



Next Generation EU

Towards a new economy

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Introduction

The European Union has reached a landmark agreement to tackle an unprecedented crisis, approving an extraordinary package of economic aid for Member States, which will be channelled through the European Recovery Fund – Next Generation EU.

This aid package will be pivotal to address the economic and social impact triggered by the COVID-19 pandemic and to drive a recovery built on sustainability and digitalisation.

The European Recovery Fund comes in addition to other European financing instruments, such as the Multiannual Financial Framework 2021-2027. The Recovery Fund is a unique opportunity to finance digitalisation and the sustainable transformation of the economy, goals to which the European strategy aspires.

All economic sectors will be impacted by the EU guidelines and it is vital for companies to be aware of the effects these guidelines will have on their activity.

At KPMG we have prepared a comprehensive suite of sector-specific projects for the Ministry of Economic Affairs and Digital Transformation that could be eligible for inclusion in the National Recovery and Resilience Plan and as per the investment targets set by the European Union.



How you can benefit from the aid

How you can benefit from the aid

✓ Do you have a strategic plan that is aligned with the European Council's recommendations for Spain and the guidelines established by the Spanish government to access the European funds?

✓ Do you need help to assess whether the projects in your portfolio would be eligible?

✓ Would you be interested in finding out to what extent your projects could be financed by the European funds?

✓ Would you like to have verified information as to how the aid will be channelled to companies?

✓ Do you have experience in applying for European public funds?

✓ Do you require advice on drafting the projects?

✓ Would you be interested in forming part of a consortium and would you need help in selecting potential partners?

✓ Do you belong to a regulated sector? Do you require advice as to the terms and conditions under which the aid from the European funds will be granted?

✓ Do you need to strengthen your resources to implement and monitor the projects that are eligible for European funds?

✓ Are you looking to incorporate a social perspective in your projects?

A value proposition

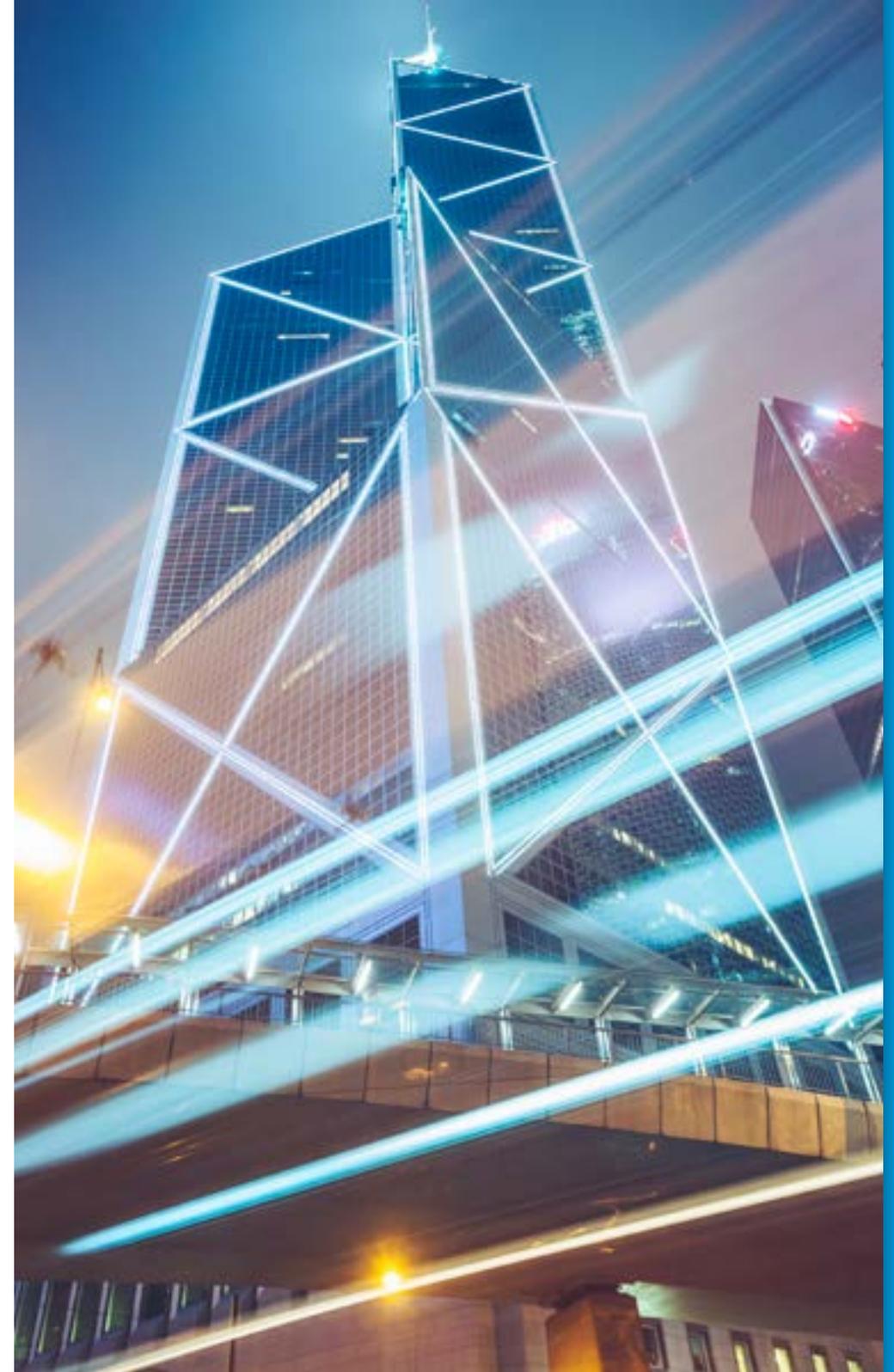
Introduction

We provide a holistic vision of the strategy to secure the European funds, based on **verified information** on the functioning and characteristics of the European Recovery Programme. We analyse the terms and conditions of the funds to identify eligible projects in your portfolio, adapt the strategic plans to the specific conditions of the funds and define new projects that could be eligible for this aid.

We offer our clients an **exclusive IT application** that enables them to identify which specific projects are eligible for aid and to map a tailored strategy to access the European funds.

We understand the social sector, which facilitates contact with entities developing issues relating to education, inclusion and employment.

 A unique value proposition



A unique value proposition

The team

To help companies, organisations and public administrations harness the European funds associated with Next Generation EU, KPMG in Spain has set up the **“KPMG Smart Recovery HUB”**. This cross-cutting team offers an industry-specific and multidisciplinary approach that brings together over 100 experts with over 15 years’ experience in drafting proposals to submit to financing mechanisms and their calls for applications, in managing projects and in verifying and auditing public funds on both a domestic and European level.

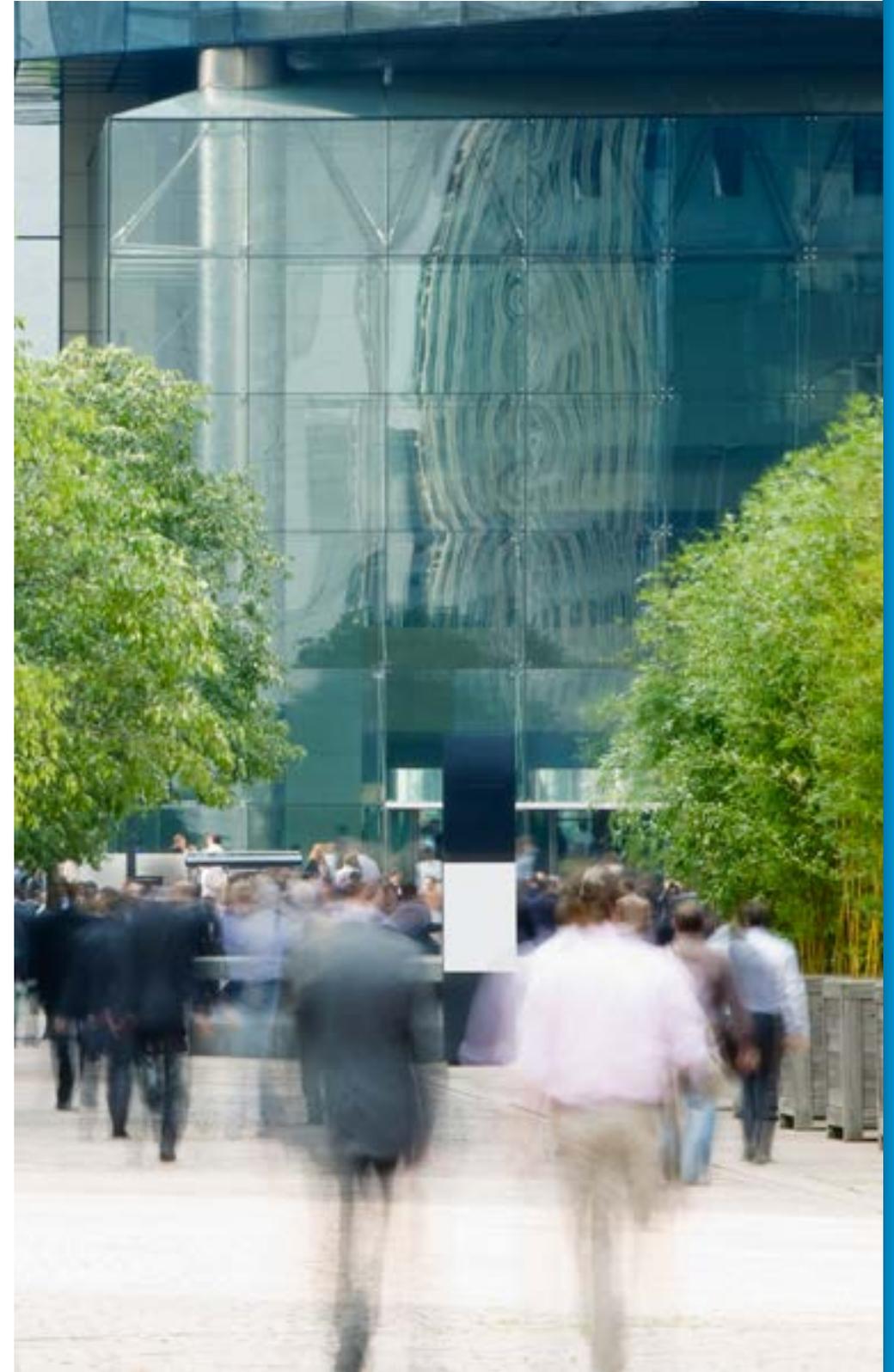
A unique value proposition

1 The team



Noelle Cajigas
Partner Head of Deal Advisory
KPMG in Spain

“ KPMG offers comprehensive advice in the process of accessing the funds, from the monitoring and identification of proposals to giving support in the administrative procedure including the preparation of the documentation, execution of the project and finally conducting its mandatory verification. ”



A unique value proposition

The team

A unique value proposition

1 The team

Sector-specific approach

Our industry-specific expertise enables us to support our clients in preparing Technical Reports, demonstrating the viability of the business model and endorsing the rationale to invest in the project to be implemented.

Legal and public sector

Our teams of legal professionals and expert consultants in the public sector work directly with the European Commission and the Spanish public administration to define and execute the Recovery Plan, as well as to adapt the regulatory framework to the specific requirements of the projects.

Auditing of public aid

Our Audit Team is a frontrunner in financial verification and control engagements for projects financed through European funds. We have worked with all levels of the public administration and for multiple clients in the private sector. We also have considerable experience in engagements for the European Commission as regards financial control over projects.

Obtaining and administering the public aid

Our Public Sector teams have broad experience in managing, executing and assessing projects financed by European funds. KPMG is a benchmark consultancy firm for the development of projects through EU Structural Reform Support Services (SRSS), the Commission's primary tool to help Member States in key areas of structural reform.

Private financing

We also have specialists in securing private sector financing, thereby enabling a more diversified array of financing sources to broaden the scope of the projects.

International presence

Our office in Brussels coordinates relationships with European institutions and we have combined various KPMG teams in Spain and in other European countries to offer our clients a holistic vision.

Innovation and digitalisation

Our Innovation and Digital Transformation teams have expertise in defining projects that are aligned with the strategic goals of the new European Financial Framework. They advise clients on the development of roadmaps for key digitalisation pathfinder projects.

Social impact

We work with the services sector to transform the social reality through training and employment and contribute to the improved positioning of non-profit entities.

Sustainability

For many years now, the sustainability consulting team has been advising clients on how to shape strategic projects for Agenda 2030, helping them to prepare projects within the framework of the Recovery Plan.

A unique value proposition

1 A unique value proposition

2 Holistic approach

Holistic approach

Our approach to access the European funds primarily revolves around offering our clients a comprehensive vision of all the current and medium-term possibilities in terms of European financing, be they the opportunities offered by the NGEU Recovery Fund, or the other European instruments encompassed within the Multiannual Finance Framework 2021-2027.

This methodological approach enables us to help our clients design a financing roadmap for their projects that takes into account the various European financing instruments on offer at any given time and that determines the likelihood of adding alternative financing sources, either due to greater project financing needs or to meet potential requirements associated with the European funds.

Our close relationship with public and private-sector clients across multiple sectors offers us a substantial advantage in identifying synergies to build consortia aimed at executing pathfinder projects.

We also have specialists tasked with securing private financing, offering clients the option of diversifying their financing sources to broaden the scope of the projects to be executed.

Additionally, our understanding of the social sector makes it easier for us to incorporate the value that non-profit entities provide.



A unique value proposition

Technology as an ally

KPMG, in conjunction with Local Europe, offers its clients **“Smart EU Platform”**, an information platform to manage European resources. It offers an interactive and easy-to-use environment with up-to-date information on the operating and eligibility framework of the European Recovery Fund - Next Generation EU, as well as the various other lines of European and domestic financing (360 vision).

This information facilitates an ordered and coordinated planning process to secure financing for each project and offers a governance and monitoring system to access the funds.

- The platform features algorithms to pinpoint the funds that best fit the profile of the applicant company.
- Companies are offered better chances of success when it comes to accessing the financing facilities.
- It also offers up-to-date information on the Next Generation EU programme in Spain and other European countries.
- It tailors access to financing depending on whether the client is from the public or the private sector.

A unique value proposition

3 Technology as an ally

How can we help you?

How can we help you?

1 Analysis of strategic plans

Phase 1 Analysis of strategic plans

- Advisory services to gain a detailed understanding of how the European funds work and continuous data streams, via our platform, on the European financing opportunities, either through NGEU or through the other European instruments forming part of the new Multiannual Finance Framework 2021-2027.
- Strategy design to access the European funds from a holistic approach, based on an intelligent diagnostic to determine the maximum potential financing the project could obtain, both through the NGEU and the remaining European instruments included in the Multiannual Finance Framework 2021-2027.
- Review of strategic plans and projects in the portfolio and identification of those that could be eligible to receive financing or subsidies (project matching).
- Reassessment of strategic plans and projects to adapt them to the principles and strategic guidelines established by the European Commission, Spanish government, regional government and local fund managers.
- Design of ad-hoc projects with the potential to secure financing from the European funds: preparation of the business case, quantifying the investment necessary, determining the quantitative impact (direct employment, reduction in emissions, digitalisation, strengthening of the corporate ecosystem, etc.) and the qualitative impact (the traction it could have in terms of innovation, digitalisation, contribution to social and national cohesion, etc.); identification of public-private partnership opportunities; analysis of the legal feasibility of the project; execution time frames; risk analysis and dashboard.
- Analysis of the legal feasibility and administrative requisites to underpin the legal security of the project: preliminary analysis of possible legal hurdles or regulatory limitations; analysis of alternatives or mechanisms to ensure the feasibility of the project; assessment as to the compatibility of the project with the state aid regime; analysis of possible legal amendments; identification of required licences and administrative authorisations, as well as the pertinent bodies responsible for issuing them and the legal time scales involved.
- Identification and assessment of potential alternatives involving public-private partnerships within the framework of the various European funds. Their requirements and restrictions are analysed to ascertain whether they can be considered bearing in mind the legislation in force and the established time frames.
- Definition of project financing schemes.
- Analysis of the tax effect of the Project in terms of digital taxation, the environment tax, tax matters in relation to regulated sectors (energy, telecommunications) and local and regional tax matters.

How can we help you?

Phase 2 Monitoring and preparation of proposals

- Comprehensive advisory services over the entire process to access the European funds:
 - Ongoing identification of calls for proposals, procedures, time frames and underlying features, adapted to the client's priorities.
 - Help to assess the available options, identifying the execution mechanism or instrument that would be best suited to each project (tender, competitive calls for proposals, etc.).
 - Adaptation of the project to the requirements of the calls, their terms and conditions and programmes.
 - Support in submitting projects to the calls for expressions of interest arranged by government departments.
 - Handling of the process and support in preparing and submitting the administrative paperwork.
 - Preparation of Technical Reports: final drafting of the projects and help putting together the project's technical and economic dossiers; arranging a proposed schedule of critical project meetings and support during the discussions with the different stakeholders.
 - Support to submit projects to public institutions and bodies administering the European funds.
- Legal advisory services to process the aid applications (correcting errors, submissions, appeals, etc.).
- Help when it comes to forming the consortia and other collaborative arrangements, either at a domestic or European level.
- Legal advisory services as regards regulations, legislative frameworks, EU antitrust law and/or tax matters.
- Advisory services to seek and secure additional financing and as regards possible public-private partnership models.
- Legal advisory services on structured finance transactions for projects with an R&D&i (research, development and innovation) component with EU backing: design and implementation of the financial/contractual structure, including the drawing-up and negotiation of the "framework" agreement and corresponding guarantee contracts (in each specific case, bearing in mind the eligibility criteria to secure the EU guarantee).
- Tax advisory services in the preparation of proposals and in the configuration of consortia and other collaborative schemes. Search for formulas with less impact and maximisation in obtaining R&D+I tax credits.

How can we help you?

2 Monitoring and preparation of proposals

How can we help you?

Phase 3 Project implementation and management

Companies:

- Comprehensive management of complex projects, where we act as global coordinators and as a conduit to facilitate communication amongst the various state bodies, regulators, participating financial institutions and advisors.
 - Assistance across all phases of the project management cycle.
 - Implementation: support from a technical perspective to get the project off the ground (setting up a PMO, preparing the Master Plan, project governance).
 - Project monitoring and control: monitoring and compliance assurance in terms of project milestones and goals by way of indicators measuring performance and stage of completion (KPIs).
- Assessment of ex-ante and ex-post results and impacts after carrying out each step.
- Support in verifying and providing the economic rationale for the financing obtained (drafting of paperwork for government auditors to justify compliance and the contribution of value).
- Advisory services to respond to requests for further information.
- Legal challenges to administrative decisions. Integrated management of appeals for judicial review.
- Application of R&D+I investment tax credits in the projects.

How can we help you?

3 Project implementation and management

– Companies

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How can we help you?

Phase 3 Project implementation and management

Public bodies:

- Analysis and breakdown of the Recovery Plan and associated projects. Design of strategies and action plans based on the identification of the core guidelines of the plan and of the standard projects and measures to be implemented.
- Support in the design and execution of tender processes:
 - Drafting of terms and calls for proposals.
 - Legal advisory services (regulations, legislative frameworks, EU antitrust law and/or tax matters)
 - Identification and assessment of public-private partnership alternatives.
 - Qualitative assessment of potential projects (identifying beneficiaries, implementation mechanisms, etc.).
 - Assessment of impact of results.
 - Control and monitoring: provision of KPIs as regards allocation of the funds.
 - Design and implementation of governance models that facilitate the receipt and execution of funds from a participative standpoint: definition of the roles of the administration and agents.
- Assessment of risks of financed or co-financed activities.
- Advisory services within the context of incidents in the execution of public aid (modifications, reimbursements, sanction proceedings, etc.).
- Project management offices to support intermediaries in the management, execution, assessment and administrative verification of activities co-financed by European funds.
- Support in audits and internal control systems, supplemented by a wide range of process optimisation and financial reporting services, as well as services related to fraud investigation and the development of IT strategies.
- Application of R&D+I investment tax credits in the projects.

How can we help you?

3 Project implementation and management

- Public bodies

Get in touch



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