

NextGenEU Funds in Spain: an analysis of tender implementation

A comprehensive analysis of implementation microdata

Next Generation EU Funds Observatory EsadeEcPol-EY Insights

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Executive summary

This policy brief analyses the initial results produced by a tool for monitoring the implementation of European funds that we have developed in the NextGeneration EU Funds Observatory managed by EsadeEcPol-EYInsights. The tool is an algorithm that enables automatic searches of the real-time information on NEXT-EU funds (RRM and REACT-EU) now available in a disorderly manner in various Spanish government databases. The tool is used to report on who is implementing these European funds, what is being implemented, and how the task is managed. In this report, we show the results obtained during the implementation of the Recovery, Transformation & Resilience Plan through tenders up to February 2022.

Main messages:

- The implementation of the plan through tenders has grown throughout 2021 and early 2022 – with very modest beginnings but accelerating by the end of the year. As of 28 February 2022, published tenders amounted to almost €5 billion.
- To date, it is state-owned organizations that have tendered the fastest (accounting for more than 50% of tenders and totaling more than €2.7 billion) and this may reflect their greater administrative ability to manage public funds. These organizations are followed by the general state administration (which has received approximately half the investment received by state-owned organizations) and then regional governments with just over €800 million. Lastly, local councils have a token presence for the moment, and this may be explained by the cascaded distribution of these funds by the general state administration to the other state administrations (a chain in which local councils are the last link).
- The state-owned organization that has taken the leading role to date has been ADIF (the national railway infrastructure manager) which has tendered close to 2.5 billion euros, around half of the total European funds tendered so far. The focus of the tenders has been the construction of infrastructure – as revealed by data on the main organizations implementing the funds and the fact that the main goods and services contracted are listed under the headings “land transport services” and “construction”.
- We found that the tenders have been awarded in approximately the same period of time as similar tenders financed by other funds, and that they have been awarded mainly to temporary joint ventures (TJVs) and corporations (mostly civil engineering companies).
- Tenders are concentrated in infrastructure and construction: 70% of the total is dedicated to construction.
- In the ranking of regional governments, Castile-La Mancha and Galicia lead in tenders with more than €200 million, while Catalonia, La Rioja, Melilla, and Navarre are at the bottom with less than €5 million activated for each. In terms of ministries, the Ministry of Health accounts for more than 70%.
- Investments have been geographically localized both by the location described in the calls for tenders and by the postal code of the head office of the awarded companies, and we can confirm that a large part been awarded to organizations near Madrid (around 10% of the tenders as of February 2022 are located in the municipal district: representing nearly €500 million of the almost €5 billion tendered) and other provincial capitals. However, the rapid action of some public administrations, in particular the regional governments, has managed to disperse aid to other geographical areas.

Introduction

The European Commission created in July 2020 an ambitious €750 billion package to finance investment projects in the medium and long term that, without forgetting the necessary economic recovery after the impact of Covid, would facilitate the digital and environmental transformation of the EU. Within this package, called NextGeneration (NEXT-EU), are the Recovery and Resilience Mechanism (RRM) and REACT-EU funds with which the Commission seeks to achieve these objectives. From the RRM, Spain will be allocated some €140 billion of which €70 billion will be non-refundable payments and the rest loans. The Recovery, Transformation & Resilience Plan (PRTR) manages the orderly implementation of these resources.

Since its inception, the NextGenerationEU Fund Observatory of EsadeEcPol and EY Insights has been monitoring the implementation of the PRTR. However, this is a challenging task given the dispersion of information and its lack of structure. For example, despite the enormous amount of tender information available on the Public Sector Contraction Platform (PCSP), the data is either not arranged in a practical way if one wants to go beyond simple searches, or not all the information is equally accessible.¹ The difficulties are even greater when looking for information on subsidies in the National Database of Subsidies (BDNS) managed by the Ministry of Finance. We address these difficulties by using fast and efficient access strategies that employ search and download algorithms. The Observatory has designed these tools to facilitate and simplify information gathering.

But the objective of these tools is not limited to simply downloading and structuring information. By taking advantage of complementary information from other databases, it is possible to combine this information with other information on tenders and subsidies to enrich it, and so increase the added value of any analysis. For example,

information from the registry of public organizations and that of 1.8 million Spanish companies available in the SABI database has been incorporated.² In addition, classifications of products, sectors, and postal codes will be added.

Finally, we show in this policy brief some of the results obtained after designing two programs for accessing, downloading, and structuring information on tenders and subsidies associated with the Recovery, Transformation & Resilience Plan. Aggregates, averages, trends, and classifications are presented to show the progress of the implementation of the PRTR at a detailed level and enable more specific analyses. In this document we analyze tenders, and we will analyze grants in a second exercise to be presented in a few weeks.

1 The Junta de Andalucía, the Basque Government, the Generalitat de Catalunya, the Xunta de Galicia, the Comunidad de Madrid, the Principado de Asturias, the Government of La Rioja and the Comunidad Foral de Navarra do not have contractor profiles on this platform.

2 Iberian Balance Sheet Analysis System. <https://sabi.bvdinfo.com/version-202247/Home.serv?product=sabineo>

NextGenEU funds in Spain

Budget

A good starting point for analyzing the implementation of NEXT-EU funds is the general state budget for 2021 based on data published by the Comptroller General of the State (IGAE).³

Table 1 shows the aggregate budget implementation data for 2021 for both the appropriations allocated to the Recovery and Resilience Mechanism (RRM) in the general state budget, as well as the definitive payments and acknowledged obligations.

Thus, of the slightly more than €24.198 billion allocated to the RRM, some €18.686 billion appeared as definitive payments,⁴ of which €15,744 billion corresponded to acknowledged obligations.⁵ At the end of November, 65.1% of the funds included in the 2021 general state budget were at the stage closest to being paid as part of the budget implementation.⁶

Table 1. Initial payments allocated to the RRM according to the general state budget (final and acknowledged)

	Initial credits	Definitive credits	Acknowledged obligations
Personnel expenses	4,331,070	3,492,908	14,701
Current expenses on goods and services	173,645,990	154,182,857	10,842,934
Current transfers	3,439,296,180	3,403,452,962	2,750,182,769
Real investments	1,541,199,710	875,316,606	194,201,097
Capital transfers	18,962,810,050	14,173,109,825	12,752,088,031
Equity contributions	77,000,000	77,000,000	37,000,000
Grand total	24,198,283,000.00	18,686,555,158.63	15,744,329,531.62

³ [Budget implementation. Comptroller General of the State \(hacienda.gob.es\)](https://www.hacienda.gob.es)

⁴ The initial and definitive payments reflect the resources that are retained for a given purpose, with the definitive payments being set aside as a precautionary measure to ensure the availability of funds for payments or any other type of operation.

⁵ Acknowledged obligations reflect obligations incurred with respect to third parties as a result of the implementation by third parties of the obligation and the corresponding acts of recognition and settlement. This acknowledgement implies a proposal for payment of the obligation. Finally, although many of the amounts included as acknowledged obligations may already be in the process of being paid, or even paid, in general, being registered at this accounting stage does not necessarily imply that payment has been made.

⁶ We are aware from the data provided by the various ministries most directly involved in the management of the funds that the figures are much higher than those shown in this table. However, once again, the aim of this report is to analyze tenders rather than the general state budget and so we use this information as a framework for what most interests us.

As for its distribution by headings, of the €15.74 billion in acknowledged obligations, 80% was allocated through capital transfers⁷ and 17% through current transfers.⁸ The remainder was allocated through other headings, such as real investments or current expenses (the latter representing barely 0.01% of implementation to date).

The pertinent question is whether we can identify the spenders and recipients of these transfers with the information contained in the general state budget. The answer is that some information can be uncovered. Figure 1 shows how the amounts shown as acknowledged obligations have been distributed by each ministry within the general state administration to public or private organizations during 2021.

The **Ministry of Ecological Transition and Demographic Challenge has mobilized the most resources during 2021** (€4.6 billion). It is closely followed by the Ministry of Transport, Mobility, and Urban Agenda (€4.4 billion), and a little further behind, the Ministry of Education and Professional Training (€1.7 billion) and the Ministry of Economic Affairs and Digital Transformation (€1 billion).

Regarding the destination of these mobilized resources, we must remember that a large part are capital and current transfers, and so they must have been received by public or private organizations. **The figure shows us that the main recipients of these funds have been public sector organizations (such as public companies), foundations, or other similar types of entities.** Some €7.9 billion was transferred to these organizations and we will see how one of them, ADIF,

may have mobilized the most resources through tenders during 2021.

Secondly, €6 billion is recorded as acknowledged obligations in favor of regional governments in 2021, and these funds must wait to be effectively mobilized through mechanisms enabled for this purpose within these governments (mainly tenders or calls for subsidies). To a much lesser extent, these transfers have been directed to autonomous organizations (€1 billion), direct real investments (€194 million), and private companies (€253 million).⁹

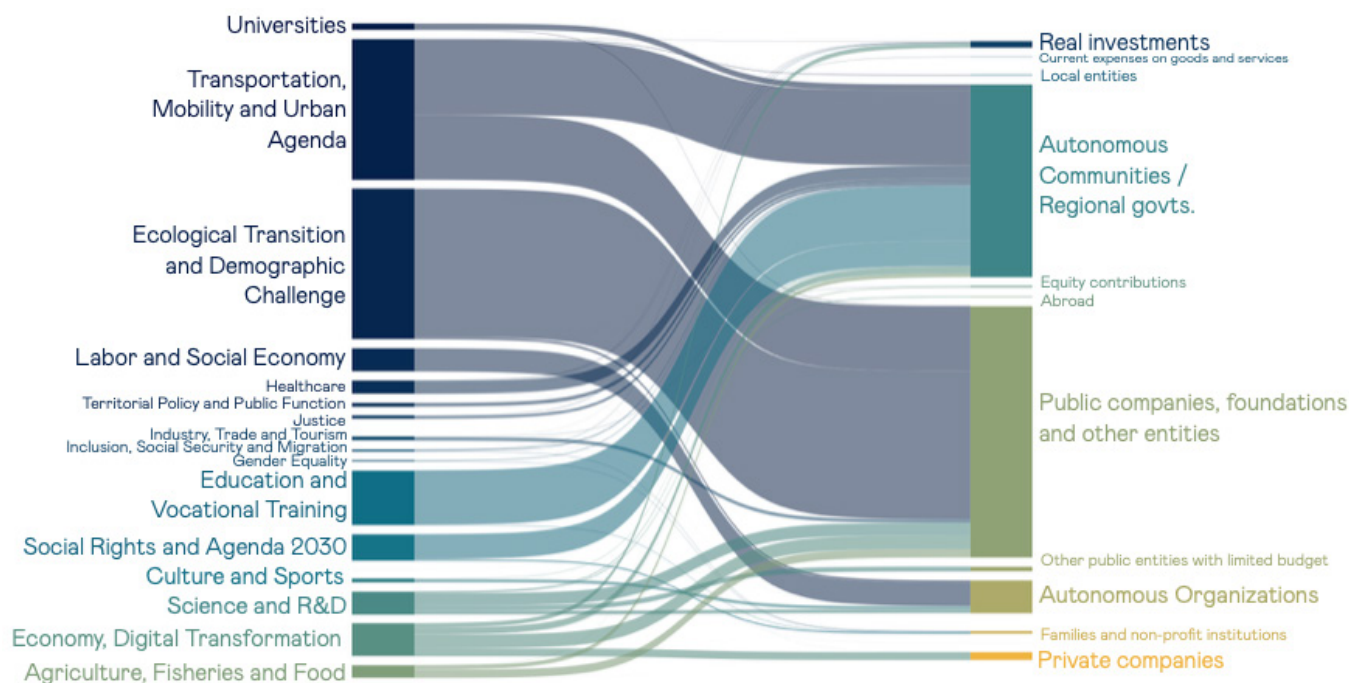
Although the information for general state administration is interesting and deserves examination, it remains limited when analyzing the rate of budget implementation, and especially the characteristics of this implementation. For this reason, the NextGenerationEU Funds Observatory developed a tool to exploit in almost real time the enormous amount of information available in other administration information sources, and in a more structured, orderly, and relevant way, as explained in the introduction.

7 Capital transfers imply a distribution for the establishment of the basic overall structure of the receiving entity.

8 Current transfers involve a distribution of income to finance current operations conducted by the beneficiary and these operations are neither specific nor specified.

9 According to the data provided by the informative website on the Recovery, Transformation & Resilience Plan managed by the Prime Minister's Office, this figure exceeded €11 billion at the end of the year. These figures are not included in this analysis as they have not yet been defined in the Comptroller General reports.

Figure 1. Origin and destination of obligations acknowledged in the 2021 General State Budget
December 2021



Source: Data from the General State Budget (2021)
NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Tenders published

The Ministry of Finance and Public Administration offers in the Public Sector Contraction Platform (PCSP) detailed information on all tenders conducted by centers within the Spanish public administration – with the exception of those regional governments whose contracting profile is not included and whose information is available in a special section within the same platform or on their own platforms.^{10,11} The information available includes the title of the contract as well as the administration responsible, amounts, announcement characteristics,

status, terms and conditions, awards, and other information. The latter, in turn, includes details of the individuals and organizations who have successfully bid for the tender as a whole (or for the lots into which some tenders are divided). The use of this information is not covered in this report and will be the subject of future publications evaluating the implementation of the Recovery, Transformation & Resilience Plan by Spanish public administrations.

¹⁰ <https://contrataciondelestado.es/wps/portal/plataforma>

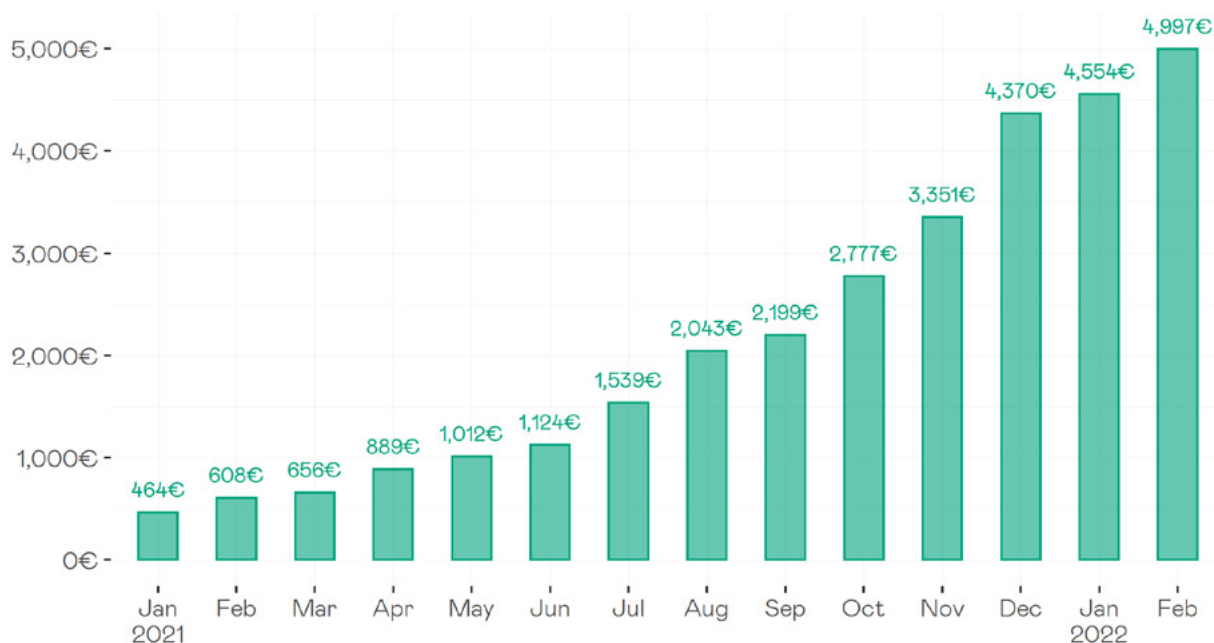
¹¹ The information available on tenders by regional states such as Andalusia, the Basque Country, Galicia, Catalonia, La Rioja, Madrid, or Asturias is thinner than on tenders by those regions who have a contractor profile on this platform. Therefore, some results corresponding to these regions have been obtained from their respective platforms, and those that cannot be obtained in this way are approximated using various techniques. The totals presented in this report are obviously affected – but the deviation should not exceed 1-2% given the weights and information available on the regional contraction platforms of each of these regional governments.

By accessing this information, it is possible to **describe the state of tenders in the country at a given time**. The difficulty lies in the enormous number of existing tenders and the wide range of data available. Therefore, we have developed a tool that automates the capture of this information and, above all, organizes it to facilitate monitoring the implementation of European RRM and REACT-EU funds.

The deadline for this report was set at 28 February 2022, and according to data from the Public Sector Contraction Platform, as of 1 January 2021, public administrations with a contracting profile had published a total of 136,098 tenders. Of these, 9,244 tenders were financed by European funds and, among these, 1,022 were made under the Recovery and Resilience Mechanism (RRM) and REACT-EU, or as declared in the captured tenders, with possible charge on the former.¹² Administrations without a contractor profile on the platform published another 80,328 tenders, of which 245 were under RRM and REACT-EU funds. Between them, these 1,267 tenders had a published budget of almost €5 billion. Figure 2 shows that the budget corresponding to the tenders published is clearly increasing, with December being the month in which by far the largest number of new tenders were published.

Figure 2. Tenders published by month

Millions of euros accumulated



Source: Data from Public Sector Contraction Platform (PCSP)
NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

¹² Some tenders were not assigned to these funds at the time of their publication, in theory because the criteria did not exist at that time, and this possibility had already been advanced. Officially, however, some of these tenders were not yet assigned to the funds analyzed here. However, we consider them as such because most will eventually be assigned. As the announcements of the various tenders are updated, some of these tenders will confirm their financing through NEXT-EU or REACT-EU funds.

As for the origin of the funds financing by these tenders, €4.49 billion was associated with the RRM, although €1.36 billion of this amount was still classified at the end of the year as only eligible for financing under RRM. The remaining €507 million was allocated to REACT-EU.

Figure 3. Total tendered

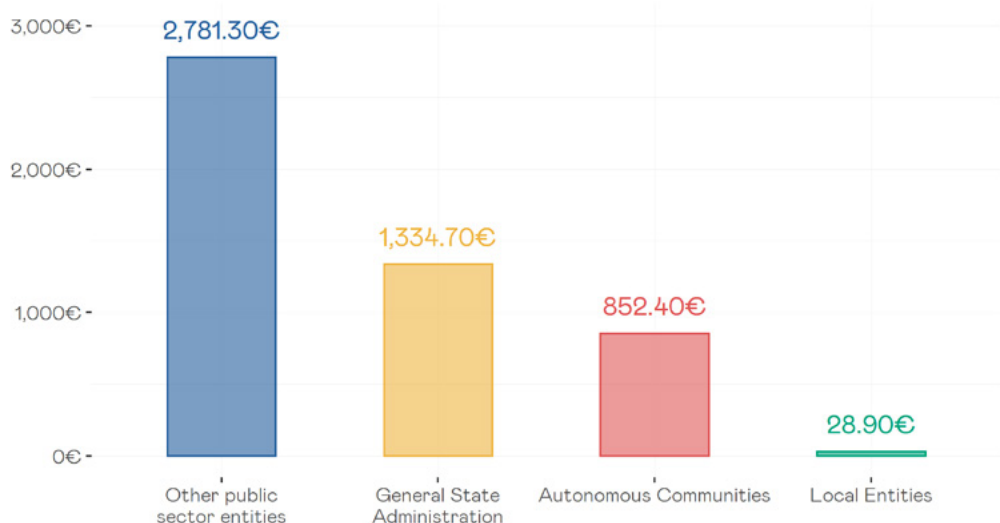


Source: NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Not all the administrations have shown the same tendering pace. State-owned organizations stand out with more than €2.78 billion, followed by the general state administration with €1.33 billion. This data fits with the information presented in the previous section on capital transfers to state-owned organizations in the general state budget. Regional governments follow with €852 million, and finally, local councils with the still meagre sum of €29 million.

Figure 4. Volume of tenders by type of administration

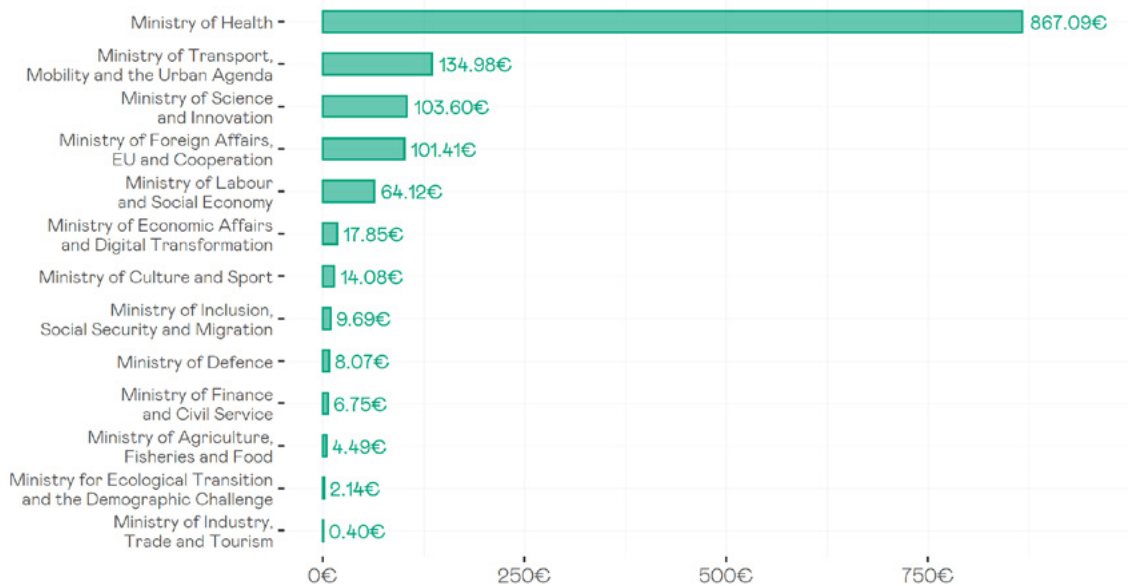
In millions of euros



Source: Data from Public Sector Contraction Platform (PCSP)
NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

The following figures enable us to specify which administrations have tendered the most or least. The first two positions within the general state administration are held by the Ministry of Health, with €867 million (largely from the implementation of REACT-EU as health spending associated with the pandemic) and the Ministry of Transport, Mobility and Urban Agenda with €134 million. The Ministry of Science and Innovation and the Ministry of Foreign Affairs follow closely behind with €103 million and €101 million respectively. Slightly further behind is Labor and Social Economy, and finally, the rest with less than €20 million in total.

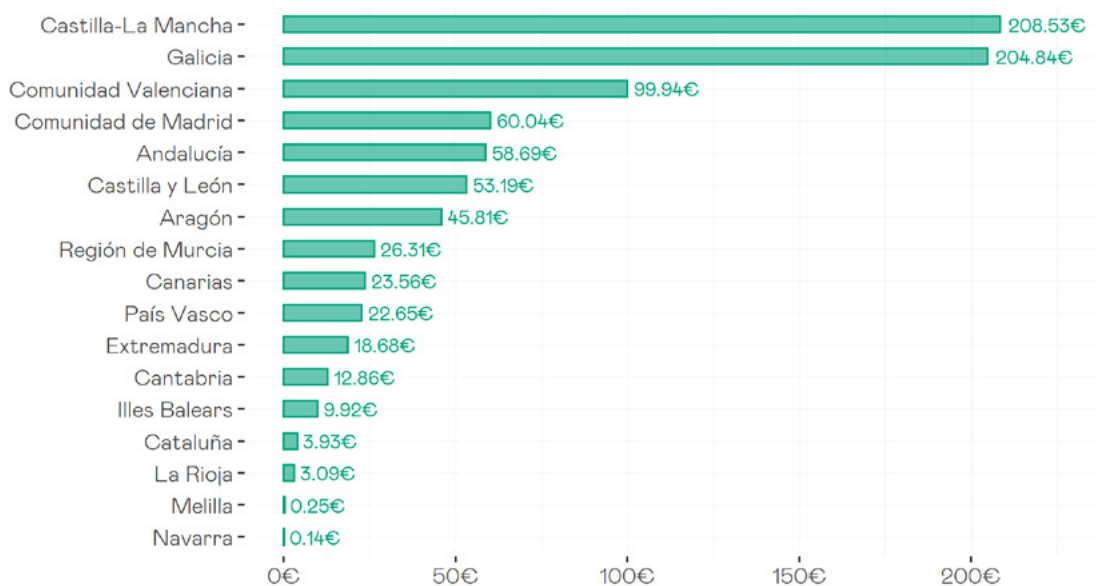
Figure 5.
Volume of tenders by ministries
In millions of euros



Source: Data from Public Sector Contraction Platform (PCSP)
NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Figure 6 shows that the Castile-La Mancha regional government published up to €208 million euros. In second place is Galicia with €204 million, followed by Valencia with just over €99 million.

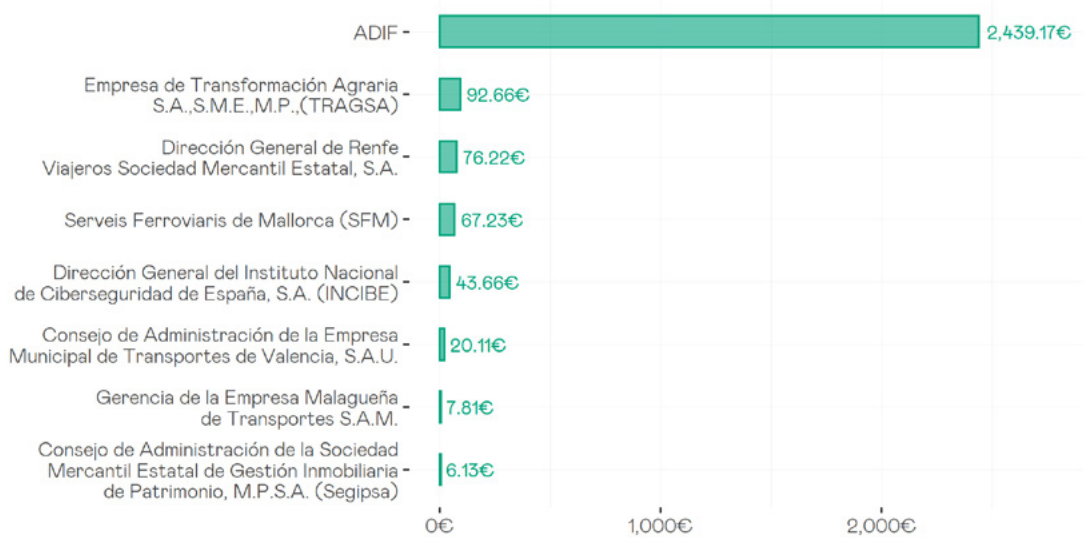
Figure 6.
Volume of tenders by regional governments
In millions of euros



Source: Data from Public Sector Contraction Platform (PCSP)
NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Finally, Figure 7 shows ranking by tenders in “other public sector organizations”. It is here we find the largest number of published tenders, with ADIF being the organization that has by far provided the greatest impetus to tendering for European RRM and REACT-EU funds during 2021. The remaining organizations lag far behind.

Figure 7.
Volume of tenders in other public sector entities
 In millions of euros

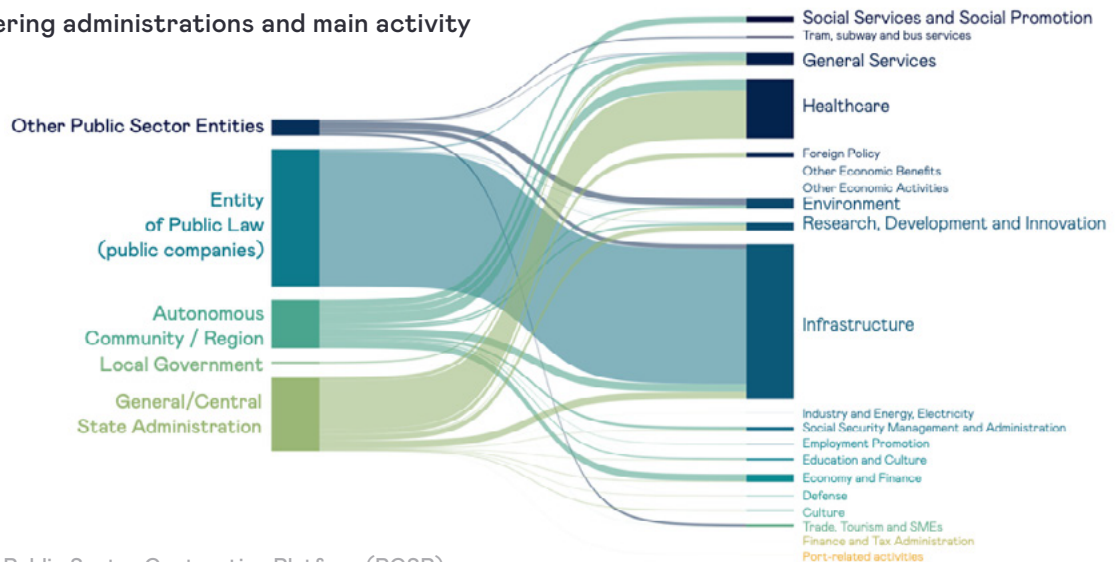


Source: Data from Public Sector Contraction Platform (PCSP) (PCSP).
 NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Figure 8 shows the administrations that have issued tenders, grouped by type and main activity. The tenders published by state-owned organizations are in activities associated with infrastructure and transport (which is obvious, since ADIF is the main bidding entity for almost the entire amount).

The second ranked grouping in terms of the tendering amount is the general state administration. It has **mainly operated in the field of health activities**, and specifically with REACT-EU funds. Finally, **regional governments** are still far ahead of the other administrations in their ability to mobilize and **have tendered mainly in health (although with more heterogeneity than the other administrations)**.

Figure 8. Tendering administrations and main activity



Source: Data from Public Sector Contraction Platform (PCSP).
 NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

We have examined the tendering structure according to the administrations that have published tenders, and now we can look at the types of goods and services purchased (see Table 2). It is worth noting that no information is included from those administrations without a contractor profile on the national platform, as they do not provide such data, at least not in a consistent and structured manner like the rest of the administrations. This means some €400 million of tenders is not included in this table.

The table classifies the total published budget according to the main contracted goods and services obtained from the common procurement vocabulary (CPV) codes included in the tender documents. Unsurprisingly, the ranking is led firstly by **services associated with transport, and secondly by goods associated with construction** (occupying the first five places with a total of €3.77 billion). Computer services are only in sixth place with €149 million, and electrical installations are one place below at €148 million.

Table 2. Budgets by type of contracted goods and services

Goods and services contracted	Budget (€)
Land transportation services	1,499,348,249
Construction	1,331,193,830
Construction of motorways, roads, airfields, railways, and sports facilities	440,822,715
Demolition of buildings and earthworks	261,376,876
Other specialized constructions	244,698,785
Computing and related services	149,750,763
Electrical installation	148,522,892
Other services	145,358,145
Architectural services; engineering and integrated engineering services	88,051,918
Maintenance and repair services	54,230,337
General construction of buildings and civil engineering works (bridges, tunnels, etc.)	47,468,463
Health and social services	35,818,880
Advertising services	27,585,386
Management consulting services and related services	25,808,055
Other building installations and works	21,393,962
Hydraulic works	20,406,641
Rail transportation services	15,959,932
Construction of roofs and enclosures	15,916,883
Other building and construction finishing	14,814,436
Research and development services	14,531,788
Finishing of buildings and works	8,658,183
General construction of buildings and engineering works	6,063,422
Carpentry installations	6,012,103
Recreational, cultural and sports services	4,081,834
Rental of construction or demolition equipment with operator	3,798,795
Publishing and printing services on a fee or contract basis	2,969,890
Drilling and boring	2,416,681
Telecommunication services	2,156,409
Site preparation	1,697,301
Personnel placement and supply services	783,968

Finally, it is worthwhile analyzing tenders according to another series of characteristics. Figures 9 to 11 show the distribution of tenders according to urgency, type of procedure, and status of the tenders compared to total budget announced.

With respect to urgency, **76.3% of the total budget tendered was processed under the normal procedure**, while 23.2% was processed under the urgent procedure, and the rest under the emergency procedure. As regards the **type of procedure, 93.3% were open** and just 3.3% were unannounced. Finally, **for the status of the tendering process, as of 28 February, 26.6% had been awarded, and 40.2% had been signed**. Finally, on that date, 27.6% of the tenders were still in the announcement phase with open procedures.

The status closest to full implementation is reflected by those **tenders that have been either awarded or signed** and for which information on successful bidders is available – **and these tenders totaled €1.43 billion (51.6% of the total amount announced)**. As we will see below, not all of these amounts have been completely awarded, since part of the budgets have not been fully awarded or, in the case of tenders with several lots, some lots may have unallocated amounts, or no bids may have been received for the tenders.

Figure 9. Level of urgency of the tendering process

Urgent, normal and emergency



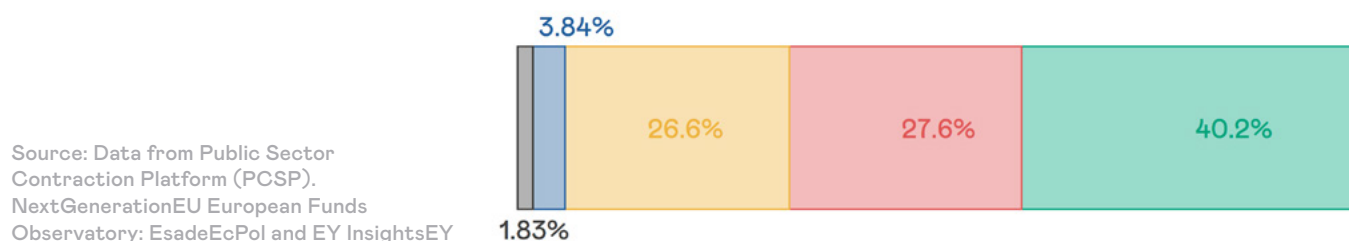
Figure 10. Type of tendering procedure

Open, macro agreement, awarded without announcement, others and restricted



Figure 11. Tendering status

Signed, announced, awarded, pre-awarded and under evaluation



The following table shows the tenders grouped by financing funds and regarding the time available from announcement to the closing date for the receipt of bids.¹³

Table 3. Tenders by source of funds

Fund type	Average period	Standard deviation of period
EU	25,598,134.28	30,213,712.74
RRM	27,838,289.96	18,658,797.12
NON-EU	19,899,925.23	22,104,924.55
Possible RRM	37,552,631.58	17,703,780.94
REACT-EU	33,882,653.06	54,279,672.71
TOTAL	20,326,390.79	22,879,692.71

Tenders charged to RRM or possible RRM have a mean period of 27.8 and 37.6 days, respectively. For REACT-EU tenders, the average is similar at 33.9 days, although the dispersion (measured as standard deviation) is twice as large. Finally, these figures are somewhat longer than the average for the other European funds (25.6 days) and even longer than the usual times for tenders not financed with European funds (whose average is 19.9 days). **The tenders associated with the framework do not seem to present a significant reduction in the time offered to bidders to prepare their bids.** It would be a different matter, however, if the documentation differs or the procedure is more complex, and this would pose a differential fact that, for the moment, is not considered in this analysis.

Finally, the information available for tenders includes the place of implementation (meaning the municipality, province, or region) and in some cases it is simply unspecified because the location is described as the whole nation.¹⁴ This information is shown in Table 4, where the rows correspond to the place of implementation and the columns to the managing administrations.

¹³ Tenders with terms longer than 300 days have been eliminated as outliers and represent less than 0.3% of tenders in the database.

¹⁴ Depending on each bidding process, the degree of detail differs and reflects the nature of the investment.

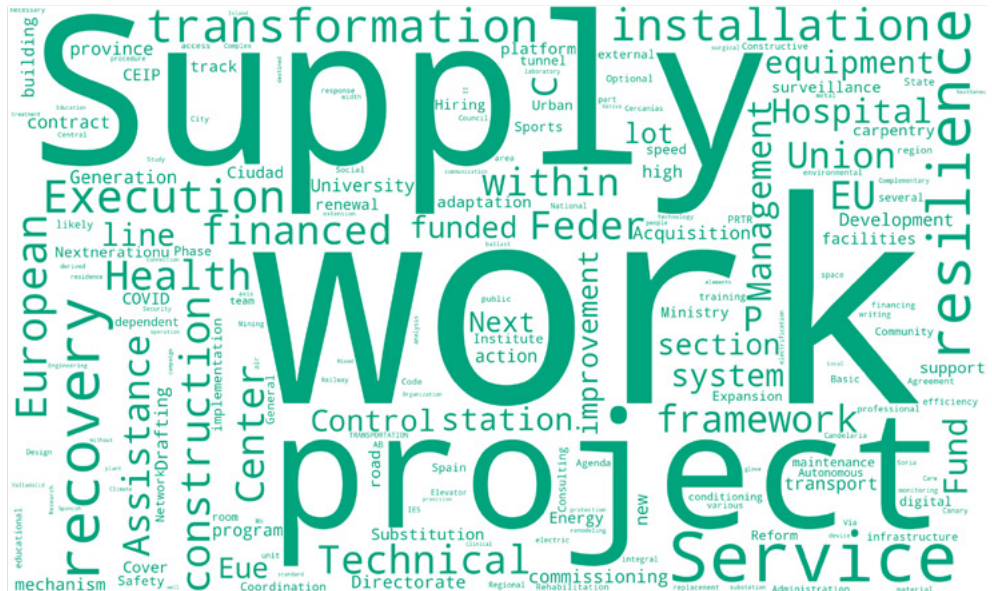
Table 4. Place of implementation of investments by administrative level

Implementation	General state administration	Regional governments	Local councils	Other public sector	TOTAL
Not specified	922,721,156	-	-	423,123,922	1,345,845,078
Madrid	303,504,736	60,042,057	1,663,705	394,120,213	759,330,711
Corunna	12,191,742	82,689,904	9,207,434	176,047,677	280,136,757
Barcelona	11,056,506	3,205,953	-	261,441,120	275,703,579
Palencia	-	249,646	-	200,550,429	200,800,074
Galicia	-	90,727,770	-	71,271,584	161,999,353
Ourense	-	7,305,698	-	139,969,301	147,274,998
Cáceres	-	597,497	-	136,119,458	136,716,955
Lugo	1,020,529	645,855	2,844,493	131,944,918	136,455,795
Toledo	-	124,163,285	-	496,400	124,659,685
Asturias	12,458,670	-	-	111,810,730	194,269,400

For tenders that do not specify the place of implementation (representing investments that are not attributed to a specific location) most of the investment, totaling some €1.34 billion, was managed by the general state administration, although with a significant participation by other entities. This is followed by Madrid, with €759 million, mainly executed by the same administrations mentioned above. Corunna, Barcelona, and Palencia follow, the first with a considerable participation by the regional government, while the tenders in the other two cities were mainly managed by other public sector entities.

Finally, with regard to the descriptions of the tendered projects, it is interesting to note the most commonly used words as this helps us understand where the investments are directed.

Figure 12. Most common words in tendered projects



Source: Data from Public Sector Contraction Platform (PCSP) NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Tenders awarded and signed

The status of the tenders tells us about their degree of progress. Payment can only proceed for those tenders that appear as awarded or signed.

The amounts corresponding to these two categories total €3.34 billion (€2.01 billion for those where the contract has been signed and €1.33 billion for those only awarded). These tenders also have information on the winners of all or some of the tender lots involved, and on the amounts finally awarded together with the name and tax identification number of the winning organizations or individuals.

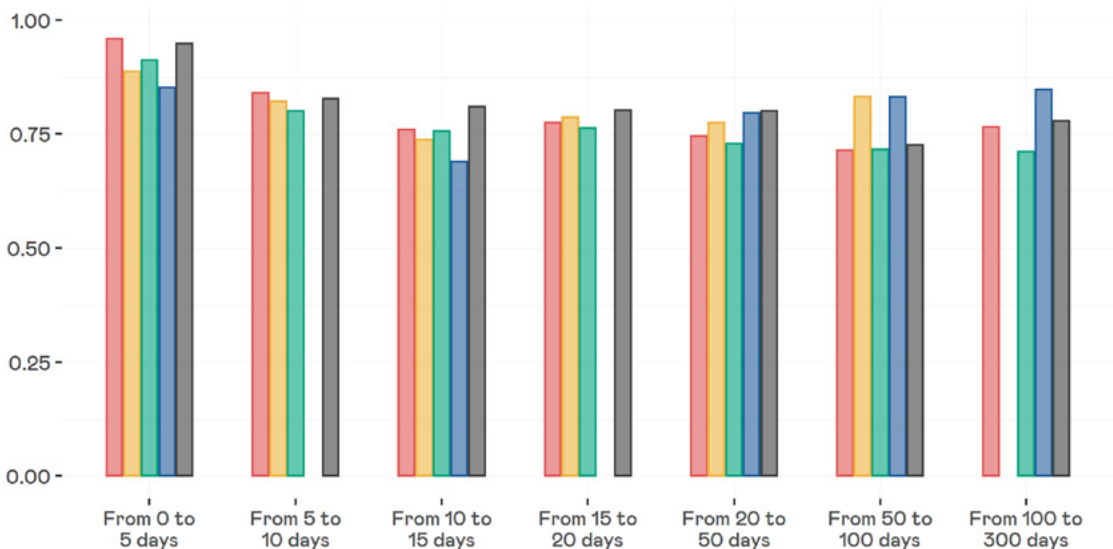
The first task is to establish how much of the €3.34 billion has been finally awarded. Based on the information contained in the records on the contraction platform, as of 28 February, €1.73 billion had been awarded to companies, meaning contracts had been signed on 53.1% of the total budget. Therefore, of the total budget advertised, **almost 46.9 cent was either for tenders in which no bids were received, or the details of the winners have not yet been**

published in the case of open tenders. Obviously, and especially in the case of awarded tenders, we can expect that as more results are published, the figures will converge towards the sum of €3.34 billion.

For those awarded tenders for which we have this information, it is worthwhile establishing if this percentage differs according to the deadlines given to potential bidders or according to the funds financing the tenders. For this purpose, the ratio of the budget finally awarded and the aggregate budget has been calculated for each bidding process based on these two dimensions. The result is shown in the following figure.

Figure 13. Ratio of amounts awarded as a percentage of the total published budget by days available for bidding and type of fund

EU, MRR, NO-EU, Possible RRM and REACT-EU



Source: Data from Public Sector Contraction Platform (PCSP).
NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

The left axis shows the average percentage of the total budget of the tenders that have been awarded or signed before 28 February. The horizontal axis shows these ratios grouped by days available for bidding. The columns group the tenders according to their funding source.

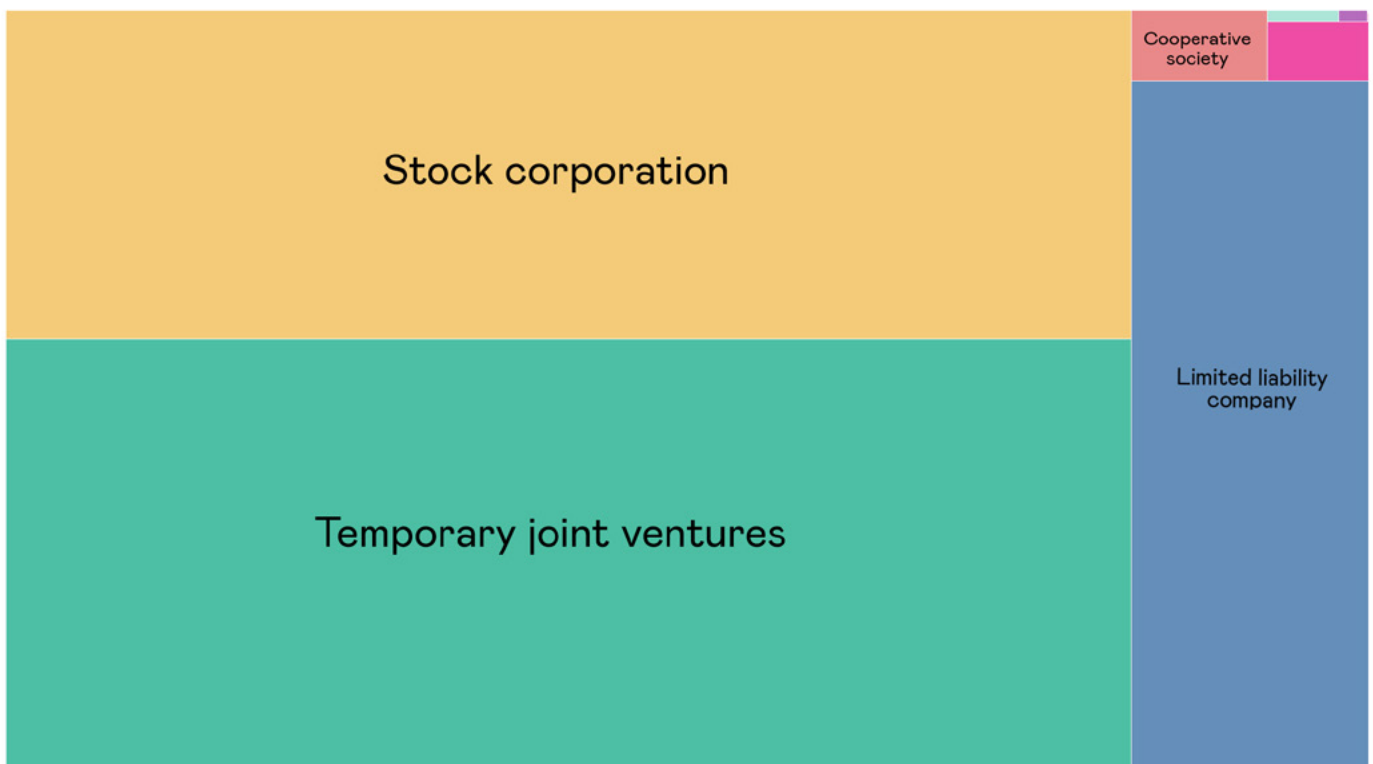
The figure shows us that there is an inverse relationship between days to deadline and ratios. This could be explained by the fact that the processes for those tenders with longer terms have not yet been finalized (although some lots may have been awarded). This could also be

explained by the fact that tenders with shorter deadlines often correspond to renewals of previous tenders or simply have standardized procedures. The interesting aspect is perhaps not the explanations for this fact, since it would force us to investigate questions that are outside the scope of this document, but the verification that there is no clear difference between the groups of tenders according to the source of funding.

Awardees

Information from the contraction platform enables us to dissect the profiles of the awardees for tenders or tender lots. Based on this information and by cross-referencing with other databases it is possible to establish the national classification of economic activity (CNAE) of the sector to which the company belongs, as well as the company structure and location. **Almost €893.3 million was awarded to temporary joint ventures.** Corporations were awarded €676 million, while limited companies were awarded €299.7 million, and the remainder went to other types of organizations.

Figure 14. Capital structure of the organizations winning tenders



Source: Data from Public Sector Contraction Platform (PCSP).
 NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

In terms of CNAE economic classification, **€1.2 billion went to engineering activities, while the classification programming, consulting, and other activities related to information technology** was far behind in second place with only €106 million. We find specialized construction activities in third place.

Table 5 shows the common procurement vocabulary classification of goods and services used by the

administrations to classify public tenders. This classification is the same as that offered by the CNAE. **Construction works** with €1.34 billion account for most of the **goods and services offered by the companies awarded contracts** as set out in the bidding documents. It is followed by consulting, software development, internet, and support with €128 million; and in third place, transport equipment with €113 million; and in fourth place, technology services with €104 million.

Table 5. Tenders by economic activity

CNAE classification	Budget (€)
Civil engineering	1,204,904,168
Programming, consulting, and other computer-related activities	106,624,502
Wholesale and trade activities, except of motor vehicles and motorcycles	98,083,041
Architectural and engineering technical services, technical tests, and analysis	87,484,204
Specialized construction activities	85,860,346
Manufacture of other transport equipment	68,546,698
Construction of buildings	40,641,308
Retail trade, except of motor vehicles and motorcycles	33,606,003
Office administrative and other business support activities	32,333,932
Advertising and market research	28,189,691
Manufacture of motor vehicles, trailers, and semi-trailers	25,394,105
Telecommunications	14,809,569
Manufacture of computer, electronic and optical products	14,435,297
Manufacture of metal products, except machinery and equipment	11,673,708
Headquarter operations, business management consulting operations	10,407,032
Manufacture of other non-metallic mineral products	8,882,881
Building services and gardening activities	6,050,612
Health activities	5,836,924
Metallurgy, manufacture of iron, steel, and ferroalloy products	5,775,504
Manufacture of electrical material and equipment	3,254,382
Other professional, scientific, and technical activities	2,515,381
Property activities	2,439,804
Extraction of metallic minerals	2,080,320
Chemical industry	2,021,214
Sports, recreation, and entertainment activities	1,509,649
Research and development	992,719
Manufacture of machinery and equipment,	970,800
Public admin, and defense, Mandatory social security	964,049
Pharmaceuticals manufacturing	810,379
Insurance, reinsurance, and pension funds, except mandatory social security	489,970

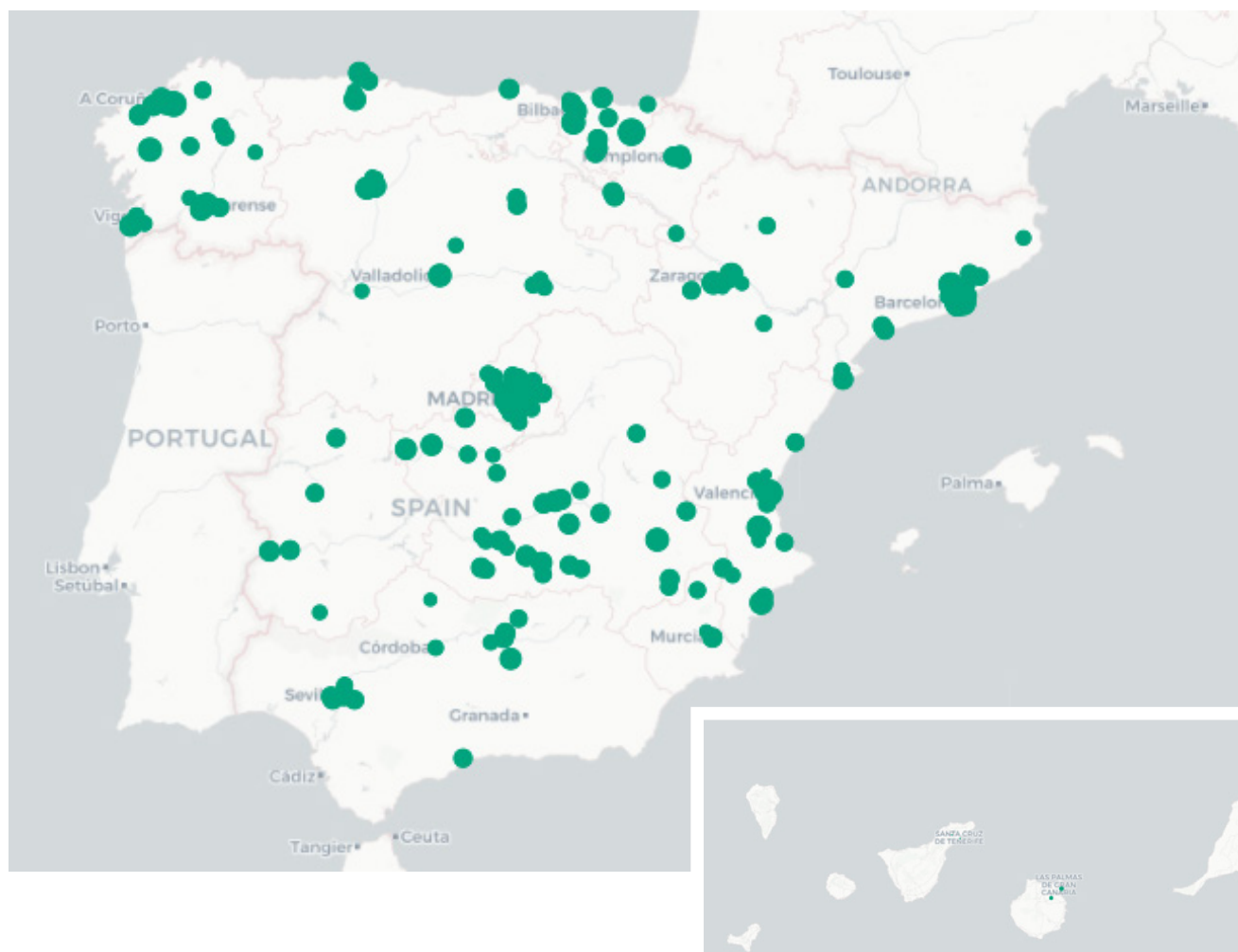
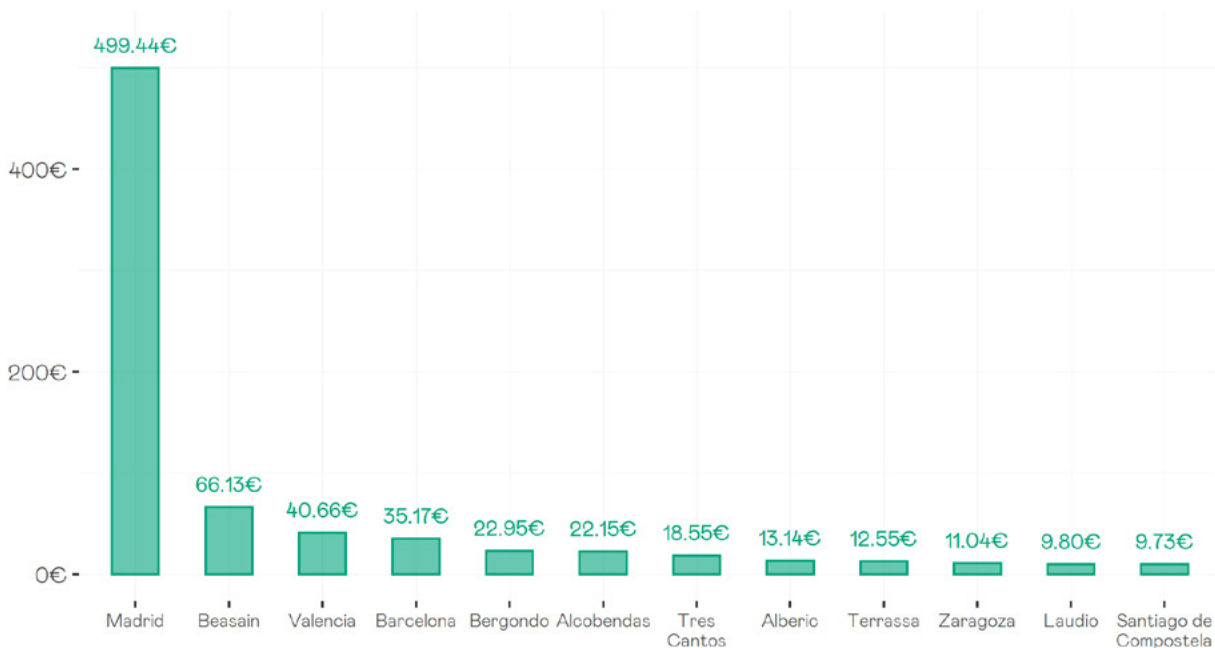
Table 6. Tender by goods and services classification

CNAE classification	Budget (€)
Construction work	1,340,883,472
IT services: consulting, software development, internet, and support	128,370,735
Transportation equipment and auxiliary products	113,308,627
Architectural, construction, engineering, and inspection services	83,067,416
Medical, pharmaceutical, and personal care equipment and supplies	74,654,890
Business services: legislation, marketing, consulting, personnel selection, printing, and security	35,590,170
Repair and maintenance services	28,771,437
Office and computer machinery, equipment, and supplies, except furniture and software packages	26,684,380
Radio, television, communications and telecommunications equipment and related equipment	15,179,342
Laboratory, optical and precision equipment (except spectacles)	14,579,946
Mining products, base metals, and related products	7,659,787
Software packages and information systems	7,354,312
Structures and building materials, auxiliary products for construction (except electrical appliances)	5,594,311
Research and development services and related consulting services	5,586,429
Health and social assistance services	5,144,653
Furniture (including office furniture), furniture accessories, household appliances, etc. (excluding lighting) and cleaning products	4,056,135
Electrical machinery, apparatus, equipment and consumable products, lighting	3,450,570
Public administration, defense, and social security services	3,078,883
Industrial machinery	2,041,115
Transportation services (excluding transportation of waste)	1,581,312
Ancillary and auxiliary transportation services, travel agency services	780,973
Education and training services	341,157
Recreational, cultural and sports services	63,301
Sewage, rubbish, cleaning, and environment services	55,733
Installation services (except software)	42,130
Mining and quarrying machinery and construction equipment	33,880
Financial and insurance services	1,915

Many of the tenders were won by companies based in the municipality of Madrid (€499 million). In second place, and far behind, were Beasain (Basque Country) and Valencia, with almost €66 and €40 million, respectively. Among the top positions, in addition to other regional capitals such as Barcelona or Zaragoza, are several cities around Madrid, such as Alcobendas or Tres Cantos, which reflects the concentration of the headquarters of the main tendering companies in and around the Spanish capital, and this is corroborated by the map in the final figure.

Figures 15 and 16. Distribution of tenders by municipalities

In millions of euros



Source: Data from Public Sector Contraction Platform (PCSP).
 NextGenerationEU European Funds Observatory: EsadeEcPol and EY InsightsEY

Conclusion

Since the Recovery, Transformation & Resilience Plan was launched just over a year ago, the first tranches of funds have been received and made available to various administrations to initiate projects. The general state budget shows that at least two-thirds of the €24 billion allocated for 2021 has already been mobilized.

However, the information presented is incomplete as it does not include an assessment of the current implementation, and lacks information for a detailed analysis of the implementation and its characteristics.

At the NextGenerationEU Funds Observatory we wanted to fill this information gap by developing two tools that enable databases to be built from the information made available by the administrations on tenders and grants. These databases can serve as a starting point for the necessary analyses. This report presents an initial exercise on tenders. With this information we can understand who is bidding, on what type of goods, and who are the beneficiaries. We can also geographically locate these tenders and the productive sectors on which they have the greatest impact.

Fortunately, we can also identify who are the successful bidders, as well as the sectors in which they are mainly active. This information, together with that already existing in the bidding records themselves, such as the goods and services acquired, as well as the CPV classification codes, enables us to make a more detailed follow-up of the investments charged to the NEXT-EU (RRM and REACT-EU) funds, and compare them with those investments financed by other sources. This information should enable us to decide if these funds have had the intended disruptive effect.

From this point onwards, we can enhance the information available and propose more complete and detailed analyses of this and related issues.

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A little over a year ago, the European Commission presented NextGenerationEU funds. Today it is a reality. This is an extraordinary mechanism to boost the recovery and transformation of the European economy after the pandemic – and is a clear message of determination in the face of an unparalleled challenge. [EsadeEcPol](#) and [EY Insights](#) have created the [NextGenerationEU Funds Observatory](#) – a forum for the generation and publication of knowledge about the recovery and resilience mechanism and its implementation in Spain. The Observatory will constructively examine the challenges that lay ahead for Spain.
