



FORM I - REGION OF MURCIA - INNOVATION SMEs

REPORT BY THE PUBLIC WORKS INSTITUTE OF THE REGION OF MURCIA REGARDING THE APPLICATION OF THE COMMISSION DECISION OF 28 NOVEMBER 2005 ON SERVICES OF GENERAL INTEREST (SGEI) CORRESPONDING TO THE 2009-2011 PERIOD

1. Application of the Commission Decision

1.1 Assignment

The Public Works Institute of the Region of Murcia (INFO), a body governed by public law attached to the Region of Murcia's Department of Universities, Enterprise and Research, is the implementing agency of the said Autonomous Community. Its overarching aim is to promote the creation of wealth and employment and contribute to regional economic development, particularly by promoting comprehensive policies in support of SMEs.

INFO has allocated direct subsidies for services of general economic interest on the basis of Article 23 of Law 7/2005 of 18 November 2005 on Subsidies of the Autonomous Community of the Region of Murcia (CARM) formalised through Agreements approved by INFO's Board of Management and authorised by CARM through the attendant Decrees.

1.1.1 Nature of public service duties:

a) Agreements with Technological Centres in the Region of Murcia.

Technological Centres are constituted as non-profit associations pursuant to Organic Law 1/2002 of 22 March 2002 regulating the Right of Association.

The Science and Technology schemes bear witness to the important role played by the Region of Murcia's Technological Centres within the science-technology-enterprise system in fostering innovative culture and the introduction of new technologies in production sectors. In this connection, INFO has developed what are considered general interest actions for the productive sector in the Region of Murcia, and it explicitly entrusts the Technological Centres to carry them out.

Given the structure of the Region of Murcia's industrial fabric, largely composed of SMEs, the transfer of know-how from the scientific sphere to industry comes up against serious difficulties which require the participation of specialised organisations, accessible to businesses and with qualified personnel. To help solve these market shortcomings—inadequate distribution of information, lack of coordination and frequent resistance from enterprise to innovate—the Technological Centre focuses its attention on activities related to the generation, development, transfer and dissemination of innovation amongst businesses.

Since the intervention of the Technological Centres is indispensable in overcoming market shortcomings in the Region of Murcia, the Regional Government believes that the mediation services provided by the Technological Centres meet an objective of general economic interest, which is why INFO, as a government body, places these Centres in charge of providing these services as public services in each of the areas where said Centres operate.

b) Agreements with Business and Innovation Centres in the Region of Murcia.



Business and Innovation Centres are private non-profit associations or foundations supported by INFO with a view to promoting and encouraging the creation of an innovative business fabric and to fostering the incorporation of innovation and technology in existing companies. Their main objectives revolve around detecting, analysing and consolidating innovative or diversified business initiatives, be that in terms of products, services or business management. To achieve their objectives, the Business and Innovation Centres offer advisory and comprehensive consultation services in all functional areas of business. They likewise offer premises to house and help entrepreneurs with innovative business initiatives during the first three years of operation.

Following is a list of the main services offered by these Centres for entrepreneurs and innovative business people constituting services of general interest:

- promotion of entrepreneurship throughout society;
- guidance for entrepreneurs with innovative business initiatives;
- market studies to identify emerging economic activities or ways to innovate in traditional activities;
- advisory services on sources of funding for R&D projects and the implementation of technological initiatives;
- services targeting regional Economic Institutions for the Capture and Development of Business Initiatives;
- promotion, capture and selection of innovative projects;
- management and information regarding aid and subsidies;
- promotion of business parks as a specialised environment to help consolidate new investment projects.

Since the intervention of the Technological Centres is indispensable in overcoming market shortcomings in the Region of Murcia regarding support for entrepreneurs with innovative business initiatives and the dissemination of entrepreneurship based on innovation, the Regional Government believes that the mediation services provided by these Centres meet an objective of general economic interest, which is why INFO, as a government body, places these Centres in charge of providing these public services in each of the areas where they operate.

1.1.2 Duration of public service obligations.

During the 2009-2011 period, INFO has applied the SGEI by signing one-year agreements with the Technological Centres and the Business and Innovation Centres of the Region of Murcia.

1.1.3 Firms involved.

Agreements have been signed with the following Technological Centres and Business and Innovation Centres throughout the Region of Murcia:

- Technological Centre Association for Furniture and Wood
- Technological Centre Association for Footwear
- Technological Centre Association for Marble
- Technological Centre Association for Canned Goods
- Technological Centre Association for Metal
- Technological Centre Association for Crafts
- Technological Centre Association for the Environment
- Technological Centre Association for Construction
- Naval and Sea Technological Centre Association
- Technological Centre Association for Information and Communication Technology



- European Business and Innovation Centre Association of Cartagena
- European Business and Innovation Centre Foundation of Murcia

1.1.4 Territories affected

The area where the services of general interest envisaged in the Agreements are provided is limited to the Region of Murcia.

1.1.5 Calculation parameters.

The subsidy management and justification scheme is laid down in Title I, Chapter III of Law 7/2005 of 18 November 2005 on Subsidies in the Autonomous Community of the Region of Murcia, without prejudice to the specific conditions provided in the Agreements.

The Centres furnish evidence that the actions described in the Annual Services Plan were actually carried out by submitting a report accounting for expenditures made during the course of the Plan accrediting at least a cost equal to the aid awarded. Any other aid or public or private funds awarded which are attributable to the services provided in this agreement are deducted from that cost.

Expenditure incurred in the operation of the services envisaged is considered eligible expenditure. This includes all the variable costs incurred plus a proportional amount of the shared fixed costs of the services and of other Centre activities calculated in accordance with generally accepted accounting principles and objective, transparent and verifiable allocation criteria.

Costs corresponding to necessary investments which are directly attributable to the services of general interest provided through the Agreements and which have been authorised beforehand by INFO are also considered eligible expenditure.

The Centres have a cost accounting system in place to assign the costs actually incurred to the services rendered. Internal cost accounting must separately list the costs and revenues associated with the services of general economic interest envisaged and the costs and revenues arising from the rest of the activities in which the Centres engage.

1.1.6 Compensation control and review

The control, monitoring and review, where appropriate, of the compensation earmarked for the Centres to defray the costs incurred in the provision of services of general interest is performed annually as follows:

- In July the Centre must furnish information on the degree of execution and provide a report justifying progress in the Annual Services Plan.
- In December the Centre must furnish information on the degree of execution of the Annual Services Plan by submitting a justification report.
- Before 31 March of the following financial year, the Centre must submit the justifying accounts (list of invoices, receipts, payments, etc.) along with an audit report (by an auditor registered in ROAC) with a detailed itemised list of income and expenditure corresponding to the SGEI.

Without prejudice to the provisions on the monitoring and control of the actions forming part of the Annual Services Plan, a Committee has been set up composed of representatives from INFO and from each Centre to monitor compliance with and adaptation to the Annual Services



Plan and the Community, national and regional legal conditions applicable to this type of public service compensation.

1.1.7 Prevention of overcompensation and reimbursement

In cases where compensation from INFO exceeds the costs attributable to the SGEI provided by the Centre, from which revenues obtained for that purpose are deducted, the Centre must refund the excess amount paid in the way described in the Agreements:

If the Centre fails to justify expenditure matching the contribution made by INFO, or if it obtains any other concurrent financing and revenues attributable to the services of general economic interest, the Centre must reimburse INFO the corresponding amount to avoid overcompensation plus any default interest.



1.1.8 Efforts made to comply with award requirements

The Centres must submit an Account Auditor's report (registered in ROAC as an active auditor) covering the following points:

- a. Eligibility of the expenditure attributable to the SGEI and justification attesting that they are needed to carry out the subsidised SGEI.
- b. Verification of all supporting documents of expenditure and proof that payment was actually made.
- c. Evidence and validation that the criteria used to assign the costs are the ones provided for in the agreement.
- d. Information regarding other subsidies and public or private income for the subsidised activities and their compatibility, particularly with regard to the provisions of Article 54 of Commission Regulation (EC) 1083/2006.
- e. Proof that, in accordance with the terms of this agreement, there has been no overcompensation of the SGEI in any case.
- f. Proof of compliance with the provisions of Article 31(3) of the General Subsidies Act, Law 38/2003 of 20 March 2003.
- g. Proof of the suitability of the Centre's cost accounting system for the purposes of verification and justification of the costs incurred in performance of the subsidised SGEI.

1.2 Amount of compensation.

The rules (particularly accounting) communicated to the Centres to prevent all cross-subsidies allow for a fair distribution of costs and prevent overcompensation.

The Centres must have a cost accounting system in place to assign the costs actually incurred to the services rendered within the framework of the Agreements.

Internal cost accounting must separately list the costs and revenues associated with the services of general economic interest envisaged in the Agreements and the costs and revenues arising from the rest of the activities in which the Centres engage.



1.3 Overcompensation.

Without prejudice to the provisions of the foregoing sections 1.1.5 to 1.1.8, the management of each of the Agreements by INFO technicians includes monitoring and control to prevent overcompensation.

However, as with any other subsidy granted by INFO, any compensation it awards in application of SGEI Agreements is subject to the checks and audits performed annually by different control bodies:

- The Court of Auditors.
- The Public Accounts Department of the Region of Murcia.
- The Directorate-General of Economy and Planning.
- INFO's internal audit department.

1.4 Checks and annual reports.

INFO and the Centres receiving compensation must comply with their duty of keeping all the documents needed to prove that compensation granted is compatible with the Decision on file and at the disposal of the Commission for ten years.

2. Scope and use of statistical information on the SGEI.

Compensation granted by INFO for public service is in accordance with the following sub-category pursuant to Article 2(1) a) of the Decision on SGEI:

Public service compensation granted to undertakings with an average annual turnover before tax, all activities included, of less than EUR 100 million during the two financial years preceding that in which the service of general economic interest was assigned, which receive annual compensation for the service in question of less than EUR 30 million.



The amount of the aid awarded for SGEI in 2009, 2010 and 2011 totalled €13 953 999, broken down as follows:

TECHNOLOGICAL CENTRES (TC)	2009	2010	2011	TOTAL
TC Furniture and Wood	416 000	430 000	340 805	1 186 805
TC Footwear	390 000	400 000	310 652	1 100 652
TC Marble	453 000	462 000	358 803	1 273 803
TC Canned goods	700 000	700 000	543 641	1 943 641
TC Metal	639 000	640 000	497 043	1 776 043
TC Crafts	208 000	213 000	165 422	586 422
TC Environment	286 000	319 000	247 745	852 745
TC Construction	364 000	374 000	290 460	1 028 460
Naval and Sea TC	364 000	373 000	289 683	1 026 683
TC Information and Communication	312 000	319 000	247 745	878 745
TOTAL	4 132 000	4 230 000	3 291 999	11 653 999

BUSINESS AND INNOV. CENTRES (BIC)	2009	2010	2011	TOTAL
BIC Cartagena	350 000	350 000	250 000	950 000
BIC Murcia	500 000	500 000	350 000	1 350 000
TOTAL	850 000	850 000	600 000	2 300 000

TOTAL SGEI	4 982 000	5 080 000	3 891 999	13 953 999
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Indicators

The following data are provided for each sector or sub-category for each year:

- Maximum annual amount compensated for each SGEI
- Number of beneficiaries
- Average amount of compensation for each year.

Sector means each of the areas where the different Technological Centres or Business and Innovation Centres which have managed services of general economic interest during this period are situated.



Technological Centre for Furniture and Wood

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	56 000	56 000	28 000
Internal R&D-Innovation	90 000	95 000	65 000
Consulting for the execution of R&D-Innovation projects	30 000	31 000	16 000
Support for the implementation of forward-looking initiatives	11 000	12 000	5 450
Technological surveillance and dissemination	40 000	37 000	22 000
Preparation of events, symposia and conferences	32 000	40 000	38 355
Technician training	70 000	70 000	61 000
Creation of networks and clusters	35 000	30 000	39 000
Technology transfer	30 000	34 000	53 000
Facilitate the protection of innovation through patents	22 000	25 000	13 000
Total amount	416 000	430 000	340 805
Number of beneficiaries	234	234	235
Average amount compensated (€/beneficiary)	1 778	1 838	1 450

Technological Centre for Footwear

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	55 000	55 000	69 758
Internal R&D-Innovation	125 000	125 000	68 144
Consulting for the execution of R&D-Innovation projects	85 000	90 000	73 525
Support for the implementation of forward-looking initiatives	0	0	0
Technological surveillance and dissemination	70 000	72 000	44 397
Preparation of events, symposia and conferences	7 500	5 000	14 052
Technician training	25 000	30 000	22 512
Creation of networks and clusters	6 500	8 000	5 241
Technology transfer	8 000	7 000	4 308
Facilitate the protection of innovation through patents	8 000	8 000	8 715
Total amount	390 000	400 000	310 652
Number of beneficiaries	87	91	121
Average amount compensated (€/beneficiary)	4 483	4 396	2 567

Technological Centre for Marble

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	42 000	42 000	18 367
Internal R&D-Innovation	125 000	134 000	105 642
Consulting for the execution of R&D-Innovation projects	34 000	34 000	74 262
Support for the implementation of forward-looking initiatives	39 000	39 000	20 251
Technological surveillance and dissemination	39 000	39 000	21 700
Preparation of events, symposia and conferences	28 000	28 000	23 402
Technician training	36 000	36 000	22 418
Creation of networks and clusters	44 000	44 000	31 036
Technology transfer	32 000	32 000	18 830



Facilitate the protection of innovation through patents	34 000	34 000	22 895
Total amount	453 000	462 000	358 803
Number of beneficiaries	130	133	135
Average amount compensated (€/beneficiary)	3 485	3 474	2 658

Technological Centre for Tinned Goods

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	100 000	100 000	103 893
Internal R&D-Innovation	150 000	200 000	170 350
Consulting for the execution of R&D-Innovation projects	120 000	120 000	50 919
Support for the implementation of forward-looking initiatives	5 000	5 000	6 769
Technological surveillance and dissemination	110 000	110 000	42 574
Preparation of events, symposia and conferences	90 000	20 000	22 936
Technician training	100 000	120 000	104 067
Creation of networks and clusters	20 000	20 000	37 853
Technology transfer	5 000	5 000	4 280
Facilitate the protection of innovation through patents	0	0	0
Total amount	700 000	700 000	543 641
Number of beneficiaries	356	347	340
Average amount compensated (€/beneficiary)	1 966	2 017	1 599

Technological Centre for Metal

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	20 000	20 000	15 500
Internal R&D-Innovation	190 000	191 000	148 500
Consulting for the execution of R&D-Innovation projects	150 000	150 000	116 500
Support for the implementation of forward-looking initiatives	30 000	30 000	23 200
Technological surveillance and dissemination	55 000	55 000	42 700
Preparation of events, symposia and conferences	79 000	79 000	61 300
Technician training	30 000	30 000	23 300
Creation of networks and clusters	40 000	40 000	31 000
Technology transfer	35 000	35 000	27 200
Facilitate the protection of innovation through patents	10 000	10 000	7 843
Total amount	639 000	640 000	497 043
Number of beneficiaries	852	860	872
Average amount compensated (€/beneficiary)	750	744	570



Technological Centre for Crafts

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	36 000	35 000	16 625
Internal R&D-Innovation	46 000	60 000	40 226
Consulting for the execution of R&D-Innovation projects	42 500	45 000	52 696
Support for the implementation of forward-looking initiatives	0	0	0
Technological surveillance and dissemination	45 000	45 000	30 000
Preparation of events, symposia and conferences	20 000	10 000	5 772
Technician training	8 500	5 000	9 054
Creation of networks and clusters	5 000	8 000	10 000
Technology transfer	5 000	5 000	1 050
Facilitate the protection of innovation through patents	0	0	0
Total amount	208 000	213 000	165 422
Number of beneficiaries	51	45	32
Average amount compensated (€/beneficiary)	4 078	4 733	5 169

Technological Centre for the Environment

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	16 000	17 000	7 640
Internal R&D-Innovation	95 000	108 000	95 360
Consulting for the execution of R&D-Innovation projects	90 000	95 000	96 330
Support for the implementation of forward-looking initiatives	5 000	2 500	1 370
Technological surveillance and dissemination	0	10 000	8 870
Preparation of events, symposia and conferences	30 000	36 000	11 220
Technician training	15 000	18 000	13 230
Creation of networks and clusters	12 000	15 000	8 730
Technology transfer	18 000	15 000	2 500
Facilitate the protection of innovation through patents	5 000	2 500	2 495
Total amount	286 000	319 000	247 745
Number of beneficiaries	80	76	82
Average amount compensated (€/beneficiary)	3 575	4 197	3 021

Technological Centre for Construction

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	35 000	35 000	15 800
Internal R&D-Innovation	120 000	125 000	112 000
Consulting for the execution of R&D-Innovation projects	55 000	75 000	63 000
Support for the implementation of forward-looking initiatives	10 000	10 000	4 000
Technological surveillance and dissemination	60 000	45 000	30 000
Preparation of events, symposia and conferences	35 000	30 000	20 160
Technician training	14 000	21 500	19 000
Creation of networks and clusters	20 000	20 000	19 250



Technology transfer	5 000	0	0
Facilitate the protection of innovation through patents	10 000	12 500	7 250
Total amount	364 000	374 000	290 460
Number of beneficiaries	44	44	41
Average amount compensated (€/beneficiary)	8 273	8 500	7 084

Naval and Sea Technological Centre

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	12 000	12 500	24 651
Internal R&D-Innovation	106 000	182 000	118 288
Consulting for the execution of R&D-Innovation projects	30 000	22 000	28 434
Support for the implementation of forward-looking initiatives	4 000	4 000	3 426
Technological surveillance and dissemination	90 000	60 000	56 711
Preparation of events, symposia and conferences	4 000	9 000	639
Technician training	24 000	14 000	15 003
Creation of networks and clusters	65 000	25 000	23 847
Technology transfer	15 000	36 000	11 098
Facilitate the protection of innovation through patents	14 000	8 500	7 587
Total amount	364 000	373 000	289 683
Number of beneficiaries	17	16	11
Average amount compensated (€/beneficiary)	21 412	23 313	26 335

Technological Centre for Information Technologies

Services of general economic interest (SGEI)	2009	2010	2011
Technological observatory and capture of tech. know-how	5 000	5 000	12 600
Internal R&D-Innovation	50 000	53 000	46 000
Consulting for the execution of R&D-Innovation projects	130 000	110 000	83 745
Support for the implementation of forward-looking initiatives	0	0	0
Technological surveillance and dissemination	35 000	40 000	27 000
Preparation of events, symposia and conferences	35 000	47 000	24 500
Technician training	7 000	6 000	4 400
Creation of networks and clusters	25 000	33 000	25 500
Technology transfer	25 000	25 000	24 000
Facilitate the protection of innovation through patents	0	0	0
Total amount	312 000	319 000	247 745
Number of beneficiaries	19	14	31
Average amount compensated (€/beneficiary)	16 421	22 786	7 992



European Business and Innovation Centre of Cartagena

Services of general economic interest (SGEI)	2009	2010	2011
Detection, analysis, development and consolid. of projects	85 500		
Promotion and fostering of entrepreneurship		120 000	60 000
Business information and guidance on subsidies	50 000	30 000	30 000
Real estate management and promotion Business Centre	79 500	150 000	120 000
Management of the subsidies awarded by INFO	30 000		
Monitoring of the firms forming part of the CEEIC	25 000		
Promotion and fostering of innovative firms Region of Murcia	80 000	50 000	40 000
Total amount	350 000	350 000	250 000
Number of beneficiaries	1 825	1 914	1 984
Average amount compensated (€/beneficiary)	192	183	126

European Business and Innovation Centre of Murcia

Services of general economic interest (SGEI)	2009	2010	2011
Promotion and fostering of entrepreneurship	36 000	150 000	120 000
Business information and guidance on subsidies	15 000	40 000	30 000
Real estate management and promotion Business Centre	313 000	250 000	150 000
Promotion and fostering of innovative firms Region of Murcia	29 000	60 000	50 000
Promotion and fostering of innovation in traditional sectors	18 000		
Participation of Murcia firms in international projects	30 000		
Coordination of INFO Entrepreneurs actions	59 000		
Total amount	500 000	500 000	350 000
Number of beneficiaries	2 450	3 500	4 500
Average amount compensated (€/beneficiary)	204	143	78