

**THE SPANISH PUBLIC FINANCIAL SUPPORT ACCESSIBLE FOR SMALL
AND MEDIUM SIZED FIRMS: ORGANISATIONS, PROGRAMMES,
INSTRUMENTS AND MEASURES**

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This working document contains a description of the most important *Spanish* institutions and instruments that offer *financial* support activities for small and medium sized firms (SMEs). It not only includes the instruments or measures especially developed for SMEs but also those that are accessible for all kinds of firms including SMEs. Besides the “national” support measures, the Spanish firms also have support and measures developed by the European Union and those developed by the Spanish regions or “Comunidades Autónomas”. The European support schemes are not a direct subject of this report -although where necessary some references will be made to those measures. While the support schemes of the Comunidades Autónomas -which are an important aspect, quantitative and qualitative, of the Spanish policies for promotion of the business sector, are analysed in a very selective way.

Keywords: SMEs, public policy, innovation and technology policy, internationalisation of SMEs, venture capital, creation of firms.

Este documento de trabajo ofrece una descripción de los institutos, organismos y los instrumentos que ofrecen ayudas financieras para pequeñas y medianas empresas en España. No solamente incluye los instrumentos especialmente desarrollados para PYMES, sino, también aquellos instrumentos, de un enfoque más general, accesibles para ellas. Además de los instrumentos desarrollados por la administración nacional, las PYMES cuentan también con apoyo por parte de los organismos de la Unión Europea y de las Comunidades Autonomás. Las ayudas europeas no están recogidas de forma explícita en este trabajo mientras que las ayudas de las CC.AA. solo se recogen de forma muy resumida.

Palabras Claves: PYMES, política pública, política tecnológica, internacionalización de las PYMES, capital riesgo, creación de empresas

1.- INTRODUCTION¹

In the last few decades national and European governments have developed a broad range of support measures for Small and Medium Sized Enterprises (SMEs). The justification for these policies is the importance of SMEs for the economic development of countries. For example the business base of Spain is dominated by SMEs. There are almost 2.4 million SMEs comprising 99% of the country's registered businesses. Of this total 95% can be categorised as "micro-businesses" i.e. employing fewer than 10 people. 73% of employees work in SMEs. Also if we compare Spain with the European production system we can highlight the importance of SMEs in Spain. In 1998 in Spain 80% of the labour force was working in SMEs (fewer than 200 employees) in Europe this percentage is 65% (In industry 73% and 53% respectively) (data EUROSTAT)

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In relation to the Spanish political system and the (SME) policies some general remarks should be made. First of all, Spain had, until recently, a highly centralised political system. Nowadays the political system is partially decentralised but this process is still in development. This means that the central administrations have still an important role in relation to the policies focused on SMEs. However, in the last decade the implementation is more and more decentralised and most regions took initiatives to develop their own measures. However, it has to be pointed out that many

¹ An earlier, less extend, version of the working paper was written as a country study on behalf of the Fraunhofer Institute-ISI, Karlsruhe within the project of systematic comparison of the instruments and institutions of financial promotion of SMEs in selected EU countries financed by the German Ministry of Economics See Kulicke et al, 2002.

² Therefore a very short description of each of the measures can be found in a report of the European Commission prepared by the Enterprise Directorate General (2001); Support Measures and Initiatives for Enterprises: Directory of Business Support Measures.

³ Indicating the organisation that launched the support measure, the objectives and beneficiaries, the type of aid and the exact details of the support (interest rate, maximum budget special conditions etc.), the formal or legal regulation, the place to present the application forms.

⁴ Although Spain should have an equal tax system for all of its regions the Basque Country, for historical reasons, has its own independent tax system. However their system is very similar to the Spanish and European laws do not accept tax discrimination for business activities between The Basque Country and the rest of Spain. For this reason some special tax advantages implemented by the Basque Country to attract industrial investments were declared illegal by the European Commission.

regional initiatives –for example the regional R&D plans or programmes- are almost copies of the existing instruments on national or European level (Heijs, 2001). In any case the political attention for SMEs seems to have shifted from the central level to the decentralised authorities.

Evaluation studies are not common in Spain, however the control of the correct use of the support given is more and more institutionalised due to the role of the European support schemes and the obligations to control them exhaustively. The evaluation of the SME initiative for industrial development (1997-1999) will be published at the end of the year. It will not only include the main activities (including financial figures) but also an evaluation of the results and the impact of the programme.

Jorge Orozco Peral (17-04-2002)
General Directorate for SME policies, Ministry of Economics

Secondly, a high number of cross relationships exist between the different institutions and programmes. On the one hand, most instruments developed by national administrative organisations enjoy, due to the decentralisation process, the collaboration of regional⁵ and local institutions. On the other hand, the implementation of some of the programmes –for example the SME Initiative for Industrial Development (launched by the former Ministry of Industry and Energy)- involved several national and regional institutions and they frequently have financial funds from different institutions and administrative levels. Due to this fact the Spanish support system lacks transparency, which makes it almost impossible to calculate the exact amount of money that the Spanish government devotes to supporting their firms and it is even more impossible to know which part of it is devoted to SMEs. The most important problem is the “double counting” of funds because on several occasions each of the support agencies involved in joint support schemes includes the total amount in their annual reports and does not always specify where the funds come from. The lack of transparency, as a final comment, has grown in recent years due to the continuous changes of the names of the support schemes and restructuring of the existing system, especially in the case of the innovation policies. In this field the political responsibility for a large number of the measures changed continuously from one ministry or public agency to another. This process is often more motivated by a political struggle for power than due to the rational logic of policy making and the real changes in the existing policy measures were often marginal. The same problem is detected by the co-ordination of policies. For example, in the case of science and technology policy they made several attempts to co-ordinate the different initiatives. First with the creation of an Interministerial Commission of Science and Technology and later by the creation of the Ministry of Science and Technology. And the last National Plan of Research Development and Innovation gathered together, at least formally, almost all the policy measures. Those attempts at co-ordination however, are more formal than real. Whereas the policy instruments are implemented by a high number of departments of different ministries, many of them do not publish detailed information about their activities, and most instruments were never evaluated (or just "scanned" in a very simple way).

An important problem related to the implementation of a large number of the policies is the enormously time-consuming bureaucratic process and the delay in the payments of the promised support. In the case of the European instrument (framework programme) once the project is approved and the contract is signed the firm receive 40% of the amount that it has to justify in the future. In Spain the firms first have to spend the money, then they have to certify that they spend it and why they spend it. So only after a relatively long time do they get the money- of course with some extra delay. Especially for SMEs, getting the money in advance is a big problem. It is not a problem of the “results account” or long-term profitability but more a problem of short-term “liquid assets”.

⁵ When we talk about regional level the “Comunidades Autónomas” are meant except where indicated

The main problem of the national and regional instruments is the **time elapsing from the moment when a firm receives a positive decision and the moment when they get the money**. In Spain the firms first have to spend the money and certify the payments, then justify why they spend it. Finally they will get the money, albeit with some extra delay. Especially for SMEs, getting the money in advance is a big problem.

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As already mentioned the aim of this report is to offer a general overview of the most important Spanish financial support measures accessible for SMEs. These will be presented in five groups:

- A) Support for the creation of firms
- B) Innovation related measures
- C) Support programmes aimed at the internationalisation of firms
- D) Venture capital
- E) Other types of support measures.

Before analysing the individual instruments I present, in section 2, an overview of the most important organisations and programmes because a large number of measures belonging to the same programme or implemented by just one institute could be classified in two or more of the above mentioned groups. In this case a short description of the programme or institute is offered in section 2 (See BOX 1), while section three offers the review of the individual measures or sub-programmes (section 3a to 3e). Details of these individual measures are listed in brief in appendix I, which indicates exactly which type of firms are supported, the type of support (credits, subsidies, guarantees etc.), the organisation and institutes involved, the administrative level and other details.

The data used to prepare this document are mainly based on official documents and programs, websites of the institutions involved and I also made extensive use of the information prepared by the European Union⁶. After writing a first draft report some interviews were held to confirm and/or complete the preliminary findings. For this I would like to thank Jorge Orozco Peral of the General Directorate for SME policies (Ministry of Economic Affairs), Daniel de la Sota Rius of the Confederación Empresarial de Madrid and Jacobo Perez-Soba Aguilar, Economic Consultant of the Chamber of Commerce Madrid. And last, but not least, I would like to thank Marianne Kulicke and Emanuel Muller of the Fraunhofer Institute for System and Innovation Research on whose behalf I wrote an earlier version of this document. They supported me continuously during my research activities and were always available to discuss the correct interpretation and classification of the data and guided me to design a systematic presentation scheme.

⁶ European Commission (Enterprise Directorate General) (2001); Support Measures and Initiatives for Enterprises: Directory of Business Support Measures

BOX 1

MOST IMPORTANT PROGRAMMES AND INSTITUTIONS INVOLVED IN SUPPORT FOR SMEs

Institutes and organisations	Kind of support Measures
Specific organisations for SMEs	
<ul style="list-style-type: none">• Regional Institutes for SMEs• General Directorate for SME policies (Former GD for SMEs)• Observatory for SMEs	<ul style="list-style-type: none">(A-B-C-D-E)(A-B-C-D-E)
Other institutions	
<ul style="list-style-type: none">• Centre for technological and industrial development (CDTI)• The Public Credit Institute (ICO)• Company for Financing Development (COFIDES)• Institute of Foreign trade (ICEX)• Regional Development Institutes and “Conserjerias”	<ul style="list-style-type: none">(A-B)(A-B-C-D-E)(A-D)(C-D)(A-B-C-D-E)
Programmes	Kind of support Measures
Specific programmes for SMEs	
<ul style="list-style-type: none">• SME Initiative for Industrial Development (1997-1999)• Plan for Strengthening and competitiveness of SMEs (2001-2006)• Plan for the Initiation to Overseas Promotion (PIPE 2000 – ICEX)• NEOTECH (CDTI)	<ul style="list-style-type: none">(A-B-C-D-E)(A-B-C-D-E)(C)(A, B, D)
Other programmes	
<ul style="list-style-type: none">• ICO financing action lines• Support of Industrial Technology, Security and Quality (ATYCA)• Programme to Encourage Technical Research (PROFIT-ATYCA)• National Programme for R&D• Tax incentives	<ul style="list-style-type: none">(A-B-C-D-E)(A-B)(A-B)(B)(A-B-C-D-E)

2.- THE MOST IMPORTANT PROGRAMMES AND INSTITUTES INVOLVED IN SUPPORT FOR SMEs (SEE ALSO BOX 1)

2.1.- SPECIAL PROGRAMMES AND INSTITUTIONS FOR SMEs

The Ministry of Economic Affairs has a special General Directorate for SMEs: the **General Directorate for SME policies**. This DG, which was part of the former Ministry of Industry, is one of the most important protagonists within the support systems especially focused on SMEs. In any case it can be pointed out that until recently Spain had a national Institute for SMEs. In 1997 this institute was closed and parts of it were located in the former Ministry of Industry and Energy as the DG for SMEs. This change could be interpreted as a decrease in the political attention to SMEs policies, though at the same time it can be seen as the result of the decentralisation process in which several regions created their own SME institute. The DG for SME policies is responsible for the development of policy initiatives focused on the problems and specific situation of SMEs.

This DG is in charge of the co-ordination of the SME policies of different institutions or ministries; the adaptation of the Spanish situation to the European rules or norms; and managing the bilateral and multilateral contacts with other countries when they concern SMEs. Moreover this DG organises the “*Conferencia Sectorial de la Pequeña y Mediana Empresa*”. This conference, the president of which is the Minister of Economic Affairs, brings together the “*Consejeros*” responsible for the SME policies in the different “*Comunidades Autónomas*”. Of course the DG for SMEs is involved in a broad range of measures focused on the activities of SMEs, however for most of the instruments the regional authorities are in charge of the direct implementation of the policies. Such is the case of the Plan for consolidation and competitiveness of SMEs. The framework of this programme was set up by the European and National authorities but each “*Comunidad Autónoma*” can approve its own programme adjusted to their specific regional problems and needs. The description of this programme, however, will be presented further on in the paper.

One of the initiatives of the DG for SME policies is the creation of the “*Observatorio de la Pequeña y Mediana Empresa*” which has to be a continuous forum and meeting point of national and local authorities, business organisations and experts. This forum should follow and analyse the SME policies, evaluate them, prepare studies about important topics for SMEs and discuss and propose new ideas. Among other activities this “*organisation*” discussed and approved the Plan for Strengthening and Competitiveness of SMEs, a fact that shows its importance.

As already mentioned, the political attention for SMEs shifted from the central level to the decentralised authorities. Part of the policies –including the SMEs policies- are delegated to –or located in- **Regional Development Agencies or “Conserjerías”** of the regional authorities. Some “*Comunidades Autónomas*” even created their own **Regional Institutes for SMEs**. These institutes or organisations offers a broad range of support measures only some of which will be discussed in this report. Appendix II and III, however, offer a good overview about the kind of instruments implemented y regional and local public administrations.

Maybe the most important support programmes developed especially for SMEs is the **SME Initiative for Industrial Development 1997-1999** (royal decree 20 June 1997) the follow up programme of which is the **Plan for Strengthening and Competitiveness of SMEs 2001-2006** (royal decree of June 1 2001), launched by the DG for SMEs (See also appendix I; point E1, E2).

There was a previous Plan⁷ with similar coverage from 1995 to 1997 but this was destined mainly to industrial enterprises and the implementation of the old measure was more centralised than this one (Interview Jorge Orozco Peral). The reasons for launching/modifying the new measure was a regional decentralisation of the initial programme. Funding delivery especially has been regionalised while the role of the government is limited to that of investor, facilitator and catalyst.

The **SME Initiative for Industrial Development (E2)**⁸ was a programme developed after the approval of the Operative Programme for Spain under the framework of the European Community SME Initiative. So its objectives and priorities match those of the Operative Programme. It consists of seven measures or sub-programmes aimed at improving the competitiveness of SMEs:

1. Co-operation between companies.
2. Promotion of information services for companies.
3. Improvement of the Design.
4. Improvement of the finance possibilities of SMEs.
5. Networks of innovation supporting interface organisations.
6. Support for the system of reciprocal guarantees.
7. Networks of financial interface organisations

During the year 2001 a new programme of support for the SMEs has been started by the central State Administration for the period 2001-2006: **the Plan for the strengthening and competitiveness of SMEs (Plan PYME – E1)**. This new measure replaces the SME Initiative for Industrial Development developed for the period 1997-1999. The PYME plan pursues two main objectives: a) the full integration of SMEs in the Information Society and b) the integration of innovative management techniques in SMEs. Also this new programme is developed within the framework of the European Community SME Initiative and again its objectives and priorities match those of the Operative Programme for Spain. The plan has three financial sources: the European Structural Funds, funds of the national or central government and from the regional ones. The administration and implementation of the programme is basically carried out on a regional basis. This plan is multi-sector oriented and includes subsidies for SMEs and for interface organisations related to SMEs

Projects and activities that can be subsidised

- a) Information Society
 - Improvement of the production system by information and communication technologies
 - Use of telematic services (e-commerce, “teleworking”, websites etc.)
- b) The integration of innovative management techniques
 - DESIGN: Projects for incorporation, assimilation or application of design techniques
 - Promotion of Co-operation networks between companies.
- c) Improvement, incorporation or assimilation of Quality Systems and improvement of environment friendly production processes

⁷ Iniciativa PYME de Desarrollo Industrial

⁸ The numbers in brackets referring to appendix I were a short technical description of each of the individual instruments and of some institutions and global programmes.

d) Innovation of processes: Management and organisation of SMEs

Both programmes finance SMEs or intermediate organisations that provide services to SMEs related to the above mentioned action lines. Each intermediate organisation can obtain a maximum of 50.000 Euros and the SMEs can receive a maximum 10.000 Euros. The percentages of costs that can be financed depends on the type of regions (level of economic development). Therefore some European norms and national rules will be applied. The maximum support as a percentage of the costs and other technical details is reflected in appendix I.

However it is not easy to explain the different aspects of the plan and to analyse which are the most important subprograms. The distribution of the budget of the subprograms is not determined in the plan but depends on its implementation by each of the "Comunidades Autónomas". It is a decentralised programme in which the central government only provides the general framework, and each of the "regional governments" decides the distribution of the funds between different subprograms. Once they obtain the funds they have two years to spend them so there is still no data available for the first years. So it is an instrument where the regional "demand" decides the distribution of the funds and not the central or European public administration

The funds come from different sources:

	2000/2001
EFRE (FEDER)	91,17
Spanish Central Government	13,58
Regional governments	Depends*

In millions of Euros

The national governments offer the opportunity for the regional administration to broaden the budget. To promote regional involvement they co-finance each EURO paid by the regional government with another EURO paid by central government funds .

2.2.- OTHER INSTITUTIONS, ORGANISATIONS, AND PROGRAMS WITH SUPPORT MEASURES ACCESSIBLE TO SMEs

In this subsection are included other institutions, organisations, measures and programmes that offer or include financial public support accessible for small and medium sized firms. Some of them offer or include support measures specially designed for SMEs. First I will describe the most important institutions (section 1.2.1) and afterwards the main programmes will be outlined (1.2.2).

2.2.1.- MAIN INSTITUTIONS AND ORGANISATIONS

The central institute for technology and innovation policies destined to the private sector –e.g. enterprises- is the **Centre for technological and industrial development (CDTI – B1)**. This centre is an institution of the Ministry of Science and Technology (Formerly Ministry of Industry and Energy) created by a Royal Decree 38/1977. It has been consolidated as one of the central agents for the promotion of innovation and technological development within the Spanish enterprises. The CDTI funds finance almost 7% of all R&D expenditures of the Spanish private sector (Heijs, 2001) and have a central role for the implementation of the Spanish, European and international technology policy measures. The CDTI is involved in the Framework programme of the European Union, The Spanish national Plan for R&D, EUREKA, the EFRD etc.. Very recently the Ministry of Science and Technology launched, via the CDTI, the “ Neotech Initiative” aimed at the creation and

consolidation of new technology-based firms. Briefly, the CDTI manages a huge part (around 50%) of the funds designated to the support of innovation within Spanish firms and promotes and coordinates Spanish participation in most of the international programmes. All this means that the CDTI is one of the basic pillars within the sub-system of technology policy.

The CDTI also has its own support programmes to assess and finance R&D projects developed by companies –regardless of their activity field and size. In a recent study the pickup rate -of these own- programs within the Spanish production structure was measured. The CDTI supported, in a period of 10 years, 0,6% of the Spanish industrial firms, almost 6% of the innovative firms and 23% of the firms that carried out R&D. The largest firms were supported more intensively (45%) than the SMEs (22%), and only 10% of the very small innovative firms (up to twenty employees) were supported (Heijs 2000, 2001).

An important institute with a broad range of support measures in each of the analysed policy fields (A-B-C-D-E) is the **Public Credit Institute (ICO)**, depending on the Ministry of Economics. This institute has two types of functions, first, it operates as a specialised credit institution. It provides medium and long-term financing for productive investments by enterprises established in Spain. In this area, ICO operates in two ways: (1) Second-floor facilities: funds are distributed, using banks and savings banks as intermediaries and (2) Direct operations: enterprises apply directly to ICO for financing. The second function is as the State's Financial Agency. In this second area the ICO function is the provision of financing, on the Spanish government's express instructions, for victims of serious economic crises, natural disasters or similar situations. In addition, ICO manages official financing instruments for export and development. To fulfil all these functions the institute developed a number of **credit action lines** -in some cases jointly with other institutes or organisations- and several are especially aimed at SMEs:

- 1.- SMEs 2000; SMEs 2001 - promotion of investment projects of SMEs (D1)⁹
- 2.- Financing Facility for Technological Innovation (BIT line – B1.6)
- 3.- GRINVE Programme - support of large-scale investments in Spain (E3.2)
- 4.- Financing Facility for Enterprise Creation (A1.1)
- 5.- Internationalisation of Spanish SMEs – focused on investment projects abroad (C2.4)
- 6.- PROINVEX programme – focused on large-scale projects abroad (E3.2).
- 7.- Financing Facility for Renewable Energy Sources (E3.1)
- 8.- Reciprocal Interest Adjustment Contract - aimed to backup Spanish exports (C1.3).
- 9.- NEOTECH –creation of new technology based firms (A1.2)
- 10.- Development Aid Fund (FAD -C2.3)

Furthermore, **the ICO has the Development Aid Fund (FAD)** This is a fund financed by the Spanish State with a view to granting financial aid to developing countries or their enterprises or intergovernmental financial institutions. This aid is linked to the supply of Spanish goods and services; e.g. it is an instrument to promote Spanish products in foreign countries.

Another group of organisations with a broad range of support measures are the **Regional Development Institutes and the “Consejerías” of the “Comunidades Autónomas”**. Most regional administrations created a regional development agency and some CC.AA. located the activities of such agencies in one or several of their “Consejerías”. As already mentioned, these organisations developed a broad range of measures and are involved in the implementation of a large number of programmes of the central and European administration. As already mentioned in this working paper I do not analyse them systematically, however, appendices II and III reflect the variety of the measures implemented by the regional and local organisations.

⁹ The number in brackets indicates the type of instrument and place in appendix I where a short technical description is offered

In relation to the internationalisation of Spanish enterprises two main types of financial support measures can be distinguished. First the support to foreign investments and, second, the promotion of exports or other forms of internationalisation. As we saw, the ICO offers support for both types. For the first type of instruments, support to foreign investments, an important organisation is **the Company for Financing Development (COFIDES)** created in 1990. This is a partially state-owned corporation established to foster direct investments by Spanish companies in developing countries in order to contribute, cost-effectively, both to the industrial development of such countries and to the internationalisation of Spanish business. COFIDES, frequently in co-operation with the ICO, provides its clients with integral support in all stages of private investment projects carried out by Spanish companies in any developing country or emerging or transition economy in Africa, Asia, Central and Eastern Europe or Latin America. In this regard, COFIDES mobilises funds available through the European Union, Multilateral Financial Institutions, other national Development Finance Institutions, its shareholders or local banks for the projects in which it is involved. Since 1990, when COFIDES first began its business, the company has assumed commitments of funds to finance operations for a total of 17,200 million pesetas; 146 such operations, totalling 9,294 million pesetas, had been formalised by the end of 1999. This funding was applied to 116 investment projects implemented in 32 different countries. Disbursements relative to these commitments amounted to 7,834 million pesetas. In this same period, COFIDES mobilised a further 2,205 million pesetas in resources drawn from Community programmes, applied to cover diverse pre- and post-investment needs in 151 different projects.

Another important institute related with the internationalisation of Spanish firms is the **Institute of Foreign trade (ICEX)**. This institute works closely together with the ICO through the implementation of the Reciprocal Interest Adjustment Contract aimed as backup for Spanish exports, the Development Aid Fund and the PROINVEX measurement focused on large-scale projects abroad. Recently the ICEX, together with the Chambers of Commerce and the “Comunidades Autónomas”, developed the “Plan for the Initiation to Promotion Abroad (PIPE 2000, PIPE 2001 and 2002)”, which offers a broad range of facilities for firms that want to enter the export market for the first time. Furthermore, the ICEX promotes Spanish products all over the world by organising business trips and international exhibitions (demonstration and promotion), facilitating country specific information to Spanish firms, training (short courses and master programmes) of human capital etc. However, these “non-financial instruments” are not the main topic of this document.

2.2.2.-MAIN PROGRAMMES AND MEASURES

In this subsection we will give a short overview of some broader programmes that offer different types of support to Spanish firms, including to the SMEs. Here will be included the **Initiative for the Support of Industrial Technology, Security and Quality (Initiative ATYCA)** and its follow up **programme PROFIT (Programme to Encourage Technical Research)**. These programmes are basically designed to promote the innovation and modernisation of the Spanish productive system. Afterwards we will describe the National Programme for R&D and the separate “National Programmes”. Although the latter are basically aimed at the improvement in the private and public research system (Universities, public or private technology centres etc.) they also include some programmes directed to the enterprises (like the R&D projects for co-operation between firms and public research centres). A third “programme” is the set of tax incentives, which offers some advantages to SMEs. There exists a broad range of **tax advantages** for SMEs, Spain has some special measures for **R&D activities, for Venture capital etc.** Most **tax measures** are based on separate “royal decrees” and it is not possible to speak about just one programme so each of them will analysed when we describe the individual measures in section 3.

The Support Initiative for Industrial Technology, Security and Quality or the ATYCA Initiative consisted of grants to enterprises and research institutions to carry out activities in R&D and Innovation in the fields described below. ATYCA gathers a broad range of already existing measures for industrial development focused on the financing of R&D projects with an annual budget of 10.000.000 Euros. The support measures of this programme contribute financially to the project with a ratio of the eligible costs, however the enterprises have to finance a part of the project by own resources.

The ATYCA Initiative combines the following measures¹⁰:

- Plan of Industrial Technology/Plan de Actuacion Tecnológica Industrial (PATI)
- Plan to Support Basic and Transforming Sectors/Plan de Apoyo a los Sectores Básicos y Transformadores (SBT)
- National Plan of Industrial Quality/Plan Nacional de Calidad Industria (PNCI)
- Promotion of Technological Capacity/Fomento de la Capacidad Tecnológica (FCT)
- Industrial and Technological Programme related to the Environment /Programa Industrial y Tecnológico Ambiental (PITMA)

The Government's objective is the increase in the firm's participation in the innovation process and the rise in its share of investment in R&D and innovation. To this end the Government has launched **PROFIT (Programme to Encourage Technical Research / Programa de Fomento de la Investigación Técnica)** as a continuation of the previous ATYCA programme. Both programs are very similar, however, whereas the ATYCA was an individual plan the PROFIT is included in the IV National Plan of R&D. PROFIT's main goal is to support innovative enterprises through horizontal actions and instruments designed to improve the enterprise environment. This includes actions oriented to improvements in information and advice, co-operation with enterprises, quality and design, creation of technology-based enterprises, providing mechanisms to overcome the usual difficulties in obtaining suitable finance, especially risk capital in start-up phases. Regarding this latter element, the objective is to foster the consolidation of risk capital, to improve the mobility of scientific and university personnel to enterprises and to promote young entrepreneurs. Besides this, the set of public support instruments will be reoriented, focusing on the encouragement of enterprises' investment in intangibles and supporting these enterprises not only with subsidies but also by completing the financial markets. The SME Initiative for Industrial Development has similar goals to the ATYCA programme and PROFIT but it is geared only to SMEs. A description of the different measures included in PROFIT will be given in section 3b.

3.- THE DESCRIPTION OF INDIVIDUAL MEASURES

In the next sections we will describe in more detail and clearly classified the existing measures. Some of them have already been mentioned but a large number were not included in the above global description. For "technical" details see also annex 1 where they were outlined. The outline of the subsections corresponds to the above-mentioned classification. 3^a to 3D.is

¹⁰ Information Source/Reference; Calls and regulation published in Official Bulletin of Spanish Government (BOE) n° 108 of May 6 1997 and n° 71 of March 24 1999. More information on: <http://www.min.es>

3.A.- CREATION OF FIRMS

The Spanish public sector offers a broad spectrum of measures to promote the creation of firms, however, most of them are a mix of European and national initiatives. Therefore in this part of the report some of the European programmes are also included. Moreover, most of the “Comunidades Autónomas” do have organisations that offer support for the creation of firms. The most important organisations and measures are:

General support lines for business start-ups

- ICO financing action lines (A1.1)
- “NEOTECH” programme of the CDTI/ICO (A1.2)
- Aid projects for young entrepreneurs (A1.3)
- Regional incentives to encourage start-up for enterprises in poor regions (A1.4, see also Appendix II and III)

Investment in business start ups

- European Investment Fund – New Technology Based Firms (EIF - NTBF) (A2.1)
- European Investment Bank (A2.2)
- European Seed Capital Scheme (Spanish association for capital investment) (A2.3)
- Business angels (European Business Angel Network - EBAN) (A2.4)
- SME Initiative for Industrial Development and Plan for Strengthening and competitiveness of SMEs (see appendix I, E1 – E2)

Incubators and business centres

- Spanish network for business incubators and development agencies (ADELA) (A3.1)
- Spanish National Business and Innovation Centres with incubation units (BICs Association) (3.2)

Guarantee facilities

- EIF guarantee facility (A4.1)
- Mutual Guarantee societies (A4.2)
- Mutual Guarantee network exclusively for SMEs (A4.3)

Employment related support schemes

- Subsidies on payments to Social Security (A5.1).
- Economic aid for the creation of jobs (A5.2)

A.1 General support lines for business start-ups

The general support lines for business support are programmes of different public agents and implemented by a broad range of organisations. Additional to the above mentioned measures the

SME Initiative for Industrial Development and Plan for Strengthening and competitiveness of SMEs also included some measures that can be used for the creation of firms although they are not specifically focused on this objective (See 3E1 and E2).

As already mentioned, a new initiative is the “**NEOTECH**” programme of the CDTI and ICO focused on the creation of new technology based firms. This programme is aimed at the promotion of technologically based business projects and its transformation into new technology based firms. Therefore the CDTI is involved in the creation of new credit lines, and special actions to put the “inventors” in touch with the “investors”. The “NEOTECH” programme supports inventors in three follow up phases of its business development: 1) innovatory idea, 2) Creation of the firm, 3) first round of negotiations (risk capital). In the first phase the CDTI supports the inventor to analyse (feasibility study) his idea and formalise it in a project. The feasibility study includes four main chapters: Market, entrepreneurial team, technological risks, financial framework. The capabilities of the entrepreneurial team are considered, without denying the importance of the other three aspects, as the most critical part. In the second phase the firm, recently created, needs financial resources to demonstrate its “viabilidad” or feasibility. In this phase the CDTI offers “seed capital” (maximum of 300.000 Euros and 70% of the investments) free of interest and without requiring special guarantees. The firm has to pay back annually 20% of its cashflow if it is positive. In the third phase the CDTI promotes the involvement of risk capital enterprises in the development of the firms. The CDTI offers the investors credits of up to 50% of the money invested in newly created technology based firms (NEOTECH) enterprises free of interest and a payback period of seven years.

A2 Investment in business start ups

The European Investment Bank (EIB) facilitates the funding of investments which promote balanced development of Community and European integration. EIB provides Global Loans through Financial Intermediaries operating at national, regional or even local level. The loans are used to support small and medium sized investments made by SMEs. This decentralised procedure enables the EIB to focus assistance as closely as possible to the local needs. The EIB adopted guidelines in 1997 concerning a three year programme, the "Amsterdam Special Action Programme" (ASAP) aimed at the development and reinforcement of the financial structure of SMEs, which includes a section devoted to SMEs active in the new technology field. The initial allocation of this fund -18 million Euros- was covered on a fifty-fifty basis by the ICO and the EIB. The implementation of this programme is carried out by “Participaciones Empresariales SA (AXIS). During the year 2000 a total of ten investment projects were presented (EURO-ICO line), of these, 9 were approved and 1 withdrawn, due to the lack of interest on the part of the promoters.

There are several general organisations –or associations- involved in the investments in business start-ups. One of them is the **regional business and innovation centres** (most of them with incubation units). They offer potential and existing entrepreneurs the full range of services necessary to launch their projects and to turn them into stable and innovative enterprises. The BIC (members of the Spanish National BICs Association) aims to stimulate and encourage the creation and/or development of innovative enterprises. Such centres offer services for start-ups and often are involved in the search for financial support, mostly based on existing support schemes launched by other institutions (like NEOTECH) but sometimes financed by their own funds. Other important players for the creation of firms are the **business angels** who are private persons who provide venture capital or offer business experience. Business Angels often have a business background, they are often experienced managers and entrepreneurs. So, they often provide advice on management and starting-up a business. Investments are generally between EUR 75,000 and EUR 750,000. (More information European Business Angel Network - EBAN)

As mentioned above, the “Comunidades Autónomas” also created organisations and measures that offer support for the creation of firms. Sometimes, they have special organisations, such as investment funds, BIC or incubators, that are included -or not- in the Regional Development Agencies and similar organisations. In other cases, the regional public administrations are in charge of the promotion of the creation of firms.

EIF European Technology Facility - Start-up is created to assist the establishment and growth of innovative SMEs through the increased availability of risk capital throughout the EU. The EIF will not directly invest in companies but supports specialised venture capital funds, in particular smaller or newly established funds, funds operating regionally, funds focused on specific industries or technologies and funds financing the exploitation of R&D. Applications to the EIF should therefore only be made by or on behalf of a venture capital fund. Investments will only be made in businesses with fewer than 250 employees, with net assets not exceeding EUR 27 million and a turnover not exceeding EUR 40 million.

The European Seed Capital Scheme (Spanish association for capital inversion) stimulates the creation of start-up capital funds. It supports starters by increasing the availability of equity finance. Typical projects eligible for support are those with a relatively long development phase, often involving new technology. The funds also provide services such as financial planning, advice on further sources of finance, market analysis and business strategy development. At the end of 1998, the Seed Capital Pilot Project II (CREA) was launched. This project covers a new area open to small business only (max. 50 employees) and the financing of transfer of enterprises (budget: 8 million Euro for 3 years).

A3 Incubators and business centres

The business incubators integrated in the Spanish network for business incubators and development agencies (**ADELA**) offer a broad range of support measures depending on each incubation unit. As a minimum, all incubators provide logistical support through office space and secretarial support. Services can include factory space, counselling, common facilities, information, training, **finance** and a wide range of other services.

A4 Guarantee facilities

The European Investment Fund SME Guarantee facility supports the investment activity of innovative SMEs through loan finance. Guarantees are normally limited to 50% of the investment cost and are priced according to the perceived risk. The fund usually provides guarantees to a group of firms, agreed with financial intermediaries, rather than giving a direct guarantee for an individual SME. The risk covered by the facility must be additional to the risk the intermediary would have underwritten in the normal course of its business, for example enhanced access to debt finance for start-up companies through less stringent eligibility criteria. The SMEs cannot have more than 100 employees. Guarantees will normally be provided free of charge.

The Mutual Guarantee Societies provide an additional source of finance for SMEs through mutually owned funds. Many mutual guarantee organisations exist throughout Spain. Subsidy of up to 80% of the investment cost is based on the number of jobs created and the size of the total investment (with a maximum of 100,000 Euros grant per project). The enterprises considered for aid must have at least 60% of their capital in the hands of young people.

A5 Employment related support for business start-ups

As a final aspect it is worth mentioning some employment related support schemes, such as Employment related support schemes, the subsidies on payments to Social Security (A5.1), or economic aid for the creation of jobs (A5.2). Here we only present a few examples. As can be seen in appendix two there is a high number of such initiatives are developed by regional governments.

3.B.- INNOVATION

In relation to the promotion of innovation and R&D activities the Spanish government developed in the last decade, as in most other European countries, a broad range of financial instruments. A large number of agents, central and regional ones, are involved. As commented in the introduction to this document, the Spanish political system is involved in a decentralisation process, not only by transfer of responsibilities from central to regional administrations but also by a more active role of the Comunidades Autónomas. Most regions take initiatives to develop their own R&D plan and other measures to promote the improvement of the regional innovation system. It has to be said however that most of them are copying existing R&D programmes and instruments on a national or European level (Heijs, 2001). Moreover, most of the instruments developed by national administrative organisations enjoy the collaboration of regional¹¹ and local institutes for their implementation. A last remark that can be made is the continuous changes in the names of the support schemes and restructuring of the existing system. The political responsibility for a large number of the measures changed continuously from one ministry or public agency to another. These changes were not always based on rational decision making process but often depend more on political power struggles between several administrative units.

In recent years “they” (policymakers and public opinion (newspapers television etc.) created confusion about the concept of technologies and innovation narrowing the definition to the “new technologies” of information and communication. The official message is/was that if you do not participate in those technologies your firm will not survive and those technologies are presented as a “panacea” or solution for all your problems. Maybe some instruments related to innovation are too focused on these “new technologies”. However important they are, the truth is that they serve for some problems but they are not the overall solution for the problems that SMEs could have. New material, R&D etc. are also important

Daniel de la Sota Rius
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In this section I will present first some institutes and measures specially developed for SMEs and after that I will analyse the more general policies accessible for SMEs

- Creation of New Technology Based Firms
 - NEOTECH (A1.2)
 - European Investment Fund (NTBF) (A2.1)

¹¹ When we talk about regional level the “Comunidades Autónomas” are meant except where indicated

- CDTI action lines (B1)
 - Technology Promotion Projects (B1.1)
 - Technology Innovation Projects (B1.2)
 - Concerted Industrial Research Projects (B1.3)
 - Technology Development Projects (B1.4)
 - Grants for assistance in the preparation of proposals (B1.5)
 - Financing Facility for Technological Innovation Line of financing CDTI-ICO (B1.6)
- National plan for R&D (2000-2003) (NP-R&D - B4)
 - Concerted and Co-operative industrial R&D projects (B4.1)
 - PETRI Programme: Projects for Encouraging Research Results Transfer (B4.2)
 - IDE Action to support the placement of doctorate holders in enterprises (B4.3)
 - R&D Projects of National Programmes (NP's - B4.4)
 - Special Actions of National Programmes (B4.5)
 - Special Actions of the OCYT (B4.6)
- Other support measures
 - Línea PYME; Financing Facility for the Small and Medium-Sized Enterprises (B2)
 - ARTEPYME II: Subsidies for projects of advanced telecommunication services for SMEs (B3)
 - Networks of Innovation Supporting Interface Organisations (PSE-SME - B5, E1)
 - National Innovation Company (ENISA - B6)
 - INFO XXI. The Inform@tion society for all (B7)
 - Fiscal incentives for R&D&I activities (at the end of this section)

Measures specially developed for SMEs

The “**SME Initiative for Industrial Development**” (1997-1999) and its follow up programme “**Plan for Consolidation and Strengthening the Competitiveness of SMEs**” (PSE-SME; 2001-2006) included several measures focused on the promotion of innovation and R&D in SMEs. **The financing programme** pursued a significant mid-term impact in the financial structure of SMEs and included objectives such as promotion and clustering and co-operation for innovation and strengthening the research in companies. Multi-sector oriented, its main objectives were to ease the access of SMEs to sources of financing, reducing their cost and improving the financial structure of SMEs. To this end the Financing Programme has three lines of action: Guaranteed loans for investments, Participatory loans, and financial restructuring loans (see appendix I: E2.1 - E2.3). Another subprogram of the PSE-SME devoted to the improvement of the Spanish innovation system is the **Network of Innovation Supporting Interface Organisations** (Redes de apoyo a la innovación y organismos de interface). This is aimed at the improvement of innovations networks.

The programme **ARTEPYME II**¹² offers subsidies for projects of advanced telecommunication services for SMEs. This measure is under the initiative INFO XXI “The Information Society for

¹² Information Source/Reference: Official Bulletin of Spanish Government (B.O.E. No. 46) of February 22 2001.URL: <http://www.setsi.mcyt.es>

all”. Its main goal is to encourage the use of telecommunication technologies and e-commerce by SMEs. The programme finances projects for the adoption of new technologies and the introduction of products in the market through tele-matic instruments. Its main objective is to improve SMEs’ competitiveness in organisation and production systems through the modernisation of their technologies. In order to promote the Information society in Spain and to spread the use of new technologies, the Government has developed several actions. Communication technologies have been a priority area in research carried out by universities and public research centres. In relation to research and development, several previous measures have existed. In 1984 the National Electronic and Informatic Programme (PEIN), inside I R&D National Plan, was launched. This programme has been continued in all R&D National Plans and is accessible to all kind of firms not only SMEs

As already indicated in section 1, the Spanish **Official Credit Institute (ICO)** offers financing action lines specially developed for SMEs. The **SMEs line** that provides low interest loans (euribor + 0.50) to finance investment projects (also R&D) of Spanish SMEs and the BIT-line is especially focused on Innovation and Technological Development. The main objective is to provide Spanish SMEs with finance to carry out research projects focused on the development and improvement of products and production processes. The investment in fixed assets is related to concerted technology development and innovation projects previously selected by CDTI. As in most of the ICO measures, the banks and savings banks are involved in the process of selection and in this case the CDTI has an important role in the evaluation and selection of the projects presented.

B2 General measures available for SMEs

As already mentioned, the most important organisation related to the policies aimed at private R&D within enterprises is the **Centre for technological and industrial development (CDTI)**. It is a Public Business Institution dependent on the Spanish Ministry of Science and Technology which promotes innovation and technological development carried out by Spanish companies. Its financial support is aimed at financing R&D projects, participation in international research programmes and international transfer of technology. The financing is channelled through interest-free loans. CDTI assesses and finances R&D projects developed by companies –regardless of their activity field and size. The budget for projects financed by CDTI usually ranges from 40 to 250 million pesetas approximately. This amount includes fixed assets (laboratory, pilot plant, etc.) staff working on the project, equipment, and other costs involved. The CDTI classifies these technological projects into four types: Technology Development Projects, Technology Innovation Projects, Concerted Industrial Research Projects and Technology Promotion Projects¹³.

The financial support offered in the form of “**Technology Development and Technology Innovation Projects**” promotes applied research activities developed in enterprises. They may involve the creation and improvement of a product or productive process (Technology Development Projects), or the incorporation and adaptation of emerging technologies to the companies’ needs (Technology Innovation Projects). The **Concerted Industrial Research Projects** are aimed at pre-competitive research initiatives (those whose results are not saleable at first and have high technical risk) and one of the requirements to obtain support is co-operation. These projects are presented by industrial companies, who have to pay back the interest free loans, and developed in collaboration –on a contract basis- with Universities, Public Research Centres

¹³ Source of information: CDTI documentation (leaflets, Summary of activities 2000). CDTI Website (<http://www.cdti.es>). or Science and Technology Ministry website (<http://www.mcyt.es>)

and / or Spanish Innovation and Technology Centres. **Technology Promotion Projects** are support tools for transferring the technology developed by a company.

The selection criteria include the companies' technical capabilities to develop a project, their financing capabilities. The financial support, offered by the CDTI, consists of interest-free credits, that cover up to 60% of the total budget for the project. CDTI only supports projects that are technically and economically feasible, but it does not demand real guarantees from the company for granting these credits. This financing comes from the Centre's own resources, state funds and the European Regional Development Fund (ERDF).

Financing tools

	Interest rate	Period	% of the budget
Technology development and innovation projects *	0%	5 years	50%
Projects related to international programmes	0%	8 years	60%
Concerted Industrial Research Projects	0%	6-8 years	60%
Line of financing CDTI-ICO	euribor -1	5-7 years	70%

* 7 years and up to 60% in case of multi-objective projects

For the Concerted Industrial Research Projects, the aid is divided into two different parts: **A non-refundable amount:** it covers up to 20% of the budget that can be financed. (This amount is allocated to finance part of the contract between the company and Universities, Public Research Centres and / or Spanish Innovation and Technology Centres). **A refundable amount:** credits at an interest of 0% to complete up to 60% of the amount of the project that can be financed. In Concerted Industrial Research Projects the initially foreseen period of six years to refund the credit can be increased up to a maximum of eight years. These credits include a technical risk clause by which, in the event of a project failing to achieve its technical aims, the enterprise will be exempt from reimbursing the total amount of the loan.

Besides those projects, **the CDTI grants funding for assistance in the preparation of proposals for taking part in Framework Programmes** and of technological supply offers to be presented to CERN and ESRF.

The **National plans for R&D** were basically focused on the improvement of the scientific part of the innovation system. The largest part of the funds was destined to the public research system (universities and public R&D centres) and the improvement of technical infrastructure. This latter plan, however, includes the instruments and measures of PROFIT, focused on the support of enterprises. They added another "I" to the name of the plan called nowadays **National plan for R&D&I**. However, in the short term this organisational change is more a formal one without important changes in the individual programs and without a real improvement in the co-ordination between programs.

The traditional concept of the National Plans for R&D (The first one was launched in 1988) included only a few measures to promote R&D in enterprises accessible for SMEs. The most important are the **Concerted and Co-operative industrial R&D projects**. Actually these are part of the **Programme to Encourage Technical Research (PROFIT)** included in III R&D&I National Plan (1996-1999)¹⁴. Therefore, the research projects are evaluated taking into account the scientific priorities established in this plan.

¹⁴ Information Source/Reference : Public call for proposals published in Official Bulletin of Spanish Government (B.O.E.) on February 13, 1997 (concerted projects) and on April 25, 1997 (co-operative projects). Web sites: www.seui.mec.es; www.cdti.es; www.seui.mec.es; www.cdti.es

As already mentioned when I commented on the CDTI support schemes, this type of instrument supports projects is based on co-operation between companies and universities or public or private research centres and Technology Centres. **Concerted projects** promote collaboration among companies and universities or Public research centres and **co-operative projects** promote collaboration among companies and Innovation and Technology centres. This instrument has a multisectorial approach and has three main objectives: 1) improvement of the financial system for innovation; 2) improvement of the transfer of technologies from the research system to enterprises; 3) promotion of co-operation between research institutions, universities and companies". The measures are intended to have an immediate impact on the R&D activity in the supported company and a long-term impact in the establishment of relationships between companies and Public Research Centres.

Applicants must be companies, which will develop a research project in co-operation with public or private research institutes. The grants must be requested by the Ministry of Science and Technology and a financial commitment between Public or Private Research Centres and Companies is required. The agreement will establish the conditions in which the collaboration will be developed. Companies will be legally established and will have adequate research capacity. The National Agency for Prospects and Evaluation should evaluate proposals and the CDTI evaluates and controls the intermediate and final results. Companies selected will receive grants, which will be reimbursed by companies at the end of the project. The grants will be reimbursable by companies. As a general rule, grants will be reimbursed in seven years (equal amount each year). One year will be added in the following circumstances: if there is an SME in the project, if the company is established in an Objective 1 region, if the project is included in EUREKA or IBEROEKA programmes. Grants will be reimbursed in ten years as maximum. The total reimbursable-grant will be a maximum of 50% of the total project budget. In the case of SMEs, the reimbursable-grant will be increased up to 60% of the total project.

An official study pointed out that 66% of projects are developed by SMEs (companies with fewer than 250 employees). These companies receive 53% of public funds for concerted projects and 65% for co-operative projects. Companies with between 51 and 500 employees are the most active.

Another measure of the National R&D&I plan is the **PETRI Programme: Projects for Encouraging the Transfer of Research Results**¹⁵ (Programme PETRI (Programa de Estímulo a la Transferencia de Resultados de Investigación)). The main goal of the PETRI Programme is to encourage the transfer of technologies and scientific results with industrial application generated in universities, public research bodies and technological centres to companies. SMEs are one of the main target groups of the program. It is based on a centralised bottom-up approach: there are no priority technology areas or sectors, it is a horizontal programme. It is an important measure aimed at making reality the technology transfer between research centres and firms with a long lasting implementation (it has been running for more than 4 years). The annual budget is over 500.000 Euros and the impact of this approach is expected in the mid and long-term time scale. The programme is suitable for multiple priority areas (innovation financing and intensifying co-operation between research, universities and companies) and addresses two areas (innovation financing and improving the uptake of RTD results into innovation). The PETRI Programme was initially a financial instrument of the National Programme for the Promotion of the Science-Technology-Industry System Articulation (PACTI), under the framework of the III National R&D Plan 1996-1999.

¹⁵ Information Source/Reference: Official Bulletin of Spanish Government (B.O.E.) of 13.06.95; URL: <http://www.seui.mec.es>

This programme began in 1995 and it has been running for more than 6 years. This action is implemented through the development of a pre-competitive project aimed at the adaptation of the original technologies or research results to the needs of the company. The holders of the research results/technologies receive the funds, while the companies are required to show a financial commitment. *The holders of the scientific results/technologies (universities, public research bodies and technological centres) must submit the proposal. Although these organisations will be the funding receivers the firms are indirectly the ones who benefit.* An agreement or pre-contract between the technology holders and the technology receivers must be concluded and sent with the proposal, as a way to show the financial commitment of the company. The delivery of the measure is based on direct funds on application. Proposals are evaluated by the National Agency of Prospects and Evaluation following the criteria established in the call for proposals. The management, administration and monitoring of the projects financed under the **PETRI Programme** is carried out by the Innovation Support Unit of the General Secretary of the National R&D Plan. The programme foresees a final evaluation of the project development and at present it is a part of the PROFIT programme.

Another subprogram of the National R&D&I Plan is the **IDE Action to support the placement of doctorates in enterprises**. The IDE Action is a financial instrument of the National Programme for the Promotion of Science-Technology-Industry System Articulation (**PACTI**), under the framework of the III National R& D Plan (1996-1999). There are no priority technological areas and it does not focus on any sector. The call is continuously open. The main objective is to promote innovation in Spanish enterprises by placing highly skilled personnel whose main tasks are to launch an innovative process, to support already existing innovative activities or the launching of new ones.

The R&D Projects of National Programmes (abbreviated as NP) is a financial instrument for R&D projects, under the framework of IV National Plan for Scientific Research, Technological Development and Innovation. Its aim is to promote co-operation between Research Technology Organisations (RTO) or Universities, and Companies. The measure will give financial support to collaboration and technology transfer through R&D projects *in consortia*. This measure should support the drawing up of projects and strengthen the relationship among the various actors of R&D&I activities, seeking the complementary among them. The IV NP consists of several National Programmes basically defined by scientific-technological areas, and supports basic and applied research projects. The several national programmes are:

1. Food,
2. Environment,
3. Biotechnology,
4. Industrial Design and Production,
5. Materials, Chemical Processes and Products,
6. Natural Resources,
7. Agrofood Resources and Technologies,
8. Information and Communication Technologies,
9. Socio-economic Research.

GENERAL FRAMEWORK OF THE FINANCIAL SUPPORT
OFFERED BY THE NATIONAL PROGRAMMES

Each National Programme defines its technological priority areas in the top-down centralised approach of the NP. There are four modalities or types of actions supported:

- P1 Modality. Scientific areas of non-targeted basic research Duration of these projects: 3 years.- **Basic R&D projects developed by non-profit organisations, where the limit is 65% of the allowed costs**
- P2 Modality. Targeted basic research related to objectives of National Programmes. Duration of these projects: 3 years
- P3 Modality. Applied research related to technological objectives of National Programmes. It supports among others **Applied R&D Up to 35% of the allowed costs in their part of the project** The support of firms is a requirement to submit a proposal. Maximum duration of these projects: 3 years
- P4 Modality. R&D Co-operation Projects among Universities or Research Technological Organisations and Companies. Maximum duration of these projects: 3 years.

Universities or Research Technology Organisations must submit the applications, and they will be the receivers of the funds. An agreement between the receivers and the companies must be signed in order to show the participation of the companies. This agreement must be included in the proposal. The National Evaluation and Foresight Agency (ANEP) and the Centre for Industrial Technological Development (CDTI) following the criteria of the call to evaluate the proposals: - technological priorities- participation of SMEs. The administering agency audits the expenditure and evaluates the results of the project. Some of the programmes are managed by the national Institutes (such as the National Institute of Agriculture and Food Research in charge of NP 1 and 7)

Information Source/Reference National Plans: Official Bulletin of the Spanish Government (BOE) no. 58 of March 8 2000 <http://www.seui.mec.es>. Applied research projects : Official Bulletin of the Spanish Government (BOE) no. 29 of February 2 2001 URL: <http://www.mcyt.es>. Environment programme; Official Bulletin of the Spanish Government (BOE 8/3/00) www.itge.es. National food programme : Official Bulletin of the Spanish Government (BOE): number 130, of May 31 2001. More information on URL: <http://www.inia.es>

The introduction of the concept of consortia to carry out R&D projects is the outstanding aspect in comparison to previous measures such as the PETRI and the Concerted and Co-operative industrial research and development projects. The definition of consortia is taken from the implementation of Framework of EU RTD. The administering agency is the State Secretary of Education, Universities, Research and Development, which contributes to the project with 100% of additional costs of RTO and Universities and a maximum of 35% of the total budget of firms. In some NP the large firms can only have 25% of their budget financed.

Other measures of the National Programmes include **the national R&D&I Plan which also covers Special Actions of National Programmes**¹⁶, whose main goals are to:

- Promote the participation of Spanish groups in international scientific co-operation programmes, with special reference to the EU R&D Framework Programme.
- Support the thematic networks in which various actors of the S-T-E system participate, with the aim of promoting co-operation among actors and facilitating the exchange and transfer of knowledge.
- Promote the organisation of conferences, seminars and one-day events in Spain, especially those with an international character
- Creation of databases of biological materials.
- Promote the dissemination of scientific and technological advances in society.

¹⁶ (Information Source/Reference: Official Bulletin of the Spanish Government (BOE) no. 149 of June 22 2001. More information on: <http://www.mcyt.es>).

Similar are the **Special Actions of OCYT**¹⁷ (Acciones Especiales de la Oficina de Ciencia y Tecnología, OCYT). This new measure introduced in 2000, includes other ways of supporting the activities of the NP and, in general, of the Science-Technology-Enterprise System (S-T-E System), which do not fit in with other measures and that refer to specific actions such as the following:

- Diffusion of results, in order to inform society and the business sector of the Spanish capability in research, in generation of technology and in the solution to daily problems
- Studies related to the S-T-E System, which allow a deeper understanding and analysis of the different aspects of this system
- Support to the international promotion and transfer of technology, with the aim of internationalising Spanish technology by means of its promotion and commercialisation abroad.

A relatively new initiative is the "**INFO XXI. The Inform@tion society for all**" This is a strategic initiative of the Spanish Government aimed at implementing an Information Society in Spain, in order that its citizens and enterprises can take part in its development and take advantage of its potential to improve social cohesion, quality of life and work and economic growth. The objectives of the initiative are to ensure the access of all citizens to information technologies, providing the appropriate infrastructures and legal framework to facilitate the establishment of the Information society, the development of e-commerce and the presence of Spanish companies in the global marketplace. In relation to research and development, several previous measures have existed. In 1984 the national Electronic and Informatic Programme (PEIN) was launched, within the I R&D National Plan. This programme has been continued in all R&D National Plans. The **INFO XXI** has the following priority lines: 1. Education and training. 2. Creation of employment. 3. Increase in innovation. 4. Increase in efficiency of public administration and enterprises. 5. Social cohesion. 6. Improve in the quality of life of citizens. 7. Promotion of Spanish culture. In addition there are some key factors or necessary conditions to ensure viability of acts relating to priority lines. These factors are: 1. Infrastructures. 2. Appropriate laws. 3. Participation of companies. 4. Public awareness¹⁸. Applicants must be legal non profit-making entities (public or private), with the main task of providing services to improve SMEs' competitiveness. Projects must be in accordance with the following objectives

- viability studies for carrying out actions to encourage SME adoption of new information technologies and advanced services
- promoting the use of advanced services by SMEs through different actions such as seminars, training for managers and users, promotional materials
- encouraging an Advanced Telecommunications Service Centre to meet demands from SMEs
- best practices to demonstrate technical viability of advanced services to satisfy SMEs' needs.

The measure is delivered through public tenders of competitive grants. Proposals will be evaluated according to the number of SMEs involved, viability of project and innovative character. The evaluation process is expected to last about six months. The Ministry will finance up to 60% of the allowable costs of the project. Promoter entities must finance at least 40% of the eligible costs of the project. This measure is continuously open, proposals can be sent at any time until 2006.

¹⁷ (Information Source/Reference : Official Bulletin of the Spanish Government (BOE) no. 58 of March 8 2000 More information on: <http://www.cicyt.es>)

¹⁸ Information: Report is available on internet: <http://www.setsi.mcyt.es>.

Another kind of instrument to promote innovation is the **fiscal incentives for R&D&I activities** (Incentivos Fiscales para actividades de I+D+I)¹⁹. A number of measures have been introduced in the year 2000, which modify the conditions of the tax headings and the sums that can be deducted from **Corporation Tax Law**, with the aim of **stimulating the undertaking of R&D&I activities** by the productive sectors. The Law on Fiscal, Administrative and Social Measures associated with the Law of the General State Budgets for the year 2000 and 2001 incorporates improvements in the general regime for R&D and new incentives for technological innovation. The Royal Decree 1622/1992 established fiscal advantages for R&D investments, but did not specify which activities related to R&D are covered by this measure. Later on, the Law of Corporation Taxes 43/1995, 27th December, defined more specifically which R&D activities might be declared as an investment. But this decision rules out innovation terms. Fiscal advantages for innovation are only planned in the Draft Law on Fiscal, Administrative and Social Measures. The modification of the cited measure (Law of Corporation Taxes 43/1995) aims at better defining the conditions of the tax headings and increasing the sums that can be deducted from Corporation Tax Law, with the objective of stimulating the undertaking of R&D&I activities by the productive sectors. Fiscal incentives have been updated and improved since then until 2001, in the yearly State Budget Law.

Improvements in **the general regime for R&D**:

- An increase in the percentages that can be deducted, from 20% to 30%. The deduction allowed for the excess expenses above the average for the previous two financial years is increased from 40% to 50%.
- There is an additional 10% deduction for the costs of research personnel and for projects contracted with Universities, Public Research Bodies and Technology Centres. The resulting percentages are 40% and 60% respectively.
- There is an increase in the joint limit of deductions to 45% of the quota in the financial year, when the deduction for R&D exceeds 10% of the said quota.
- There is a wider understanding of the concept of R&D, which allows deductions for advanced software, prototype development and demonstration models.
- In order to facilitate the application of incentives and to provide them with legal security, the possibility of proposing an application for a binding ruling and of reaching prior agreements with the Ministry of Economic and Finance is included.

New incentives for technological innovation: For the first time, deductions for expenditure on technological innovation are included under the following headings and with the same joint limit.

- A 15% deduction for technological innovation projects in collaboration with Universities, Public Research Bodies and Technology Centres.
- A 10% deduction for the costs for industrial design and engineering for production processes (including the conception and elaboration of plans, drawings, support techniques to define the descriptive elements, technical specifications and the functional characteristics necessary for the manufacture, testing, installation, and utilisation of a product).
- A 10% deduction for the acquisition of advanced technology (patents, licences, know-how and designs) which allow the enterprise to obtain a special competitive advantage.
- A 10% deduction for the expenses incurred in the certification of quality regulations.

The simultaneous coming into effect of the NP and the above-mentioned measures provide an especially favourable environment for R&D&I in enterprises and should give a decisive boost to their investment.

¹⁹ Information Source/Reference : Law 55/1999, 29 December. Official Bulletin of the Spanish Government (BOE 30/12/99), updated in Law 13/2000, 28 December.

The proposals have to be consistent with what the State Agency for Tax Administration defines as R&D and Innovation activities. In this sense, companies may request an ex-ante evaluation of the R&D / Innovation costs related to the project proposed. The State Agency quoted makes this evaluation and the result will be understood as an official resolution.

3.C.- INTERNATIONALISATION

Introduction

Before dealing with the different instruments developed to promote internationalisation I deal with the historical-economic position of the Spanish economy. One of the problems of the Spanish SMEs is the political history of the country. Until the end of the seventies Spain's economy was a closed autarky, economically self-sufficient, and exporting almost nothing. In addition, until the end of the 80's (the entry of Spain into the European Community) the Small and Medium sized Spanish firms did not consider exports as a strategic option to extend their activities. Historically Spanish exports were the part of the production that, unexpectedly, could not be sold on the national market. Although a lot has changed, still a very high number of the SMEs, especially the ones owned by "families" do look on exports as a strange activity.

Although a lot has changed, still a very high number of the SMEs, especially the ones owned by "families" do look on exports as a strange activity. One of the activities of the Chamber of Commerce is to make them aware of the possibilities to export and to convince them that it is a good option.

Moreover the absence of good Commercial Schools", such as those in Italy or France, is an important problem and explains the lack of well educated human capital to develop and implement export strategies.

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Economic Consultant. Chamber of Commerce Madrid

Another problem is the bad image of "made in Spain". Nowadays changes have had positive effects on this image. First the exporters can use "made in Spain" and secondly the European norms and standards for quality and safety (for example ISO-standards) give the opportunity for the Spanish firms with good qualities to differentiate themselves from those firms that do not satisfy such standards.

Instruments and measures

Section I mentioned three main institutes that are involved in the policy development related to the internationalisation of the Spanish firm: the ICO the COFIDES and the ICEX. As already mentioned, mainly two types of financial support can be distinguished. First support to exports such as the activities of the ICEX and the ICO and, second, support to foreign investments given by the ICO and COFIDES.

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- Export related measures
 - PIPE 2000; PIPE 2001 (C1.1)
 - Internationalisation Grant Programme (1st Stage). (C1.2)
 - Reciprocal Interest Adjustment System (C1.3)

- Foreign Direct Investment related measures
 - Company for Financing Development (COFIDES) (C2.1 – D2.1 – D2.3)
 - Financing Programme for Spanish Enterprises’ (C2.2 - D)
 - Development Aid Fund (C2.3 - D)
 - Facility for the Internationalisation of the Spanish SME (C2.4 -D)
 - Investment Project Support Programme (PAPI) (C2.5 - D)

The most important institute that promotes the exports of Spanish firms is the **Institute of Foreign trade (ICEX)**. This institute promotes Spanish products all over the world by organising business trips and international exhibitions (demonstration and promotion), facilitating country specific information to Spanish firms, training (short courses and master programmes) of human capital etc. These “non-financial instruments” are not the main topic of this document. Moreover the ICEX works closely together with the ICO through the implementation of the **Reciprocal Interest Adjustment Contract** aimed at backing up Spanish exports, **the PROINVEX measurement** focused on large-scale projects abroad and with the actions derived from the Development Aid Fund.

Recently the ICEX, together with the Chambers of Commerce²⁰ and the “Comunidades Autónomas”, developed the **“Plan for the Initiation to Foreign Promotion (PIPE 2000)**, which offers a broad range of facilities for firms that want to enter the export market for the first time. PIPE 2000, and its follow up editions, are integral aid programmes aimed at initiating and developing the foreign trade activities of companies in 3 stages: 1st stage: strategic analysis. 2nd stage: design of the internationalisation process. 3rd stage: Initiation of the internationalisation plan. This plan included general services (insurance, simultaneous translation by phone) Special credit lines in co-operation with commercial banks, organisation of special events in Spain and in foreign countries to promote Spanish products, information and training. The basic conditions are a non-returnable subsidy of 80% of the eligible costs. Most actions included in the PIPE 2000 programme are based on existing ICEX activities but in this case specially aimed at the needs and opportunities of SMEs.

PIPE 2000 and its follow up versions are based on a well co-ordinated and consolidated instrument in which Chambers of Commerce, the ICEX and the Ministry of Economics do a good job together. A very positive aspect is the “*self-diagnostic instrument*”. But the other aspects are also well developed. In the case of innovation policy there is a clear lack of such co-ordination and co-operation, both at national and regional level. For example in the case of the Community of Madrid a power struggle exists between the two involved “conserjerias”.

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Director of innovation and new technologies

As already mentioned, the **Official Credit Institute (ICO)** has several action lines geared to the internationalisation of firms which can be included in both types of support measures to promote

²⁰ Among other support activities the Chambers of Commerce offers scholarships to train young people for "international commerce"

the internationalisation of Spanish firms. The lines that support the foreign investment are: The line of Internationalisation of Spanish SMEs and PROINVEX programme –developed together with the ICEX- focused on large-scale projects abroad. While the action of the Reciprocal Interest Adjustment Contract is aimed at backing up Spanish exports.

Foreign Direct Investment related measures are to a certain extent connected with venture capital measures (section 3D). One of the main players in this field is the Investment funds of the Spanish Finance Company (Compañía Española de financiación del desarrollo - COFIDES) which is a partially state-owned corporation established to foster direct investments by Spanish companies in developing countries in order to contribute, cost-effectively, both to the industrial development of such countries and to the internationalisation of Spanish business. With shareholder equity in excess of 7,200 million pesetas to meet this aim, COFIDES likewise draws on its proven capacity to mobilise funding from other sources for projects of this nature, the skill of its team of highly qualified professionals and the support of its shareholders. COFIDES provides its clients with integral support in all stages of private investment projects carried out by Spanish companies in any developing country or emerging or transition economies in Africa, Asia, Central and Eastern Europe or Latin America. In this regard, COFIDES:

- **Advise** Spanish companies intending to undertake investment projects in the above countries on the most suitable financial design for their projects.
- **Obtain** funds from different sources to provide financing, under special terms, for Feasibility studies and actions, training, technical and management assistance.
- **Finance** directly or indirectly productive and commercial investments made by Spanish companies in the above countries through minority and temporary share capital holdings and medium - and long-term ordinary or equity loans.
- **Mobilise** funds available through the European Union, Multilateral Financial Institutions, other national Development Finance Institutions, its shareholders or local banks for the projects in which it is involved.
- **Offer** its clients its experience, gained over ten years of conducting business in the field as well as from its direct involvement in more than 200 projects supported in 41 different developing countries.

COFIDES is in charge of three funds for fostering Spanish investment abroad, set up by the Spanish government at the end of the 90s. One of them is specially designed for SMEs:

1. Fund for Guarantees on financing of Investment Abroad (GIEX - D.2.1)
2. Fund for Investment Abroad (FIEX - D2.2)
3. Fund for Investment Abroad for SMEs (FONPYME - D.2.3)

The GIEX is a guarantee fund. The FIEX offers support for short-term minor investments of firms located outside Spain. The funds complement the investments made by the corresponding company. This fund had, in 2001 20.000 million pesetas and the executive Committee may approve operations of up to Ptas 25,000 million in 2001. In addition, the FONPYME offers support for short-term minor investments of firms located outside Spain. But in this case the Fund invests together with the SMEs in foreign firms. The importance of this relatively new instrument is still unknown. COFIDES does not take part, except in exceptional cases, in the operational management of the foreign firm nor may it acquire a majority holding in it.

3.D.- VENTURE CAPITAL²¹

The role of the public sector in the Spanish equity capital market has diminished clearly since the beginning of the 90s. In that time the Public Investment Funds financed about 40-50% of the equity capital. In 2001 this participation declined to 9% (José Martí, 2001 www.webcapitalriesgo.com). The Spanish public sector, as a player in the venture capital market, was based on the creation of public investment companies (in the seventies), mostly created by regional governments; the design of the legal framework for venture capital (launched, for the first time, in 1986); and some support measures, especially tax incentives (launched in 1999).

As mentioned in the introduction, the business base of Spain is dominated by SMEs. There are almost 2.4 million SMEs comprising 99% of the country's registered businesses. Of this total 95% can be categorised as "micro-businesses" i.e. employing fewer than 10 people. 73% of employees work in SMEs. Sources of finance are predominantly from personal, family and retained profits and bank loans. Other forms of finance, although still relatively scarce are steadily becoming more important and a more readily available source of external finance particularly for larger, established businesses. Venture capital and grant aid are not common (website www.eban.org).

SUPPORT SCHEMES OR INSTRUMENTS FOR RISK CAPITAL

- SME 2000 credit line (D1)
- Fund for Guarantees on financing of Investment Abroad (GIEX) (D2.1 (E))
- Fund for Investment Abroad (FIEX) (D2.2)
- Foreign Investment Operations of Small and Medium sized Companies (FONPYME) (D2.3 E)

We have to distinguish between financing at the early stages of the business and at the growth stage. The structure of finance provision for SMEs at the beginning of their economic life relies mostly on the personal financial sources of the entrepreneur and his/her family. The second most important source is Bank Lending (loans and leasing). An established company would depend on retained profits and secondly the company would ask for banking finance. The next financial source would be personal or family resources with preferably external shareholders (Business Angels or more rarely, venture capital funds). Most of the companies are either the creation of entrepreneurs or are inherited family businesses, and in either case there is a strong reluctance to yield or dilute control. Nevertheless the failure to give equity a higher priority reflects the general idea that equity capital is in short supply and difficult to obtain. Use of European, regional, countrywide or local grant aids depend on the area where the company is located. Due to the existing limits to their aid, they do not often play an important role in the financial structure of SMEs. With the exception of the companies in Objective 1 regions and the projects located in eligible areas, grant aid is a minor financial source". Most types of businesses experience some difficulties in accessing their external finance. In particular start-ups and early stage businesses and those specialising in the R&D and technology fields are likely be worst affected (taken from the website www.eban.org).

One of the most important legal constraints for SME in sourcing finance is the ban on investing in unquoted companies for IICs (Collective Investment Institutions). The Spanish Government however, changed this legislation in 1997 and IIC's may invest up to 10% of their funds in unquoted companies". Culturally Spain has not had a pro-enterprise culture until recently;

²¹ This section is fundamentally based on two sources: the website of José Martí (2001 www.webcapitalriesgo.com) and the website of the European Business Angel Network - (www.eban.org/pays/esp.html#a)

"Traditionally the political and economic culture in Spain has been less pro business than in other countries". As business profit was perceived as a capital income instead of a remuneration to compensate for risk-taking, entrepreneurs were reticent about innovating and investors were unwilling to support their initiatives." Furthermore, there is concern amongst entrepreneurs about the loss of control of their businesses if they allow a private investor to become a shareholder. There is no financial services legislation that would constrain the existence of a network introduction service. "In my opinion there will not be any constraint to a formalised network. Of course the network would have to be able to guarantee the safety of the information received from the company and the potential investor" (website www.eban.org).

Besides the venture capital companies promoted by public administrations another **important instrument is based on the legal and fiscal environment**. Under the new regulation (Ley 1/1999), many investors are entering the field, seeking access to the tax incentives that are applicable to registered venture capital investors. The main achievement is the stable and positive private equity legislation it has afforded the industry.

The basic fiscal incentives are as follows:

- Dividends received from investment companies are 100 percent tax exempt for corporate investors.
- As long as divestment takes place between years 2 and 12, taxes on capital gains earned from investment companies are reduced by 99 percent.

Government authorities are increasingly interested in developing a suitable competitive framework for small and medium sized businesses. They are designing a programme aimed at increasing investments in technology start-ups. It will consist of leveraging an important portion of investments made in high technology investments.

- Long term capital gains are taxed at a fixed 18 percent rate in the Personal Income Tax since 2000.
- Domestic Mutual Funds are authorised to invest up to 10 percent of their assets in unquoted companies since 1997.

There is no formal Business Angels network in the country although investment by private individuals does take place. No records are available as to its extent or frequency. "The term "Business Angel" is not familiar to businesses, nor to financial institutions. Nevertheless, private investment in SMEs does exist and it is probably more important by amount and number of companies than venture capital investment. In Spain, most of the private savings are geared to IIC (Collective Investment Institutions,) and although some of them invest in the stock market, they are not allowed to buy shares of unquoted companies.

There exist BUSINESS ANGELS and they are doing well but the problem is "as in the case of all "angels" they are hard to find.

Daniel de la Sota Rius
Confederación Empresarial de Madrid (CEOE)
Director of innovation and new technologies

Banks, personal contacts and accountants are recognised as the usual method by which entrepreneur and potential investors can be introduced.

"There is a service called "ARC" that operates in some regions (Cataluña, Aragon, Madrid and Andalucia). The service is supported by regional Governments and in the case of Cataluña also

by the Barcelona Stock Market. In Aragon the service is provided by the IAF. The aim of ARC is currently to establish contact between businesses seeking capital and professional investors (venture capital firms, investment banks, ...). In Aragon, the service will be opened in the near future to private investors. They will be able to pick up on the Internet brief information about the businesses looking for finance. If they are interested in a profile, they will only have to contact the institution that provided the service in that area to obtain more information or an interview with the company. IAF is also preparing a special service devoted to start-up businesses in Aragon". (Source: <http://www.eban.org/pays/esp.html#a>)

Other public support measures were already indicated in part A of this section where I described the support for the creation of firms by institutions like the European Investment Fund (**especially the EIF SME Guarantee facility**) the European Investment Fund and its support for **New Technology Based firms**) or the support schemes like the European Seed Capital Scheme (**Spanish association for capital inversion**)

However, the implementation of the support measures for risk capital is often criticised. Officially, the amount of investment is not a "criterion" to decide which projects are financed by public programmes for risk capital. However, projects with a low budget, fewer than 300.000 to 600.000 EUROS will not be financed due to the fact that the public administration considers the cost to evaluate and analyse such projects too expensive. So most private and public suppliers for "risk capital" ignore the possible creation of small firms. For the new technology-based firms there is generally no problem to obtain "risk capital". In the case of the innovation policy, the problem is not the financial instruments. The most important problem is the lack of "innovative culture" and the lack of well-educated "human capital" with a broad and clear concept of innovation. Moreover, there is the wrong concept of innovation in some of the supposed "non-innovative firms".

Despite the incentives of the new regulation, most funds raised from outside investors are set up through offshore investment vehicles which seem to be more comfortable for them.

José Martí, 2001
www.webcapitalriesgo.com

The support for risk capital and creation of new firms is not well developed because they implicitly require a minimum threshold of investment. In fact the risk capital policies for SMEs are more generally image making measures than SME focused policies.

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3E OTHER TYPES OF FINANCIAL SUPPORT MEASURES

In this subsection two types of support measures are included. The first group are those measures that offer a broad range of subprograms of which most are not easily classifiable, such as the Plan for Strengthening and Competitiveness of SMEs (PSCS) and the SME Initiative for Industrial Development (SME-IID). Many support schemes can be used for more than one objective. The second type of support measures are those whose objectives differ totally from the first four classes.

In relation with the “**general support measures**” some of the individual programmes have already been described in the earlier subsections. Others just offer the general way of supporting the firms. Within the group of “**other type of support measures**” accessible for SMEs a large number of different support schemes have been found. Most of them are “regional initiatives although a large number of national or central initiatives were also detected. The support schemes are aimed at different kinds of objectives, such as the protection of the environment, employment policies, development of tourism or the agrarian sector, social policies etc. The diversity and the sometimes “anecdotal” character of the schemes makes it very difficult to give a clear overview of the measures. Therefore I decided to present them very briefly in appendix two of this paper. In this appendix I offer a brief list of the some selected measures in 16 Spanish “Comunidades Autónomas”. More details about the measures can be obtained by the website of the European Commission. For the case of the Basque country I prepared the a third appendix including a short description of a selected group of measures for each of the classes analysed in this paper

So, I offer in this section just a very short description of some of the measures. Technical details can be found in appendix I to III

- **General support measures**

- Plan for Strengthening and Competitiveness of SMEs (PSCS) (E1)
- The SME Initiative for Industrial Development (SME-IID) (E2)
- Participatory loans (E2.1)
- Restructuring financial loans (E2.2)
- Guaranteed loans for investments (E2.3)
- Co-operation between companies. (E2.4)
- Promotion of Information Services for companies. (E2.5)
- Design. (E2.6)
- Financing. (E2.7)
- Support to the System of Reciprocal Guarantees. (E2.8)

- **Other type of support measures**

- **Spain (Numbers refers to appendix I)**

- Financing Facility for Renewable Energy Sources (E3.1)
- Supporting start-up for young farmers (E4.1)
- Supporting the start-up of young farmers (E4.2)
- Promoting local initiatives for employment (E5.1)

- **Basque Country (numbers refers to appendix III)**
 - (E1) Aid Programmes for improving Competitiveness in the SMEs of Alava, PROMECO 2001
 - (E2) SME guarantee mechanism (Initiative for Growth and Employment)
 - (E3) Tax measures for the Purchase of Variable Interest Securities. Gipuzkoa
 - (E4) GAUZATU-Tourism Programme
 - (E5) AFI programme of financial aid for investments in the tourist sector
 - (E6) LEADER + Community Rural Development Initiative
 - (E7) Aid for investments in farming operations. Bizkaia
 - (E8) Aid to help young farmers set up business. Araba
 - (E9) Aid for investments in farming operations. Araba

- **Other “Comunidades Autónomas” See appendix II**

APPENDIX I

BRIEF LIST OF THE SPANISH SUPPORT MEASURES

ACCESSIBLE FOR SMALL AND MEDIUM SIZED FIRMS

Classification of the support measures			Name	Organisations and institutes involved		Short description about aims, criteria of the support and requisites
Aim	Type of support (Credit/subvention/guarantee)	Administrative levels		Organisation that launched the measurement	Procedures and application Formalisation	
A1.1	Credits	Central	Financing Facility for Enterprise Creation	ICO	Banks and savings banks	Investment eligible for finance: up to 70% ; Maximum amount: Pta 100m or € 601.012 Interest rate: Euribor + 0.50 (without SGR guarantee) b Euribor + 0.25 (with SGR guarantee) Terms: 5 or 7 years
A1.2 (B)	Several support schemes	Central	Neotech	CDTI	CDTI/ICO	Supports for feasibility study. "seed capital" (maximum of 300.000 Euros and 70% of the investments) free of interests and without requiring special guarantees. The firm has to payback annually 20% of their cashflow if it is positive. Promotion of the involvement of risk capital enterprises offering the investors credits till 50% of the money invested in new created technology based firms (NEOTECH) enterprises free of interests and a payback period of seven years.
A1.3	Subventions for star-up costs	Regional	Aid projects by young entrepreneurs	Comunidad de Madrid	Comunidad de Madrid	Subsidy of up to 80% of the investment cost, based on the number of jobs created and the size of the total investment (with a maximum of 100,000 Euros grant per project). The enterprises considered for aid must have at least 60% of their capital in the hands of young people.
A2.1 (B)	Venture capital	European/national/regional	EIF European Technology Facility - Start-up	EIF	The individual venture capital funds	To assist the establishment and growth of innovative SMEs through the increased availability of risk capital across the EU .ETF Start-up will not directly invest in companies but exclusively in specialised venture capital funds, in particular smaller or newly established funds, funds operating regionally, funds focused on specific industries or technologies and funds financing the exploitation of R&D. Approaches to the EIF should therefore only be made by or on behalf of a venture capital fund. The investment target will normally be 25% of the venture capital fund, with a minimum of 10%. A maximum amount of EUR 10 million will be invested in any single fund (15 million in justified cases). Investments will be made on equal terms with other equity investors. Investments will only be made in businesses with less than 250 employees, with net assets not exceeding EUR 27 million and a turnover not exceeding EUR 40 million.
A2.2 (B)	Loans for investments	European/national/regional	European Investment Bank (EIB)	EIB	Regional intermediaries	The EIB aims to ensure to facilitate the funding of investments, which promote balanced development of the Community and European integration. EIB provides Global Loans through Financial Intermediaries operating at national, regional or even local level. The loans are used to support small and medium- sized investments made by SMEs. This decentralised procedure enables the Bank to focus assistance as close as possible to the local needs. The EIB adopted in 1997 guidelines concerning a three year programme, the "Amsterdam Special Action Programme" (ASAP), which includes a section devoted to SMEs active in the new technology field. An amount up to 1 billion Euro is allocated to ASAP from the Bank's surpluses.
A2.3	Seed Capital	European/national/regional	European Seed Capital Scheme	Spanish association of capital investment (ASCRI)		Stimulate the creation of start-up capital funds, Support starters by increasing the availability of equity finance .Typical projects eligible for support are those with a relatively long development phase, often involving new technology. The funds also provide services such as financial planning, advice on further sources of finance, market analysis and business strategy development. At the end of 1998, the Seed Capital Pilot Project II (CREA) was launched. This project covers a new area open to small business only (max. 50 employees) and the financing of transfer of enterprises (budget : 8 million Euro for 3 years)
A2.4.	Seed and risk capital	Regional	Business angels (European Business Angel Network - EBAN)	The individual Business Angels	The individual Business Angels	Business Angels are private persons who provide venture capital or offer business experience. Business Angels often have business background, they often are experienced managers and entrepreneurs. So, they often provide advice on management and starting-up a business. Investments are generally between EUR 75,000 and EUR 750,000. There is no formal Business Angel network in Spain although investment by private individuals does take place. No records are available as to its extent or frequency Source http://www.eban.org/pays/esp.html#a
A3.1	Several support schemes		Business Incubators: Spanish network for business incubators and development agencies (ADELA)	Central and regional public administrations	Individual incubators	Vary depending on each incubation unit. As a minimum, all incubators provide logistical support through office space and secretarial support. Services can include factory space, counselling, common facilities, information, training, finance and a wide range of other services.

A3.2.	Several forms of support	Regional	Business Innovation Centres Spanish National CEEIs/BICs Association (www.ances.com)	The individual BICs/CEEIs	The individual BICs/CEEIs	The BICs/CEEIs offer potential and existing entrepreneurs the full range of services necessary to launch their projects and to turn them into stable and innovative enterprises. The BIC aims to stimulate and encourage the creation and/or development of innovative enterprises. Almost all Spanish "Comunidades Autonomas" have such a centre and most of them have an incubation centre.
A4.4	Several measures	Central	Regional incentives to encourage the start-up of enterprises in poor regions of the Ministry of Economic Affairs (MINECO)	MINECO	In the individual CC.AA.	Analysis and Budget programming (DG Analisis y Programacion Presupuestaria) Non-refundable subsidies are available for projected investments. These investments must be approved by the administration. The rate of aid depends on the area, and classifications are made by the General Director for Analysis and Budgetary Programmes. Conditions are as follows: 1) Location of investments in one of the designated areas specified in the corresponding Royal Decree. 2) Investments in fixed assets for new establishments or extensions. 3) Minimum self-financing of 30% of the investment. 4) Employment start-up an/or maintenance. 5) Projected investment must not be initiated prior to the grant application. 6) Viability of the project.
A4.1 (E)	Guarantees for investments	European/national/regional	EIF SME Guarantee facility	EIF	Compañía Española de Reafianzamiento to S.A. (CERSA)	Support the investment activity of innovative or high growth SMEs through increased availability of loan finance. Guarantees available for new investment and/or start-up operations are normally limited to 50% of the investment cost and are priced according to the perceived risk. The fund usually provides guarantees to a group of firms in a form agreed with each financial intermediary, rather than giving a direct guarantee for an individual SME. The risk covered by the facility must be additional to the risk the intermediary would have underwritten in the normal course of its business, for example enhanced access to debt finance for start-up companies through less stringent eligibility criteria. The SMEs cannot have more than 100 employees. Guarantees will normally be provided free of charge
A4.2 (E)	Guarantees for investments	Regional	Mutual Guarantee Societies	Central and regional administrations	In the individual societies	Provide an additional source of finance for SMEs through mutually-owned funds. 22 mutual guarantee organisations exist throughout Spain they are member of the la Confederación Española de Sociedades de Garantía Reciproca (CESGAR) http://www.cesgar.es/sgr.htm
A4.3 (E)	Mutual Guarantees	SE 17 of the European Commission	Mutual Guarantee Network exclusively for SMEs	CERSA	CERSA	Take part of the risk already taken by the Mutual Guarantee Companies in their operations Contracts of "counter guarantee" with Mutual guarantee companies
A5.1	Subsidies	Central	Subsidies on payments to Social Security.	INEM	INEM	Support unemployed people to start up a new business as self-employed or within a co-operative of workers. Reduction of Social Security charges by 50 or 100%.
A5.2	Credit	Decentral	Economic aid for the creation of jobs	CA Madrid DG for Work and Employment	CA Madrid	Start-ups which create at least two permanent jobs, and which have investment projects of over 3,000 Euro, can obtain a grant calculated by adding two factors: 1) 5% of the value of the investment, and 2) an amount per job created (up to 6,000 Euro) with a maximum amount of 100,000 Euros payable to any one project

Classification of the support measure			Name	Organisations and institutes involved		Short description about aims, criteria for support and requisites
Aim	Type of support (Credit/subvention/ guarantee)	Administrative levels		Organisation that launched the measure	Procedures and application formalities	
B1	Credits	Central	CDTI: the Centre's own resources, National R&D plan (until 1999) and the European Regional Development Fund (ERDF)	CDTI	CDTI	The CDTI offers interest-free credits, that cover up to 60% of the total budget for the project. CDTI only supports projects that are technically and economically feasible, but it does not demand real guarantees from the company for granting these credits All firms; maximum 70% of the investments; Interest rate: 0%
B1.1	Credits	Central	Technology Promotion Projects ,	CDTI	CDTI	which are support tools for transferring the technology developed by a company.
B1.2	Credits	Central	Technology Innovation Projects	CDTI	CDTI	Applied research; the incorporation and active adjusting of emerging technologies to the company (50% of the budget, 5 years)
B1.3	Credits	Central	Concerted Industrial Research Projects	CDTI	CDTI	Precompetitive research initiatives in collaboration with Universities, Public Research Centres and / or Spanish Innovation and Technology Centres. A non refundable amount: it covers up to the 20% of the budget that can be financed. (to finance part of the contract between the company and co-operation partner. A refundable amount: (interest free, 6-8 years, 70% of the budget)
B1.4	Credits	Central	Technology Development Projects	CDTI	CDTI	Applied research: involve the creation and improvement of a product or productive process (60% of the budget, 8 years)
B1.5	Credits	Central	Grants for assistance in the preparation of proposals	CDTI	CDTI	for taking part in Framework Programmes and of technological supply offers to be presented to CERN and ESRF.
B1.6	Credits	Central	Financing Facility for Technological Innovation Line of financing CDTI-ICO	ICO/CDTI	banks and savings banks and CDTI	Investment eligible for finance: up to 70% ; Maximum amount: Pta 200m or € 1.2m; CDTI aid: Pta 37,000 per million loaned; Resultant rate applicable to end beneficiary: Euribor minus 1 point, after application of aid granted by CDTI; Terms: 5 or 7 years
B2 (D)	Credits	Central	Línea PYME Financing Facility for Small and Medium-Sized Enterprises	ICO	banks and savings banks	Investment eligible for finance: up to 70% ; Maximum amount: Pta 250m or € 1.5 Interest rate: Euribor + 0.50; Terms: 5 or 7 years (see also D6)
B3	Subsidies	Central	ARTEPYME II: Subsidies for projects of advanced telecommunication services for SMEs	MCYT	MCYT	Subsidies for projects of advanced telecommunication services for SMEs This measure is under the initiative INFO XXI "The Information Society for all" . Its main goal is to encourage the use of telecommunication technologies and e-commerce by SMEs. The programme finances projects for the adoption of new technologies and the introduction of products in the market through telematic instruments. Its main objective was to improve SMEs competitiveness through the modernisation of their technologies and to improve SMEs' organisation and production systems.
B4	Subsidies, credits, guarantees, seed capital and joint investment fund	Central	National plan for R&D (2000-2003) (NP-R&D)			The fourth NP-R&D (The first one was launched in 1988) is mainly focussed on the promotion of basic research and the public innovation system. Nevertheless includes in its sub-programmes a broad range of measures to promote R&D in enterprises of which several are accessible for SMEs
B4.1	Credits	Central	Concerted and Co-operative industrial R&D projects	(NP-R&D)	CDTI	This measure is included in National Programme to promote Science-Technology-Industry System Articulation (PACTI) included in III R&D National Plan (1996-1999) and research projects must follow the scientific priorities established in the III R&D National Plan. Public grants must be requested by companies to the CICYT through the CDTI (collaborator entity).
B4.2		Central	PETRI Programme: Projects for Encouraging the Research Results Transfer	(NP-R&D)	MCYT/MEC	The development of a pre-competitive project aimed at the adaptation of the original technologies or research results to the needs of the company. The proposal must be submitted by the holders of the scientific results/technologies (universities, public research organisms and technological centres). These organisations will be the funding receivers. Financing : expenditure per year (Data for 1996): the total governmental expenditure in PETRI Projects was PTA 502.9 Million (€ 3.022.500).Financing : other budgetary sources (additional financing)Data for 1996: the total industrial co-funding in PETRI Projects was PTA 390.7 Million (€ 2348200).
B4.3	Subsidies	Central	IDE Action to support the placement of doctorates in enterprises	(NP-R&D)	MCYT/MEC	It is based on a centralised bottom-up approach. There are no priority technological areas and it does not focus on any sector. The call is continuously open. The main objective is to promote innovation in Spanish

						enterprises by placing highly skilled personnel whose main tasks are to launch an innovative process, to support already existing innovative activities or the launching of new ones
B4.4	Subsidies, credits, guarantees, seed capital and joint investment fund	Central	R&D Projects of National Programmes (NP's)	(NP's)	MCYT/MEC	These are programmes included in the National programme for R&D. Each of these programmes offers four modalities or types of actions supported:- P1 Scientific areas of non-targeted basic research Duration of these projects: 3 years.- P2 Targeted basic research (objectives of National Programmes). Duration of these projects: 3 years.- P3 Applied research related to technological objectives of National Programmes. The support of firms is a requirement to submit a proposal. Maximal duration of these projects: 3 years.- P4 R&D Co-operation Projects among Universities or Research Technological Organisations and Companies. Maximum duration of these projects: 3 years.
B4.5	Subsidies	Central	Special Actions of National Programmes	(NP's)	MCYT	main goals are the:- Aid to promote the participation of Spanish groups in international scientific co-operation programmes, with special reference to the EU R&D Framework Programme.- Support to the thematic networks in which various actors of the S-T-E system participate, with the aim of promoting co-operation among actors and facilitating the exchange and transfer of knowledge.- Aid to the organisation of conferences, seminars and one-day events in Spain, especially those with an international character.- Creation of databases of biological materials.- Aids for dissemination of scientific and technological advances in the society
B4.6	Subsidies	Central	Special Actions of the OCYT	(NP's)	MCYT/MEC	Diffusion of results, in order to inform society and the enterprise sector of Spanish capability in research, in generation of technology and in the solution to daily problems, as well as the scientific and technological popularisation aimed at ample strata of Spanish society.- Studies related to the S-T-E System, which allow a deeper understanding and analysis of the different aspects of this system.- Support to the international promotion and transfer of technology, with the aim of internationalising Spanish technology by means of its promotion and commercialisation abroad.
B5.		Central/ Decentral	Networks of Innovation Supporting Interface Organisations.	(SME-IID)	In each of the CC.AA.	To have technical and economic capacity for developing the project.- To have impact in the entrepreneurial or sectoral environment in which the firm is located.- The employment increase forecast. Criteria for interface organisations:- To have technical capacity for developing the project.- To have previous experience in collaborative projects with SMEs.- To have some specialisation degree related to the field concerning the project.- The employment increase forecast.- The projects submitted by firms associations will have priority. Criteria for the project:- The number of partners/participants and potential clients.- The potential benefit for less developed areas
B6	Equity loans (participative loans)	Central	National Innovation Company (ENISA)	ENISA	ENISA	The granting of Participatory Loans aimed at financing investment or re-adaptation projects of SMEs under adequate conditions. Participatory loans that satisfy the following conditions: - Amount: between 50 and 150 million pesetas. (The applicant company must have Own Resources in excess of the loan applied for). - Term: between five and ten years. - Period of grace: between three and eight years. - Interest rate: variable in accordance with the profitability of own funds, with minimum and maximum limits. - Early depreciation: subject to an increase in own funds in the same amount and with compensation clause. ENISA never finances the total equity amount. Instrument created mainly for existing SMEs, but some new SMEs have been created with the support of this instrument. The interest rates varies according to the evolution of the firms' activities and are deductible by tax declaration
B7	Subsidies	Central	INFO XXI. The Inform@tion society for all"	PROFIT	MCYT	The objectives of the initiative are to ensure the access of all citizens to information technologies, providing the appropriate infrastructures and legal framework to make possible establishment of the Information society, the development of e-commerce and the presence of Spanish companies in the global marketplace. Applicants must be legal non profit-maker entities (public or private), with the main task of providing services to improve SMEs' competitiveness. Projects must be in accordance with the following objectives. feasibility studies promoting the use of advanced services by SMEs through different actions such as seminars, training for managers and users, promotional materials; encouraging an Advanced Telecommunications Service Centre to meet demands from SMEs; best practices to demonstrate technical viability of advances services to satisfy SMEs' needs. The measure is delivered through public tenders of competitive grants. The Ministry will finance up to 60% of the allowable costs of the project. Promoter entities must finance at least 40% of the eligible costs of the project. This measure is continuously open, proposals can be sent at any time until 2006.

Classification of the support measurement			Name	Organisations and institutes involved		Short description about aims, criteria for support and requisites
Aim	Type of support (Credit/subvention/ guarantee)	Administrative levels		Organisation that launched the measure	Procedures and application formalisation	
C1.1	Several support instruments for export	Central	PIPE 2000; PIPE 2001	ICEX and Chambers of Commerce	ICEX and Chambers of Commerce	PIPE 2000 offers a broad range of facilities for firms that wants to initiate for the first time exports. This plan included General services (assurance, simultaneous translation by phone) Special credit lines in co-operation with commercial banks, organisation of special invents in Spain and in foreign countries to promote Spanish products, information and training. The basic conditions are a non returnable subsidy of 80% of the following expenses: 1. Foreign trade activities. 2. Technical assistance: Limit of the aid: 2,800,000 pesetas / 16.828'34 Euros (without collaborator) / 4,000,000 pesetas / 24.040'48 Euros (with collaborator). Co-financing entities of the programme: - ICEX and the Chambers of Commerce
C1.2	Credits related to exports	central	Internationalisation Grant Programme (1st Stage).	ICEX	ICEX	Provide university graduates with economic-sales training abroad for a year. The grants are worth an amount that ranges between 20,000 and 44,000 Euros per annum, according to the destination., includes the return trip to the destination, accident insurance and medical insurance while travelling. Counsellors receive an allowance for the travelling expenses of the grant holder. ICEX finances 75% of the provision and the aforementioned expenses and the company pays the remaining 25%. The grants have a duration of twelve months in the associate company or branch of the Spanish company abroad
C1.3	Mutual assurance	Central/ regional	Reciprocal Interest Adjustment System	ICO/BEX Banco Exterior de España	banks and savings banks	The CARI system is to foster and broaden the participation of private credit institutions in the long term financing of Spanish exports. Reciprocal Interest Adjustment Contracts guarantee the borrowing institutions a certain financial margin on the outstanding balance of the operations and the complete elimination of risk deriving from the differences between interest rates on the loan and those attributed to the costs of the resources by which it is financed (Interest rate on six month interbank deposits) If the differences are negative the state covers the losses. If it is positive the state receives the differences from the borrowing institution
C2.1 (D)	Credits for investments	Central	Company for Financing Development (COFIDES)	COFIDES	COFIDES	foster direct investments by Spanish companies in developing countries. Since 1990, when COFIDES first began its business, the company has assumed commitments of funds to finance operations for a total of 17,200 million pesetas; 146 such operations, summing 9,294 million pesetas, had been formalised by year end 1999. This funding was applied to 116 investment projects implemented in 32 different countries. Disbursements relative to these commitments amounted to 7,834 million pesetas. In this same period, COFIDES mobilised a further 2,205 million pesetas in resources drawn from Community programmes, applied to cover diverse pre- and post-investment needs in 151 different projects.
C2.2 (D)	Credits for investments	Central	Financing Programme for Spanish Enterprises'	ICO	ICO/ICEX	Promotion of Large-Scale Projects Abroad Investment eligible for finance. Up to 70% ; Minimum amount: Pta 750m or € 4.5m Operations executed in market conditions, referred to fixed or variable rate
C2.3 (D)	Credits for investments	Central	Development Aid Fund	ICO	ICEX Ministry of economy	FAD is a fund provisioned by the Spanish State with a view to granting financial aid to developing countries or their enterprises or intergovernmental financial institutions. By and large, this aid is linked to the supply of Spanish goods and services.
C2.4 (D)	Credits	Central	Facility for the Internationalisation of the Spanish SME	ICO	banks and savings banks	Investment eligible for finance: up to 70% ; Maximum amount: Pta 750m or € 4.5m Interest rate: fixed or variable; Terms: 5, 7 and 10 years
C2.5	Grants related to investments	Central	Investment Project Support Programme (PAPI)	ICEX	ICEX	Contribute financially to the development of investment and business co-operation projects of a productive nature of Spanish companies abroad. Provide support for all productive internationalisation initiatives of Spanish companies which involve contributions other than money (technology, know-how, equipment, markets, etc.). The support provided by ICEX consists, during the first stage, of an advance payment without interests of up to 50% of the costs deriving from the activities undertaken during the pre-investment stage with a maximum limit of 10 million pesetas. For the development stage of the project, the support of ICEX takes the form of a non-returnable contribution of up to 50% of the costs of technical assistance and training activities, with a maximum limit of 10 million pesetas. Expenses qualifying for subsidies: - Travelling expenses. - Living and accommodation expenses (allowances). - Fees of consultants and experts outside the company. - Costs of technical staff of the company itself, attributable to the project during the period of travel.

Classification of the support measurement			Name	Organisations and institutes involved		Short description about aims, criteria fore support and requisites
Aim	Type of support (Credit/subvention/ guarantee)	Administrative levels		Organisation that launched the measurement	Procedures and application formalisation	
D1	Finance opportunities under preferential conditions	Central	SME 2000 credit line	ICO	banks and savings banks	Financial aid for investment projects. The project shall include all the investments made in fixed assets, within the following limits: - Up to 80% of the investment to be financed can be in buildings. - Up to 20% of the investment to be financed can be in intangible fixed assets (software, R&D, trademarks, engineering, etc.). In all cases, no financing is provided for: - Restructuring of liabilities or re-financing - Working capital Maximum investment: the maximum amount for which financing can be provided will be 70% of the net investment project. Depreciation period: - 5 years, without a period of grace or with a period of grace of 1 year. - 7 years, without a period of grace or with a period of grace of 2 years. Maximum amount financed by the beneficiary: the maximum amount of financing with funds from the SME credit line will be 250 million pesetas or 1.5 million Euros per beneficiary and year, be this in a single operation or in several. Interest rate: - Fixed interest rate throughout the life of the loan, according to the reference rate of the ICO (Official Credit Institute) + 0.50 percentage points. - Variable interest rate referenced to EURIBOR at 6 months + 0.50 percentage points. Commissions: the interest rate that the ICO notifies is APR and the Financial Entities may not charge any commission for opening, studying or making the credit available. Compatibility of aid: this Credit Line is subject to the minimum condition of the European Union and is compatible with the aid received from the Autonomous Communities or other Institutions. The maximum limits established by the E.U. must be respected.
D2.1	Guarantees	Central	Fund for Guarantees on financing of Investment Abroad (GIEX)	COFIDES	COFIDES	Guarantee fund
D2.2	Sharecapital and equity loans	Central	Fund for Investment Abroad (FIEX)	COFIDES	COFIDES	FIEX: Short term minor investments of firms located outside Spain. The funds complement the investments made by the corresponding company. This fund had, in 2001 million pesetas in 2001 and the executive Committee may approve operations of up to Ptas 25,000 million in 2001
D2.3	Share capital and equity loans	Central	Foreign Investment Operations of Small and Medium sized Companies (FONPYME)	COFIDES	COFIDES	Spanish Development Finance Company S.A. (COFIDES) supports short term minor investments of firms located outside Spain. COFIDES offers participations in capital, quasi capital (participatory loans or other kind of subordinate debt) or other financial products representing participations in international capital ventures or similar. Maximum limit per project 350 million pesetas. The promoter SME shall make a contribution of own funds of at least the same amount as made individually by FONPYME and COFIDES. Thus, the funds are invested together with the SMEs in foreign firms.

Classification of the support measurement			Name	Organisations and institutes involved		Short description about aims, criteria for support and requisites
Aim	Type of support (Credit/subvention/guarantee)	Administrative levels		Organisation that launched the measure	Procedures and application formalisation	
E1		Central/ Decentral	Plan for Strengthening and Competitiveness of SMEs (PSCS)	DG-SME CC.AA.	CC.AA.	Annual calls for proposal are published by every Autonomous Community and the proposals are evaluated by them with technical and financial criteria such as: degree of innovation of the project, capacity of the organisations to carry out it or adequacy of requested budget (B.O.E): nº 132, of June 2 2001URL: http://www.ipyme.org ; Isabel Barreiro Ministry of Economics; DG for SNME policies tel 91 349 3500
E2		Central/ Decentral	The SME Initiative for Industrial Development (SME-IID)	(SME-IID)		The Autonomous Communities have contributed to the preparatory work and development of the SME initiative for Industrial Development. They also manage the Programmes. Each Autonomous Community sets up the conditions in line with the basic principles of the Royal Decree 937/1997. The Autonomous Communities and the General Directorate of SME Policies monitor and follow up the selected projects Consisted of seven measures or sub-programmes aimed at improving the competitiveness of SMEs. The Financing Programme have three lines of action: Guaranteed loans for investments, Participatory loans, and Restructuring of financial loans. The financing system is based on subsidies on the interest rate, with a maximum of 3 points of the annual interest rate. The programme has two financing sources: European Structural Funds and national funds. The administration of the measure is on a regional basis.
E2.1	Credits	Central/ Decentral	Participatory loans	DG-SME CC.AA. (SME-IID)	CC.AA. GD for SME	to subsidise the fixed component of the yearly interest rate of participative loans in projects that focus on the improvement of competitiveness. They can not be used to restructure liabilities under any circumstances. Characteristics: a) participatory loan provider companies must sign an agreement with the Ministry of Economics and Exchequer; b) the settlement period is at least 5 years; c) the subsidies will reduce the principal and will be paid off all at once Evaluation criteria: a) the lowest fixed or variable interest rate used; b) future increase of employment; c) overall public support (including support by other organisations).
E2.2	Credits	Central/ Decentral	Restructuring financial loans	DG-SME CC.AA. (SME-IID)	CC.AA. GD for SME	to subsidise the interest of loans aiming at restructuring the short-term banking liabilities with the following conditions: a) guaranteed by a mutual guarantee company or by another entity which has been previously authorised by the Ministry of Economics. b) proven that the viability of the company is threatened by the current cost of liabilities and the company's financial structure. c) giving evidence of the enlargement of the liquidation periods and the reduction of their associated cost. Characteristics: a) the subsidies will reduce the principal and will be paid off all at once; b) the liquidation period is from 4 to 7 years Evaluation criteria: a) extension of the settlement term of the current loans; b) reduction of the current loan cost; c) future increase of employment; d) foreseen cash-flow; e- priority is given to those projects submitted by company associations
E2.3	Credits	Central/ Decentral	Guaranteed loans for investments	DG-SME CC.AA. (SME-IID)	CC.AA. DG-SME	to subsidise the interest rates of loans used to purchase fixed assets linked to strategic management plans. Conditions to be fulfilled: a) guaranteed by a mutual guarantee company or by another entity which has been previously authorised by the Ministry of Economics and Exchequer. b) to invest in new fixed assets to improve competitiveness: up to 80% of investment in fixed property and 20% in intangible assets. Characteristics: a) subsidies will reduce the principal and will be paid off all at once; b) the settlement term is from 5 to 7 years; c) financing is up to 70% of the investment.2.) Evaluation criteria: a) the % of non-fixed property to be invested in fixed assets; b) foreseen employment increase linked to the investment; c) improvement of competitiveness; d) the lowest interest rate used; e) overall public support (including support by other organisations)

E2.4		Central/ Decentral	Co-operation between companies.	(SME-IID)	In each of the CC.AA.	
E2.5		Central/ Decentral	Promotion of Information Services for companies.	(SME-IID)	In each of the CC.AA.	
E2.6		Central/ Decentral	Design.	(SME-IID)	In each of the CC.AA.	
E2.7		Central/ Decentral	Financing.	(SME-IID)	In each of the CC.AA.	
E2.8		Central/ Decentral	Support to the System of Reciprocal Guarantees.	(SME-IID)	In each of the CC.AA.	
E3.1	Credits	Central	Financing Facility for Renewable Energy Sources	ICO	banks and savings banks IDAE	Investment eligible for finance: up to 70% ; prior favourable IDAE evaluation required Maximum amount: Pta 1,050m or € 174.71m; Interest rate: Euribor + 1; Terms: 5, 7 and 10 years IDAE aid: 1,3 or 5 percentage points; Resulting rate applicable to end beneficiary: Euribor, Euribor minus 2 p.p. or Euribor minus 4 p.p., depending on IDAE discount and after it has been applied.
E3.2	Credits	Central	Financing Programme for Large-Scale Investments in Spain	ICO	ICO	Investment eligible for finance: up to 100% Minimum amount: Pta 750m Operations executed in market conditions, referred to fixed or variable rate
E4.1	Mortgage loans	Central	Supporting the start-up for young farmers	Ministry of Agriculture	Ministry of Agriculture	Start-up and early phase of development
E4.2	Tax advantages	Central	Supporting the start-up of young farmers	Ministry of Agriculture	Ministry of Agriculture	A reduction of 25% of income tax payments for 5 years after the date of establishment. Other minor reductions in taxes
E5.1	Subsidy	Central	Promote local initiatives for employment	National Institute for Employment -INEM	INEM	1) Entrepreneurial projects should be economically and financially viable, they must generate employment and be co-financed by local authorities. A maximum of 25 workers per project. 2) The subsidy is 4,200 Euros per permanent job created. 3) The measure also provides for an interest subsidy on loans contracted by the project.

APPENDIX II

LIST OF SELECTED SUPPORT MEASURES

ACCESSIBLE FOR SMALL AND MEDIUM SIZED FIRMS

DEVELOPED BY THE “COMUNIDADES AUTÓNOMAS”

This appendix contains an overview of the different types of support programmes developed by the different “Comunidades Autónomas”. This table only offers a list of selected measures and is definitely not complete. The table is fundamentally based on the information offered by the European Commission (Enterprise Directorate General - (2001). Therefor a very short description of each of the measures can be found in a report of the European Commission prepared by the Enterprise Directorate General (2001); Support Measures and Initiatives for Enterprises: Directory of Business Support Measures. The numbers within the brackets refer to this publication.

The information on the Basque Country is taken from a database available on the website of the Basque Government. The numbers of this part of the table refer to the short description presented in **appendix III**

INSTRUMENTOS	TIPO	Andalucía	Aragón	Asturias	Baleares	Canarias	Cantabria	Castilla y León	Castilla - La Mancha	Cataluña	Comunidad Valenciana	Extremadura	Galicia	Madrid	Murcia	Navarra	País Vasco	La Rioja
The responsible units for Regional development policies		<i>Instituto de Fomento de Andalucía (IFA)</i>	<i>Comunidad Autónoma</i>	<i>Instituto de Fomento Regional de Asturias (IFRA)</i>		<i>SOFEESA</i>	<i>SODERCAN</i>	<i>Agencia de Desarrollo Económico de Castilla de León (ADE)</i>	<i>Comunidad Autónoma</i>	<i>Centro de Innovación y Desarrollo Empresarial (CIDEM)</i>	<i>Instituto de la Mediana y Pequeña Empresa Valenciana (IMPIVA)</i>		<i>Instituto Gallego de Promoción Económica (IGAPE)</i>	<i>Instituto Madrileño de Desarrollo (IMADE)</i>	<i>Instituto de Fomento Región de Murcia (IFRM)</i>	<i>Comunidad Autónoma</i>	<i>(SPRI)</i>	
SMEs promotion programme (derived from the national programme)	0	IFA	CA	IFRA			CA	ADE	CA	CIDEM	CA	CA	IGAPE	IMADE		(CA)	(CA)	ADER
Creation of enterprises	A1.1																A1 – A5, A8, A9 (E)	
Creation of New technology-based Enterprises	A1.2																B1, B2	
Young enterprises, entrepreneurs programme	A1.3	IFA(44)			CA (103)			ADE (66)						CA 37	IFM (148)			
No financial support start ups	A1.4									IMPIVA (174)			IGAPE (179)					
Reduction start up costs	A1.5													CA 36				
Creation of firms in Tourism	A1.6	IFA (56)																
Incubator	A2.1																A7	
Science policies	B0																	
Innovation policies	B1	IFA (48, 49, 50) CC.AA. (98)		CA (166)			CA (178)	ADE (63, 64, 65) CA (119)				CA (121)			IFM (168)	CA (112, 113, 120)	B3	ADER (131, 133)
Industrial Quality, Design and Security Promotion	B2							ADE (60, 165)				CA (122)	IGAPE (127)					ADER (132, 134)
Export promotion	C1.1								CA (152)								C1, C4	
Promotion of foreign investment	C2.1																C3	
Integral plan for the promotion of foreign investments and exports	C3.1																C2	
Mutual Guarantee	C4.1							SA						SA				

Societies	(D)							(42)						(27, 40)				
Concessions of guarantees	C4.2 (D)							CA (160)					IGAPE (161)					
Guaranteed investment loans	C4.3 (D)										IMPIVA (116)							
Support to business investments	D/E	IFA (159)		CA (128)				CA (57, 67, 68)					IGAPE (167)			CA (155)	D2, D4, D5	
Risk or seed Capital Society/fund	D1	IFA(46)															D3	
Service for capital restructuring	D2	IFA(45)																
Participating loans	D3																SA(96); D1	
Loans and leasing	D4												SA (74)					
SMEs promotion programme (see appendix 1;E1 and E2)	E1.1	IFA (124)		CA (156)				ADE (162)			CA (125)		IMADE (30)				E1	ADER (71)
Regional Incentive Law broad framework of support measures	E1.2						SODERCAN (157, 171)											
Feasibility studies	E2																	CC.AA. (105)
Innovation or modernisation of management	E2.1							CA (147, 180)			CA (92)		IGAPE (154)					ADER (69)
Marketing plans	E2.2												IFM (111)					
Employment programmes that support firms	E2.3			CA (84, 115)							CA (123, 169)		CA (38)				E2	ADER (137, 139, 140, 141)
Stimulation of commercial development	E2.4			CA (85, 114, 158)	CA (104)			ADE (61) CA (118)	CA (181)								E10	ADER (72)
Improvement industry related services	E2.5			CA (164)														
Sustainable use of energy and renewable energy	E3.1											IMPIVA (146)						ADER (73, 135)
Waste reduction and environment policies	E3.2			CA (163)				CA 110					CA (100)		CA (82)			ADER (136)
Support to agrarian activities	E4			CA (83, 86-89)							CA (93, 94, 95)						E6 - E9	CC.AA. (89)
Investments in tourism	E5 A							ADE (62)							IFM (176)		E4, E5	
National and	E6							CA							IFM			

international co-operation								(170)						(149, 175)			
Special regional or sectoral projects	E7	IFA(43, 47) CC.AA. (130, 150)						ADE (58, 59) CA (106)			CA 126		IGAPE (153)	CA 39			
Objective 2 areas	E7												CA (35)				
Tax advantages Purchase of Variable Interest Securities	E8															E3	
Promotion of Social Economy (Women, young people)	E9	IFA (53)															ADER (70, 138)

In brackets the number of the programmes of which a very brief description is offered in the European Commission's Directory of Business Support Measures

SA Special public owned enterprise; CA means that the policy is carried out by a department of the Regional Administration , e.g. Comunidad Autónoma. The other abbreviations refers to regional development agencies IFA – Andalusian development Institute; ADER Regional Development Agency of Rioja; IFM The Institute for Promotion of Murcia

APPENDIX III

LIST OF SELECTED SUPPORT MEASURES ACCESIBLE FOR SMALL AND MEDIUM SIZED FIRMS DEVELOPED BY THE “COMUNIDAD AUTÓNOMA” OF THE BASQUE COUNTRY

This appendix III offers a very short description of selected support measures accessible for small and medium sized firms developed by the “Comunidad Autónoma” of the Basque Country. This Autonomous Community is chosen as an example because it is a region that has obtained more decentralised political power than any other region, is the only Spanish region with its own decision making power on taxes²², and because this region is probably the most active one in industrial policy making.

The information is taken from a database available on the website of the Basque Government that offers the information also in the English language. The information that will be offered in the following pages included –when available- the organisation that launched the support measure, the objectives and beneficiaries, the type of aid and the exact details of the support (interest rate, maximum budget special conditions etc.), the formal or legal regulation, the place to present the application forms and the documents needed to apply.

²² Although Spain should have an equal tax system for all of its regions the Basque Country, for historical reasons, has its own independent tax system. However, their system is very similar to the Spanish and the European laws do not accept tax discrimination for business activities between The Basque Country and the rest of Spain. For this reason some special tax advantages implemented by the Basque Country to attract industrial investments were declared by the European Commission as illegal (El País, 27th of august, 2002).

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A SUPPORT FOR CREATION OF ENTERPRISES AND BUSINESS START-UPS

A1 Support for the Development of Business Creation Projects

Organisation: Lan Ekintza Bilbao S.A.

Objectives: Provide aid for promoters to carry out business feasibility studies and to draw up a business plan for their project and contribute to the generation of new business ideas.

Beneficiaries: Persons on an individual basis or in groups, with an interest in developing a business project or idea in Bilbao and who have a project for self-employment or the creation of a company.

Type of aid: - Information and initial counselling on the Creation of Businesses. - Seminars for the Generation of business ideas that provide a tool that contributes to the generation of new ideas for the creation of companies. - Training in business management techniques and individual counselling on making a market survey and feasibility plan, and the appropriate management of the company if the project is successful. - Additional seminars on business management training. These are of a specific nature and intend to resolve any final doubts that might arise during the last stage of the feasibility study. - Aid for carrying out feasibility studies with respect to costs that have a direct bearing on enhancing the study, such as: business trips, attending industrial fairs, etc. The maximum amount per project will be 250,000 pesetas. - Access to Business Project Workshops: premises to develop their feasibility plan, provided with desks, computers with Internet connection, telephones, fax, etc.

Place presented: Lan Ekintza Bilbao, S.A. C/ Uribitarte 6, Entrepantia 48001 Bilbao

A2 Programme of Support for the Creation of Companies

Organisation: Bidasoa Development Agency, S.A. (ADEBISA)

Objectives: Provide support for the creation of new companies among the enterprising inhabitants of the Bidasoa region.

Beneficiaries: All those who have an idea for a business which may require a business feasibility study and wish to undertake a detailed analysis of this under the guidance of the experts of ADEBISA .

Type of aid: - Training: From the moment the business is selected, the beneficiary enters a process, which involves training in business management. This programme is given in collaboration with the Department of Justice, labour and Social Security of the Basque Government, which will provide beneficiaries with access to the subsidies granted by this Department. - Counselling-Guidance: The beneficiary, under the guidance of an expert of ADEBISA, begins a process of assessing his/her idea for a business, which involves market surveys, economic-financial studies and others, which allow conclusions to be drawn on the feasibility of the idea. This counselling continues during the first years of the life of the company, a period of special importance to ensure a favourable presence for the company on the market. - Training: The beneficiaries included in this programme have the following resources, as well as those already mentioned. Free use of a minimum infrastructure in order to carry out work consisting of: a place to work, library, fax, telephone, computer, meeting room, reception and sending of correspondence. Economic aid during a maximum period of nine months intended to cover the costs incurred in the feasibility study, such as: visits to trade fairs, consulting of specialists, making prototypes, specialised training, purchase of text books, etc.

Place presented: Agencia de Desarrollo del Bidasoa, S.A. (ADEBISA) Iparralde s/n Edificio Kostorbe 20304 Irún (Gipuzkoa)

A3 Economic aid for starting up new companies.

Organisation: Lan Ekintza Bilbao S.A.

Objectives: Finance the initial costs in establishing the company.

Beneficiaries: Companies formed from business projects that have carried out their Feasibility Analysis and Business Plan within the Company Creation Back-up Service of Lan Ekintza-Bilbao and that have their main offices and activity within the municipality of Bilbao.

Type of aid: The amount to be allocated to each company will be between 300,000 and 400,000 pesetas in the case of individual projects and between 450,000 and 600,000 pesetas in the case of companies with two or more partners or workers. These amounts may be increased by 100,000 pesetas if the company is located within the business centre managed by Lan Ekintza-Bilabo.

Place presented: Lan Ekintza Bilbao, S.A. C/ Uribitarte 6, Entrepantia. 48001 Bilbao

A4 Economic aid for starting up new companies.

Organisation: Lan Ekintza Bilbao S.A.

Objectives: Finance the initial costs in establishing the company.

Beneficiaries: Companies formed from business projects that have carried out their Feasibility Analysis and Business Plan within the Company Creation Back-up Service of Lan Ekintza-Bilbao and that have their main offices and activity within the municipality of Bilbao.

Type of aid: The amount to be allocated to each company will be between 300,000 and 400,000 pesetas in the case of individual projects and between 450,000 and 600,000 pesetas in the case of companies with two or more partners or workers. These amounts may be increased by 100,000 pesetas if the company is located within the business centre managed by Lan Ekintza-Bilabo.

Place presented: Lan Ekintza Bilbao, S.A. C/ Uribitarte 6, Entrepantia. 48001 Bilbao

A5 *Financing for the Creation of Companies*

Organisation: Town Hall of Donostia-San Sebastián
Objectives: Place at the disposal of young promoters sources of special financing to finance investments in business projects.
Beneficiaries: Business projects of all kinds, except for those activities involving gambling, bars and similar, promoted by persons with a maximum age of 35 years and considered feasible by the Town Hall of Donostia-San Sebastián.
Date application ends: 31/12/2010
Type of aid: The "Credigazte" Self-employment line of financing of the "Kutxa" savings bank. Reductions in the financial cost of operations carried out with this bank. Conditions: - Loan for a maximum of 75% of the investment in fixed assets with a limit of 25 million pesetas. - Maximum depreciation period: 8 years, with the option of a period of grace of 2 years. - Interest rate: IRPHTE – 3.5 points, with a minimum of 2%. - Guarantees: collateral or personal. - No opening commission. Guarantee fund: fund created by the Town Hall of Donostia-San Sebastián, "Kutxa" savings bank and private companies. Granting of guarantees to apply for financing through the "Credigazte" Self-employment credit line.
Place presented: Town Hall of San Sebastián. Economic Development and Employment Department C/ Ijentea 6 20003 Donostia-San Sebastián

A6 *Aid for Sponsorship in order to Consolidate new Companies*

Organisation: Provincial Council of Bizkaia. Department of Employment and Training
Objectives: Promote the formation and consolidation of Co-operative and Worker-owned Limited Liability Companies
Beneficiaries: Associations, Foundations and other non profit making Entities
Type of aid: Activities qualifying for subsidies: - Provide support for new companies formed in Bizkaia, preferably micro-companies. - Provide these companies with advice during the first months of operation. - Consolidate their activity for the coming years. The aid is in the form of non returnable subsidies, the amount of which may reach 100% of the budget for expenses qualifying for subsidy with the maximum limit of 12,020.24 Euros / 2,000 pesetas.
Regulation: Provincial Decree 79/2001, 10/04/2001. Official Gazette of Bizkaia 24/04/2001 Provincial Decree 171/2001, 13/11/2001. Official Gazette of Bizkaia 28/11/2001
Place presented: Provincial Council of Bizkaia. Department of Employment and Training C/ Obispo Orueta 6 48009 Bilbao
Documentation: - Copy of the formation deed or other documents that evidence the legal personality of the applicant entity, except in the case of local government organisations. - Copy of the ID card if the applicant is an individual, or copy of the tax code card in all other cases. - Copy of the proxy deed and photocopy of the ID card of the representative of the entity that signs the application. - Updated certificate of the Treasury Department of Bizkaia evidencing that the applicant entity is up to date with its tax obligations and others of a similar nature. - Updated certificate of the Provincial Office of the Treasury Department of the Social Security, or of the corresponding entity (in the case of co-operative societies) in similar terms to those set out in the previous paragraph. - Duly completed creditor form which will be given to all applicants together with their application. - In the case of companies, signed standardised document declaring the aid or subsidies received from the government over the last three years.

A7 *Business Incubator*

Organisation: BBK Gazte Lanbidean Foundation
Objectives: Encourage the creation and consolidation of new companies as well as creation of employment through these from the University.
Beneficiaries: Persons who are studying or have completed their studies in the University of the Basque Country. Lecturers of the University of the Basque Country.
Type of aid: Prior to starting the company: - Training in business management by the University. - Guidance of the business project by BEAZ and BBK Gazte Lanbidean. - In the start-up process: - Validation of the business project. - Financing of the company resolving needs in the short and long term, in the form of subsidised loans and with periods of grace adapted to the type of company and in the form of other financial products offered by the BBK Gazte Lanbidean Foundation. - Premises and offices for initiating the activity: Once the activity has begun: - Aid for the creation of jobs from BBK Gazte Lanbidean: subsidy equivalent to 6 months of the minimum inter-professional salary, when jobs are maintained for two years. - Guidance for three years by BBK Gazte Lanbidean until the company has been consolidated. During this period, an integral monitoring will be made of the management, and new promoters will be trained to overcome any deficiencies they may have in management skills. This aid is granted in collaboration between the University of the Basque Country, the BBK Gazte Lanbidean Foundation, the Lower Ibaizabal Development Agency (IBAE-ADEBI) and the Technological Innovation Centre (BEAZ).
Place presented: University of the Basque Country Business Incubator Escuela de Náutica. Portugalete

A8 *SUSTAKU KIDE Project - Newly Created Companies*

- Organisation:** Provincial Council of Bizkaia. Department of Economic Promotion
- Objectives:** Facilitate the start up of new innovating business projects, providing the business fabric of Bizkaia with diversification activities and new technologies, with a high added value and growth potential. Pay special attention to projects relating to the Information and Knowledge Society. Increase the potential profitability of new companies. Promote the creation of stable employment. Achieve a greater presence of women in the creation of new companies. Provide all areas of the province of Bizkaia with aid intended to promote industriousness.
- Beneficiaries:** Newly-created companies that generate at least 3 direct jobs and make an investment of over 4,991,580 pesetas before March 31 2001.
- Type of aid:** Projects qualifying for subsidies: The creation of new companies that comply with one of the following requirements: - Work in the field of the Information and Knowledge Society. - Be new companies with an advanced technological base. - Have a majority of women shareholders. The benefits are a bonus for the creation of companies of up to 4,159,650 pesetas / 25.000 euros. The bonus may not exceed 50% of the share capital of the company, nor 20% of its investments. The bonus may be increased by 15% for companies installed in priority municipalities in Bizkaia. In certain cases, in accordance with the requirements complied with, the aid may amount to 4,991,580 pesetas / 30,000 Euros.
- Regulation:** Provincial Decree 88/2001, 24/04/2001. Official Gazette of Bizkaia 03/05/2001
- Place presented:** Provincial Council of Bizkaia. Economic Development Department C/ Obispo Orueta 6 48009 Bilbao
- Documentation:** - Photocopy of the Tax Code number. - Photocopy of the proxy deed of the person who signs the application in representation of the company, and his/her ID card no. - Duly completed creditor card which will be supplied to the interested parties together with the report-application. - Photocopy of the last declaration-settlement of the Social Security, TC-1 and TC-2. - Current certificate issued by the Local Tax Authority evidencing that the applicant is up to date in his/her tax and current certificate issued by the Social Security. - Photocopy of the formation deed of the Company, or at least the application for its inscription in the Mercantile Register. - Copy of the feasibility and market surveys carried out by the promoters of the new company, including the number of jobs it is expected to create in the new company. - Technical project describing the investments to be made, together with a descriptive report including completion dates, definition of its main elements, drawings, contracts or orders made to suppliers or engineering companies, as well as any other information considered to be of interest. - List of invoices with copies, grouped according to supplier, indicating the invoice number, date, the item qualifying for subsidy and the amount excluding VAT, and which comply with all the legal requirements.

A9 (E) *Aid for the Formation of Social Economy Companies*

- Organisation:** Provincial Council of Bizkaia. Department of Employment and Training
- Objectives:** Foster the formation and consolidation of Co-operative Companies and Worker-Owned Limited Liability Companies
- Beneficiaries:** Co-operative Companies and Worker-Owned Limited Liability Companies the formation of which has been promoted by the respective organisation representative of these entities, "Federation of Associated Work Co-operatives of the Basque Country" and which have been inscribed in the corresponding register between January 1 and September 7 2001.
- Type of aid:** This aid will be granted for the share capital effectively paid out and will consist of non returnable contributions that may reach 100% of the share capital paid out, up to a maximum limit of 24,040.48 Euros /4,000,000 pesetas.
- Regulation:** Provincial Decree 79/2001, 10/04/2001. Official Gazette of Bizkaia 24/04/2001 Provincial Decree 160/2001, 60/10/2001. Official Gazette of Bizkaia 29/10/2001 Provincial Decree 171/2001, 13/11/2001. Official Gazette of Bizkaia 28/11/2001
- Place presented:** Provincial Council of Bizkaia. Department of Employment and Training C/ Obispo Orueta 6 48009 Bilbao
- Documentation:** - Copy of the formation deed or other documents that evidence the legal personality of the applicant entity, except in the case of local government organisations. - Copy of the ID card if the applicant is an individual, or copy of the tax code card in all other cases. - Copy of the proxy deed and photocopy of the ID card of the representative of the entity that signs the application. - Updated certificate of the Treasury Department of Bizkaia evidencing that the applicant entity is up to date with its tax obligations and others of a similar nature. - Updated certificate of the Provincial Office of the Treasury Department of the Social Security, or of the corresponding entity (in the case of co-operative societies) in similar terms to those set out in the previous paragraph. - Duly completed creditor form which will be given to all applicants together with their application. - In the case of companies, signed standardised document declaring the aid or subsidies received from the government over the last three years. - Copy of the Economic Activities Tax receipt. - Copy of the registration certificate of the company with the Social Security. - Copy of the list of member workers or the list of registered members. - Certificate of the "Association of Associated Work Co-operatives of the Basque Country" or the ASLE Worker-Owned Company Group of the Basque Country", which evidences that the supervision and promotion of the formation of the applicant entity has been carried out by these organisations. - Feasibility plan for the business project. - Document evidencing the payment of the capital qualifying for subsidies.

B PROMOTION OF SCIENCE, INNOVATION IN TECHNOLOGICAL DEVELOPMENT

B1 (A) Business and Innovation Centres of the Basque Country

- Organisation:** Business and Innovation Centres of the Basque Country
- Objectives:** Stimulate and promote the creation and fostering of new business activities, preferably innovating, in order to support the generation of new jobs.
- Beneficiaries:** Promoters of new businesses and existing SMEs with business investment projects that are to be implemented or developed in the Basque Country.
- Type of aid:** - The Business and Innovation Centres offer new promoters a set of aid packages that cover the different needs that arise in the initiation and start-up of newly-created and extended businesses. - Once the project has been approved, counselling and assistance are provided in order to draw up a Business Plan, and for the start-up stage, especially in projects of new promoters and those that are placed in the incubator, the progress of the project is monitored continuously and promoters are offered guidance and assistance. - The aid packages granted by different governments are channelled. - In those Centres containing an business incubator building, newly created companies in their first years of existence are offered premises.
- Place presented:** In the different CEIS, located in: CEIA, S.A. (Alava) C. Tecnológico II, 15-Area PT 1 http://www.spri.es/index_i.html

B2 (A) GAUZATU-Industry Programme to encourage the Creation and Development of Technology and Innovation based SMEs

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** Encourage the creation and development of SMEs based on Technology and/or Innovation, as a competitiveness strategy for the future, supporting investment to generate employment and affect, at the same time, the revitalisation of less-favoured geographical areas in order to bring about greater territorial cohesion.
- Beneficiaries:** Industrial, extractive and transforming SMEs and technical services relating to the above and SMEs operating within the information society and communications, that: - Can be considered to have a Technological and/or Innovative base, or - Are located in Disadvantaged Areas in need of Urgent Action.
- Type of aid:** PROJECTS QUALIFYING FOR AID: Those projects that have an investment qualifying for aid of at least 20 million pesetas (120,202.42 Euros) and that also involve the generation of a minimum of 5 jobs within a maximum period of 36 months. TYPE OF AID: - Refundable advance payments of up to 30% of the investment qualifying for subsidies. Companies with a Technological and/or Innovative base may opt for the following aid: - Refundable advance payments of 30% for small companies. - Refundable advance payments of 25% for medium-size companies Companies that do not have a Technological and/or Innovative Base but develop their projects in Disadvantaged areas in need of Urgent Action may opt for refundable advance payments of 20%.
- Regulation:** Decree 166/2000, 28/07/2000. Official Gazette of the Basque Country 11/08/2000 Resolution 27/02/2001. Official Gazette Basque Country 01/03/2001
- Place presented:** Society for the Promotion and Restructuring of Industry (SPRI, S.A.) Gran Vía 35 3ª Planta 48009 Bilbao More information www.eragintza.net Department of Industry, Commerce and Tourism Industrial Promotion Office San Sebastián, 1 01010 Vitoria Tel.: 945 01 82 14 E-mail: agus-garcia@ej-gv.es Society for the Promotion and Restructuring of Industry (SPRI, S.A.) Gran vía 35 3ª Planta 48009 Bilbao Tel.: 94 403 70 41 E-mail: rduque@spri.es información:
- Documentation:** a) Detailed report on the investment project which will include the industrial, economic-financial and work programme, according to the standard model to be provided by the Society for the Promotion and Restructuring of Industry, S.A. (SPRI). Documentation shall also be provided justifying the Technological and/or Innovative Base of the company. b) Formation deed and photocopy of the Tax Code Number, only in the case of newly-created companies. c) This documentation shall be sent together with a photocopy of the proxy deed of the applicant, except when this is in the possession of the Department of Industry, Commerce and Tourism, and the powers of representation have not changed. d) Copy of the Audited Accounts for the last tax year, or in their absence, the last two Company Tax Declarations, or, if appropriate, of the Income Tax Declaration of the Individuals, in the case of existing businesses. e) If appropriate, a detailed report for each year, indicating the development of the staff of the company over the last three tax periods and TC1 and TC2 documents corresponding to the six months immediately previous to the presentation of the application. f) Certificate demonstrating that the applicant is up to date with his/her Social Security obligations. g) Sworn declaration with respect to the truth of the following aspects, which will be checked during the inspection stage, except with reference to tax obligations, which will be checked before the aid is granted: - That the applicant is up to date with his/her tax obligations. - The number of workers employed on December 31 of the tax year prior to that of the application, according to the TC2 for that month. - The turnover on December 31 of the tax period prior to that of the application. - The general annual balance on December 31 of the tax period prior to that of the application, - That no more than 25% of its capital belongs directly or indirectly to a company other than an SME or jointly by several of them. - The aid applied for and/received from other public or private institutions for the same project.

B3 "HOBEKI" programme for Innovation and Improvements in Management

- Organisation:** SPRI - Society for the Promotion and Restructuring of Industry, S.A.
- Objectives:** Promote the competitive development of Basque companies by creating improvement and innovation programmes for management and business management, fostering the knowledge and dissemination of good practices by supporting the development and application of know-how management and other advanced business management tools.
- Beneficiaries:** - Individuals or legal entities engaged in an activity of a business nature. - Inter-company entities and others that are set up as a result of a co-operation project. - Non profit making organisations, foundations and inter-company structures that participate in complementary and guidance activities.
- Type of aid:** The following activities are considered to qualify for the aid provided in this Programme: - Diagnosis of the competitive profile of the company. - Identification of key areas to be improved. - Definition and execution of improvement programmes. - Systematic review of improvements. - Objective and measurable comparison of companies. The activities qualifying for subsidies described above shall be carried out in an integrated manner within: - An individual project of innovation and improvement with a single beneficiary. - A co-operation project for the growth of a business when several companies that benefit from the activities can participate. - A project of complementary and guidance activities. The fees of consultants and collaborators that are not members of the staff of the company, as well as the costs of drawing up or acquiring studies, reports or specific certificates relating to the project, qualify for subsidies. The maximum amount of the aid shall be determined in accordance with the type of project, applying the following percentages to the amount of the costs qualifying for subsidy: - Individual projects: 25% (up to 50% if it is a small company). - Co-operation projects: 35% (up to 70% if it is a small company). - Complementary activities: 25% (up to 50% if it is a small company).
- Regulation:** Announcement in the Official Gazette of the Basque Country 13/07/2000
- Place presented:** SPRI- Sociedad para la Promoción y Reconversión Industrial, S.A. Business Innovation and Technological Development Department Gran Vía 35-3ª planta 48009 Bilbao
- Documentation:** - Application forms provided by the SPRI. The application forms shall provided evidence of the following minimum information: - Identity and general information on the beneficiary (tax code no.). - Identity of the applicant, ID card and proxy deed. - Descriptive report on the project, with specification of the activities to be carried out during the year for which the subsidy is applied for. - Budget, broken down into years, for the project. - Last Company Tax declaration. - Certificate demonstrating that the applicant is up to date with its tax and Social Security obligations at the time of the application. - Registration in the Economic Activities Tax.

C PROMOTION OF INTERNATIONALISATION BY FOREIGN DIRECT INVESTMENTS OR EXPORTS

C1 Tax Measures for Export Activities. Gipuzkoa

- Organisation:** Provincial Council of Gipuzkoa. Department of the Treasury and Finance
- Objectives:** Regulation of tax measures relating to Company Tax intended to improve the competitiveness of companies by means of the support for investments to promote exports.
- Beneficiaries:** Companies in Gipuzkoa that are engaged in export activities and payers of Income Tax who are engaged in export activities according to the system of direct estimation.
- Type of aid:** Deductions in Company Tax and deductions in Income Tax. The realisation of export activities shall give the right to the following deductions in the net quota. - 25% of the amount of investments made in the creation of branches or permanent establishments abroad, as well as in the purchase of share holdings in foreign companies and in the constitution or extension of capital of associate companies linked directly to the export activity of goods or services or to the contracting of tourist services in Spain, provided that the share holding is at least 25% of the share capital of the associate company. In the tax period in which 25% of the share holding is reached, 25% shall be deducted from the total investment made during same and in the two preceding tax years. - 25% of the amount satisfied for pluriannual publicity and advertising costs for launching products, the opening and surveying of markets abroad and the attendance of trade fairs, exhibitions and other similar events, including international events held in Spain. The financial and insurance activities shall not be considered to relate directly to export activities. The deduction may not exceed 4% of the income corresponding to all export activities and the contracting of tourist services in Spain. The basis for the deduction shall be reduced by 67.5% of the subsidies received for making the aforementioned investments and costs.
- Regulation:** Provincial Decree 7/1996, 4/07/1996. Official Gazette of Gipuzkoa 17/07/1996 Provincial Decree 8/1998, 24/12/1999. Official Gazette of Gipuzkoa 31/12/1999
- Place presented:** Provincial Council of Gipuzkoa. Treasury and Finance Department. Paseo de Errotaburu 2 20009 Donostia-San Sebastián
- Document** Company Tax Declaration
- ation:**

C2 *Internationalisation Programmes*

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** Improve the competitiveness of Basque Companies by providing support for their consolidation on external markets and establishments abroad.
- Beneficiaries:** SMEs based in the Autonomous Community of the Basque Country, consortiums of companies from the Basque Country and Basque Technology Centres.
- Type of aid:** Non refundable subsidy according to the following limits, in percentage and absolute value of the expense subsidised: - Single Inter-company activities: up to 40%, maximum 2,000,000 pesetas per company, 5,000,000 pesetas for groups of companies. - Promotion groups: Up to 50%, maximum 2,000,000 pesetas per company, 5,000,000 pesetas for groups of companies - Export consortiums: - Prior to 31/12/1996: the same subsidy as in Single Inter-company Activities. - Subsequent to 31/12/1996: the same subsidy as in Promotion Groups. - New Markets: up to 40%, maximum 2,000,000 pesetas per market. - Trading establishments abroad: - Feasibility study of the establishment: up to 30%, maximum 2,000,000 pesetas. - Formation and operating costs: up to 30%, maximum 8,000,000 pesetas. - Production facilities abroad: - Feasibility study of the facilities: up to 40%, maximum 2,000,000 pesetas. - Formation, operating and other expenses considered to be necessary: up to 40%, maximum 6,000,000 pesetas. Projects qualifying for subsidies: CONSOLIDATION: - Single Inter-company Activities: support for joint activities to promote business abroad, made by two or more independent, non associated companies. - Promotion groups: support for activities to promote business abroad made by two or more independent, non associated companies, and that have an agreed action plan, the aim of which is to initiate, strengthen or consolidate the presence of the group in one or several markets. It will be necessary to carry out a minimum of 3 activities. - Export consortiums: support for the setting up of consortiums, as well as actions to promote business abroad, carried out by these. - New markets: support for actions to promote business abroad, made by a company to publicise its products or services on new markets. New markets are understood to be those in which the company does not have an established commercial network, and/or on which its sales do not mean more than 10% of its total exports. Likewise, in order to qualify for this subsidy the company must export more than 20% of its turnover, or have taken part in the PIE-PIPE-2000 programme. FACILITIES: - Sales facilities abroad: support for opening subsidiaries and sales branches abroad. - Production facilities abroad: support for investments designed to carry out a new manufacturing project abroad or the purchase of holdings in already existing companies. (Non EU).
- Regulation:** Order 30/06/2000. Official Gazette Basque Country 30/06/2000 Resolution 27/02/2001. Official Gazette Basque Country 12/03/2001
- Place presented:** Basque Government. Department of Industry, Commerce and Tourism. Territorial Delegations - Chambers of Commerce of the Basque Country For more information: Internationalisation Department Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz Tfno.: 945 01 99 80/81/82/83/69, E-mail: comercio-ext@ej-gv.es Territorial Office of Industry, Commerce and Tourism of Bizkaia Gral. Concha, 23 48010 Bilbao Tel.: 944 03 14 10, E-mail: E-mail: promcom-bizkaia@ej-gv.es Territorial Office of Industry, Commerce and Tourism of Gipuzkoa Easo, 10 20006 Donostia-San Sebastián Tel.: 943 02 25 05, E-mail: E-mail: i-arana@ej-gv.es Territorial Office of Industry, Commerce and Tourism of Alava Samaniego, 2 01009 Vitoria-Gasteiz Tel.: 945 01 70 52, E-mail: javier-anton@ej-gv.es
- Documents** 1. Copy of the Proxy Deed. 2. Catalogue of products of the company, or its web site, if appropriate. In the case of co-operation activities (Single Inter-company Activities, Promotion Groups and Consortiums) product catalogue of all participating companies. 3. Copy of previous year's Company Tax. 4. In the case of the subsidy for PROMOTION GROUPS, Action Plan envisaged for the period covered by the collaboration agreement. This will describe: a) Objective (in 1 year, in two years, etc.) b) Strategies to be developed. c) Activities envisaged for the complete period. 5. In the case of subsidies for both SALES and PRODUCTION FACILITIES, documentation evidencing the setting up of the facility. 6. Certificate evidencing that the applicant company is up to date with its Social Security obligations.

C3 *GAUZATU 2000 Establish a presence in Foreign markets*

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** Support the consolidation of Basque businesses, increasing the productive investment on foreign markets as a way of increasing their competitiveness and, therefore, their future viability.
- Beneficiaries:** Industrial, extractive, transforming SMEs and technical service companies associated with the above.
- Type of aid:** PROJECTS QUALIFYING FOR AID: For the calculation of aid, projects involving the establishment of productive means outside the European Union, undertaken by the beneficiary companies, and consisting of the opening of new production plants, the extension of existing facilities or the acquisition of foreign businesses, shall be considered to qualify for aid, as long as these have a majority share in these businesses, except when this should be forbidden in the country where the investment is to be made. Investments in the real estate, financial, insurance, defence are excluded as are taxes of all kinds. Projects qualifying for aid shall involve a minimum investment of 30,000,000 pesetas. TYPE OF AID: Refundable advance payments, proportional to the investments to be made, which shall be refunded in accordance with the results deriving from the development of the project. Refundable advance payments may amount to 30% of the investment qualifying for aid, with a limit that shall not, under any circumstances, exceed 250 million pesetas.
- Regulation:** Order 28/07/2000. Official Gazette of the Basque Country 31/08/2000 Resolution 27/02/2001. Official Gazette of the Basque Country 07/03/2001
- Documents:** a) Detailed report of the investment project which will include the industrial, economic-financial and work programme, according to the standard model to be provided by the Society for the Promotion and Restructuring of Industry, S.A. (SPRI). Should the project involve the purchase of a foreign company, an assessment of this company, made by an independent company, shall also be submitted, for the purposes of this purchase operation. In all cases, the applicant company shall provide a report in order to demonstrate that the project strengthens its position on the market, its competitiveness and future viability. b) Formation deed and photocopy of applicant company and of the establishment to be subsidised, as well as any modifications. c) Photocopy of the Tax Identification Card. d) This documentation shall be sent together with a photocopy of the proxy deed of the applicant, except when this is in the possession of the Department of Industry, Commerce and Tourism, and the powers of representation have not changed. e) Copy of the Audited Accounts for the last tax year, or in their absence, the last two Company Tax Declarations, or, if appropriate, of the Income Tax Declaration of the Individuals involved. f) Certificate demonstrating that the applicant is up to date with his/her Social Security obligations. g) Sworn declaration with respect to the truth of the following aspects, which will be checked during the inspection stage, except with reference to tax obligations, which will be checked before the aid is granted: - That the applicant is up to date with his/her tax obligations. - The number of workers employed as of December 31 of the tax year prior to that of the application, according to the TC2 for that month. - The turnover on December 31 of the tax period prior to that of the application. - The general annual balance on December 31 of the tax period prior to that of the application. - That no more than 25% of its capital belongs directly or indirectly to a company other than an SME or jointly by several of them. - The aid applied for and/received from other public or private institutions for the same project.

C4 *Elkartzen*

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** Strengthen and increase the exporting tendency of Basque companies, reinforce their economic and trading links with foreign markets and improve the profitability of their international activities.
- Beneficiaries:** Sectoral Associations
- Type of aid:** Non refundable subsidies paid against the General Budgets of the Autonomous Community of the Basque Country. These will be granted by means of the tender procedure. Projects qualifying for subsidies: a) Outward trade missions: Up to 50% of the travelling expenses established to the destination country, with a maximum amount of 6 million pesetas per project. b) Incoming trade missions: Up to 100% of the travelling expenses referred to the country of origin of the mission, with a maximum amount of 8 million pesetas per project. Other expenses which in the opinion of the Internationalisation Office are required for carrying out the mission, may also be subsidised. c) Trade fairs abroad. Up to 50% of the travelling expenses established to the country of origin, and 50% of costs for the stand, decoration, transport, etc. with a maximum amount of 6 million pesetas per project. d) Dissemination and promotion materials. Up to 75% of the amount of each project, with a maximum amount of 6 million pesetas per project. e) Other trade promotion activities: Up to 50% of the amount of each project, with a maximum amount of 6 million pesetas per project. f) The total subsidy to finance the project or projects submitted may not exceed 35 million pesetas in any case.
- Regulation:** Order 30/06/2000. Official Gazette Basque Country 30/06/2000 Resolution 27/02/2001. Official Gazette Basque Country 12/03/2001
- Place presented:** Basque Government. Department of Industry, Commerce and Tourism. Internationalisation Department Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz For more information: Internationalisation Department Donostia-San Sebastián, 1 01010 Tfno.: 945 01 99 69, E-mail: JoseMi-Munoz@ej-gv.es Internationalisation Department Donostia-San Sebastián, 1 01010 Vitoria-Gasteiz Tfno.: 945 01 99 69, E-mail: I-MtzAguirre@ej-gv.es
- Documents:** The following documentation shall be sent together with the application: a. Copy of the ID card of the legal representative. b. Copy of the Proxy Deed of the Legal Representative. c. Copy of the Formation Deed of the entity. d. Copy of the Articles of Association of the entity and any subsequent modifications. e. Copy of the Registry inscription of the entity. f. If appropriate, the Legal Provisions on which its legal regime and internal regime are based. g. Copy of the tax code number of the entity. h. Up to date catalogue, if available. i. Sworn declaration that the applicant is up to date with his/her tax obligations. j. Documentation evidencing that the applicant is up to date with his/her Social Security obligations. If the applicant has submitted an application for this programme during the two previous years and there have been no modifications, it will not be necessary to re-submit the documentation indicated in paragraphs a, b, c, d, e, f, g and h. In addition to the individual documentation requested in the previous paragraphs, it will be necessary to submit the following: a. Description of the activities of the entity during the year prior to the application. b. Incomes and expenses of the entity for the year of the application. c. Overall Activity Plan of the entity for the year of the application. d. Should the applicant have requested subsidies from other institutions, a copy of the application for this aid. If these subsidies have already been granted, copy of their resolution. In all cases, the Department of Industry, Commerce and Tourism may ask the applicant to submit any additional information it considers necessary to resolve the applications submitted.

D **VENTURE CAPITAL MEASURES**

D1 *Participative loans*

- Organisation:** LUZARO E.F.C., S.A.
- Objectives:** - Finance up to 60% of new or recently-made investments in the Basque Country. Investments in intangible assets or those made outside the Basque Country may also be included provided that these represent the consolidation and development of companies whose main investments are in the Basque Country. - Financial restructuring: cancelling of debts – whether these are bank debts or not – of less than one year. - Investments to support the internationalisation of companies.
- Beneficiaries:** SMEs that have own resources equivalent, at least, to the loan applied for and that are feasible in the opinion of LUZARO.
- Type of aid:** Offers participative loans with the following characteristics: - Amount: for new investments of between 10 and 100 million pesetas (between 60,101.21 and 601,012.10 Euros) and for financial restructuring between 20 and 70 million pesetas (between 120-202.42 and 420,708.47 Euros) - Maturity date: from 5 to 10 years. - Period of grace: until the maturity date of the operation. However, the period of depreciation may be set to begin three years from the maturity date, provided that the period of grace is a minimum of 5 years. Interest rate: - During the payback period: 70% of the Madrid Interbank Offered Rate (MIBOR), and in no case shall be less than the interannual CPI rate. - Complementary: in accordance with the company's results for the tax year, an additional interest shall be paid, which may reach a maximum of 40% of MIBOR at three months, so that the maximum interest for the company will never be greater than 110% of MIBOR at three months. - Single commission: 1% on the principal of the operation, payable in one instalment on signing the contract to open the loan. - Priority in the liquidity and guarantees required: the loans granted by LUZARO are participative and, consequently, subordinated. Collateral will be taken under exceptional circumstances and with reference to those operations in which the ownership of the fixed assets which the borrower uses is held by an equity company or the partners on an individual basis. When the status of the petitioner advises taking guarantees, these shall be preferably of a personal nature and as far as possible with joint responsibility, proportional to the share holding. - Setting up of an obligatory reserve: the tax years in which the borrower has profits, the latter shall be obliged to allocate these, once the legal requirements regarding reserves have been satisfied, to a reserve fund, such an amount that the total that this fund reached in each tax year equals the amount that would already have been depreciated should annual and equal depreciation of the principal have been considered. This financing is compatible with others up to 80% of the investment, requiring, therefore, a minimum financing with available funds or an increase in Own Funds equivalent to 20% of the investment.
- Place presented:** LUZARO, E.F.C., S.A. Avda. de la Libertad 17, 4º 20004 Donostia-San Sebastián
- Documentation:** Companies are obliged to submit the following documents: - Quarterly balance sheets and profit and loss accounts. - The Annual Accounts, 15 days after their approval, (Tax report, Management Report, Balance Sheets, Profit and Loss Accounts and copy of the Company Tax) together with the corresponding Auditor's Report, should they be obliged to have this done, and if not, the Accounts Report deposited in the Mercantile Register. - Any information with regard to their economic-financial development that may be requested.

D2 *Financial Aid for Investment*

Organisation: Regional Development Agency OARSOALDEA, S.A.
Objectives: Provide initiatives promoted by the Regional Development Agency OARSOALDEA, S.A. with preferential investment financing with several financial entities appropriate for each case.
Beneficiaries: Provide initiatives promoted by the Regional Development Agency OARSOALDEA, S.A. with preferential investment financing with several financial entities appropriate for each case.
Type of aid: This aid offers financing under preferential conditions for: - Investments in buildings, machinery and installations. - Re-structuring of balance sheets. - Advance payment of subsidies and official aid. - Internationalisation. - Investment in environmental projects.
Place presented: Regional Development Agency OARSOALDEA, S.A. Industrialdea de Oiartzun. Polígono Ugaldetxo, Pabellón 25 2ª planta 20180 Oiartzun (Gipuzkoa)

D3 (A)

Seed Capital Bizkaia, Risk Capital Fund

Organisation: Seed Capital Bizkaia
Objectives: Provide financial support through capital contributions and other risk capital instruments, for the creation, growth and development of small and medium sized companies in Bizkaia.
Beneficiaries: Newly created and existing business projects and SMEs in Bizkaia that have a project for the future, be these innovating or capable of generating employment.
Type of aid: Financial support mainly, by means of the investment in capital, without detriment to other financial formulae (credits, participative loans, etc.) The basic criteria of the "SEED CAPITAL F.C.R." investment policy are as follows: - Sector diversification. - Participation in newly-created companies, to start up and launch their activities, or for the growth and development of already-existing companies. - The companies participated in shall be located in the Province of Bizkaia. - Promoters must participate in the capital of the company. - The participation in a company shall not be in excess of 45% of its share capital and never in excess of 45.5 million pesetas. - Participation shall be recovered in the shortest time possible by means of their sale with added value to the promoters, when it is considered that the presence of "SEED CAPITAL DE BIZKAIA" is not essential for the company.
Place presented: Seed Capital Bizkaia C/ Elcano 9, 1º 48008 Bilbao

D4 *AFI Programme of Financial Aid for Investment in the Industrial Sector*

Organisation: Basque Government. Department of Industry, Commerce and Tourism
Objectives: Subsidise by means of discounts in interest rates, those investments in new Fixed Asset investments made by Industrial SMEs in the Autonomous Community of the Basque Country.
Beneficiaries: Industrial, extractive and/or transforming SMEs, SMEs that provided the above with technical services and those associated with information and communications companies.
Type of aid: Reduction of the interest rates applied on 70% of the approved investment, both for loan operations and leasing, formalised under current legislation and agreements subscribed to with financial entities, and for the following amounts: - 2 points in general - 0.25 /0.5 additional points for projects that involve a significant increase in employment. - 0.25 additional points for those operations endorsed by an S.G.R. - 0.5 additional points for those projects made by new companies. - 3 additional points for those projects developed in Disadvantaged Areas for Urgent Action. Projects qualifying for subsidies: Projects that satisfy the following conditions will qualify for subsidies: - The project shall be 30% self-financed by the company. - The admissible investment volume in new fixed assets corresponding to the financial year in which the aid is requested shall be a minimum of 10 million pesetas (60,101.21 Euros). - The projects shall be developed by companies with a minimum staff of 3 workers, 2 of which shall be directed involved in the production process.
Regulation: Order 30/06/2000. Official Gazette Basque Country 10/07/2000 Resolution 27/02/2001. Official Gazette Basque Country 01/03/2001
Place presented: Basque Government. Department of Industry, Commerce and Tourism. Territorial Delegations For more information: www.eragintza.net Territorial Office of Industry, Commerce and Tourism of Gipuzkoa Easo, 10 20006 Donostia-San Sebastián Tel.: 943 02 25 05, E-mail: e-gipuzkoa@ej-gv.es Territorial Office of Industry, Commerce and Tourism of Bizkaia Gral. Concha, 23 48010 Bilbao Tel.: 944 03 14 10, E-mail: e-bizkaia@ej-gv.es Territorial Office of Industry, Commerce and Tourism of Alava Samaniego, 2 01009 Vitoria-Gasteiz Tel.: 945 01 77 70, E-mail: e-araba@ej-gv.es Industrial Promotion Office San Sebastián, 1 01010 Vitoria-Gasteiz Tel.: 945 01 82 03, E-mail: r-murillas@ej-gv.es

D5 *Tax Measures for Investments in New Tangible Fixed Assets. Bizkaia*

Organisation: Provincial Council of Bizkaia. Department of Treasury and Finance
Objectives: Guarantee an adequate and competitive level of taxation of companies with regard to Company Tax to support companies that do business in Bizkaia.
Beneficiaries: Companies in Bizkaia that make investments in new tangible fixed assets.
Date application ends: 31/12/2010
Type of aid: Deductions in Company Tax. - Investments made in new tangible fixed assets attributable to the development of the business activity of the entity, with the exception of land, shall give the right to a deduction of the net quota of 15% of the amount of these investments. - With the exception of buildings, investments made by means of leasing arrangements will be subject to this deduction. This deduction may also be applied to: - Investments made in computer applications during the tax year. - To the amounts invested in the acquisition of industrial buildings refurbished for transfer, in the purchase of industrial buildings for refurbishment or in the refurbishment of industrial buildings which have already become an asset of the company. When the company increase its average workforce by 5% with indefinite work contracts and maintains this increase for three years, the deduction will be 20%.
Regulation: Provincial regulations 3/1996, 26/06/1999. Official Bulletin of Bizkaia 11/07/1996
Place presented: Provincial Council of Bizkaia. Treasury and Finance Department. Camino Capuchinos 2-4 48013 Bilbao
Documents: Company Tax declaration

E OTHER TYPE OF FINANCIAL SUPPORT MEASURES ACCESSIBLE FOR SMEs

E1 Aid Programmes for improving Competitiveness in the SMEs of Alava, PROMECO 2001

- Organisation:** Provincial Council of Alava. Department of Treasury, Finance and Budgets
- Objectives:** Stimulate and provide incentives which favour the competitiveness of the SMEs of Alava.
- Beneficiaries:** Small and medium sized companies, whatever their legal makeup, with business and tax address in the province of Alava and/or at least with a production or service centre in the province and having been formed a minimum period of one year before the submittal date of the application; as well as groups and associations of companies with their own legal entity, and the self-employed. Small and Medium Sized Companies shall be considered to be those that on the submittal date of the application: - Have less than 250 salary earners. - Have an annual turnover of not over 40 million Euros (6,655 million pesetas, or an annual balance of not over 27 million Euros (4,492 pesetas). Beneficiary companies shall be those that belong to the industrial sector and services linked to industry. Public companies and public entities are excluded.
- Type of aid:** Non refundable subsidies, the subsidised percentage of which may reach 30%, with a maximum limit of 5 million pesetas (30,050.61 Euros). Additionally, the subsidy may be increased to a maximum of an additional 15% if the subsidised project means the creation of net employment. In this case, the number of new jobs created as a result of the project, shall be valued, as well as their characteristics. Those jobs commissioned from external professionals, technological centres or professional services companies that have been identified by the company as useful and that contribute to the development of specific competitive advantages for the company. Those relating to the following areas shall have priority: - Access to and implementation of information technologies. - Knowledge Society. - Telecommunications. - Internationalisation. Innovation. - Inter-company co-operation. - Strategic alliances. - Environmental quality. Likewise, and for projects of special relevance, work done in internal departments may also qualify for subsidies, provided that these correspond to specifically differentiated projects, are considered to be specifically differentiated in their conception and/or materialisation and the company has not received any subsidy in former promotions of PROMECO for other internal projects with similar characteristics. Jobs on which applications are based shall commence before the end of the year 2001 and applications may include activities carried out up to the date of the application. The aid included in this Decree shall be incompatible with any other of the same type granted to the company for the same subsidised activity when the sum of all the aid received exceeds the maximum established in article 5 of this Decree.
- Regulation:** Provincial Decree 42/2001, 03/04/2001. Official Gazette of the Province of Alava 09/04/2001
- Place presented:** Provincial Council of Alava. Economic Promotion and Employment Service Plaza de la Provincia s/n 01001 Vitoria-Gasteiz
- Documentation:** Applications for aid must be made via the forms designed for this purpose by the Economic Promotion and Employment Service of the Local Administration and Regional Development Department and shall be sent together with any additional documentation that may be required.

E2 SME guarantee mechanism (Initiative for Growth and Employment)

- Organisation:** European Union
- Objectives:** Foster the creation of employment by providing support for the investments of small and medium-sized companies of an innovative nature, by means of a greater availability of loans.
- Beneficiaries:** Guarantee systems in the public or private sector of member States, including reciprocal guarantee systems, the EIB of any other appropriate financial entity, with regard to any risk undertaken or financial aid granted to a SME.
- Date application ends:** 31/12/2010
- 7

E3 Tax measures for the Purchase of Variable Interest Securities. Gipuzkoa

- Organisation:** Provincial Council of Gipuzkoa. Department of the Treasury and Finance
- Objectives:** Regulation of the tax measures relating to Company Tax aimed at providing incentives for the financing of companies through investments in the purchase of variable interest securities.
- Beneficiaries:** Companies in Gipuzkoa who make investments in variable interest securities.
- Type of aid:** Deductions in Company Tax. Tax payers may deduct, generally, from the net quota, 5 per cent of the surplus of the average volume of the period with respect to the average volume of the previous year, from the investments made by means of money payments and in the form of the purchase of: - Participations in the share capital of entities that effectively carry out a business activity. - Participations in the share capital of entities who, not being subject to the tax transparency system, have more than 75 per cent of their assets made up of participations of other companies that effectively carry out a business activity. The percentage established in the previous paragraph shall amount to 6.5 per cent for the following cases: -When the investment takes the form of participations in the capital of companies that are quoted, and are operative, on the Bilbao Stock Market. In the case of participations in the capital of companies that may have been admitted for quotation on the Bilbao Stock Market after the coming into effect of this Provincial Regulation, the amount of this deduction shall amount to 8.5 per cent. This percentage may be applied to investments made during the first three tax periods as of the moment the company is admitted for quotation on the Bilbao Stock Market. - When the investment is made in participations in the capital of companies that are acquired through extensions of capital, including the costs of subscription rights.
- Regulation:** Provincial Regulation 7/1996, 4/07/1996. Official Gazette of Guipuzkoa 17/07/1996
- Place presented:** Provincial Council of Gipuzkoa. Treasury and Finance Department Paseo de Errotaburu 2 20009 Donostia-San Sebastián
- Documentation:** Company Tax declaration.

E4 GAUZATU-Tourism Programme

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** Promote initiatives for the creation of companies of special strategic interest for the development of tourism.
- Beneficiaries:** Small and Medium Size Companies (SMEs), engaged in activities with the following characteristics: - Hotel establishments of 1 to 5 stars offering nature, leisure or health tourism accommodation. - Rural hotels - Tourist apartments or bungalows, except in capitals, and rural apartments. - Camp sites and rural camp sites. - Rural homes. - Activities in the nature, leisure or health sectors of recognised interest for tourism or that are engaged in activities within the bounds of the information society or environmental technology, to complete the range of tourism activities offered by the Basque Country.
- Type of aid:** Activities qualifying for subsidies: a) Construction of a building or the refurbishing of an already existing one as a hotel or rural hotel of one or more stars. b) Construction and refurbishment of tourist apartments or bungalows, rural apartments and rural houses. c) Modernisation, renovation and innovation of the structures or equipment of hotels of one or more stars, including those in capitals and rural hotels. d) Construction of camp sites and rural camp sites, with permission to make new installations and improve existing ones. e) Creation and development of tourism products and/or companies in the nature, leisure or health activities sectors of recognised interest for tourism, such as golf, or pitch and putt courses which include access to the public, health resorts, baths, thalassotherapy, nature, active tourism or cultural activities and others, as well as those coming within the bounds of the information society and environmental technology to complete the range of tourism activities offered by the Basque Country. The feasibility and financial plan of the project would also qualify for aid, with a maximum amount of 1,000,000 pesetas (6,010.12 Euros), provided that this work is done by independent specialists. The aid will take the form of refundable advance payments, proportional to the investments to be made: a) Refundable advance payments of 30% of the investment qualifying for aid for small companies. b) Refundable advance payments of 25% of the investment qualifying for aid for medium-size companies c) Refundable advance payments of 100% of the feasibility and financial plan.
- Regulation:** Order 1/09/2000. Official Gazette of the Basque Country 18/09/2000 Resolution 27/02/2001. Official Gazette of the Basque Country 07/03/2001
- Place presented:** Basque Government. Department of Industry, Commerce and Tourism Territorial Offices of Industry, Commerce and Tourism
- Documentation:** a) Detailed report of the investment project which will include the tourism and business project, the economic, financial and labour feasibility plan, specifying the jobs to be created and the timeframe within which this is to be done, according to the standard form to be provided by the Territorial Offices of the department of Industry, Commerce and Tourism. b) Formation deeds and photocopy of the Tax Code, only for companies considered to be of recent creation. c) Photocopy of the proxy deed of the applicant, unless this is already in the possession of the Department of Industry, Commerce and Tourism and there has been no change in the legal representative. d) Copy of the Audited Accounts for the last tax year, or in their absence, the last two Company tax declarations or, if appropriate, of the Personal Income Tax for existing companies. e) Certificate demonstrating that the applicant is up to date with his/her Social Security Obligations. f) If appropriate, the Project with the corresponding report and drawings and building permit, should this be required. g) Sworn declaration with respect to the truth of the following aspects, which will be checked during the inspection stage, except with reference to tax obligations, which will be checked before the aid is granted: - That the applicant is up to date with his/her tax obligations. - The number of workers employed on December 31 of the tax year prior to that of the application, according to the TC2 for that month. - The turnover on December 31 of the tax period prior to that of the application. - The general annual balance on December 31 of the tax period prior to that of the application. - That no more than 25% of its capital belongs directly or indirectly to a company other than an SME or jointly by several of them. - The aid applied for and/received from other public or private institutions for the same project.

E5 AFI programme of financial aid for investments in the tourism sector

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** This programme governs a series of financial instruments that allow, on the one hand, the promotion of the creation of new companies and investments that allow the development of tourist resources and, on the other, make progress in the improvement and modernisation of current tourist companies.
- Beneficiaries:** Small and medium sized companies and public entities.
- Date application ends:** 22062001
- Type of aid:** Discount on the interest rates on 70% of the approved investment, both for loan and leasing operations formalised in accordance with current legislation and of the agreements subscribed to with financial entities for this purpose, and for the following amounts: - 2 points in general. - 0.25 additional points for operations endorsed by a Mutual Guarantee Company - 0.5 additional points for those projects carried out by new companies. 0.5 additional points for the creation of tourist accommodation in preferential tourist areas. -0.5 additional points for projects that affect: nature, sports, cultural tourism, conferences, trade fairs and incentives. - 3 additional points for those projects that are developed in Disadvantaged Areas for Urgent Action. General conditions of the projects: - 30% self-financing by the company. - In general, the admissible investment volume will be 10 million pesetas (60,101.21 Euros) except: a) Creation of rural dwellings and refurbishment of camp sites: 7 million pesetas (42,070.85 Euros). b) Modernisation of 2 star lodging houses: 5 million pesetas (30,050.61 Euros). c) Improvements in rural homes offering bed and breakfast and dwellings to obtain the "Q for tourist quality": 2 million pesetas (12,020.24 Euros). Projects qualifying for subsidies: - Construction or rehabilitation of buildings for use as hotels (except in the three capitals of the Autonomous Community of the Basque Country), tourist apartments and/or rural dwellings. - Creation and/or refurbishing of tourist camps. - Modernisation, renovation and innovation of hotels, tourist apartments and 2-star lodging houses. - Modernisation work in rural bed and breakfast establishments to obtain the "Q or tourist quality". - Creation of tourist products and companies that add to or improve Basque tourist resources.
- Regulation:** Order 30/06/2000. Official Gazette Basque Country 10/07/2000 Resolution 27/02/2001. Official Gazette Basque Country 07/03/2001
- Place presented:** Basque Government. Department of Industry, Commerce and Tourism. Territorial Delegations For more information: www.eragintza.net Territorial Office of Industry, Commerce and Tourism of Gipuzkoa Easo, 10 20006 Donostia-San Sebastián Tel.: 943 02.25.81 Territorial Office of Industry, Commerce and Tourism of Bizkaia Gral. Concha, 23 48010 Bilbao Tel.: 944 03 14 00 Territorial Office of Industry, Commerce and Tourism of Alava Samaniego, 2 01009 Vitoria-Gasteiz Tel.: 945 01 70 55

E6 LEADER + Community Rural Development Initiative

- Organisation:** European Union
- Objectives:** Encourage and help agents from the rural world to reflect upon the potential of their territory in the longer term. Likewise, this initiative intends to foster the application of original, integrated strategies of sustainable development and quality, aimed at experimentation in new forms of: - Valuing their natural and cultural heritage. - Improving the economic environment in order to contribute to the creation of employment. - Improving the capacity of the organisation of their respective communities.
- Beneficiaries:** Beneficiaries of the Leader + financial aid package will be a group of interlocutors called . Local action groups will act as the transmitters of the development strategy and will be entrusted with its application. These groups shall be made up of a balanced and representative group of interlocutors from the different socio-economic sectors of the territory. Economic agents and associations shall represent at least 50% of the social agents in the decision-making bodies.

E7 Aid for investments in farming operations. Bizkaia

- Organisation:** Provincial Council of Bizkaia. Department of Agriculture
- Objectives:** - Reduce production costs. - Improve and redirect production. - Increase quality. - Protect and improve the natural milieu, health and well-being of animals. - Encourage the diversification of agricultural activities.
- Beneficiaries:** - Farms owned by an individual. - Farms owned by a legal person, or belonging to associations. - Farms owned by a young farmer.
- Type of aid:** The investment aid will be granted in the form of capital subsidies or their equivalent in discounts in interest rates or a combination of both. The minimum investment qualifying for aid will be 3000 Euros (499,158 pesetas) and the maximum investment qualifying for aid will be 120,202 Euros (20,000,000 pesetas) per farm work unit, with a maximum of 2 units subsidised per individual farm and a maximum of 5 units per farm belonging to an association. AMOUNT OF THE AID Investments in real estate: - Fixed farming constructions and installations. - Protected fruit and vegetable farms. - Established plantations of fruit trees and “txakoli” vineyards. - Investments for “bed and breakfast” establishments in farms. - Permanent improvements in farms. - Purchase of land. - Refurbishment of the farmer’s habitual dwelling. The amount of aid will range between 35 and 45% of the investment depending on whether or not the farmer is young and whether or not the farm is located in a disadvantaged area. Real estate investment: - Purchase of reproductive animals, initial purchase of increase in herd. - Purchase of machinery. - Computer equipment. The amount of aid will range between 25 and 35% of the investment depending on whether or not the farmer is young and whether or not the farm is in a disadvantaged area.
- Regulation:** Provincial Decree 132/2000, 6/11/2000. Official Gazette of Bizkaia 22/11/2000 Provincial Order 8228/2000, 21/11/2000. Official Gazette of Bizkaia 30/11/2000
- Place presented:** Regional Agrarian Offices

E8 Aid to help young farmers set up business. Araba

- Organisation:** Provincial Council of Alava. Department of Agriculture and the Environment
- Objectives:** Help young farmers to secure the ownership or co-ownership of a farm or to secure membership of an association of a formal nature and which is owner of a farm.
- Beneficiaries:** Young persons of over 18 years of age or are emancipated, and under forty.
- Type of aid:** Investments qualifying for aid: a) Payment of the first annual instalment of a rental contract for land or farming installations. b) Notary public and registry charges deriving from the first acquisition. c) Financial cost of a promotional loan for the first tax year. d) Expenses relating to obtaining administrative permits, licences and authorisations required for the beneficiary to set up business. e) Economic contribution of the young person to the agricultural co-operative or transformation society for membership of same. f) Acquisition of production rights and rights to productivity bonuses of an individual and transferable nature, in accordance with current regulations applicable in the sector. g) Cost of collateral of investment loans for a first acquisition. h) Payment of death duties, if appropriate, to the co-inheritors of a family-owned farm. i) Acquisition or refurbishment of the beneficiary’s own home, which represents his/her normal residence. j) Acquisition of territorial and farming capital, to the extent required in order to set up business. k) Expenses deriving from courses taken to initiate the agricultural activity. Type and amount of aid: a) A reduction of the interest corresponding to loans relating to expenses and investments deriving from the first acquisition, the capitalised value of which shall not exceed 25,000 Euros (4,159,650 pesetas). (The maximum duration of the loans shall not exceed fifteen years and the minimum interest to be paid by the beneficiary shall be 1% per annum. b) A bonus per acquisition, amounting to a maximum amount of 25,000 Euros (4,159,650 pesetas), which may be replaced, totally or partially, by an equivalent reduction of interest, in the manner established in the previous section. The amount of aid plus the bonus for the first acquisition to be given to the beneficiary in the form of a direct subsidy shall not exceed, under any circumstance, the expenses and investment of the acquisition, and the total amount of aid shall not exceed 25,000 Euros (4,195,650 pesetas). The beneficiary shall not receive more than one bonus per farm, nor more than one reduction in the interest to be paid for a first acquisition.
- Regulation:** Provincial Decree 116/2000, 28/11/2000. Official Gazette of Alava 27/12/2000. Provincial Order 3/2001, 26/01/2001. Official Gazette of the the Province of Alava 07/02/2001 Provincial Decree 94/2001, 11/09/2001. Official Gazette of Alava 5/10/2001
- Place presented:** Regional Agrarian Offices

E9 *Aid for investments in farming operations. Araba*

- Organisation:** Provincial Council of Alava. Department of Agriculture and the Environment
- Objectives:** - Reduce production costs. - Improve and redirect production. - Protect and improve the natural milieu, health and well-being of animals. - Encourage the diversification of agricultural activities.
- Beneficiaries:** - Full-time and part-time farmers in accordance with the type of investment qualifying for subsidy.
- Type of aid:** Investments qualifying for subsidies: - The purchase of agricultural machinery will be subsidised for a maximum period of six years with a compensation of 1.75 points of interest on 65% of the loan capital for part-time farmers, on 75% for full-time farmer and on 80% for young farmers. In mountain agricultural areas or depressed areas, compensation will be 2.50 points. - Acquisition of land: this will be subsidised for a maximum of 10 years with a compensation of 1.50 points of interest on 75% of the loan capital for part-time farmers, on 80% for full-time farmer and on 80% for young farmers. In mountain agricultural areas or depressed areas, compensation will be 2 points. - Fruit plantations: 15% of the investment qualifying for aid and 25% in mountain or disadvantaged areas if the investment does not exceed one million and compensation of 1.75 interest points for eight years on 75% of the loan capital which will increase to 80% for young farmers. In mountain farming areas or disadvantaged area, the compensation will be 2.50 points. - First acquisition of farm livestock: 20% of the investment qualifying for aid in normal areas and 25% in mountain or disadvantaged areas if the investment does not exceed one million and compensation of 1.75 interest points for six years on 80% of the loan capital which will increase to 90% for young farmers. In mountain farming areas or disadvantaged area, the compensation will be 2.50 points. - Construction or improvement of rural dwellings used as the habitual residence of farmer applying for aid: 15% of the investment qualifying for aid in normal areas and 20% in mountain or disadvantaged areas if the investment does not exceed five million and compensation of 1.50 interest points for ten years on 70% of the loan capital which will increase to 80% for young farmers. In mountain farming areas or disadvantaged area, the compensation will be 2.25 points. - Agricultural and livestock buildings: for some activities this will be 30% of the investment qualifying for aid in normal areas and 35% in mountain or disadvantaged areas if the investment does not exceed three million and compensation of 2.25 interest points for up to ten years on 80% of the loan capital which will increase to 90% for young farmers. In mountain farming areas or disadvantaged area, the compensation will be 2.75 points. For other activities, the amount of aid will be 20% of the investment qualifying for aid in normal areas and 25% in mountain or disadvantaged areas if the investment does not exceed one million. - Rural guest houses: the aid will increase to 40% of the investment qualifying for investment in normal areas and up to 50% in disadvantaged areas. In the case of young farmers this will be up to 45% in normal areas and up to 55% in disadvantaged areas. - Diversification of agricultural activities: the amount of aid will be up to 35% of the investment qualifying for aid in the form of a direct subsidy in the case of investments aimed at developing new alternative agricultural products, as well as craft activities. Should the aid be used for investments in normal production associated with quality labels, the amount of aid will be up to 40% of the investment qualifying for aid in the form of a direct subsidy in normal areas and 50% in disadvantaged areas. - Computer equipment: the amount of aid will be 35% of the investment qualifying for aid. The minimum investment qualifying for aid will be 1000 Euros (166,386 pesetas) and the maximum qualifying for aid in this aid package will be 2000 Euros (332,772 pesetas).
- Regulation:** Provincial Decree 116/2000, 28/11/2000. Official Gazette of Alava 27/12/2000 Provincial Order 3/2001, 26/01/2001. Official Gazette of the Province of Alava 07/02/2001 Provincial Decree 94/2001, 11/09/2001. Official Gazette of Alava 5/10/2001
- Place presented:** Regional Agrarian Offices

E10 **Programme of Financial Aid for Investment in the Commercial Distribution Sector (AFI)**

- Organisation:** Basque Government. Department of Industry, Commerce and Tourism
- Objectives:** Provide support, by means of discounts in the interest rate for those investments in fixed assets made by commercial SMEs in the Autonomous Community of the Basque Country.
- Beneficiaries:** SMEs the main activity of which with regard to business volume is commercial, formed and acting commercially for at least 2 years before the application for aid. In the case of the creation of a new company as the consequence of the development of another, pre-existing one with the transfer of all its wealth or of one or several branches of completely different activities, in which case this requirement must be met by the parent company.
- Type of aid:** Discount in the interest rate on 70% of the investment qualifying for subsidy, in loan operations and of tariff rates on 100% of this investment, in leasing operations, drawn up in accordance with the legislation in effect and the Agreements signed with financial entities for this effect and for the following amounts: - In general: loan 2 points, leasing 1.4 points. - Additional points to the general discount: - Operations guaranteed by a Mutual Guarantee Company: loan 0.25 points, leasing 0.25 points. - Member of the Traders Association: loan 0.5 points, leasing 0.35 points. - Projects developed in the municipalities listed in Annex I (*) of the Order: loan 3 points, leasing 2.1 points. BIZKAIA: Abanto y Ciérvana/Abanto Zierbena, Alonsótegui, Barakaldo, Erandio, Muskiz, Ortuella, Portugalete, Santurtzi, Sestao, Valle de Trápaga/Trapagarán, Zierbana. GIPUZKOA: Lezo, Oiartzun, Pasaia, Renteria. Investments in the assets of groups 215, 220, 221, 223, 224, 225, 226, and 227, according to the General Accounting Plan which: - relate directly to the main activity of the company; - are used or come into operation for the first time, except in the purchase of buildings and other used constructions, which shall be considered as new; - remain in the assets of the company for a minimum period of 3 years; - are not ceded to third parties, with or without consideration; - have not been manufactured, made or developed by the applicant company; - are located in the Autonomous Community of the Basque Country.
- Regulation:** Order 30/06/2000. Official Gazette Basque Country 10/07/2000 Resolution 27/02/2001. Official Gazette Basque Country 28/02/2001
- Place presented:** Basque Government. Department of Industry, Commerce and Tourism. Territorial Delegations

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WEBSITE Ministry of Economic Directorate General for SME policies

WEBSITE of the Basque Government; the database of support measures that offers the information in several languages among others English (www.eragintza.net/industria)

WEBSITE COFIDES (www.cofides.es)

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WEBSITE Sociedad de Fomento de las Canarias (www.sofesa.rcanaria.es)

WEBSITE: Empresa Nacional de Innovación (www.enisa.es)

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