

AIReF HIGHLIGHTS POSITIVE RESULTS OF FINANCIAL PLATFORM OF CASTILE AND LEON, BUT DETECTS ROOM FOR IMPROVEMENT IN ITS COORDINATION

- **The Independent Authority for Fiscal Responsibility (AIReF) highlights positive results from the tool launched in 2016 by the Regional Government of Castile and Leon, which facilitates access to business financing**
- **However, it detects room for improvement in coordination through greater formalisation, reinforcement of procedures, better data collection and broadening the scope of public business support instruments included in the tool**

The Independent Authority for Fiscal Responsibility (AIReF) published the study 'Industrial Promotion in Castile and Leon. Financial Platform' on its website today. The study analyses this tool, which aims to facilitate access to financing for companies in the region, simplify the information and application process and offer advice by project and company.

The Regional Government of Castile and Leon launched this tool in 2016, headed up by the Institute for Business Competitiveness (ICECyL). The tool is based on an exercise in internal coordination of the participants, who include publicly owned organisations such as Sodical and Iberaval and private financial institutions.

AIReF notes a lack of standardisation in the platform's administration, stemming from the absence of a strategy that accommodates its main foundations and incorporates a procedures manual, a list of clear and measurable targets to be achieved, and a governance framework that establishes the mechanisms for monitoring, control, and evaluation.

AIReF also sees room for improvement in the service provided to companies. In particular, it proposes developing a dissemination strategy to publicise the functioning of the platform and the creation of a user-friendly web portal that would serve as a single application space to which companies could be referred, regardless of the body they apply to. In addition, the study finds that the tool focuses on instruments administered by agencies linked to the Regional Department of Economy and Finance without including those managed by other regional departments. According to AIReF, incorporating all the support instruments for companies would allow the platform to offer a complete image of the financial support offered to companies in Castile and Leon by its regional government.

On the one hand, AIReF points out that the platform offers an innovative procedure of public-private collaboration through which it shares business projects that require financing with participating financial institutions. However, AIReF finds a minimal application of this procedure in the platform's first eight years (0.2% of operations) and proposes to encourage its use by relaxing some of the conditions, such as the possibility of involving a subset of participating entities, at the request of the applicant company. On the other hand, it points out that it is necessary to update the collaboration agreement with financial institutions that governs this procedure, which has not been revised since 2016.

Performance of the platform

In terms of performance, AIReF notes that the platform has evolved from its launch in 2016 to 2023: the financial volume has increased from €471m to €616m, the number of operations has increased from 3,039 to 3,676, and the number of beneficiary companies has risen from 2,575 to 3,048.

Beyond this growth, AIReF's quantitative analysis identifies a decrease in the percentage of new companies on the platform out of the total beneficiaries each year between 2016 and 2022. In addition, it detects that the Trade, Agri-Food, Equipment Manufacturing and Metal Processing sectors have a more significant presence in public support than their weight in Castile and Leon's productive fabric. Conversely, the weight is lower for companies in the Energy, Services and Other sectors. AIReF also observes that the participants in the platform are younger and more indebted than the rest of the companies in Castile and León.

Based on these findings, AIReF proposes to assess the relevance of establishing certain company profiles for priority funding and monitor the profiles of companies with a higher rate of repeat public support to study the nature of their recurring needs and design potential graduation schemes.

In short, although there is room for improvement, AIReF recognises this initiative's value, which also shapes some of its previous proposals in this area. Specifically, the [Study on the Evaluation of Public Sector Financial Instruments for Support to Productive Sectors](#), prepared by AIReF within the framework of the third phase of the 2018-2021 Spending Review, pointed out the need to strengthen coordination between the different agencies, create coordination mechanisms, joint planning, a financial portal and a shared information repository. In this regard, AIReF considers this Financial Platform a good example of applying these proposals.