



EUROPEAN COMMISSION

Brussels, 30 October 2014

Summary of the Partnership Agreement for Spain, 2014-2020

Main priorities

The PA covers four European Structural and Investment (ESI) Funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

The PA focus on the following priorities:

- Increasing labour market participation and labour productivity, as well as improving education, training and social inclusion policies, with specific attention to youth and vulnerable groups.
- Supporting the adaptation of the productive system to higher added-value activities by enhancing the competitiveness of SMEs.
- Promoting an innovation-friendly business environment and strengthening the R&D and innovation system.
- Making a more efficient use of natural resources, including the development of the potential of the blue economy.

These funds are the cornerstone of Spain's medium and long-term development strategy and should be a key lever to trigger an evolution towards a more smart, sustainable and inclusive model. They will mobilise additional public national and private funding for growth and job creation and will reduce regional disparities in Spain.

Investments in these areas will be instrumental in helping Spain to progress towards the objectives of the Europe 2020 strategy and to implement some of the Council country-specific recommendations (CSRs) for Spain under the European Semester, in particular as regards easing access to finance for SMEs and implementing the new national strategy for science, technology and innovation.

Although Spain is mobilising 10 out of the 11 thematic objectives (TOs) foreseen in the regulations, there is a clear focus on those investments having a greater potential impact in terms of sustainable growth and job creation, one of the key elements of the reformed Cohesion Policy.

In this sense, 2/3 of the overall **ERDF** allocation will be devoted to TOs 1 to 4 (R&D and innovation; ICTs; SMEs competitiveness; and low-carbon economy). The evolution from the previous programming period is remarkable, when only around 1/3 of the ERDF was earmarked for these fields. The increase is particularly noticeable in low-carbon economy, where investments in energy efficiency are deemed to yield substantial win-win situations in terms of creation of skilled jobs and reduction of greenhouse emissions.

Support to SMEs will encompass not only fostering entrepreneurship and start-ups but also promoting competitiveness of firms and adaptation to higher added-value activities (for example digital economy and ICT) with the final aim to expand their presence in international markets. Access to finance for SMEs will be eased, mainly through financial instruments totalling around EUR 1.4 billion. This represents 7% of the ERDF allocation and practically doubles the amount earmarked for this type of instruments in 2007-2013. Given the persistent credit crunch and the advantages it offers (leverage effect, pooling of different funds, central management, etc.), Spain has set up an SME Initiative programme with a total ERDF contribution of EUR 800 million (from both the regions and the central administration) aiming at providing finance to SMEs, including working capital under certain conditions. This is the largest EU programme in support of such initiative. Taking into account the expected leverage effect, more than EUR 3 billion could overall be channelled to Spanish SMEs through this programme only.

In order to facilitate the transition towards a more knowledge-intensive production system and thus contribute to increase the productivity of firms, the stress within TO1 will be put on applied research and innovation, including public-private partnerships and technology transfer, particularly in favour of SMEs. With the aim to achieve the maximum impact in terms of growth and jobs, all investments in R&D infrastructure and projects will be subject to the fulfilment of four cumulative conditions (they should be included in the corresponding regional innovation strategies; be a staircase to excellence; have a proven competitive advantage; and trigger a positive socioeconomic impact in the regions).

Last but not least, a more efficient use of natural resources will be supported not only through the promotion of energy efficiency and renewable energies but also with clean urban transport and targeted investments in environment protection and enhancement (e.g. wastewater treatment, biodiversity, etc.). Finally, integrated projects in urban areas and a limited number of transport infrastructures – in support of economic activity, i.e. the Mediterranean and Atlantic corridors, inter-modality and inter-operability – will also be co-financed.

The **ESF** will also support innovation and competitiveness of firms by developing human capital through all levels of education and training, including higher education, cooperation with the business sector and increased private investment.

Investing in human capital and helping people enter the labour market will be a top priority in Spain with a focus on issues highlighted in the CSRs. A strong emphasis is placed on combating youth unemployment. The ESF will finance initiatives to improve education and training systems and ensure young people get the right skills that make them more competitive. Vocational education is a key area for investment. The ESF will continue to finance projects that help people in difficulty and those from disadvantaged groups to have the same opportunities as others to integrate into society.

The **EAFRD** will contribute to improve the competitiveness of the agro-food sector, for instance through farm restructuring, while taking into account the environmental and social sustainability of rural areas, through the promotion of job creation and investments to improve living conditions in rural areas. The national and the regional programmes will address the above priorities and the specific needs of each region (while overall coherence is ensured by a national framework), complementing this way other EU structural measures, in order to obtain greater efficiency in the use of EU funding.

Finally, the **EMFF** will support the implementation of the Common Fisheries Policy and the Integrated Maritime Policy. In particular, it will stimulate the competitiveness of the Spanish aquaculture and fisheries sector and promote the sustainable management of resources.

Chosen expected results

The investments are aimed at addressing the main development gaps and thus at strengthening social, economic and territorial cohesion. The ESI Funds will assist Spain in achieving national targets of EU2020 and its flagship initiatives:

- The share of R&D expenditure co-financed by the private sector will grow from 45.6% (2012) to 60% in 2020. This will result in 25% of the Spanish firms with more than 10 employees incorporating technological innovation in 2020 (compared to 13.22% in 2010-2012).
- Attainment of the target of the Digital Agenda for Europe of 100% of the population covered with 30 Mbps internet (59% in 2013). Out of this, 50% of the Spanish households will have access to 100 Mbps internet in 2020 (only 0.4% in 2012).
- In relation to energy objectives, the ESI Funds will provide a significant contribution to reducing energy consumption in buildings and enterprises and facilitate achieving the target of 20% reduction in primary energy consumption by 2020.
- The Funds will also contribute to increase the employment rate (from 59.3% in 2012 to 74% in 2020), to reduce early-school leaving (from 24.9% in 2012 to close to the target of 15% in 2020) and to take 1.5 million people out of a risk-of-poverty or exclusion situation.

The commitments made in the Spanish National Reform Programme as well as the Council CSRs are reflected in the PA. In this sense, the interventions co-financed with the ESI Funds will reinforce the efforts of Spain in carrying out the necessary reforms and fulfilling the recommendations. Therefore, the PA, which is the strategic framework for the ESI Funds, sets out clear political commitments in line with the strategic goals of Europe 2020, the EU's growth and jobs strategy.

Budget

In 2014-2020 Spain is allocated around EUR 28.6 billion for Cohesion Policy (ERDF and ESF), including the specific allocation of EUR 943.5 million for the Youth Employment Initiative and EUR 643 million for territorial cooperation. Additional EUR 8.3 billion will be devoted to development of the agricultural sector and rural areas from the European Agricultural Fund for Rural Development (EAFRD). The allocation for European Maritime and Fisheries Fund (EMFF) amounts to some EUR 1.16 billion. Details on the allocation are given in a table below.

The share of the ESF in the allocation of the ESI Funds amounts to 28.1%, which is above the required minimum share of 27.7%.

Only one Spanish region (Extremadura) is still considered a less developed region. Five regions (Andalusia, Canary Islands, Castilla-La Mancha, Murcia and Melilla) are part of the transition category, which reflects their progress in catching up with the EU average. The remaining are more developed regions, some of them from the first time.

Significant attention is given to the territorial dimension of interventions, in particular in the area of urban development. At least 5% of the ERDF allocation will be invested in integrated sustainable urban development actions, covering several TOs and included in the corresponding urban strategies. Moreover, the use of integrated territorial investments will be explored which, through combining different financing sources and by mobilising several TOs, should enhance the territorial impact of the interventions in the targeted areas.

Around 22% of the overall ESI Funds allocation will make a contribution to climate change mitigation and adoption measures.

Programmes architecture

Cohesion Policy will be delivered through 45 operational programmes (OPs):

- 3 national OPs co-financed by the ERDF (SME Initiative; Smart Growth; Sustainable Growth);
- 19 regional ERDF OPs (one for each region);
- 4 national OPs co-financed by the ESF (Employment, Training and Education; Youth Employment; Social Inclusion; Technical Assistance);
- 19 regional ESF OPs (one for each region).

Moreover, there are one national and 17 regional rural development programmes (co-financed by the EAFRD), besides a national framework to ensure coherence, and one fisheries programme (co-financed by the EMFF).

Details on allocations to operational programmes are presented in Table 2.

Table 1: Allocation: breakdown by thematic objective and by Fund (excluding European Territorial Cooperation)

Thematic objective	ERDF	ESF	EAFRD	EMFF	Total
01. Strengthening research, technological development and innovation	4,424,158,787.00	0.00	229,583,212.00	0.00	4,653,741,999.00
02. Enhancing access to, and use and quality of, information and communication technologies	1,997,222,953.00	0.00	53,057,211.00	0.00	2,050,280,164.00
03. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture	2,820,973,785.00	0.00	2,564,573,328.00	603,000,000.00	5,988,547,113.00
04. Supporting the shift towards a low-carbon economy in all sectors	3,377,282,406.00	0.00	845,604,861.00	19,000,000.00	4,241,887,267.00
05. Promoting climate change adaptation, risk prevention and management	224,079,133.00	0.00	1,601,748,355.00	0.00	1,825,827,488.00
06. Preserving and protecting the environment and promoting resource efficiency	2,404,090,617.00	0.00	1,664,484,243.00	329,620,889.00	4,398,195,749.00
07. Promoting sustainable transport and removing bottlenecks in key network infrastructures	2,465,539,406.00	0.00	0.00	0.00	2,465,539,406.00
08. Promoting sustainable and quality employment and supporting labour mobility	50,521,584.00	3,595,172,476.00	409,014,081.00	141,000,000.00	4,195,708,141.00
09. Promoting social inclusion, combating poverty and any discrimination	561,285,451.00	1,944,742,719.00	767,285,066.00	0.00	3,273,313,236.00
10. Investing in education, training and vocational training for skills and lifelong learning	409,881,120.00	1,879,757,967.00	55,177,688.00	0.00	2,344,816,775.00
11. Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	484,139,101.00	0.00	0.00	0.00	484,139,101.00
Technical assistance	189,709,435.00	169,895,975.00	100,300,776.00	69,000,000.00	528,906,186.00
Total	19,408,883,778.00	7,589,569,137.00	8,290,828,821.00	1,161,620,889.00	36,450,902,625.00

Table 2: Allocation to programmes

Programme	ESI Fund (ERDF, ESF, EAFRD, EMFF or YEI)	Total
Youth Employment	ESF	1,417,121,502.00
La Rioja	ESF	10,953,877.00
Employment, Training and Education	ESF	2,130,030,502.00
Murcia	ESF	90,938,861.00
Asturias	ESF	86,996,940.00
Baleares	ESF	40,891,341.00
Castilla y León	ESF	98,706,192.00
Catalonia	ESF	304,742,845.00
Ceuta	ESF	10,321,885.00
Galicia	ESF	313,142,972.00
Navarra	ESF	19,658,360.00
Basque Country	ESF	54,119,021.00
Social Inclusion	ESF	800,050,000.00
Technical Assistance	ESF	20,000,000.00
Canary Islands	ESF	162,423,811.00
Castilla-La Mancha	ESF	189,444,499.00

Programme	ESI Fund (ERDF, ESF, EAFRD, EMFF or YEI)	Total
Extremadura	ESF	265,240,339.00
Melilla	ESF	7,504,194.00
Aragón	ESF	78,857,871.00
Cantabria	ESF	22,602,882.00
Valencia	ESF	177,408,383.00
Madrid	ESF	333,834,460.00
Andalusia	ESF	954,578,400.00
Smart Growth	ERDF	3,939,184,811.00
Sustainable Growth	ERDF	5,526,680,403.00
Andalusia	ERDF	2,908,321,617.00
Aragón	ERDF	119,947,338.00
Asturias	ERDF	253,544,257.00
Baleares	ERDF	134,938,629.00
Canary Islands	ERDF	997,694,789.00
Cantabria	ERDF	52,657,054.00
Castilla y León	ERDF	314,403,219.00
Castilla-La Mancha	ERDF	535,649,953.00

Programme	ESI Fund (ERDF, ESF, EAFRD, EMFF or YEI)	Total
Catalonia	ERDF	808,433,500.80
Ceuta	ERDF	37,868,911.00
Valencia	ERDF	568,024,844.00
Extremadura	ERDF	679,333,821.00
Galicia	ERDF	883,369,307.00
La Rioja	ERDF	33,806,516.00
Madrid	ERDF	249,844,457.00
Melilla	ERDF	48,914,687.00
Murcia	ERDF	296,405,883.00
Navarra	ERDF	43,373,208.00
Basque Country	ERDF	176,449,979.00
SME Initiative	ERDF	800,036,600.00
Fisheries	EMFF	1,161,620,889.00
National Rural Development programme	EAFRD	237,828,821.00
Andalusia	EAFRD	1,906,000,000.00
Aragón	EAFRD	466,800,000.00
Asturias	EAFRD	325,000,000.00

Programme	ESI Fund (ERDF, ESF, EAFRD, EMFF or YEI)	Total
Baleares	EAFRD	61,000,000.00
Canary Islands	EAFRD	157,500,000.00
Cantabria	EAFRD	98,800,000.00
Castilla-La Mancha	EAFRD	1,147,100,000.00
Castilla y León	EAFRD	969,000,000.00
Catalonia	EAFRD	348,500,000.00
Extremadura	EAFRD	890,200,000.00
Galicia	EAFRD	889,800,000.00
Madrid	EAFRD	76,500,000.00
Murcia	EAFRD	219,200,000.00
Navarra	EAFRD	136,500,000.00
Basque Country	EAFRD	87,100,000.00
La Rioja	EAFRD	70,000,000.00
Valencia	EAFRD	204,000,000.00
Youth Employment Initiative	YEI	943,496,315.00
Total		37,394,398,945.80