

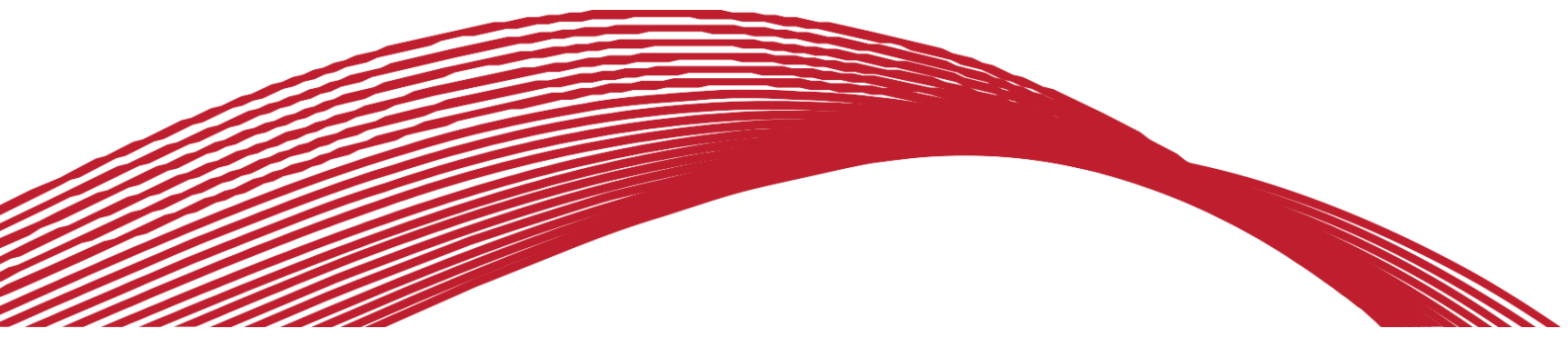
ACTION PLAN OF THE GENERAL GOVERNMENT SPENDING REVIEW

(Spending Review 2022- 2026 Phase I)

**Financial instruments to support SMEs
strengthened by the RTRP and
expenditure on the healthcare of the
government mutual insurance social
security scheme for civil servants**



Independent Authority
for Fiscal Responsibility





The mission of the Independent Authority for Fiscal Responsibility, AAI (AIReF) is to ensure strict compliance with the principles of budgetary stability and financial sustainability enshrined in Article 135 of the Spanish Constitution.

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1. GENERAL INTRODUCTION

On December 28th, 2021, the Council of Ministers approved the new cycle of the Spending Review 2022-2026 to be carried out by the Independent Authority for Fiscal Responsibility, AAI (AIReF). In compliance with the commitment made in the Recovery, Transformation and Resilience Plan (RTRP) to improve the quality of public spending, this new cycle further continues the first spending review exercise carried out by AIReF in three phases between 2018 and 2022.

The same Council of Ministers Resolution formalised the first phase of the Spending Review 2022 – 2026, which will cover two areas of analysis:

1. **Spending on public sector financial instruments to support productive sectors (complementary to the Spending Review 2018-2021):** *These are economic measures that have sought to protect and support the productive sector, minimising the impact of the crisis caused by COVID-19 and ensuring that, once the health alarm ended, activity levels recovered as soon as possible.*

The evaluation of these instruments has been deemed a priority to help strengthen their role in supporting key sectors of the economy and will supplement the evaluation already started on the overall strategy of the instruments and the effectiveness of those aimed at supporting the internationalisation of companies.

2. **The expenditure resulting from healthcare of the social security scheme for civil servants:** *The civil servants' mutual insurance societies, in their role as managers of the aforementioned Special Social Security Scheme, provide their members and beneficiaries with healthcare and other services. Given the current situation, it is important to analyse the healthcare provided in this social security scheme for civil servants with the aim of assessing this model.*

After addressing the evaluation of the overall situation of financial instruments and the effectiveness and efficiency of those related to the internationalisation of the economy in the third phase of the Spending Review 2018-2021, the evaluation of financial instruments to support the productive sector in this second phase will focus on the instruments that have been strengthened to promote economic recovery and growth. Government action as a result of the COVID-19 crisis has strengthened the use of financial instruments as a public mechanism to support companies with a twofold aim. On the one hand, it has sought to intensify the system of protection and support of the existing productive sector by raising public guarantees and equity and quasi-equity instruments to support the solvency of companies. At the same time, it has attempted to boost business growth and the development of new productive activity based on innovative

entrepreneurship and the promotion of digitalisation by strengthening the instruments linked to Lever 5 of the Recovery, Transformation and Resilience Plan (RTRP) *Modernisation and digitalisation of the industrial sector and SMEs, recovery of the tourism sector and promotion of Spain as an entrepreneurial nation*, which will form the subject matter of this evaluation. **In subsequent phases and within the Spending Review 2022-2026, AIRcF will evaluate the two lines of COVID guarantees implemented through the ICO**, endowed with €100bn to cover the liquidity needs of self-employed workers and companies and €40bn to facilitate new investments¹.

To promote economic recovery and growth, instruments that facilitate SMEs' access to financing from banks and other alternative sources have been strengthened. Firstly, the system of guarantees granted to bank lending has been strengthened by increasing the resources of the *Compañía Española de Reafianzamiento* (CERSA). Secondly, a venture capital fund - Next Tech Fund - has been created as an addition to other similar instruments that already existed and which have been promoted in the wake of the COVID-19 crisis: the venture capital funds managed by AXIS, the INNVIERTE programme of the CDTI, the participative loans of ENISA and the venture capital line of COFIDES. These all fall under the scope of this evaluation with the aim of drawing lessons from the experience gained in the management of these instruments.

¹ The mutual guarantee system was also strengthened with the contribution of €1 bn from these lines to CERSA to expand its counter-guarantee capacity.

TABLE 1. SCOPE OF THE EVALUATION. FINANCIAL INSTRUMENTS

Instrument ²	Manager	Outstanding Portfolio (€m)	Net assets (€m)
Counter-guarantee	CERSA	3,491	382.7
Fond-ICO Global	AXIS	2,266	4,500
Fond-ICO Pyme		139	250
Fond-ICO Infraestructuras		133	400
Fond-ICO Next Tech		-	2,000
INNVIERTE	CDTI	250	421
COINVERSIÓN NEOTEC		1	2.4
NEOTEC Capital Riesgo		53.8	85
Participative loans	ENISA	270	227
Venture Capital Line	COFIDES	9	20
Total		6,612.8	8,288.1

The aim of this evaluation is to analyse the effectiveness of the above instruments in order to improve them and make them more useful in supporting SMEs and in achieving their aims of boosting digitalisation, innovation, entrepreneurship and business growth. The evaluation will be structured around three lines of analysis, whose results will provide information on the full life-cycle of the instrument: design, implementation and results, and impact.

Secondly, the expenditure on healthcare provided through the social security scheme for civil servants will be analysed. The mutual insurance social security scheme manages the social benefits and healthcare for State Civil Servants, personnel of the Administration of Justice and the Armed Forces and for their beneficiaries. Healthcare is managed through three mutual insurance societies: Muface (*Mutualidad General de Funcionarios Civiles del Estado*), Mugeju (*Mutualidad General Judicial*) and Isfas (*Instituto Social de las Fuerzas Armadas*). With the aim of preserving or restoring the health of their beneficiaries, they provide healthcare services, pharmaceutical services and other supplementary services. In turn, healthcare is provided, at the choice of the civil servants, through the health services of the Autonomous Regions or through services contracted by the insurance companies with which the mutual insurance societies have a collaboration agreement.

² Data at December 31st, 2020.

The health expenditure of this system in 2019 amounted to €2.23bn, of which 64.9% corresponded to Muface, 31.3% to Isfas and 3.8% to Mugeju. The mutual insurance societies are financed with the contributions of the mutual society members, State contributions and subsidies, other miscellaneous income (returns on accounts and securities, capital income, etc.) and cash surpluses. With the contributions of mutual society members and State contributions, healthcare and other contributory benefits of the mutual insurance scheme are financed, such as temporary incapacity benefits, disability benefits, etc. Most of these budgets are allocated to healthcare. Muface spends more than 82% of its budget on healthcare and pharmaceutical provision; Isfas over 90% and Mugeju over 78%.

TABLE 2. SCOPE OF THE EVALUATION. MUTUAL INSURANCE SCHEME

Mutual insurance society	Members (holders + beneficiaries)	Healthcare expenditure 2019 (€m)
Muface	1,486,596	1,447.7
Isfas	585,184	697.7
Mugeju	91,061	85.4
Total	2,162,841	2,230.7

The objective of this evaluation is to analyse the technical and economic efficiency of mutual insurance scheme healthcare and, in particular, that provided through private entities. The analysis will be structured into two blocks. The first block will study the health services provided through the mutual insurance scheme, which will analyse their governance and technical efficiency, as well as their economic efficiency. The second block will address the governance and technical efficiency of pharmaceutical and supplementary services.

For each of the two evaluations, the Action Plan then describes the context, objective and scope, methodologies, databases, governance, timeline and budget. In addition, in accordance with the provisions of Article 23 of the Organic Statute of AIRcF, prior to the preparation of the study, a budget is set in accordance with the public prices established by the Resolution of December 18th, 2019 of the President of AIRcF (Official State Gazette (BOE) of December 23rd, 2019).

2. DESCRIPTION OF THE PROJECTS

2.1. Evaluation Project 1: Financial instruments to support SMEs strengthened by the RTRP

2.1.1. Context

Context of the evaluation

Government action as a result of the COVID-19 crisis has strengthened the use of financial instruments as a public mechanism to support companies with a twofold aim. On the one hand, it has sought to intensify the system of protection and **support of the existing productive sector** by raising public guarantees and equity and quasi-equity instruments to support the solvency of companies. At the same time, it has attempted to **boost business growth and the development of new productive activity based on innovative entrepreneurship and the promotion of digitalisation** by strengthening the instruments linked to Lever 5 of the Recovery, Transformation and Resilience Plan (RTRP) *Modernisation and digitalisation of the industrial sector and SMEs, recovery of the tourism sector and promotion of Spain as an entrepreneurial nation.*

This shock has revealed the need to make progress in certain processes of structural transformation with the aim of increasing the potential growth of our economy. This transformation requires the promotion of initiatives that will enable a greater number of companies to grow and generate more and better-quality employment. This requires an ecosystem that fosters and encourages entrepreneurial activity, with fast-moving authorities that generate favourable regulatory frameworks, facilitate access to business financing and stimulate innovation.

For this purpose, the Government has strengthened certain financial instruments aimed at boosting business growth and innovative entrepreneurship. Thus, in Component 13 of the RTRP - promoting SMEs - the following instruments are included, in addition to the traditional support programmes in the form of grants and loans:

- a) The **new support programme for industrial entrepreneurship**, endowed with €75m and launched by Compañía Española de Reafianzamiento SME S.A. (CERSA), which will subsidise the financing costs of certain operations guaranteed by mutual guarantee societies (MGs).
- b) The **strengthening of the mutual guarantee system**, through the contribution of €322m to CERSA for the counter-guarantee of the guarantees provided by the MGs.

- c) The **creation of Fond-ICO Next Tech**, a fund of venture capital funds, initially endowed with €2bn in joint resources from ICO-AXIS and the State Secretariat for Digitalisation and Artificial Intelligence, and which may be financed with loans from the Recovery and Resilience Facility from 2022 onwards. This aims to encourage the development of innovative high-impact digital projects and investment in growth companies, both directly and through venture capital funds, corporate funds and other investment vehicles.

In the third phase of the first Spending Review 2018-2021, AIRcF undertook the evaluation of the general overview of financial instruments and the effectiveness and efficiency of those relating to the internationalisation of the economy. In this first stage of the SR2022-2026, AIRcF will begin to review the financial instruments that have been strengthened as a result of COVID-19, in particular those aimed at business growth and the promotion of innovative entrepreneurship and the digitalisation of the production structure. In subsequent phases and within the Spending Review 2022-2026, AIRcF will evaluate the two lines of COVID-guarantees implemented through the ICO, endowed with €100bn to cover the liquidity needs of self-employed workers and companies and €40bn to facilitate new investments.

The commission from the Council of Ministers will allow this evaluation to contribute towards boosting the effectiveness of the aforementioned instruments, strengthening their usefulness in the strategy of transformation of the Spanish economy that guides the Recovery, Transformation and Resilience Plan. For this purpose, the activity of CERSA and other pre-pandemic instruments similar in nature or objectives to the Next Tech Fund will be analysed:

- a) **CERSA's counter-guarantee activity, with net assets of €382m** and an outstanding risk of €3.5bn at the end of 2020.
- b) **Funds managed by AXIS, with net assets of €7.15bn**, the venture capital manager of the ICO Group: Fond-ICO Pyme (since 1993), Fond-ICO Infraestructuras (2011), Fond-ICO Global (2013) and Fond-ICO Next Tech (2021).
- c) The **INNVIERTE venture capital fund, with net assets of €421 million**, launched by the CDTI in 2012 to stimulate investment in Spanish technology and innovative companies and bolstered in 2020 with €110m. The seed of this programme was the NEOTEC Capital Riesgo Sociedad de Fondos fund, jointly promoted by the CDTI and the European Investment Fund in 2005, with a current net worth of €85m.
- d) The participative loans **provided by ENISA, with a net worth of €227m**, which, since 2008, have boosted the innovative entrepreneurship of SMEs.

- e) **COFIDES' venture capital line³, with net assets of €20m** and an outstanding portfolio of €9m.

The experience gained with this type of instrument, the need to complete the existing analyses and the clear commitment to strengthening them in order to promote digitalisation, innovation, entrepreneurship and business growth represent an opportunity to evaluate how they operate and draw lessons that will make it possible to improve the effectiveness of the boost they are receiving in the current context of the RTRP.

Context of the financial instruments under analysis

Improving SMEs' access to financial instruments is one of the levers of the SME 2030 strategic policy framework. The lines of action envisaged include strengthening access by SMEs to bank financing and the promotion of other alternative sources.

In the field of bank financing, emphasis is placed on the need to strengthen the Spanish guarantee system by raising resources and promoting awareness and use of the system among SMEs. References are also made to the advisability of assessing the reform of the Spanish guarantee system and impact on MGSs so that, where possible, measures can be adopted that are better adapted to the problems of each of them.

The mission of the Guarantee Schemes is to support SMEs and self-employed workers with solid and viable projects, but with difficulties in accessing financing. These difficulties are often related to a lack of capital to offer guarantees and limitations of verifiable information about their solvency. This market failure can justify public intervention through guarantee programmes for smaller companies (Ughetto *et al.*, 2017) that i) can contribute to increasing the availability of credit and information; ii) can take advantage of the positive externalities of the entrepreneurial dynamism of entrepreneurs with few resources, and iii) can correct the unequal distribution of endowments.

State-backed credit guarantee programmes are widely used inside and outside the OECD and are classified into three types depending on whether they are fully public, private or mixed (Beck *et al.*, 2010). Spain has a private model, like Italy or Germany, in which mutual guarantee systems are backed by State counter-guarantees. These are necessary due to a failure of private institutions to coordinate when providing private guarantee funds (Anginer *et al.*, 2014). This scheme takes advantage of the local knowledge of decentralised guarantee societies.

³ The other equity or quasi-equity instruments managed by COFIDES to support the internationalisation of companies are part of the study on financial instruments of the third phase of the Spending Review.

With regard to the alternative sources of financing, the actions of the strategic framework are aimed at developing venture capital and boosting the financial products and services offered by specialised public agents, such as the CDTI in the field of R&D&I, ENISA in the field of venture capital specialised in SMEs, the support programmes for R&D in the ICT sector of the State Secretariat for Digital Advancement, and the ICO through FONDICO Global. In addition, it sets out the need to study how to improve public financial instruments, so that they are more effective and useful.

Equity or quasi-equity-based sources of finance, such as venture capital, have arisen as a solution to reduce reliance on bank lending and have played an important role in the development of firms that have been a major driver of innovation, employment generation and productivity growth (Brander *et al.*, 2014). Venture capital tackles failures in the capital market through temporary holdings in companies with high growth potential that cannot access these markets and reduces existing information asymmetries (Amit *et al.*, 1998). However, in addition, the managers of the entities support the companies in which they participate providing them with advice and monitoring their business and facilitating access to new contacts and potential partners (Cumming *et al.*, 2017).

Public intervention in this area is justified by the difficulties that young or small companies have in accessing capital markets, the positive externalities of this activity on the economy, the signalling of support for their development and its association with the promotion of innovation (Lerner & Watson, 2007). The public sector can provide support through the tax treatment of the funds, the specific regulatory framework and, more broadly, the support framework for entrepreneurship and business culture, together with the injection of public resources, either directly into companies or indirectly through contributions to private funds. The success of this third pathway has been studied in the academic literature since Lerner's seminal work in 2009, with positive evidence on indirect participation (Balboa *et al.*, 2007; Brander *et al.*, 2014). Over recent years, the Spanish public sector has been increasingly dynamic in its use of these financing instruments by providing public resources through the aforementioned entities.

This is the context for the instruments analysed in this study and which are briefly described below.

A. The CERSA counter-guarantee

CERSA, Sociedad Mercantil Estatal (SME) established in 1994 under the General Secretariat for Industry and Small- and Medium-Sized Enterprises represents the Spanish State's support for the activity of the Guarantee System by means of counter-guarantees, under which it takes on part of the risk of the guarantees granted by the system. The Guarantee System in Spain is comprised of CERSA and the Guarantee Societies, including the 18 Mutual Guarantee Societies

(MGs) and SAECA (Sociedad Anónima Estatal de Caución Agraria). Both MGs and CERSA are financial institutions supervised by the Bank of Spain and regulated by Law 1/1994 on the Legal Regime of Mutual Guarantee Societies and subsequent regulatory implementations. In addition, the system is funded by the European Union through the COSME, InnovFin and Creative Europe/Cultural and Creative Industries (CCS) guarantee programmes.

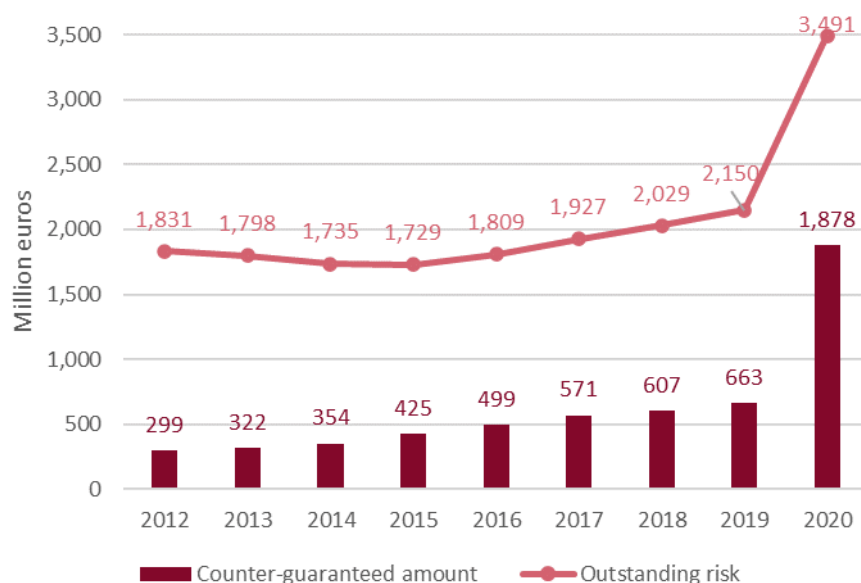
Its objective is to make it easier for SMEs and self-employed workers in Spain to obtain financing, with particular emphasis on companies with the capacity to grow or with innovative projects. The functions carried out by CERSA in the performance of its activity are aimed at implementing the financial policies of the Government of Spain and the European Union in terms of investment, innovation, growth, employment and economic development of small- and medium-sized enterprises. For each transaction, CERSA assumes a percentage of risk coverage that depends on the purpose for which the guarantee is granted.

As a new development and a supplement to its traditional activity, CERSA, together with the MGs, are promoting access to non-bank sources of financing through the Spanish guarantee system. The newly-established Aachen securitisation fund, whose bonds have started trading on the Alternative Fixed Income Market, will facilitate SMEs' access to capital markets. The fund will finance loans guaranteed by the guarantee companies and counter-guaranteed by CERSA. It will initially do this using resources from Banco Caminos and subsequently by issuing asset-backed securities to be underwritten by the ICO, backed by a bilateral guarantee from the EIF, with the ultimate aim of being subscribed by institutional investors.

CERSA increased its counter-guaranteed amount by 183% in 2020, making it one of the support pillars against COVID-19. In December 2019, it covered €2.15bn of outstanding risk for guarantees granted and in force⁴, with 59% coverage of the risk of the operations subject to counter-guarantees. At the end of 2020, after the outbreak of COVID-19, the outstanding risk covered by CERSA amounted to €3.49bn, representing 73% coverage. 83% of this risk is linked to working capital financing, 16% to investment and 1% corresponds to technical guarantees.

⁴ The guarantee scheme accumulated an outstanding exposure of €4.73bn in December 2019 and €6.26bn in December 2020.

FIGURE 1. ACTIVITY OF CERSA



Source: CERSA

Thus, since the outbreak of the pandemic, CERSA's activity has been strengthened by means of two supplementary actions: On the one hand, two guarantee lines of €500m⁵ have been approved to strengthen CERSA's capacity within the measures approved to address problems of liquidity and access to financing caused by COVID-19 and, on the other hand, the contribution of €322m to the Technical Provisions Fund (TPF) to deal with potential losses in the counter-guarantee portfolio, which is included in the RTP.

B. Funds managed by AXIS

AXIS is the venture capital subsidiary of the ICO, through which it promotes alternative financing channels. Its activity is geared towards fostering the growth, development and internationalisation of companies through equity and quasi-equity instruments based on a public-private partnership scheme. AXIS promotes the development in Spain of the private ecosystem of early-stage venture capital funds (venture capital, incubation and technology transfer) and business angels, scale up, growth and debt to mobilise investments in companies.

AXIS currently manages four funds with a total approved amount of €7.15bn, which invest directly in companies and projects and indirectly in funds which in turn invest in companies. Together they have the ability to mobilise total resources, conditioned by the effective absorption of the sector, of up to €15.5bn. These funds are:

⁵ The first line charged to the guarantee line for liquidity and the second within the line of guarantees for investment and liquidity

- **Fond-ICO Global:** endowed with €4.5bn, after being increased by €2.5bn in 2020. Its objective is to develop and consolidate the ecosystem of privately-managed venture capital funds that invest in Spanish companies at all stages of development, from early stages to expansion, growth and debt. It is implemented through regular calls for proposals - 13 since its creation in 2013 - in which investments in 108 private funds for €2.27bn have been approved, with an expected multiplier of 3.9, leading to investment of €8.89bn in Spanish companies.

According to the audit report approved by the Court of Auditors in January 2022, 69% of Fond-ICO Global's investment portfolio corresponded to growth capital funds, 20% to venture capital, 9% to debt funds and the remaining 2% to incubation and technology transfer funds.

- **Fond-ICO Pyme:** endowed with €250m, this focuses on investment in funds that invest in strategic or innovative business segments, such as sustainability and social impact, or the entrepreneurial ecosystem. It also promotes complementary financing to banking through business angels or diversified debt (crowdlending/crowdfunding). It is implemented through different initiatives (Business Angels, Sustainability and Social Impact and Diversified Debt) and since its launch in 1993, the fund has participated in the form of equity and participative loans in over 112 funds and/or companies, exceeding €280m. At the end of 2020, it had an outstanding portfolio of €139m.
- **Fond-ICO Infraestructuras:** currently endowed with €400m, its mission is to invest in sustainable infrastructure assets in Spain and abroad with Spanish companies. At the end of 2020, it had an outstanding portfolio of €133m.
- **Fond-ICO Next Tech:** its initial endowment is €2bn, approved in July 2021. It aims to finance growth companies and start-ups and to mobilise investment and business development in technologies. In March 2022, it announced its first investment of €70m.

Axis' activity has been greatly strengthened as a result of the pandemic and within the framework of the RTRP. In 2020, Fond-ICO Global's endowment was increased by €2.5bn to a total of €4.5bn. The "COVID-19 Entrepreneurial Ecosystem Initiative" was also launched through Fond ICO-Pyme, for €50m (expandable to €100m), with the aim of covering the liquidity needs of innovative technology-based companies with difficulty in accessing new rounds of financing due to the economic impact of COVID-19. Finally, in 2021, the NEXT TECH fund was created, which will be financed from 2022 with funds from the Recovery and Resilience Facility.

C. The CDTI's INNVIERTE PROGRAMME

INNVIERTE, launched by the CDTI in 2012, seeks to promote business innovation by supporting venture capital investment in technology-based or innovative

companies. The programme is part of the Spanish Science and Technology and Innovation Strategy and is implemented through the closed-end collective investment undertaking INNVIERTE Economía Sostenible SICCC S.M.E., S.A., which is self-managed and subject to the supervision of the *Comisión Nacional del Mercado de Valores* (Spanish Securities Market Regulator). The CDTI-E.P.E., as promoter of the INNVIERTE programme, is currently the sole shareholder of this undertaking.

The investment amounts are tailored to each investment need according to the growth stage of the company and its specific needs. The target entities are:

- Early-stage, technology-based or innovative Spanish SMEs with a high potential for return.
- Mid-cap innovative technology and industrial companies with significant capital needs to finance rapid growth phases.

At December 31st, 2020, the assets of INNVIERTE Economía Sostenible SICCC S.M.E., S.A. amounted to €420.7m. In 2020, its capital was strengthened with a capital contribution of €109.9m, and it has an outstanding portfolio of €250m. Since its creation, it has invested in 97 companies in direct co-investment and in 14 venture capital entities acting as a fund of funds. Since 2019, part of this activity stems from its work with a co-investment facility with venture capital entities, investment companies and corporate investors.

INNVIERTE was bolstered in 2021 with a new initiative to promote the capitalisation of technology-based and innovative companies located in Spain within the framework of the RTRP and financed with the EU Recovery and Resilience Facility. As part of this programme, the CDTI will participate with €120m as an anchor investor in the selected investment vehicles in order to allow them to carry out their investment strategy.

The seed of this programme was NEOTEC Capital Riesgo Sociedad de Fondos, which was promoted in 2005 between the CDTI and the European Investment Fund with the aim of boosting the venture capital market for the ICT sector. At year-end 2020, NEOTEC Capital Riesgo had net assets of €85m and an outstanding portfolio of €53.8m in investments in technology and innovation funds. The COINVERSIÓN NEOTEC scheme, which directly supported technology-based SMEs, had net assets of €2.7m and an outstanding portfolio of €1m at the end of 2020. Both funds may also be subject to evaluation as prior evidence if sufficient information is available.

D. ENISA's participative loans

ENISA's objective is to provide financial support to innovative entrepreneurship projects of small- and medium-sized enterprises. ENISA is a public company under the Ministry of Industry, Trade and Tourism through the General Secretariat of Industry and Small- and Medium-Sized Enterprises, created in 2004.

ENISA works exclusively with one financial product - participative loans. It operates using participative loans, which are channelled through different lines of financing or programmes aimed at young people, entrepreneurs, SMEs and technology-based companies, among others. At the end of 2020, it had net assets of €227m and an outstanding portfolio of €270m.

ENISA's activity was bolstered in 2021 within the framework of the RTRP with the creation of new lines of financing. In addition to the traditional Young Entrepreneurs, Entrepreneurs and Growth lines, since 2021 ENISA has been managing resources from the Ministry of Agriculture, Fisheries and Food and the Ministry of Economic Affairs and Digital Transformation in two additional lines: AgroImpulso (€13m) and Women Digital Entrepreneurs (€51m), respectively. The aim of these lines is to boost the digital transformation of the agricultural sectors and women's digital entrepreneurship.

E. COFIDES' venture capital line

COFIDES is a public-private company whose objective is to contribute to the internationalisation of the Spanish economy and promote economic development. COFIDES can use its own resources to finance viable private investment projects in emerging or developing countries in which there is a Spanish interest. Furthermore, as the management entity of the State funds FIEEX and FONPYME, of the State Secretariat for Trade, COFIDES can finance investment projects in any country in the world.

In 2019, COFIDES opened a line for investment in venture capital from the public funds FONPYME and FIEEX, for an amount of €20m, which was formalised in 2020. For this purpose, it used the format of investing in funds with an investment policy aimed at taking holdings in companies with a high technological component that are in the early stages, in which, given their business model, they internationalise from the outset. Its outstanding portfolio is €9m.

As a result of COVID-19, COFIDES has been entrusted with the management of the Recapitalisation Fund for companies affected by COVID, endowed with €1bn. Due to its specific nature, this instrument falls outside the scope of this study.

2.1.2. Objective and scope

In this first phase of SR2022-2026, AIRcF will begin the work of reviewing the financial instruments for boosting SMEs that have been strengthened as a result of COVID-19. This evaluation would cover, in particular, the activity of the financial instruments referred to in the previous section from 2000, or from the start of their operation, until the end of 2022:

TABLE 3. SCOPE OF THE EVALUATION. INSTRUMENTS

Instrument ⁶	Manager	Outstanding portfolio (€m)	Net assets (€m)
Counter-guarantee	CERSA	3,491	382.7
Fond-ICO Global	AXIS	2,266	4,500
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The aim of this evaluation is to analyse the effectiveness of the above instruments in order to improve them and make them more useful in supporting SMEs and in achieving their aims of boosting digitalisation, innovation, entrepreneurship and business growth. The evaluation will be structured around three lines of analysis, whose results will provide information on the full life-cycle of the instrument: design, implementation and results, and impact.

Line 1 will address the design of the instruments and analyse their relevance, coherence and coordination mechanisms. The evaluation will identify the market failures justifying public intervention, analyse whether the objectives set respond to such market failures and studies whether the instruments are aligned with these objectives in their design and size. It will also analyse coordination between them and with other related policy instruments, identifying gaps, overlaps and complementarities.

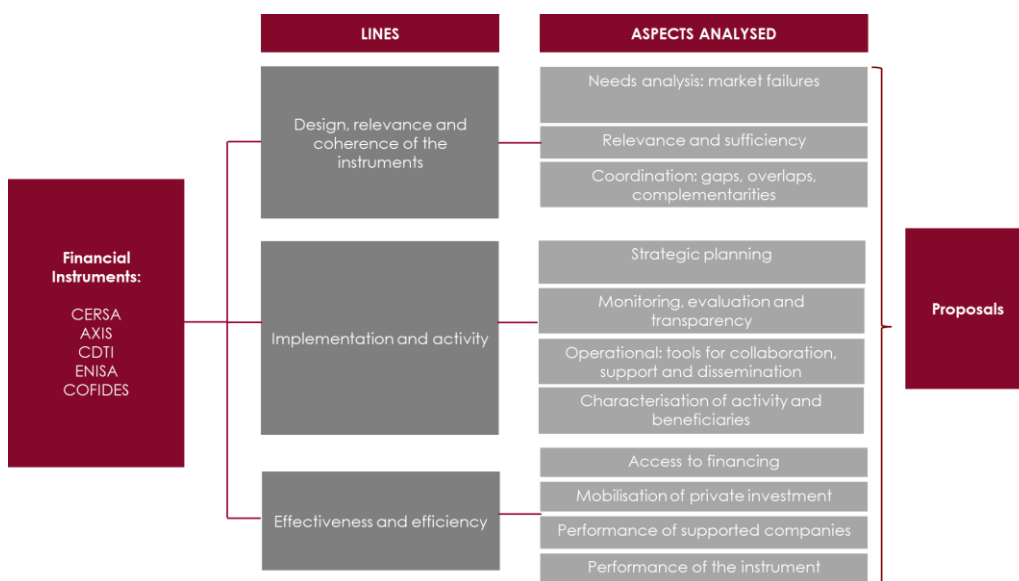
Line 2 will study the implementation and activity of the instruments. For this purpose, the evaluation will verify whether there is adequate strategic planning for the selection of transactions, whether the information and communication channels are sufficient and effective to reach the ultimate recipients or financial intermediaries, whether the financial support is accompanied by or coordinated with other types of advice, whether the design of the lines or transactions (prices, coverage, investment thresholds, terms, etc.) are appropriate, whether there are

⁶ Data at December 31st, 2020.

adequate information systems for monitoring and evaluating the activity and their degree of transparency. The beneficiaries and the activities funded will also be characterised in order to analyse to what extent they match the objectives pursued.

Line 3 will analyse the effectiveness and efficiency of the instruments. This analysis will consider the additionality generated by these instruments in different dimensions: impact on companies' access to financing, on their capacity to mobilise private financing, on the performance of the supported companies and on the performance of the instrument itself. For this purpose, it will take into account the type of instrument and the objectives pursued by each of them. It should be highlighted that the scope of this line will be marked by the difficulties faced by similar studies in the academic literature. These are related to limitations in access to information or to the complex mechanisms through which these instruments operate, which make it difficult to establish causal relationships (Brander *et al.*, 2014). However, the current commitment of the public sector in this area and the scarce empirical evidence for the case of Spain make it advisable to conduct an in-depth analysis of the possibility of performing this type of exercise, which may contribute towards enhanced understanding of the impact of public intervention.

TABLE 4. OUTLINE OF THE STUDY. INSTRUMENTS



The result of the evaluation will be set out in a document that will be organised into three blocks: the first one will describe the subject matter of the evaluation, the analyses proposed and the methodologies and databases used; the second block will include the evidence found as a result of the evaluation for each one of the lines of analysis, and the third block will set out proposals for improvement on the basis of the conclusions reached in each one of the lines and instruments analysed.

2.1.3. Methodology

This study will require a combination of qualitative and quantitative methodologies:

- A **legislative and documentary review** of the instruments analysed and their fields of action will be required with the aim of determining the justification for their existence, their aims and objectives, how they are related to other instruments and their activity and performance.
- A **review of the academic literature and policy reports** at a national and international level will be carried out in order to learn about the theoretical and empirical evidence on the market failures identified, the types of instruments used, the determining factors behind their development and their results.
- An exercise will be performed **to identify good practices** at a national and international level aimed at improving current practice in our country in this area.
- **Interviews will be held with managers of the instruments, with intermediaries between the public sector and companies and their main representatives and with the companies themselves** in order to learn about their experience and gather their views on the need for public intervention in this area.
- A **quantitative analysis** will be carried out to quantify and characterise the activity of the instruments and their beneficiaries.
- **Counterfactual quantitative impact assessment methods** will be used. These aim to identify the effects of the intervention in isolation from other determining factors that might explain the behaviour of the variables under study (Blundell & Costas Dias, 2000; Angrist & Pischke, 2009; Abadie & Cattaneo, 2018).

Both the OECD and the World Bank have published manuals to evaluate the impact of guarantee schemes. The aim of these guidelines is to establish the necessary basis for evaluating the financial additionality, economic additionality and financial sustainability of guarantee programmes⁷. The work carried out in this framework uses regression models with controls that attempt to control for the problems of selection bias and reverse causality (Jibril, 2021). The National Agency of Public Policies and Quality of Services Evaluation (AEVAL) evaluated the Spanish guarantee system in 2011. In 2007, García-Tabuenca and Crespo-Espert analysed the efficiency of SMEs supported by CERSA guarantees compared with those receiving an ICO loan. In 2019, De la Fuente Cabrero and de Castro Pardo analysed the default risk of the portfolio of guarantees formalised by the Spanish MGSs, finding results for the

⁷ See Valentin (2013) for a review of the evidence on guarantee systems.

improvement of the distribution of guarantees in the system and their coverage of SME risk.

The academic literature has analysed the impact of venture capital on the economy as a whole, on the economic performance of the supported companies, on the additional mobilisation of resources and on the development of innovation⁸. The impact of fiscal policies on venture capital has also been analysed from a theoretical point of view (Keuschning & Nielsen, 2003). Some of the previous studies have focused on the impacts generated by the public sector, on its ability to mobilise private capital compared with a possible crowding out effect (Lerner, 2009, Brander *et al.*, 2010) and on the differences in the performance of companies supported by public, private or mixed capital. This requires the use of micro-data on the activity of the various funds and entities and supported companies, whose performance is generally measured in terms of sales, financial results, employment or successful exit (to the public capital market, liquidation or continuity). Regression models with controls are used to estimate the impacts. These are sometimes combined with matching techniques, regression discontinuity models, switching regression, instrumental variables or data envelopment analysis. In Spain, public support for venture capital has been analysed (Balboa *et al.*, 2007), the impact of participative loans provided by ENISA has been evaluated (Martí, 2020) and the performance of companies financed with ENISA participative loans has been compared with similar companies in which venture capital has a stake (Contell *et al.*, 2014).

The definition of the exercises carried out in this study will depend on the information available and the objectives that are prioritised in each one of the instruments analysed.

2.1.4. Databases and other sources of information

At least the following information will be necessary in order to perform this study:

- Horizontal and sectoral strategies of the areas of action of the instruments and action plans that implement them, as well as the diagnostic studies on which they are based.
- Laws, rules, regulations and other documents that establish the framework for action and the description of the instruments analysed.
- Annual reports and monitoring and evaluation reports on the instruments. Information on budget allocations, portfolio and activity of the instruments analysed.

In addition, quantitative analyses of the effectiveness of the instruments will be based on the use of microdata on companies, instruments and transactions from

⁸ See Strömberg (2009) for a summary of the evidence of venture capital on these aspects.

their management and monitoring records. In particular, the following will be essential for this project:

- **Recorded microdata on the transactions carried out under the financial instruments selected for evaluation (CERSA, Fond-ICO Global, Fond-ICO SME, Fond-ICO Infraestructuras, Fond-ICO Next Tech, INNVIERTE, NEOTEC, ENISA, COFIDES),** with information on beneficiaries, intermediaries, type of transaction, volume, monitoring indicators, etc.
- **Microdata from the Bank of Spain's Central Balance Sheet Data Office and the Association of Land, Business and Movable Property Registrars of Spain,** with detailed information from companies' annual accounts, which facilitates the monitoring of their results.

In addition, a comparison of public and private instruments will require access to private databases on private venture capital funds.

2.1.5. Governance and participating institutions

The governance of this project is structured as follows:

- 1) **AIReF will lead, coordinate, supervise and carry out the evaluation.** To this end, in addition to its internal evaluation team, it may rely on external resources specialised in the evaluation of financial or business development policies.
- 2) **The Ministry of Finance and Civil Service, through the State Secretariat for Budget and Expenditure, will coordinate the project on the client's side,** ensuring the involvement of all relevant governmental bodies and agencies, as well as the availability of information and microdata required for the performance of this study. To this end, it will be AIReF's main point of contact with the Government, without prejudice to AIReF's bilateral relations with each of the units involved.

The participation of the following will also be necessary:

- 3) **The companies, organisations and public bodies responsible for the financial instruments analysed:** CERSA, ICO-AXIS, CDTI, ENISA and COFIDES.
- 4) **The ministerial departments to which the above public bodies are attached and those with powers in the policies they intend to promote,** in particular: the State Secretariat for Economy and Business Support, the State Secretariat for Digitalisation and Artificial Intelligence, the General Secretariat for Industry and SMEs, the General Secretariat for Innovation and the State Secretariat for Trade.
- 5) In addition, given the need to have information on company performance in the quantitative evaluations proposed above, it will be necessary to have the participation of the **Bank of Spain** and the **Association of Land, Business and**

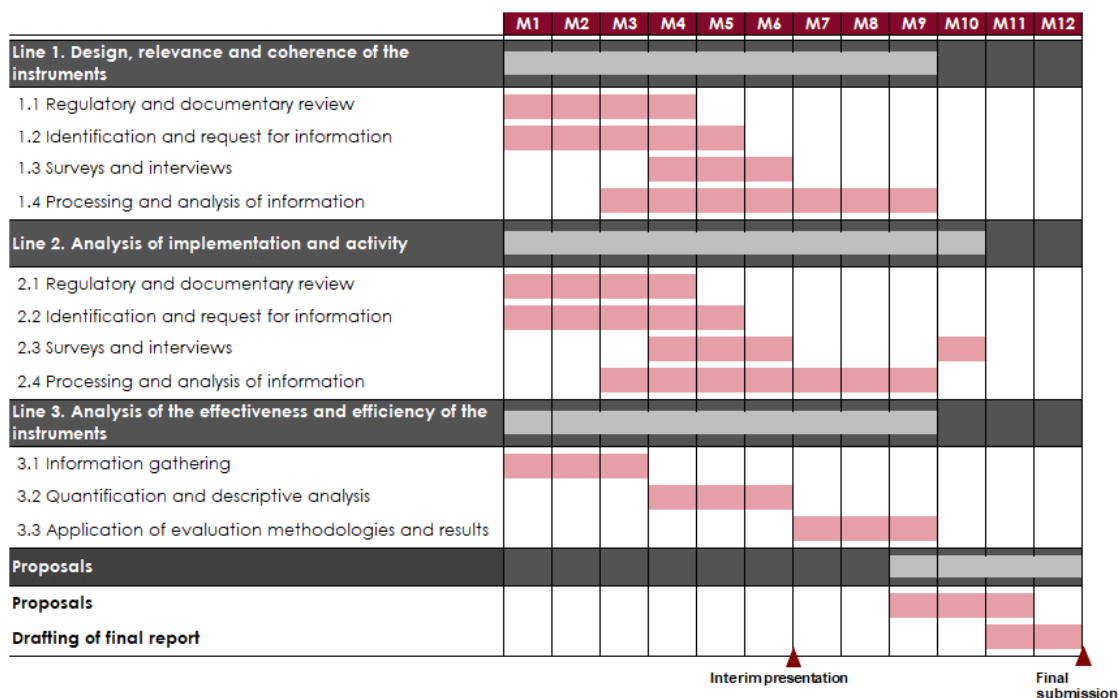
Movable Property Registrars in Spain, as the bodies responsible for databases of the Central Balance Sheet Data Office, built from the information that companies provide to the Bank of Spain and their annual accounts filed in the business registries, which facilitates the monitoring of their results.

2.1.6. Timeline

The deadline for completion of the work, once this Action Plan has been approved, will be 12 months from the effective incorporation of the external resources. The set time period can only begin when AIRcF has the information necessary to perform the evaluations.

Without prejudice to the above, **an intermediate presentation of the progress of the work will be made at the end of the sixth month from the incorporation of external resources.**

TABLE 5. TIMELINE. INSTRUMENTS



2.2. Evaluation Project 2: Healthcare of the government mutual insurance social security scheme for civil servants

This evaluation will address the analysis of the technical and economic efficiency of healthcare provided through the social security scheme for civil servants. The main features of the system are described below. The lines of analysis are then specified together with the methodology, techniques and data that will be required for the evaluation. Finally, the governance of the evaluation is established, as well as its timeline.

2.2.1. Context

2.2.1.1. Social security scheme for civil servants and healthcare

The Special Social Security Scheme for Civil Servants of the State, the Administration of Justice and the Armed Forces has two protection mechanisms: pensions and government mutual insurance. The mutual insurance system manages the social benefits and healthcare for these civil servants and their beneficiaries.

Specifically, the management of healthcare, which will be analysed by AIRcF, is carried out through three mutual insurance societies: Muface (Mutualidad General de Funcionarios Civiles del Estado), **Mugeju** (Mutualidad General Judicial) and **Isfas** (Instituto Social de las Fuerzas Armadas), created between 1975 and 1978.

Healthcare consists of three services and benefits that aim to preserve or restore the health of their beneficiaries (civil servants and their relatives and equivalent persons), as well as their fitness for work:

1. Health services

These consist of primary care (including primary emergency care on an outpatient or home basis) and specialised care (on an outpatient or inpatient basis, including inpatient emergency services).

Civil servants are covered at their choice, either through the health services of the Autonomous Regions or the Instituto Nacional de Gestión Sanitaria (Ingesa) in Ceuta and Melilla, or by contracting the provision of services with insurance companies with which the mutual insurance societies have a collaboration agreement. In addition, in the case of Isfas, it has an agreement with the Military Health Service for the provision of healthcare. According to the legislation, when healthcare is provided from the private sector, it must guarantee the content of the portfolio of common services of the National Health System (NHS).

Finally, mutual society members can change their initial choice to be cared for through the NHS or one of the private companies under the corresponding collaboration agreement (or change from one company to another). While

there is an ordinary annual changeover period (January), there is also the possibility of extraordinary changes in certain circumstances throughout the year.

2. Pharmaceutical service

This consists of the prescription and dispensing of pharmaceutical specialities, master formulas, pharmacy supplies and accessories and other medical devices recognised by current health legislation and to the extent determined for the entire NHS. The pharmaceutical service has the same features as in the case of the General Social Security Scheme.

The pharmaceutical services are provided through various channels:

- **By the dispensing of medicines in pharmacies** that have been prescribed in prescription books previously requested and assigned to the mutual society member. The prescription can be conventional (paper) or electronic. The latter works throughout Spain for mutual society members who have chosen the public option and only in Cantabria, for the time being, for those who have chosen the private option. Prescriptions are paid for by the mutual insurance society, but as a general rule, members contribute by paying 30% of the retail price of the medicine prescribed and dispensed in pharmacies.
- **Through the application of outpatient treatments with medicinal products that do not classify as for hospital use and do not require the participation of specialist doctors for their administration, but are dispensed in hospital pharmacy services.** In this case, there is no contribution from the patient. The prescriptions of patients who have chosen the private option are paid for by the mutual insurance society, while those who have opted for care through the National Health System are paid for by said system.
- **The dispensing in hospitals and centres charged to the companies covers medicines and medical and dietary products that inpatients need**, as well as the supply of "hospital-use" medicines, vaccines and other products to outpatients. The medicines supplied by the hospital pharmacy services are exempt from any contribution and are paid by the companies responsible for the health service in the case of patients who have chosen the private option and by the National Health Service if they have chosen the public option.

3. Supplementary services

These provide support to ensure adequate healthcare. They consist of services or financial support that cover part or all of the cost of orthopaedic, dental, eye and other services, such as medical transport, diet therapy or home oxygen therapy.

2.2.1.2. Governance of the healthcare social security scheme for civil servant

While the three mutual insurance societies form part of the NHS, they are autonomous bodies attached to ministries other than the Ministry of Health. Muface is attached to the Ministry of Finance and Civil Service (State Secretariat for Civil Service); Isfas is attached to the Ministry of Defence (Sub-secretariat of Defence); and Mugeju to the Ministry of Justice (State Secretariat for Justice).

The governing bodies of mutual insurance societies have a dual structure. On the one hand, they have bodies for participation in overseeing and supervising management; on the other hand, they have management bodies. **The mutual insurance societies have an extensive territorial structure.** In addition to the central services, they have services in all provinces.

In order to manage healthcare, the three mutual insurance societies interact with a broad range of agents.

- **As far as health services are concerned, those who choose the public option receive their care through the NHS *network*.** This assistance is regulated by **a collaboration agreement with the National Social Security Institute (INSS)** (the current agreement runs until 2026). In addition, the mutual insurance societies sign **collaboration agreements with private insurers to provide healthcare to those who have chosen the private option.** The agreement regulates a premium per person per month, among many other aspects. The mutual insurance societies are obliged to pay the companies this premium, which varies depending on the age of the mutual society member. In the current Muface agreement, seven age groups have been established, while there are only three in those of Mugeju and Isfas. For 2022, for example, in Muface, the premium ranges from €76.06/month for the youngest age group to €109.87/month for those over 74.

The companies with which these collaboration agreements have been entered into have changed over time and are different for each mutual insurance society⁹. When these companies do not have their own means to provide healthcare, they must arrange them with other healthcare operators.

The agreements are supplemented by the agreements that the mutual insurance societies may sign with the regional health services so that members living in municipalities of fewer than 20,000 inhabitants who have opted for the private option can receive primary and emergency care. In

⁹ Until 2024, Muface has signed with Segurcaixa Adeslas, Asisa and DKV; Isfas has signed with Segurcaixa Adeslas and Asisa; Mugeju with Asisa, DKV, Mapfre, Sanitas, Segurcaixa Adeslas and Nueva Mutua Sanitaria del Servicio Médico.

the last two years, Muface, Isfas and Mugeju have jointly agreed with the health services of eight Autonomous Regions. In addition, Isfas has entered into an agreement with the Military Health Service for those members residing in towns with a military hospital.

Health coverage for civil servants serving abroad is contracted with an insurer providing services internationally. It covers the assistance with a content similar to that of the provision in Spain by means of a cost reimbursement system through the company. The system extends to the beneficiaries of mutual insurance societies that voluntarily reside in an EU country.

- **With regard to pharmaceutical services**, the three mutual insurance societies collaborate with the General Council of Official Pharmacist Associations in Spain (Spanish acronym: CGCOF) and with the Collegiate Medical Organisation, which is made up of the Official Provincial Medical Associations and the General Council (CGCOM).

In 2021, Muface, Isfas and Mugeju signed the extensions provided for in their respective agreements with the CGCOF, which set the conditions for the provision of pharmaceutical service through pharmacies. Isfas also has an agreement for the collaboration of military pharmacies in its pharmaceutical services. In addition, Muface has an agreement with the CGCOM for the validation of data of registered doctors included in MEDISAN in order to accredit professionals for prescription purposes. This agreement also includes an addendum for the development and implementation of electronic prescriptions.

- Finally, the **supplementary** services are managed by the mutual insurance societies themselves.

2.2.1.3. Economic and financial regime for health care provided by mutual insurance societies

The mutual insurance societies are financed with the contributions of the mutual society members, the contribution and subsidy of the State, other miscellaneous income (returns on accounts and securities, capital income, etc.) and cash surpluses.

The contribution rate for active civil servants and equivalent persons who are members of each of the mutual insurance societies is 1.69% of the regulatory assets. This contribution is either paid by the authority where the civil servant works by means of the corresponding payslip deduction, or by the member himself in the case of special services or similar situations in which no deduction is made. Specifically, the monthly contribution rates for 2022 are shown in Table 6.

TABLE 6. MONTHLY CONTRIBUTION RATES FOR ACTIVE CIVIL SERVANTS AND EQUIVALENT PERSONS IN 2022

Civil servant group/subgroup	Monthly contribution in euros
A1	50.42
A2	39.69
B	34.74
C1	30.48
C2	24.11
E (Law 30/1984) and Professional Groups	20.56

Source: Law on the General State Budget for 2022.

The amount of the State contribution is a percentage of the regulatory assets and is different depending on the mutual insurance society (in 2022 it is 7.19% for Muface; 11.02% for Isfas and 5.91% for Mugeju). In turn, part of these rates will correspond to the State's contribution per active civil servant and another part to the contribution per pensioner exempt from contributions. The State's contribution is paid out of the GSB irrespective of the authority for which the member civil servant works.

The contributions of the mutual insurance societies and the State's contribution finance the contributory benefits of the mutual insurance scheme, i.e. healthcare, but also other benefits: allowances for temporary incapacity, risk during pregnancy or breastfeeding; recovery services for total, absolute and severe permanent incapacity; benefits for the remuneration of the person responsible for the care of the severely disabled; compensation for injuries, mutilations or deformities caused by occupational illness or act of service; social services; social assistance, and financial support in cases of multiple births.

For its part, the State subsidy covers the benefit for dependent children with disabilities (non-contributory benefit) and the coverage of the deficit of the Special Fund, formed by the mutual insurance societies that were integrated into Muface, Isfas or Mugeju.

The initial budget for 2022 in Muface is €1.91bn, of which the State's contribution accounts for 77.2%, the civil servants' contributions is 18.9%, the State subsidy is 3.5% and other income amounting to 0.4%. Isfas has a budget of €831.6m. Of this, the State's contribution amounted to 84.1%, contributions to 12.5% and the State subsidy to 3.1%. Mugeju's budget is €125m. The State's contribution accounts for 74.5% of the total, while contributions and subsidies account for 21.6% and 3.7%, respectively.

The budget of the three mutual insurance societies mainly consists of two expenditure programmes: financial benefits and healthcare (collaboration agreements and pharmaceutical and supplementary services). Most of these budgets are earmarked for healthcare. Muface allocates over 82% of its budget to healthcare and pharmaceutical and supplementary services (74% to healthcare services, 26% to pharmacy and supplementary services); Isfas over 90% (72% to healthcare services, 28% to pharmaceutical and supplementary

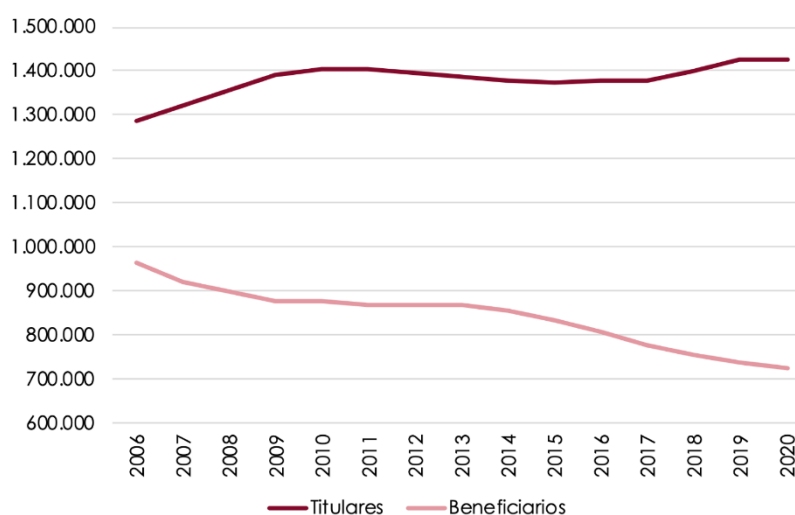
services) and Mugeju over 78% (77% to healthcare services and 23% to pharmaceutical and supplementary services). The amount the mutual insurance societies allocate to operating expenses ranges from the 1.87% of Muface to the 5.28% of Mugeju.

2.2.1.4. Evolution of mutual society members: characteristics and choice of healthcare provision system

Career civil servants in the State Civil Administration, the Administration of Justice, career military staff in the Armed Forces, the Civil Guard, statutory personnel in the CNI and civilian staff in the Ministry of Defence are required to join the corresponding mutual insurance societies and retain their status as mutual society members even after retirement. Healthcare is provided to both the holders and their beneficiaries, which may include the spouse or domestic partner relatives in the ascending and descending line as long as they meet Social Security requirements.

Mutual society members (sum of holders and beneficiaries) have fallen from 2,251,487 (1,287,045 holders) in 2006 to 2,150,803 (1,425,491 holders) in 2020. The separate analysis of holders and beneficiaries reveals that, over the period as a whole, the number of holders has increased by 138,446 people, while in 2020 there were 239,130 fewer beneficiaries than in 2006 (Figure 2).

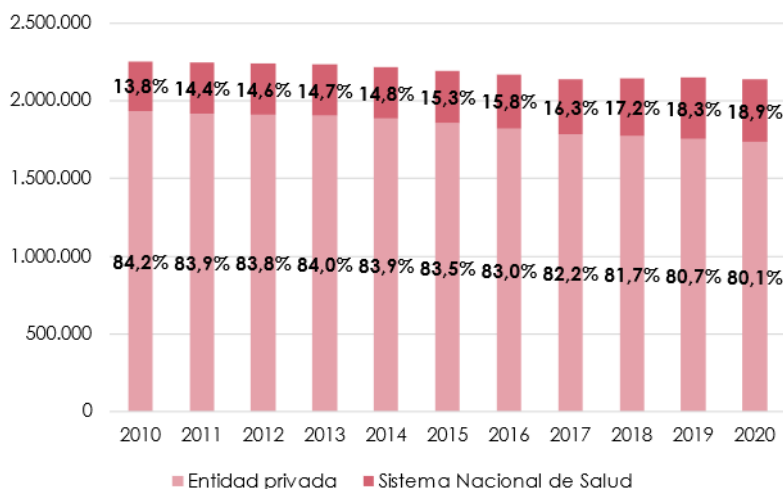
FIGURE 2. HOLDERS AND BENEFICIARIES OF SOCIAL SECURITY SCHEME FOR CIVIL SERVANTS, 2006-2020



Source: Annual reports of Muface, Mugeju and Isfas.

The percentage of mutual society members receiving healthcare through the NHS has risen from 14% in 2010 to almost 19% in 2020 (Figure 3). Mutual society members living abroad have accounted for around 0.5% of the protected group over the period (10,800 in 2020). Finally, the percentage of mutual society members receiving healthcare through the Military Health Service fell from 1.5% in 2010 (33,350) to 0.4% in 2020 (8,950).

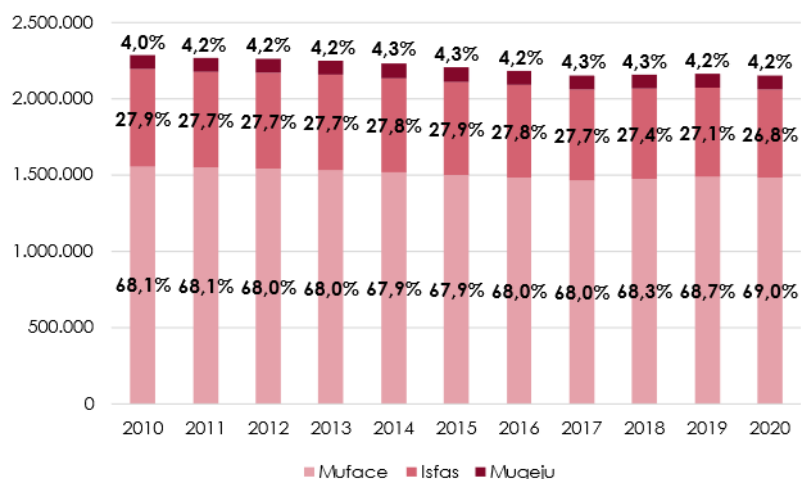
FIGURE 3. MUTUAL SOCIETY MEMBERS BY TYPE OF HEALTHCARE, 2010-2020



Source: Annual reports of Muface, Mugeju and Isfas.

Muface has the largest number of mutual society members. In 2020, it covered 1,483,860 people (1,011,582 holders), representing 69% of the group protected by the social security scheme for civil servants. **It is followed by Isfas** with 576,314 members (356,040 holders), which account for 26.8%, **and Mugeju** with 90,629 (57,869 holders), 4.2% (Figure 4). During the period, the Muface group has fallen by 5%, that of Isfas by 10%, while the Mugeju group has fallen by less than 1%.

FIGURE 4. MUTUAL SOCIETY MEMBERS BY ENTITY, 2010-2020



Source: Annual reports of Muface, Mugeju and Isfas.

Muface is the entity with the highest proportion of mutual society members attended in the NHS (23.7%). Isfas stands out for the high percentage of mutual society members who opt for private care (91.1%), followed by Mugeju, with 80.9%. Muface and Mugeju share a growing trend in the percentage of mutual society members opting for the public health system.

The evaluation will take into account a broad set of socio-economic and demographic characteristics of mutual society members in order to analyse their influence on the system's technical and economic efficiency.

2.2.1.5. Social security scheme for civil servants and healthcare

In 2019, the expenditure of the social security scheme for civil servants amounted to €2.23bn, accounting for 2.97% of total public health expenditure in the country (Table 7). This figure includes the health services and the outpatient hospital pharmacy of the mutual insurance societies that choose private provision, the prescription pharmaceutical expenditure of all the mutual insurance societies and the supplementary services.

TABLE 7. PUBLIC HEALTH EXPENDITURE BY SECTOR IN 2019

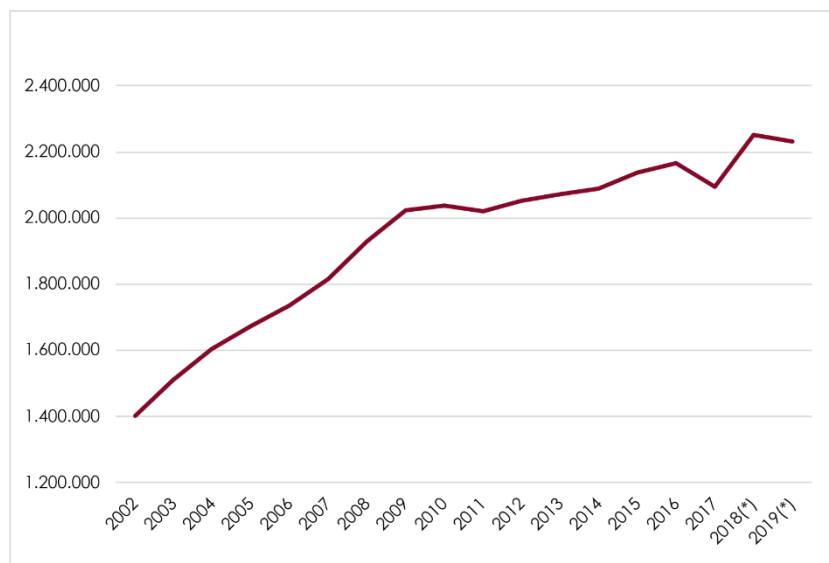
	Thousand euros	Participation (%)
Central Government	639,768	0.85
Social Security System	1,714,121	2.28
Civil servant mutual insurance societies	2,230,710	2.97
Autonomous Regions	69,743,654	92.96
Local Governments	696,804	0.93
Total	75,025,058	100

Note: The expenditure on healthcare for members who choose public healthcare is included in the Autonomous Regions sector.

Source: Public Health Expenditure Statistics 2019.

Health spending by mutual insurance societies has grown over the last two decades (Figure 5). Between 2002 and 2019, spending grew by 59.2%, at an annual rate of 2.8%. This growth was faster in the first half of the period (5.4% per year between 2002 and 2009) and slowed down in the second half (1% per year between 2009 and 2019).

FIGURE 5. HEALTH EXPENDITURE OF CIVIL SERVANT MUTUAL INSURANCE SOCIETIES, 2002-2020 (THOUSAND CURRENT EUROS)

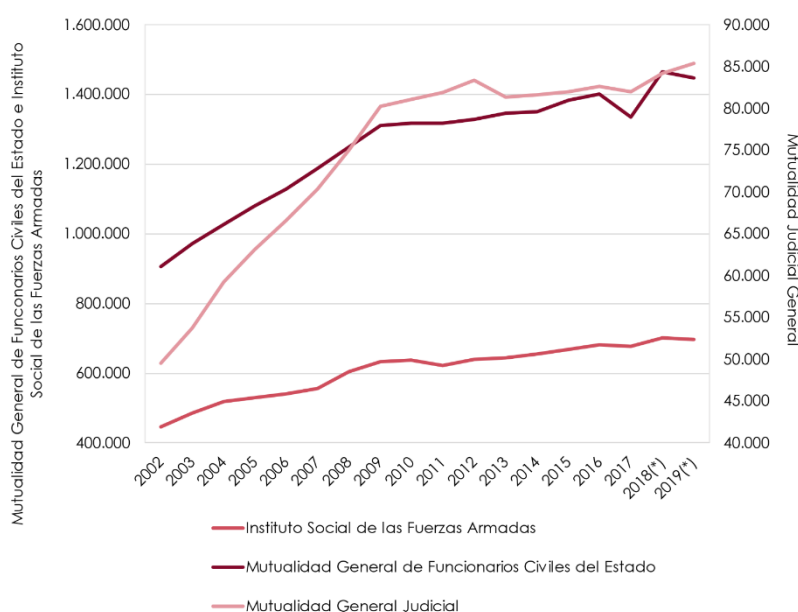


(*) Note: provisional data.

Source: Public Health Expenditure Statistics 2019 and annual reports of Muface, Mugeju and Isfas.

Muface accounted for 64.9% of total healthcare expenditure in 2019, Isfas for 31.3% and Mugeju for 3.8%. All three mutual insurance societies have contributed to the increase in mutual health expenditure in the period from 2002 to 2019. Specifically, Muface's health expenditure grew at an annual rate of 2.7%, that of Isfas by 2.8% and that of Mugeju by 3.3% (Figure 6).

FIGURE 6. EVOLUTION OF HEALTH SPENDING OF MUFACE, ISFAS AND MUGEJU, 2002-2019 (THOUSAND CURRENT EUROS)



(*) Note: provisional data.

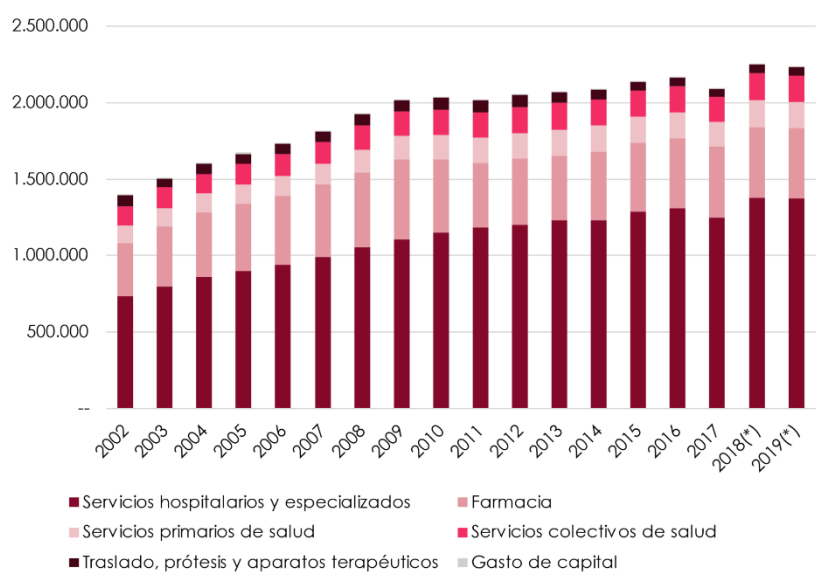
Source: Public Health Expenditure Statistics 2019 and 2020 annual reports of Muface, Mugeju and Isfas.

Expenditure per protected person for Muface amounted to €958.2, €1,200.6 for Isfas and €894.4 for Mugeju. However, it should be taken into account that there are differences in the socio-economic and demographic profile of the three groups and in their health and pharmaceutical coverage.

Most of the expenditure of the mutual insurance societies, 61.4%, is spent on hospital and specialised care (Figure 7). This is followed by pharmaceutical provision (20.7%), primary care (7.9%) and collective health services — administration, research and training (7.6%). Spending on transfers, prostheses and therapeutic devices and capital expenditures account for the remaining 2.4%.

In the last two decades, spending on specialised and hospital care, primary health services and pharmaceutical expenditure by mutual insurance societies has grown steadily. Spending on specialised and hospital care grew by 86% (3.7% per year) between 2007 and 2019, while spending on primary health services grew by 54% (2.6% per year) and pharmacy spending by 33.5% (1.7% per year).

FIGURE 7. EVOLUTION HEALTHCARE EXPENDITURE OF MUTUAL INSURANCE SOCIETIES BY FUNCTIONAL CLASSIFICATION, 2002-2019 (THOUSAND CURRENT EUROS)

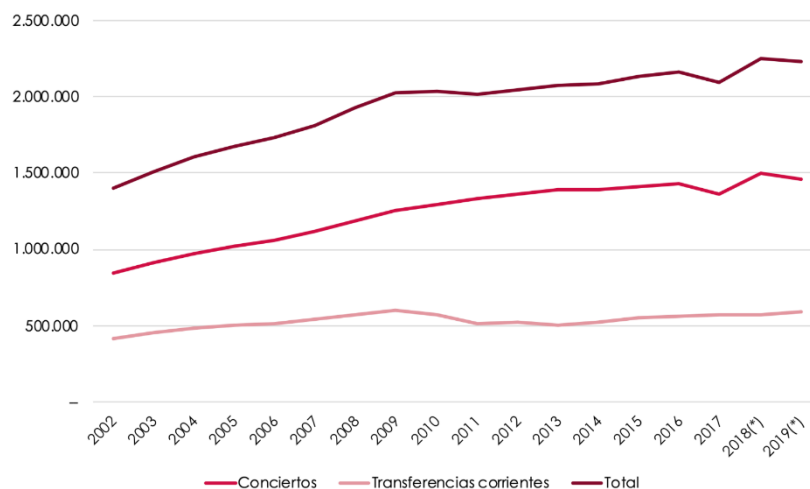


(*) Note: provisional data.

Source: Public Health Expenditure Statistics 2019.

With regard to the economic classification of health expenditure, 65.7% is allocated to collaboration agreements. Spending on collaboration agreements between 2002 and 2019 grew by 72.6% (3.3% per year) despite the reduction in the number of mutual society members that choose the private option. The increase has therefore mainly been due to the increase in premiums.

FIGURE 8. HEALTH EXPENDITURE ON COLLABORATION AGREEMENTS AND CURRENT TRANSFERS OF CIVIL SERVANT MUTUAL INSURANCE SOCIETIES, 2002-2019 (THOUSAND CURRENT EUROS)



(*) Note: provisional data.

Source: Public Health Expenditure Statistics 2019.

2.2.2. Objective and scope

The general objective of this study is to analyse the technical and economic efficiency of the healthcare of mutual insurance societies and, in particular, that which is provided through private entities to certain groups of civil servants.

The analysis will be structured in **two blocks**, one referring to the **provision of health services** and the other to **pharmaceutical and supplementary services**. The following aspects will be analysed in each block:

Block I. Technical and economic efficiency of health services

Line 1: Governance and technical efficiency of the provision of health services. This will involve examining the following aspects:

- **Organisation of mutual insurance societies for the management of healthcare** and relationship with other agents involved in its regulation, planning and provision.
- **Mutual society members:** determination of the population protected by the system in Spain and abroad; scope and reasons for the modifications of affiliation to a healthcare entity made by the mutual society members; characterisation and profiling of the mutual society members.
- **Guaranteed access to the portfolio of common services and, as appropriate, other services;** territorial coverage, healthcare provision (medical and other), health infrastructure and technology.
- Objective and subjective (level of satisfaction of insured persons) **complexity and quality of care** of the services. Health card, availability of clinical history, interoperability.

- **Management, evaluation and monitoring:** mechanisms for coordinating and overseeing healthcare, its type and quality; monitoring compliance by companies with their reporting obligations to beneficiaries and the mutual insurance society and quality of data.

Line 2: Economic efficiency of healthcare services:

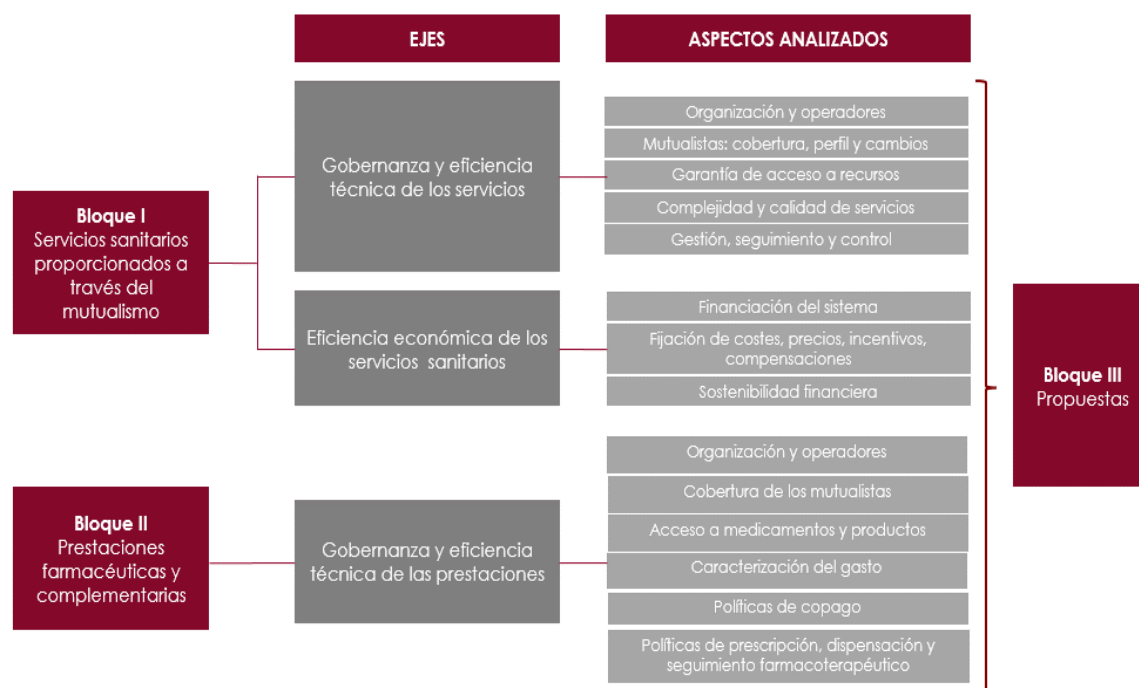
- **Financing of the system.**
- **Setting of prices and costs, incentives, compensation.**
- **Financial sustainability.**

Block II. Governance and technical efficiency of pharmaceutical and supplementary services

- **Organisation and operators involved in providing pharmaceutical services.**
- **Evaluation of the nominal and effective coverage of mutual society members.** Channels for access to provision.
- **Access to medicines** and dietary products in primary care and in specialised care, access to treatments for rare diseases and advanced therapies. Evaluation structures and tools for incorporating pharmaceutical innovations.
- **Evolution and characterisation of prescription spending:** Consumption patterns (by ATC, generic and biosimilar, brand...); tools for monitoring and overseeing spending and long-term forecasts of spending on medicines through the pharmacy channel.
- **Pharmaceutical co-payment:** evaluation of the contribution policy of different types of users; equity and efficiency of the model; complementary analysis of financial support schemes to compensate for the co-payment.
- **Models and quality of prescription and dispensing:** strategies and tools for quality control in prescriptions, for rational use of medicines (RUM); incentives and indicators of prescription quality, efficient and active use of medicines; harmonisation and guided policies; high-impact medicines and therapies; dispensing conditions in NHS-financed cases established in collaboration agreements; implementation of technologies (electronic prescription; interoperable electronic prescription; individual health card). Information of the prescriber on the prescribed medications.
- **Pharmacotherapeutic follow-up:** implementation of pharmaceutical assistance programmes, detection of problems related to medicines and education aimed at the rational use of medicines. Monitoring adherence to treatment.
- **Supplementary services:** mechanisms for updating prices and products, monitoring services.

Block III. Proposals that contribute to the technical and productive efficiency of health services and pharmaceutical and supplementary services.

TABLE 8. OUTLINE OF THE STUDY. SOCIAL SECURITY SCHEME FOR CIVIL SERVANTS



Source: AIRcF.

2.2.3. Methodology

Different analysis methods and techniques will be used in order to achieve the objectives mentioned in the section.

In particular, the following will be used for the analysis of the governance and technical efficiency of the provision of health services and for the analysis of the scope and management of pharmaceutical and supplementary services:

- **Documentary review** of regulations, collaboration agreements, agreements, strategies, plans, programmes, reports, organisation charts and job relationships to determine the structure, organisation, resources and territorial deployment of mutual insurance societies.
- **Analysis of the territorial and geographical information on healthcare** provided through the social security scheme for civil servants.
- **Descriptive statistical analysis of the evolution and profile of mutual society members** on the basis of the information available in various databases, the type of care they opt for and the changes in preferences and the reasons for these changes.
- **Identification and comparison of indicators of complexity and quality of healthcare.**
- **Analysis of the processes and procedures** for providing information to monitor the quality of care.

- **Design of questionnaires aimed at public managers and private companies** to be administered by email, surveys for obtaining information on the management of services and provisions.
- **Design and conduct of semi-structured interviews** in order to collect information that has not been gathered through other techniques.
- **Design and administration of a survey of mutual society members** in order to analyse their perception of the provisions and services, using experimental methodology for detecting and analysing their preferences.

The following actions will be performed to evaluate the financing, pricing and costing model for healthcare services:

- **Documentary analysis** of the contracts, collaboration agreements and design of the competitive bidding mechanism.
- **Quantification of prices and premiums** with the characteristics established by current legislation.
- **Setting of efficiency ratios** (which will also be used in the analysis of technical efficiency).
- **Frontier techniques** (DEA, stochastic frontier) for the analysis of technical and economic efficiency.
- **Cost estimation model.** Cost function, cost and price estimation.

Finally, the analysis period will extend over the last decade and up to the most recent period in which information is available. The specific determination of the period will finally be subject to the time period for which information exists.

2.2.4. Databases and other sources of information

This study will analyse information from public and private databases, both open and restricted, and data from questionnaires sent to public authorities, public bodies and agents involved in defining, managing and providing the healthcare of the social security scheme for civil servants.

With regard to **databases**, updated information summarised in the following table will be available:

DATABASES	
Ministry of Finance and Civil Service	
	Healthcare expenditure indicators
Ministry of Health	
EGSP	Public Healthcare Expenditure Statistics
SICH	Hospital Consumption Information System
ALCÁNTARA	Outpatient Medicines Consumption Database
	National Health System Medical Prescription Billing
CNH	National Hospital Catalogue
SIAE	Specialised Care Information System
SIAP	Primary Care Information System
REGCESS	General Register of Health Centres, Services and Establishments
RAE-CMBD	Specialist Care Activity Record - Minimum Basic Data Set
INCLASNS	Key Indicators of the National Health System
BDCAP	Primary Care Clinical Database
SISLE-SNS	Information System on Waiting Lists in the NHS
RECH	Spanish Network of Hospital Costs. Hospital Weights and Costs
INE	
	European Survey of Health in Spain
Autonomous Regions	
	Databases of the Health Departments and Agencies; and of the Treasury and Civil Service Departments
Mutual Insurance Societies: Muface, Isfas and Mugeju	
	Databases of the mutual insurance societies
Private operators of health insurance and services	
	Prices and costs of health cover and healthcare services

In addition, the following information and documentation will be required to undertake this project:

- **Laws, rules, regulations and other applicable provisions.**
- **Budgetary and revenue and expenditure execution data** for healthcare policies and programmes in the social security scheme for civil servants.
- **Data relating to the activity and organisation of mutual insurance societies' healthcare and characteristics of mutual society members.**
- **Health service portfolios** of mutual insurance societies.
- **Health strategies and plans, strategic and management plans and improvement of the quality** of health services and pharmaceutical and supplementary services.
- **Agreements and collaboration agreements signed by mutual insurance societies for the setting of the conditions for the provision of health services and the execution of the benefits** included in the social security scheme for civil servants.
- **Annual reports, monitoring and evaluation reports and surveys on the structure, operation and activity of mutual insurance societies, and on the provision of health services by private operators and the NHS.**

- **Reports from internal and external control bodies** resulting from their activity of supervision, control and audit of the public expenditure included in this evaluation.

2.2.5. Governance and participating institutions

The governance of this project is structured as follows:

1. **AIRcF will lead, coordinate, supervise and carry out the evaluation.** For this purpose, in addition to its internal evaluation team, it may rely on external resources specialised in the evaluation of health policies in the social security scheme for civil servants.
2. **The Ministry of Finance and Civil Service, through the State Secretariat for Budget and Expenditure, will coordinate the project on the client's side,** ensuring the involvement of all relevant governmental bodies and agencies, as well as the availability of information and microdata required for the performance of this study. To this end, it will be AIRcF's main point of contact with the Government, without prejudice to AIRcF's bilateral relations with each of the units involved.

In particular, it will manage the coordination, contacts and **will be responsible for providing the information required for performance of the project.**

The participation of the following will also be necessary:

3. Mutualidad General de Funcionarios Civiles del Estado (**Muface**)
4. Instituto Social de las Fuerzas Armadas (**Isfas**)
5. Mutualidad General Judicial (**Mugeju**)
6. The **Ministry of Health**, through the Directorate-General for the Common Catalogue of NHS Services and Pharmacy and the Directorate-General for Digital Health and Information Systems for the NHS
7. The **Ministry of Defence**
8. The **Ministry of Justice**
9. **Regional Health Departments and Regional Health Services and Regional Departments of Finance and Civil Service of the Autonomous Regions**
10. **Unions with the largest representation of civil servant staff in the Central State Administration**
11. **Unions with the largest representation of civil servant staff in the Central State Administration**
12. **Business organisations:**
 - Insurance and reinsurance companies. Spanish Union of Insurance and Reinsurance Entities (UNESPA)
 - Private healthcare business associations in Spain
13. **Other entities:**
 - General Council of Official Medical Associations (CGCOM)

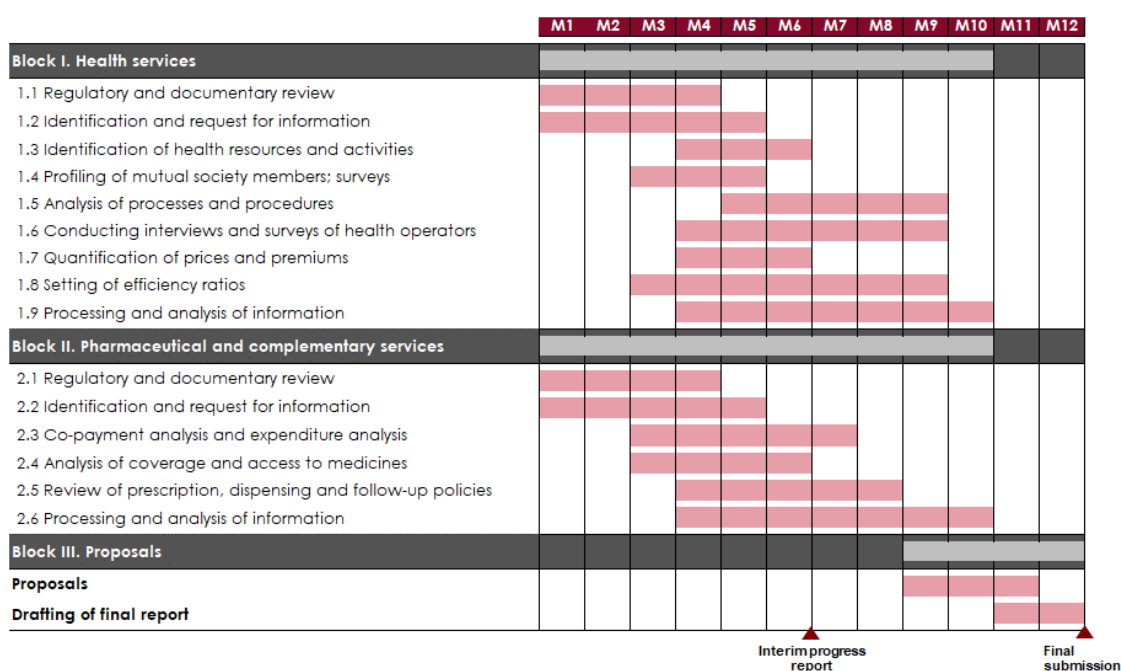
General Council of Official Pharmacist Associations (CGCOF)

2.2.6. Timeline

The deadline for completion of the work, once this Action Plan has been approved, will be 12 months from the effective incorporation of the external resources. The set time period can only begin when AIRcF has the information necessary to carry out the evaluations.

Without prejudice to the above, an interim progress report will be available at the end of the sixth month of the project.

TABLE 9. TIMELINE. SOCIAL SECURITY SCHEME FOR CIVIL SERVANTS



3. BUDGET

In accordance with the provisions of Article 11.2 of Organic Law 6/2013, of November 14th, on the establishment of AIRcF, and Articles 23 and 43.5.b of Royal Decree 215/2014, of March 28th, approving the Organic Statute of AIRcF, the conduct of studies by this institution will be accompanied by the collection of the corresponding public prices.

Prior to performing a study, AIRcF must prepare a budget and a timetable for its implementation, which it shall submit to the authority concerned for confirmation. It should be noted that AIRcF plans to contract, where necessary, the collaboration of external resources. In this regard, AIRcF will enter into service agreements for the performance of material, technical and service activities required for the preparation of the commissioned study.

The budget for this study has been determined in accordance with the provisions of the **Resolution of December 18th, 2019, of the Independent Authority for Fiscal Responsibility, which updates the public prices for the preparation of studies** (Official State Gazette - BOE - of December 23th, 2019) and making an estimate of the cost of the technical assistance to be contracted based on the experience of previous tenders.

The amount of the budget totals €911,423.70 (amount not subject to VAT, as provided for in Report AU/E/MAEC 81/19 of the State Attorney General's Office, dated March 18th, 2019), with the following distribution:

- Financial instruments to support SMEs strengthened by the RTRP: €421,213.50, broken down as follows:

- 450 hours AIRcF: €48,231.00
- Estimated cost of external technical assistance: €372,982.50

- Healthcare of the administrative social security scheme for civil servants: €490,210.20, broken down as follows:

- 540 hours AIRcF: €57,877.20
- Estimated cost of external technical assistance: €432,333.00

This distribution, both between projects and between the number of hours of AIRcF staff and the cost of external technical assistance to be contracted, may be adjusted according to the needs and development of the projects. At any event, the overall amount indicated above will be respected as it is the maximum expenditure limit for the Ministry of Finance and Civil Service.

Payments will be made upon presentation of the corresponding invoice by AIRcF, in accordance with the provisions of Royal Decree 1619/2012, of November 30th,

regulating invoicing obligations and Law 25/2013, of December 27th, on the promotion of electronic invoicing.

Payments will be linked to the achievement of the following milestones: 10% on the approval of this Action Plan, 40% on the interim progress report and the remaining 50% on delivery of the final report. The last invoice submitted by AIRcF will be for final settlement and will include the AIRcF staff hours actually performed and the actual cost of the technical assistance contracted.

4. PUBLICATION

The Ministry of Finance and Civil Service expressly authorises AIReF to publish the studies on its website and to disseminate them through different forms of communication that will be agreed with said ministerial department. AIReF will share the methodologies used in the evaluation with the Ministry of Finance and Civil Service.

In accordance with Article 4.4 of Organic Law 6/2013, of November 14th, on the establishment of AIReF, information received from AIReF must be treated in accordance with the limits governing access to confidential information. For these purposes and as established in the Resolution of the Council of Ministers of December 28th, 2021 approving the new public spending review cycle 2022-2026 and formalising phase I of the public spending review 2022-2026 process, the transfer of personal data will be deemed to have been made in compliance with a legal obligation that AIReF is required to fulfil and a mission carried out in the public interest, for subsequent processing for statistical and scientific purposes, without the need for prior consent, and AIReF shall maintain due confidentiality. In particular, personal information will not be disclosed individually or with a disaggregation that allows the direct or indirect identification of the persons under study. AIReF will require respect for this confidentiality from any third party that assists it in preparing the study.

5. REVIEW AND MODIFICATION OF THE ACTION PLAN

This Action Plan should be understood as a general framework that may be subject to subsequent modifications when appropriate, in view of the evolution of the work and in view of new needs that may arise. The Ministry of Finance and Civil Service will be informed of any modification with due justification.

La presidenta de la AIRcF



Cristina Herrero Sánchez

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