of funds in Spain.**

Specifically, we believe that the opportunity needs to be taken to solve the problems currently observed through the following main actions:

- Include **tax cuts and tax incentives**, as has been done in many other European countries including France, Italy, Portugal, Sweden, Austria and Denmark.
- Incorporate a **territorial flagship project perspective**, with actions adapted to the actual socio-economic circumstances in each case.
- **Strengthen key sectors and skills for the strategic autonomy of Spain** (energy, transport, automotive, healthcare, textiles, etc.) and the priority areas determined by the European Commission in its **IPCEIs (Important Projects of Common European Interest)**.
- **Unblock the processing of the bill for Royal Decree-Law 36/2020**

*The design of the Digital Kit shows a good range of good practices that should be extended to all other calls.*

**3. Guarantee the long-term currency of the reforms agreed and ensure that they do not stray from the purposes set in the milestones agreed with the EU**

Spain has an opportunity to undertake structural reforms to solve long-term challenges.

It is important to assure respect for social dialogue and for the European Semester in the design and long-term currency of measures, so that they are not changed unilaterally after the fact.

**4. Maximise applications for and access to funding by SMEs and the self-employed based on the positive experience of the Digital Kit.**

Fragmented calls with small numbers of beneficiaries in highly specific areas make it hard for SMEs and the self-employed to access funding. Calls therefore need to be broader, with high percentages of joint funding from the public sector, with remote access free from red tape. The way in which this is set up in the Digital Kit is highly suitable.



*The bubble-up effect in the financial sector may be a major instrument for speeding up the arrival of funds in the fabric of production.*

### **5. Involve the financial sector so as to gain flexibility and ensure a bubble-up effect of aid.**

Greater involvement by the financial sector in the implementation of funding would make for smoother implementation and ensure a bubble-up effect, especially towards SMEs and the self-employed in all sectors and territories.

Participation in key schemes in the Plan such as the Digital Kit aimed at SMEs with up to 49 employees could provide key leverage to ensure smoothness and success in implementation.

### **6. Provide more in-depth information on calls and the implementation of funding**

It is essential to increase efforts to provide information on the operation of funding and calls, and to ensure transparency in regard to how funding is implemented and how it reaches the real economy.

In particular, it is important for the main website set up by the government to contain all public sector tenders and calls, not just those issued by the central government.

It also needs to be known just how much funding has reached the real economy. **It is therefore key for the tool developed by the Treasury and Civil Service Ministry to be fully operational.**

# Annex.

## Sources of information

# Sources of information

## Independent Authority for Fiscal Responsibility (AIReF)

- Report on Initial Budgets of Public Administrations for 2022  
<https://www.airef.es/wp-content/uploads/2022/04/PRESUPUESTOS-INICIALES/INFORME-PRESUPUESTOS-INICIALES-2022-GENERAL.pdf>

## Bank of Spain

- Quarterly report on the Spanish economy (Q2, June 2022).  
<https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/InformesBoletinesRevistas/BoletinEconomico/22/T2/Fich/be2202-it.pdf>

## World Bank

- Digital Adoption Index.  
<https://www.worldbank.org/en/publication/wdr2016/Digital-Adoption-Index>

## Business Europe

- Online portal for Next Generation EU funding.  
<https://www.busesseurope.eu/campaign/overcoming-covid-19-crisis>

## European Commission

- DESI Index (March 2022)  
<https://digital-strategy.ec.europa.eu/en/library/digital-economy-and-society-index-desi-2021>
- Recovery and Resilience Facility Annual Report (March 2022).  
[https://ec.europa.eu/info/files/recovery-and-resilience-facility-annual-report\\_en](https://ec.europa.eu/info/files/recovery-and-resilience-facility-annual-report_en)
- Compilation of national recovery plans in different Member States.  
[https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_en#national-recovery-and-resilience-plans](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en#national-recovery-and-resilience-plans)

## **Government of Spain**

- National Database on Subsidies.  
<https://www.pap.hacienda.gob.es/bdnstrans/ge/es/convocatorias>
- Report on the Implementation of the Recovery, Transformation and Resilience Plan (June 2022)  
<https://planderecuperacion.gob.es/ejecucion/informe-de-ejecucion-del-plan>
- Monthly report: Main indicators of economic and financial activity in the State.  
<https://www.igae.pap.hacienda.gob.es/sitios/igae/es-ES/Contabilidad/ContabilidadNacional/Publicaciones/Paginas/imdatoscaja.aspx>
- Public sector procurement platform.  
<https://contrataciondelestado.es/wps/portal/plataforma>
- Online portal of the Recovery, Transformation and Resilience Plan..  
<https://planderecuperacion.gob.es/>

## **PWC**

- Global Operations Study 2018 (January 2019).  
<https://www.pwc.es/es/productos-industriales/industria-4-0-global-digital-operations-study-2018.html>

**CEOE** **Empresas  
Españolas**