



Financial support for Tourism and Commerce in Spain

MAKING BEST USE OF EUROPEAN MONEY

European Structural Funds for small and medium
sized enterprises (SMEs) and public bodies



European
Commission

Introduction

The European Union manages vast sums of money for the betterment of the European economy, the public sector and the citizen. This document explains briefly how small and medium sized businesses, intermediary/representative organisations and local and regional public administrations in Spain can obtain financial support for a huge range of projects and initiatives in the tourism and commerce sectors. A series of separately published programme briefs describes the different relevant programmes.

Who should read this?

- Small and medium sized enterprises (SMEs) in commerce and tourism in Spain who want to improve their economic performance and are looking for financial support to help them achieve this.
- Intermediary organisations and public bodies in commerce and tourism who want to be able to contribute to sector development and inform enterprises they represent about the possibilities offered by the Structural Funds.
- Administrations and policymakers in the fields of commerce and tourism.

What are the Structural Funds?

The Structural Funds are a financial device the European Union uses to improve the general economic situation in less-developed or disadvantaged regions across its territory. Both public administrations and private enterprises can benefit. The Structural Funds finance investments in such areas as infrastructure, training and promotion of developments in SMEs. Many projects are eligible.

Seven EU tools for regional development:

- Objective 1 for projects in the least developed regions
- Objective 2 for projects in industrial, urban and rural problem areas
- Objective 3 for labour market projects
- Interreg III for cross-border, transnational and inter-regional projects
- Urban II for innovative urban development projects
- Equal for innovative labour market projects
- Leader+ for innovative rural development projects

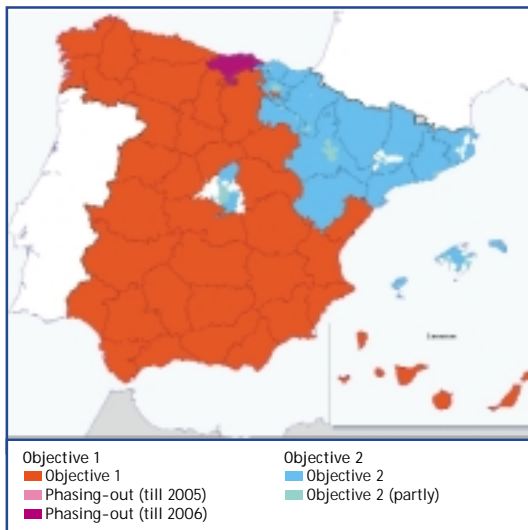
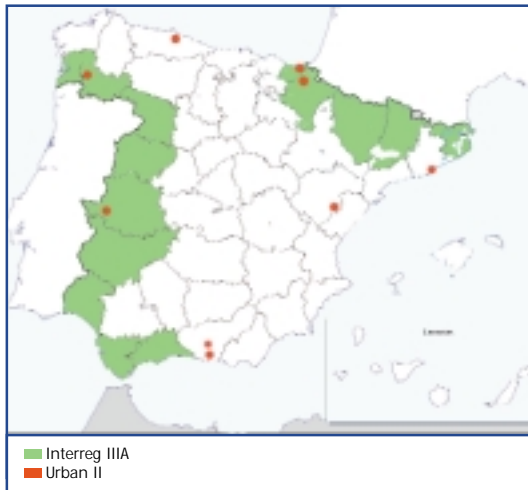
More detailed information on the programmes and how they can support enterprises in commerce and tourism and the public sector can be found in the seven Programme Briefs published in this series.

Four Structural Funds:

- ERDF (European Regional Development Fund) for investments in infrastructure and SMEs
- ESF (European Social Fund) for training of the labour force
- EAGGF (European Agricultural Guarantee and Guidance Fund) for promotion of agricultural and rural development
- FIG (Financial Instrument for Fisheries Guidance) for the development and reconstruction of areas dependent on fisheries

Why the Structural Funds?

The Structural Funds not only target improving services, infrastructure and standards, but they have other more general human objectives. They seek to contribute, for instance, to improving employment opportunities, the general quality of life, the safety of the citizen, the sustainability of society and the commercial and tourist regeneration of areas whose development is lagging behind. Emphasis is put on areas of high unemployment undergoing industrial restructuring, regions suffering from high outflow of people, problem areas in urban environments, and border areas. And of course help for the young and the long-term unemployed, the socially excluded, and the under-skilled.



What can the European Funds do for enterprises in commerce and tourism?

European Structural Funds programmes support a wide range of activities that help improve the performance of enterprises in commerce and tourism. Improving the quality of hotel and guest accommodation, joint marketing initiatives for local products, joint tourism promotion activities, training courses to improve the skills of company staff, development of new products are all just examples of activities entitled to support from the Structural Funds.

Structural Funds for commerce and tourism in Spain

The maps indicate which regions in Spain are entitled to Structural Funds support under Objective 1 and 2. Interreg IIIA is typically on national borders, Urban II is available in S.Cristobal de la Laguna, Pamplona, Orense, Gijon, Teruel, S. Adria de Besos, Jaen, S. Sebastian-Pasajes, Caceres and Granada. Objective 3, Leader+ and Equal are basically nationwide.

Funding for the Commerce Sector

Funding for enterprises

Projects in the commerce sector that create employment, improve standards of living, better the lives of communities and particularly their marginalised elements might all be eligible for support. However, the possibilities vary between programmes and regions. Innovative projects stand the best chance of being supported. EU funded training programmes might offer support for training of staff in the commerce sector. Structural Funds might also assist in setting up the infrastructure for selling products through the internet, which offers the possibility of better service and more cost-effective working. Examples of projects that have been financed across Europe include:

Shop refurbishment and renovation Improving the look and efficiency of retail outlets means more satisfied customers, higher turnover, and better profits.

Support for technological innovations in small shops Upgrading the technology of retailing offers the possibility of better service and more cost-effective working.

Support in development of shop associations Helping retailers combine forces means improving efficiency in such ways as cooperative buying, networking and task pooling.

Help in organisation of commercial events at national and international level Successful selling today is complex and tough. Organising fairs and exhibitions raise participants' profiles and bring in new clients.

Joint marketing of craft products Craftsmen working together to market their products reduces costs and raises sales.

Training activities For example for the introduction of new technologies and for the management of quality systems – appellation d'origine and geographical trademarks

Funding for public bodies

In addition to direct support for businesses in the commerce sector, the structural funds finance projects that benefit commerce indirectly. These types of project are often managed by (semi) public bodies such as municipalities and regional authorities, representative organisations or chambers of commerce.

Upgrading public spaces Prettifying public areas such as parks, back streets and industrial sites means greater local pride, less vandalism and crime, and a better environment for business.

Promoting safety Improving the lighting, installation of cameras, and resident training can raise the safety of living and working in an area.

E-commerce training New technologies have to be learned. Structural Funds help to find ways how e-commerce can improve business development.

The concrete opportunities to receive financial support for the development of the commerce sector in Spain vary between programmes and regions. Contact your local branch organisation or the administration responsible for programme implementation for more details. See the back of this leaflet for more information on who to contact.

Case study Tiyaradapt Project

The development partnership (multi-member development partnership Tiyaradapt of Spain and the UK's Retail Enterprise Network led by Manchester Metropolitan University Business School) are targeting women, ethnic minorities, the disabled and socially excluded in the Andalucía independent retail sector. One project focus is on training for small retailers. It involves networks of trade associations, chambers of commerce, city managers and other stakeholders in Southern Spain and the UK. Research is ongoing into the success factors of small retail businesses, in particular those with a female owner, barriers to success and ways of promoting and protecting independent retail diversity. The project will promote equal opportunities, innovation and empowerment so independent retailers will have a major input in the design of support activities. Proposals include creation of a sector analysis methodology, training products and a commercial 'barometer' to measure the health of retail districts. Transnational cooperation (including 14 proposed town twinnings) is an important feature and exchange visits will optimise cross fertilisation of ideas. Total eligible costs are € 2.4m with Structural Funds contribution of € 1.8m.

Case study Commerce Support Programme

The Pamplona URBAN II Community Initiative covers areas requiring regeneration and where commerce has been identified as a main tool to contribute. In the historical centre commerce is important (654 retailers represent 55 % of retail stock), in the Rochapea district, an industrial area changed to residential use, commerce requires to be fostered. The programme is a set of interconnected projects including support to SMEs in various sectors. The first study initiative to create a centre revitalisation and Rochapea commercial plan has been concluded. Main partners are Pamplona town council, the European Centre of Enterprises and Innovation of Navarre, the Old District, Rochapea and El Salvador shopkeepers' associations and the Chamber of Commerce.

Backed by extensive discussions with all bodies involved (considered an important feature of this project) the programme includes 25 commercial initiatives for the Historical Centre Shopkeepers' Association and 14 town-planning initiatives for the city. Main objectives are encouraging adaptation, introducing new activities; remodelling old premises; introducing new technologies and improving people competence. Financial instruments will provide aid for modernisation, new operations, equipment, and computerisation. The creation of a Customer Services Centre will offer clients services such as home delivery, bargain and customer loyalty packages, purchasing credits, commercial and promotion initiatives and catalogues. A training programme will improve competence of business people, staff and the unemployed in areas related to management and admin, technology and new procedures. This Urban II project is a good example of how structural funds contribute to the revitalisation of a declining urban area by improving and adapting the commercial fabric to new challenges. Total eligible costs € 2.3m.



Funding for the Tourism Sector

Funding for enterprises

In today's world, tourism is a key source of income in many areas. It is a spearhead of regional development, and in coming years is expected to contribute actively to the diversification of economic structure and the employment challenge across the whole of Europe.

But many tourist enterprises are small and lack financial muscle. Quality improvement, upgrading the numbers of rooms, product development and diversification are all examples of activities that can be funded.

Quality improvement of accommodation Renovating hotel rooms, sewer systems and park facilities means happier customers, safer environment and better business.

Investing in attractions New or renovated attractions raise tourist numbers and location popularity. More people mean greater turnover and better business.

Marketing training for tourism entrepreneurs Marketing skills are essential in today's commercial and tourist world. Training in the tourism sector means more effective business.

Marketing assistance Help in marketing tourist products and venues, especially in conjunction with others involved, means a more dynamic image and improved performance.

Market studies

Funding for public bodies

In addition to direct support for businesses in the tourist sector, the structural funds finance projects that offer indirect benefit. Beneficiaries of these are often (semi) public bodies such as municipalities, regional authorities, representative organisations or tourist offices. The investments are aimed at making regions more attractive for visitors.

Investing in trails Upgrading nature trails, cycle paths, routing and signposting can make an area much more attractive for the visitor.

Investing in the cultural heritage Refurbishing museums, visitors' centres, and cultural heritage in general gives more for the tourist to see and raises their willingness to pay for it.

Networking and cooperation Diversification of the tourism product and project development often demand good networking between enterprises, tourist offices and local authorities. The Structural Funds programmes thus support initiatives that encourage business-to-business and public-private partnerships to improve the integration of the tourism chain.

Tourism infrastructures Installation and improvement of tourism signals, equipment, tourism offices, spas and other infrastructures make areas more attractive for tourists.

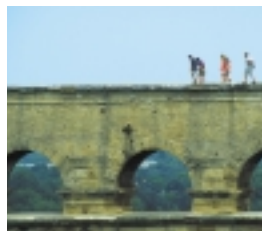
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Case study Hermyone Project

The objective of this Spanish project is to reduce discrimination against women, young people and other excluded groups. Hermyone targets the creation of new companies in the local context of culture, heritage and tourism.

Tourism is a very important sector for development, yet not well represented in the local economy. It is estimated that more than 3,000 people will benefit (65% women and 35% people at risk of becoming socially excluded).

Analysis of regional entrepreneurial spirit and capabilities is promoting entrepreneurial initiative. Equal has supported the organisation of conferences and creation of information material. A network of local agents provides information and assistance to entrepreneurs. Training activities are organised in such areas as how to get finance from a bank to start-up. Development partnerships are made up of a wide variety of organisations, from public bodies, financing institutions and chambers of commerce to business associations, non-governmental organisations (NGOs) and universities. Two transnational co-operation partnerships (TCPs) have been established: TCP Nereidas (Union of SMEs of Belgium, Rodas Council of Greece and Quotu Council of Italy) and TCP Egalité et Valorisation Economique (combining forces of five organisations from France, Germany, Greece, Italy and Portugal).



How to obtain Structural Funds

Obtaining Structural Funds requires care and time.

IT STARTS with an SME or intermediary organisation thinking of ways in which their operation can be so improved as to help meet the EU objectives shown such as improved employment, better infrastructure, more visitors or higher turnover.

THE NEXT STEP is a visit to or contact with your local branch organisation (e.g. shopkeepers associations, Chambers of Commerce) or the programme manager in the region (e.g. the Ayuntamiento, or the Comunidad) to discuss how the idea could be financially supported. In addition, some programmes are managed at the national level (Ministerio de Economía y Hacienda). Programme managers will do their best to explain what sort of projects are eligible, the best way in which an application can be submitted and generally how to find your way through the Structural Funds subsidy maze.

While every effort has been made to simplify procedures and reduce the administrative workload, the application will require care and time from both programme manager and applicant. Programme managers are dedicated and trained individuals committed to both theory and practice of European development. They will certainly do their best for you.



If you have internet access, the contact details of programme managers in your country can be accessed through the inforegio-site of the European Commission's DG Regional Policy at: http://europa.eu.int/comm/regional_policy/manage/authority/authority_en.cfm