

# Popular Financial Reporting

## La Comunidad de Madrid

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Madrid, December 31, 2023

Dear Citizens of the Community of Madrid,

It is my honor, as President of the Community of Madrid, to present to you the Financial Report for the fiscal year 2023. This document transparently and responsibly compiles and analyzes the most significant moments and key events of this year that have shaped the direction of our region. Throughout this report, you will find a detailed overview of the progress, challenges, and achievements we have reached, as well as the strategic decisions we have made to address changes and challenges in the social and economic context.

This year, Madrid has continued on its path of growth and development, serving as a key engine of the national economy while maintaining our commitment to the well-being and quality of life of all Madrilenians. We have faced both global and local challenges, which have required prudent and responsible management of our financial, patrimonial, and economic resources.

In this regard, as an administration, we are keenly aware of the responsibility to ensure that the data and analysis presented here accurately reflect the economic and financial situation of the Community. With the support of our auditing team, we have worked rigorously to ensure the reliability and transparency of the information contained in this report.

We have included necessary disclosures and clarifications in each section of the report to help you understand any discrepancies between the data reported based on national accounting standards and those adjusted for specific consolidation of funds and components. This approach provides a clearer understanding of our resources and their use, as well as a more transparent view of the economic and patrimonial state of our region.

Through this report, we aim not only to inform you but also to encourage your participation. Therefore, we invite you to share your comments, suggestions, and observations. On this page, you will find contact information where you can send your messages and contribute to making Madrid an increasingly transparent, modern region in service to its citizens.

Sincerely,


Isabel Díaz Ayuso

President of the Community of Madrid

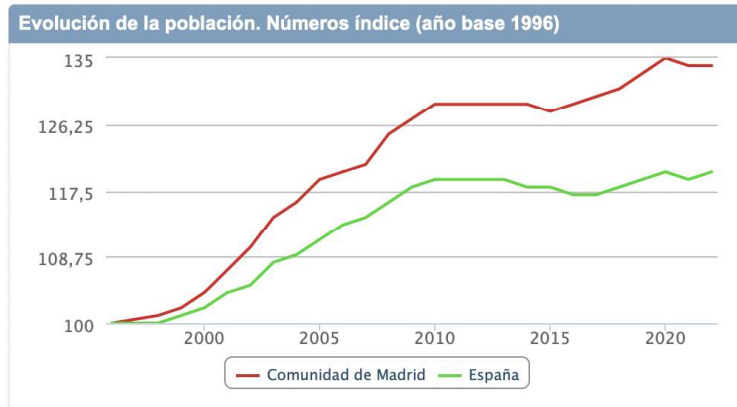
## General Data and Context

The Community of Madrid, located in the center of the Iberian Peninsula, is one of the most dynamic and populated regions in Spain. With an approximate population of 6.7 million inhabitants, Madrid stands out for its diversity and sustained growth, making it one of the most attractive areas both nationally and internationally. The demographic distribution shows a young and active population, with broad representation across all age groups, although the working-age population predominates.

A distinctive feature of the Community is its multicultural character, with approximately 15% of foreign residents, which reinforces its role as a cultural and economic integration hub in Spain. Regarding gender distribution, the population is evenly split between men and women.

Comunidad de Madrid's Demographic Structure 2023		
Spanish Population	Foreigner Population	Total Population
 Instituto de Estadística		
Indicadores de estructura demográfica		
2023		
Población oficial a 1 de enero <sup>(1)</sup>	5.830.014	6.871.903
Hombres	2.793.899	3.288.197
Mujeres	3.036.115	3.583.706
Proporción de hombres	47,92	47,85
Proporción de mujeres	52,08	52,15
Grado de juventud (%)		
Menores de 15 años	14,24	14,08
Menores de 25 años	24,75	24,84
Menores de 35 años	35,02	37,10
Menores de 45 años	48,35	51,82
Menores de 55 años	65,07	68,41
Menores de 65 años	79,13	81,57
Menores de 75 años	89,46	90,85
Menores de 85 años	96,47	96,96
Grado de envejecimiento (%)		
De 15 años y más	85,76	85,92
De 25 años y más	75,25	75,16
De 35 años y más	64,98	62,90
De 45 años y más	51,65	48,18
De 55 años y más	34,93	31,59
De 65 años y más	20,87	18,43
De 75 años y más	10,54	9,15
De 85 años y más	3,53	3,04
Edad Media	44,41	43,09
Hombres	42,73	41,57
Mujeres	45,96	44,49
Desviación típica	23,39	22,77
Hombres	22,84	22,23
Mujeres	23,78	23,17
Razón de masculinidad <sup>(2)</sup>	92,02	91,75
Razón de reemplazamiento <sup>(3)</sup>	0,70	0,79
Razón de dependencia <sup>(4)</sup>	0,54	0,48
Razón de progresividad <sup>(5)</sup>	79,99	81,41
Nacionalidad (%)		
Unión Europea <sup>(7)</sup>	26,80	
América del Sur	35,49	
África	10,17	
Asia	10,09	
Crecimiento de la población (%) <sup>(6)</sup>	0,44	1,91

1. Table showing the Population data of the Community of Madrid divided into national, foreign and total population



2. Graphic showing the population trend of the Community of Madrid compared to that of the population of Spain over the years

Madrid is the economic engine of the country, characterized by a diverse and competitive business landscape. The main sectors of activity include financial services, commerce, tourism, and information technology, with numerous multinational companies headquartered in the region. Additionally, commerce and hospitality continue to be key areas of the regional economy. The Community of Madrid also stands out for its high average income, which is above the national average, driving consumption and strengthening the local economy. In terms of education, the population of Madrid is highly educated, with a significant percentage of residents holding higher education degrees.

Madrid is also an important academic center, with 6 public universities and several private ones, as well as numerous vocational and specialized training centers. Currently, more than 300,000 university students are part of the region's educational community, contributing to its innovative and highly qualified environment.

In the past year, Madrid has received several awards for its quality of life, sustainability initiatives, and economic competitiveness. These awards highlight the region's continuous efforts to improve infrastructure, support innovation, and foster an attractive and sustainable business environment.

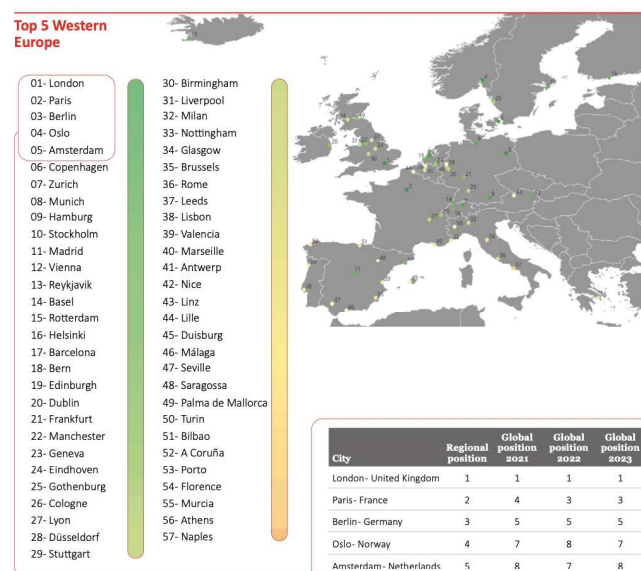
Geographically, the Community of Madrid encompasses both urban and rural areas, with a high concentration of population in the city of Madrid and its surroundings, but also important population centers in the peripheral zones. In the labor market, the region boasts a high employment rate, having one of the lowest unemployment rates in Spain, with an active workforce of approximately 3.5 million people.

## Rankings and Positioning

The Community of Madrid has established itself as one of the leading regions in Spain and Europe in various indicators of well-being and quality of life, consistently ranking highly in national and international lists that measure key factors for sustainable development and citizens' well-being.

According to the **Quality of Life Index** prepared by the National Institute of Statistics (INE), the Community of Madrid ranks among the top regions in Spain. This index considers aspects such as health, education, access to services, environment, and safety. Madrid's high scores in these factors make it one of the regions with the highest quality of life in the country.

In the **IESE Cities in Motion Smart Cities rankings**, Madrid has been classified as one of the most advanced cities in Europe (11) in terms of innovation and urban sustainability. The city excels particularly in areas of sustainable mobility, with pioneering projects like Madrid Central, aimed at reducing emissions in the city center, and the implementation of shared electric transport systems. Additionally, the adoption of IoT technology for traffic management and energy efficiency strengthens its position in this ranking.

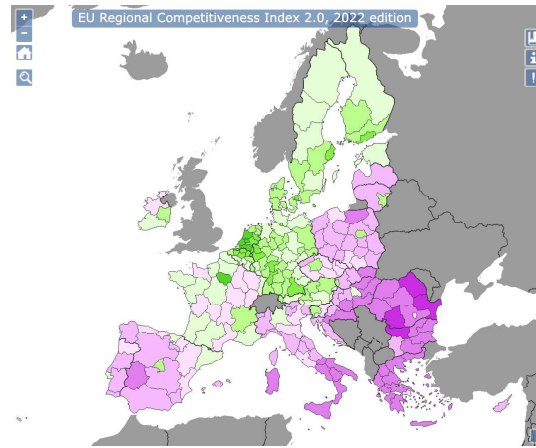


3. Graphic showing the ranking of the top 5 cities in the IESE Cities in Motion Smart Cities rankings

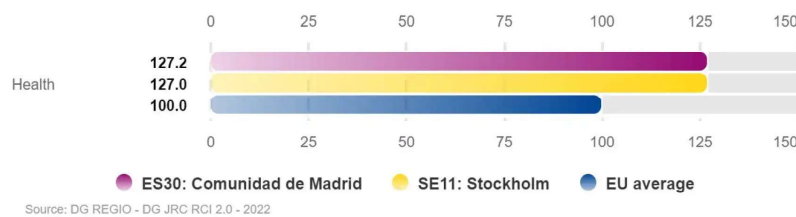
Madrid has been recognized as one of the most digital cities in the **Digital Cities Index** by the consultancy firm Huawei, which measures digital infrastructure and connectivity. In this index, Madrid ranks among the top in Spain, thanks to its connectivity programs in public spaces, the digitalization of public administration services, and the promotion of smart city initiatives. The high-speed internet network and e-government initiatives have significantly improved citizen access to information and services.

In the **Equitable and Sustainable Well-being (BES) Index**, Madrid stands out for its commitment to social equity and sustainability. This index, used at the European level, measures factors such as equality in access to essential services and environmental sustainability. Madrid has performed well in areas like inclusive education, public healthcare, and housing access, demonstrating its efforts to reduce inequalities and promote sustainable development.

Madrid also excels in the **Regional Competitiveness Index (RCI)** of the European Commission, which measures regions' ability to attract and retain companies and investments. In this index, Madrid ranks among the leading metropolitan areas in Europe, driven by its robust economy, advanced infrastructure, and innovation capacity. These factors not only boost the regional economy but also contribute to the population's well-being and the creation of quality jobs.



EU Regional Competitiveness Index 2.0 - 2022 edition



Source: DG REGIO - DG JRC RCI 2.0 - 2022

4. Graphic showing Madrid's position in Europe in the Regional competitiveness Index

The Community of Madrid has implemented several initiatives to improve air quality, recently receiving recognition in Greenpeace's **Urban Sustainability Index**, ranking as a leader in Spain for reducing pollution emissions in urban areas. Efforts to improve air quality and promote low-emission zones underscore its commitment to health and the environment.

Madrid is also an educational center of excellence, home to some of Spain's and Europe's top universities, including the Autonomous University of Madrid and Complutense University, recognized in rankings like **QS World University Rankings** and **Times Higher Education**. This high educational level contributes to quality of life, offering top-level educational opportunities for residents and attracting students from around the world.

CLASIFICACIÓN MUNDIAL DE UNIVERSIDADES ESPAÑOLAS		Puesto 2023
149	Autónoma de Barcelona	▲ 178
164	Barcelona	▲ 184
171	Complutense de Madrid	▲ 226
199	Autónoma de Madrid	▲ 215
280	Navarra	▼ 253
310	Pompeu Fabra	▼ 233
319	Carlos III de Madrid	▲ 320
349	Politécnica de Madrid	▲ 488
354	Politécnica de Cataluña - BarcelonaTech	▲ 343
403	Granada	▲ 494

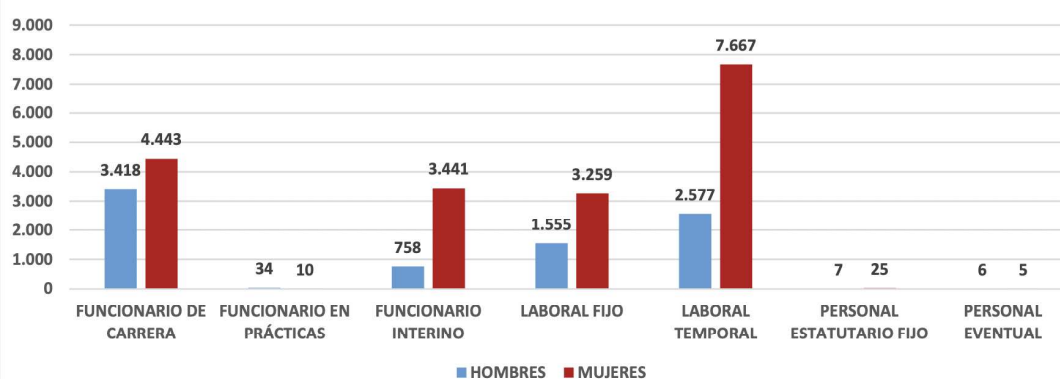
5. Ranking table of the Spanish universities as the best universities in the world

Public Administration Group

**Personnel of departments and autonomous organizations by service relationship and gender**

Service relationship	Men	% Men	Women	% Women	M+W	%M+W
Career Civil Servant	3418	43,48%	4443	56,52%	7861	28,90%
Internship Civil Servant	34	77,27%	10	22,73%	44	0,16%
Interim Official	758	18,05%	3441	81,95%	4199	15,43%
Permanent job	1555	32,30%	3259	67,70%	4814	17,70%
Temporary job	2577	25,16%	7667	74,84%	10244	37,65%
Permanent statutory staff	7	21,88%	25	78,13%	32	0,12%
Temporary staff	6	54,55%	5	45,45%	11	0,04%
<b>Total</b>	<b>8355</b>	<b>30,71%</b>	<b>18850</b>	<b>69,29%</b>	<b>27205</b>	<b>100%</b>

**PERSONAL DE LAS CONSEJERÍAS Y ORGANISMOS AUTÓNOMOS POR GÉNERO**

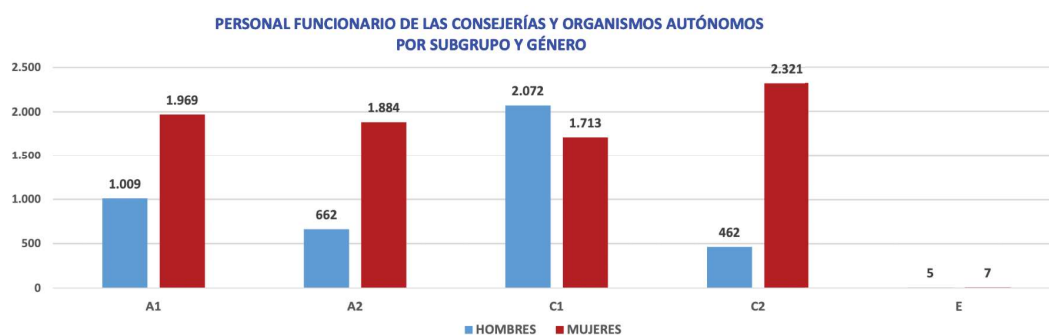


6. Chart and graphic showing the Personnel of departments and autonomous organizations by service relationship and gender

**Civil servants of the Ministries and autonomous organizations by subgroup and gender**



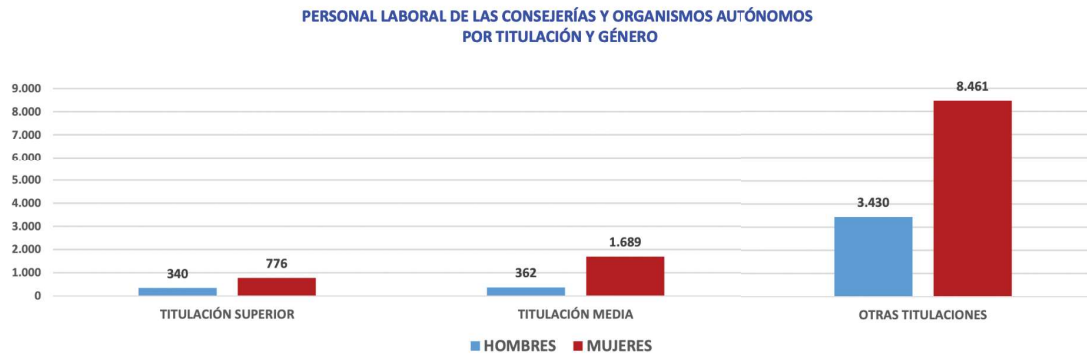
Type of official	A1			A2			C1			C2			E			Total M	Total W	Total M+W
	M	W	M+W	M	W	M+W	M	W	M+W	M	W	M+W	M	W	M+W			
Career civil servant	760	1303	2063	492	989	1481	1958	1437	3395	204	707	911	4	7	11	3418	4443	7861
Trainee civil servant							34	10	44							34	10	44
Interim official	249	666	915	170	895	1065	80	266	346	258	1614	1872	1	0	1	758	3441	4199
Grand total	1009	1969	2978	662	1884	2546	2072	1713	3785	462	2321	2783	5	7	12	4210	7894	12104



7. Chart and graphic showing the Civil servants of the Ministries and autonomous organizations by subgroup and gender

### Workforce of the Ministries and autonomous organizations by level of qualification and gender

Labor workers	Higher degree			Middle degree			Other qualifications			Total M	Total W	Total M+W
	M	W	M+W	M	W	M+W	M	W	M+W			
Permanent employment	213	339	552	180	474	654	1162	2446	3608	1555	3259	4814
Temporary work	127	437	564	182	1215	1397	2268	6015	8283	2577	7667	10244
Total	340	776	1116	362	1689	2051	3430	8641	11891	4132	10926	15058



8. Chart and graphic showing the Workforce of the Ministries and autonomous organizations by level of qualification and gender

As shown in the charts and graphics before, the Community of Madrid's Public Administration Group includes various categories of employees, such as career civil servants, interim officials, and contractual staff.

- Total Employees: 27,205, with 30.71% male and 69.29% female employees.
- **Employee Breakdown by Service Relationship:**
  - Career Civil Servants: 7,861 employees (43.48% male and 56.52% female).
  - Internship Civil Servants: 44 employees (77.27% male and 22.73% female).
  - Interim Officials: 4,199 employees (18.05% male and 81.95% female).
  - Permanent Job Holders: 4,814 employees (32.30% male and 67.70% female).
  - Temporary Job Holders: 10,244 employees (25.16% male and 74.84% female).
- **Civil Servants by Qualification Level:**
  - Higher Degree Holders: Total of 1,116 employees (340 male, 776 female).
  - Middle Degree Holders: Total of 2,051 employees (362 male, 1,689 female).
  - Other Qualifications: Total of 11,891 employees (3,430 male, 8,461 female).

This distribution highlights a significant female representation in the workforce, particularly in temporary and interim positions. The employment rate relative to the region's labor force reflects the Public Administration Group's impact on the local employment landscape.

The Public Administration Group encompasses various entities within the Community of Madrid, each serving distinct areas:

- **Health Services:** Managed by entities providing healthcare and public health initiatives, ensuring access to quality medical services across the region.
- **Education:** Responsible for public education services, including primary, secondary, and higher education, with additional support for vocational training.
- **Social Services:** Focused on social welfare programs, including services for families, elderly care, and support for individuals with disabilities.
- **Infrastructure and Transportation:** Oversees urban planning, public transportation systems, and infrastructure development projects aimed at enhancing accessibility and mobility in the region.

The governance structure of the Community of Madrid's Public Administration Group ensures efficient oversight and management of its subsidiaries and affiliated entities. The Community operates as the controlling entity, overseeing decision-making processes, policies, and strategic

direction for its subsidiaries. Governance includes regular council meetings, structured attendance, and procedures for inquiries, motions, resolutions, and interpellations.

Decision-Making Process: Managed by a council composed of department heads and key project managers, who attend sessions focused on strategic initiatives, policy implementation, and regional development.

An internal organizational chart can further illustrate the hierarchical structure, delineating responsibilities across departments to ensure clarity and effective communication within the Public Administration Group.

## **Organizational Structure of the Community of Madrid**

The Community of Madrid's public administration is organized into several key sections, each responsible for specific functions and services that support the region's governance, development, and citizen services. The primary divisions include the President's Office and multiple "Consejerías" (Ministries or Councils), each of which oversees distinct policy areas and public services.

The President's Office serves as the central executive entity, led by the President of the Community of Madrid. It is responsible for overall leadership, strategic direction, and the coordination of all governmental activities within the region. The President's Office oversees the implementation of regional policies and represents the Community in dealings with national and international bodies.

The Community of Madrid's executive responsibilities are further divided into several "Consejerías" (ministries or councils), each managed by a *Consejero/a* (Minister or Councilor). These entities manage specific sectors, programs, and public services within their respective areas. Key *Consejerías* include:

- **Consejería de Sanidad** (Ministry of Health): Manages public healthcare services, hospitals, health programs, and initiatives to improve regional health standards.
- **Consejería de Educación y Juventud** (Ministry of Education and Youth): Oversees the education system, from early education to higher education and vocational training, and manages programs related to youth development and support.
- **Consejería de Transportes e Infraestructuras** (Ministry of Transport and Infrastructure): Responsible for public transportation, infrastructure projects, and urban mobility initiatives that ensure accessibility and connectivity within the region.
- **Consejería de Políticas Sociales, Familias, Igualdad y Natalidad** (Ministry of Social Policies, Families, Equality, and Birthrate): Provides social services, including family support, equality programs, and resources for vulnerable groups, promoting social welfare and inclusion across the Community.
- **Consejería de Hacienda y Función Pública** (Ministry of Finance and Public Administration): Manages regional finances, budgeting, and fiscal policies, along with overseeing human resources and administrative functions within the public sector.
- **Consejería de Medio Ambiente, Ordenación del Territorio y Sostenibilidad** (Ministry of Environment, Land Planning, and Sustainability): Focuses on environmental policies, sustainable development, land-use planning, and initiatives to protect natural resources.
- **Consejería de Economía, Empleo y Competitividad** (Ministry of Economy, Employment, and Competitiveness): Promotes economic growth, job creation, and business competitiveness, with policies aimed at strengthening the regional economy.

Each Consejería operates with autonomy within its designated areas but coordinates closely with the President's Office to align with the Community's strategic goals. They are staffed by specialized professionals and administrators who ensure efficient service delivery and policy implementation.

In the organizational framework of the Community of Madrid, public companies, foundations, consortia, consultative bodies, and union relations play vital roles in supporting and extending the reach of public services, fostering partnerships, and maintaining open communication channels with various stakeholders. Here is an overview of these components:

**Public companies** in the Community of Madrid are state-owned entities that deliver essential services in sectors such as transportation, housing, and health. These companies operate under a semi-autonomous structure but adhere to the region's policies and goals. They provide a business-oriented approach to public service, which allows them to efficiently manage resources, invest in infrastructure, and maintain high service standards for citizens. Examples include transport companies like **Metro de Madrid** and **CRTM** (Consortio Regional de Transportes de Madrid), which are integral to the region's public transit network.

**Foundations** within the Community of Madrid are often created to support social, cultural, or scientific initiatives aligned with the region's strategic priorities. These foundations may focus on areas such as education, social welfare, culture, and research. They frequently engage in public-private partnerships to leverage funding and expertise from different sectors, enhancing the scope and impact of regional programs. Foundations operate under regional oversight to ensure transparency and alignment with public policy.

**Consortia** are collaborative bodies involving multiple public and private entities. In the Community of Madrid, consortia are formed to coordinate efforts in areas that require inter-institutional cooperation, such as urban planning, environmental sustainability, and economic development. For example, consortia for waste management and regional transport facilitate efficient service provision across municipal boundaries, maximizing resource use and ensuring consistency in regional standards.

**Consultative and participatory bodies** are essential for fostering transparency and public engagement in decision-making processes. These entities provide forums where community representatives, experts, and stakeholders can offer feedback, recommendations, and insights on public policies. Advisory councils might cover areas such as health, education, and environmental protection, ensuring that community needs and perspectives are integrated into policy development.

The Community of Madrid's commitment to participatory governance is reflected in its consultative bodies, which play a key role in enhancing democratic engagement and fostering trust in public institutions.

Union relations in the Community of Madrid are an integral part of the labor landscape, with strong collaboration between public sector employees, their unions, and government entities. Labor unions represent workers' rights, negotiate collective agreements, and address concerns related to working conditions, salaries, and job security. The Community engages in regular dialogue with unions to maintain a fair and supportive work environment, ensuring that employee voices are heard and considered in policy formulation. Union relations are vital in public sectors such as healthcare, education, and public administration, where workforce stability directly impacts service quality.



## Consolidated Financial Statements

### Public Company Revenues:

#### a. Revenue distribution;

INGRESOS POR CAPÍTULOS	2022	2024	Var.(€)	Var.(%)	% s/total
<b>1 - IMPUESTOS DIRECTOS</b>	<b>13.726,4</b>	<b>16.569,4</b>	<b>2.843</b>	<b>20,7%</b>	<b>61,8%</b>
Impuesto sobre la Renta de las Personas Físicas (IRPF)	12.459,7	14.468,9	2.009,2	16,1%	54%
Liquidación IRPF	586,7	1.418,1	831,4	141,7%	5,3%
Impuesto sobre Sucesiones y Donaciones	526	530	4	0,8%	2%
Impuesto sobre Depósitos de Entidades de Crédito	129	124	-5	-3,9%	0,5%
Impuesto sobre Actividades Económicas	25	28,4	3,4	13,6%	0,1%
<b>2 - IMPUESTOS INDIRECTOS</b>	<b>9.772,7</b>	<b>14.346,3</b>	<b>4.573,6</b>	<b>46,8%</b>	<b>53,5%</b>
Impuesto sobre Transmisiones Patrimoniales Onerosas	1.150	1.102	-48	-4,2%	4,1%
Impuesto sobre Actos Jurídicos Documentados	399,4	325,7	-73,7	-18,5%	1,2%
Impuesto sobre el Valor Añadido (IVA)	7.143,3	9.698,4	2.555,1	35,8%	36,2%
Liquidación IVA	-733,4	1.232,3	1.965,8	268%	4,6%
Alcohol y Bebidas Derivadas	94,5	131,3	36,9	39%	0,5%
Tabaco	534,8	495,2	-39,6	-7,4%	1,8%
Hidrocarburos	881,2	942,1	60,9	6,9%	3,5%
Electricidad	162,9	22,6	-140,3	-86,1%	0,1%
Liquidación de Impuestos Especiales (I.I.EE.)	-251,7	-149,4	102,3	40,6%	-0,6%
Impuesto Especial sobre Determinados Medios de Transporte	230	331	101	43,9%	1,2%
Impuesto sobre el depósito de residuos en vertederos, la incineración y la co-incineración de residuos	0	72	72	-----	0,3%
Tasa fiscal sobre el juego	131,8	121	-10,8	-8,2%	0,5%

INGRESOS POR CAPÍTULOS	2022	2024	Var.(€)	Var.(%)	% s/total
Impuesto sobre actividades de juego	25,5	22	-3,5	-13,7%	0,1%
Resto Capítulo 2 <sup>(1)</sup>	4,4	0	-----	-----	-----
<b>3 - TASAS Y OTROS INGRESOS</b>	<b>435,4</b>	<b>447,8</b>	<b>12,4</b>	<b>2,9%</b>	<b>1,7%</b>
<b>4 - TRANSFERENCIAS CORRIENTES</b>	<b>-3.259,6</b>	<b>-5.314,2</b>	<b>-2.054,6</b>	<b>-63,0%</b>	<b>-19,8%</b>
Fondo de Suficiencia	-923,9	-970,1	-46,1	-5%	-3,6%
Fondo de Garantía	-4.597,8	-6.176,4	-1.578,6	-34,3%	-23,1%
Liquidación Fondo de Suficiencia	203,3	-168	-371,3	-182,7%	-0,6%
Liquidación Fondo de Garantía	-324,1	3,5	327,6	101,1%	0%
Fondo de Competitividad	87,4	385,4	298	341%	1,4%
Liquidación 2009: aplazamiento	-55	-55	0	0%	-0,2%
Fondo compensatorio liquidación negativa 2020	431,9	0	-431,9	-----	0%
Fondo compensatorio IVA 2017	383	0	-383	-----	0%
Mecanismo de Recuperación y Resiliencia	191,5	0	-191,5	-----	0%
Fondos React-Eu	103,3	166,8	63,5	-----	0,6%
Resto Capítulo 4	1.241	1.499,6	258,6	20,8%	5,6%
<b>5 - INGRESOS PATRIMONIALES</b>	<b>153,7</b>	<b>123,3</b>	<b>-30,4</b>	<b>-19,8%</b>	<b>0,5%</b>
<b>SUBTOTAL OPERACIONES CORRIENTES</b>	<b>20.829</b>	<b>26.173</b>	<b>5.344</b>	<b>25,7%</b>	<b>97,7%</b>
<b>6 - ENAJENACIONES INVERSIONES REALES</b>	<b>147,8</b>	<b>46,9</b>	<b>-101</b>	<b>-68,3%</b>	<b>0,2%</b>
<b>7 - TRANSFERENCIAS DE CAPITAL</b>	<b>264,9</b>	<b>572,3</b>	<b>307,4</b>	<b>116,1%</b>	<b>2,1%</b>
Mecanismo de Recuperación y Resiliencia	129,6	0	-129,6	-----	0%
Fondos React-Eu	50	511,3	461,3	-----	1,9%
Resto Capítulo 7	85,3	61,1	-24,2	-28,4%	0,2%
<b>SUBTOTAL OPERACIONES DE CAPITAL</b>	<b>412,7</b>	<b>619</b>	<b>206</b>	<b>50%</b>	<b>2,3%</b>
<b>TOTAL INGRESOS NO FINANCIEROS</b>	<b>21.241,3</b>	<b>26.792</b>	<b>5.551</b>	<b>26,1%</b>	<b>100%</b>

9. Income table of the Community of Madrid in fiscal year 2023

#### b. Tax and duty distribution;

## CGCM. Liquidación del Presupuesto consolidado de Ingresos. Ejercicio 2022

*(en miles de euros)*

Capítulos	Previsiones Iniciales	Modificac. de previs.	Previsiones Finales	DRN		Ejecución (%)
				Importe	%	
1- Impuestos directos	13.726.432	127.706	13.854.138	13.623.425	51,5	98,3
2- Impuestos indirectos	9.772.670	192.152	9.964.822	10.155.370	38,4	101,9
3- Tasas y otros ingresos	435.384	133.504	568.888	493.666	1,9	86,8
4- Transferencias corrientes	(3.259.595)	279.478	(2.980.117)	(2.787.019)	(10,5)	93,5
5- Ingresos patrimoniales	153.658	1.000	154.658	135.418	0,5	87,6
<i>TOTAL OP. CORRIENTES</i>	<i>20.828.549</i>	<i>733.840</i>	<i>21.562.389</i>	<i>21.620.860</i>	<i>81,8</i>	<i>100,3</i>
6- Enajenación de Inversiones reales	147.828	20.759	168.587	50.986	0,2	30,2
7- Transferencias de capital	264.889	265.352	530.241	927.968	3,5	175,0
<i>TOTAL OP. DE CAPITAL</i>	<i>412.717</i>	<i>286.111</i>	<i>698.828</i>	<i>978.954</i>	<i>3,7</i>	<i>140,1</i>
8- Activos financieros	344.792	1.952.922	2.297.714	72.630	0,3	3,2
9- Pasivos financieros	4.413.114	543.000	4.956.114	3.773.404	14,3	76,1
<i>TOTAL OP. FINANCIERAS</i>	<i>4.757.906</i>	<i>2.495.922</i>	<i>7.253.828</i>	<i>3.846.034</i>	<i>14,5</i>	<i>53,0</i>
<b>TOTAL</b>	<b>25.999.172</b>	<b>3.515.873</b>	<b>29.515.045</b>	<b>26.445.848</b>	<b>100</b>	<b>89,6</b>

10. table of the settlement of the consolidated income budget for the year 2022

### c. Extraordinary transfers (e.g., COVID, Next Generation Found...)

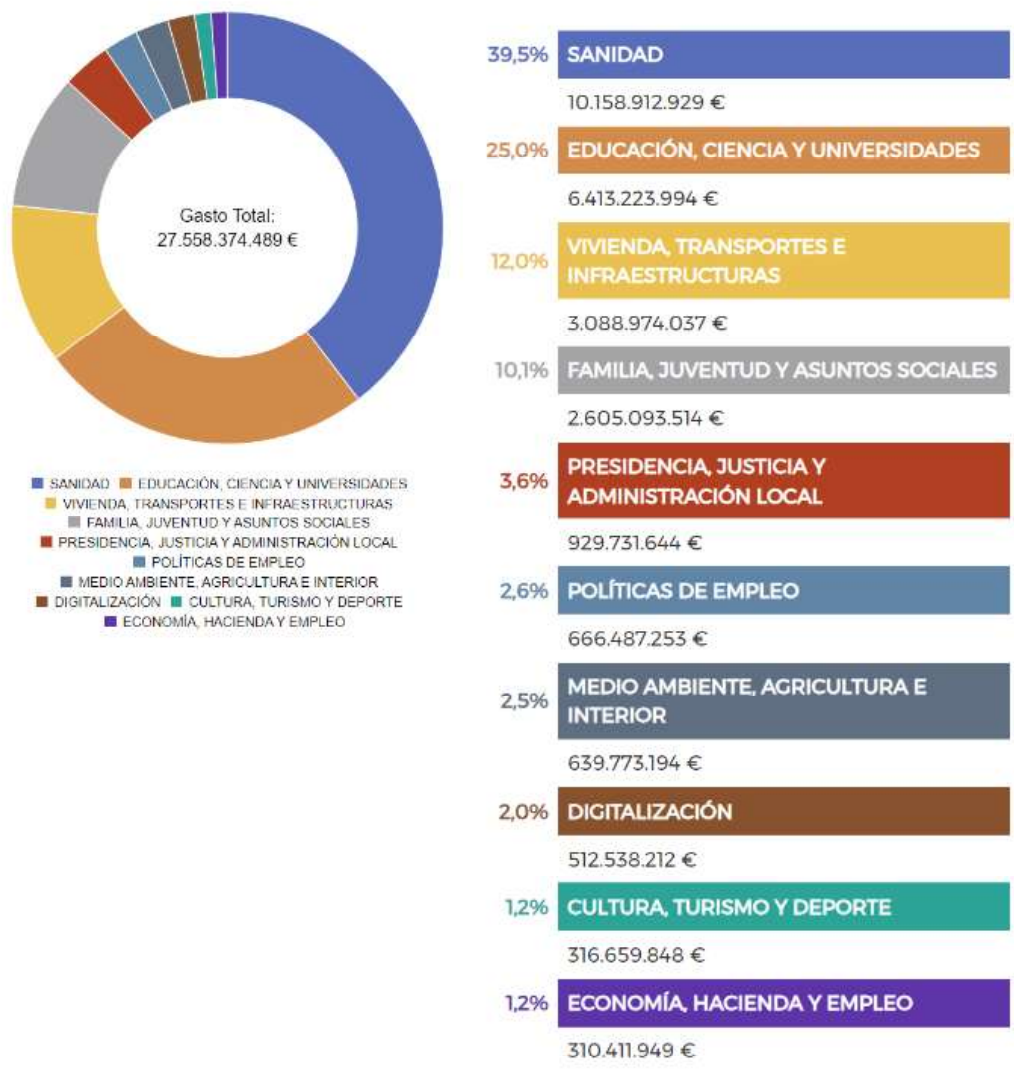
The 3rd of August of 2021 a Royal Decree was approved by the central government for the distribution of 13.486 million of euros to the Autonomic Communities because of the COVID-19. In the case of the Community of Madrid it was given a total of 1.863.769.630 euros.

#### Public Company Expenditures:

##### a. Investment distribution for missions, highlighting the city's ability to meet citizens' needs;

The Community of Madrid states that around the 90% of their budget expenditures are dedicated to citizens needs, in which we can include health (39,5%), education, science and universities (25%), housing, transport and infrastructure (12%), family, youth and social subjects (10,1%), employment politics (2,6%) and digitization (2%)

##### b. Budget, or where possible, emphasize the decreasing order of financial commitment for missions;



11. Graph showing the distribution of expenses of the community of Madrid

The image illustrates how the Community of Madrid’s total budget of €27,558,374,489 is allocated across various public sectors, with each area receiving a portion based on regional priorities and strategic focus. Here’s a detailed breakdown of how these funds are distributed:

A substantial 39.5% of the budget, totaling €10,158,912,929, is dedicated to Healthcare (Sanidad). This investment reflects a strong commitment to public health services, likely funding hospitals, clinics, healthcare staff salaries, medical equipment, and other essential health resources. The size of this allocation emphasizes the importance placed on maintaining and improving healthcare quality and accessibility for all residents.

The second-largest allocation, 25% of the budget or €6,413,223,994, goes to Education, Science, and Universities (Educación, Ciencia y Universidades). This significant portion is aimed at enhancing educational facilities, supporting schools and universities, promoting scientific research, and improving the overall quality of education. By dedicating a quarter of its budget to education, Madrid is focusing on developing a well-educated, skilled population capable of contributing to the region’s growth and innovation.



Housing, Transport, and Infrastructure (Vivienda, Transportes e Infraestructuras) receive 12% of the total budget, which amounts to €3,088,974,037. This allocation is intended to improve housing availability, upgrade transportation networks, and strengthen infrastructure across the region. These investments are essential for urban development, connectivity, and supporting both metropolitan and rural areas, ultimately aiming to raise the standard of living for the community.

The Family, Youth, and Social Affairs (Familia, Juventud y Asuntos Sociales) sector receives 10.1% of the budget, equivalent to €2,605,093,514. This funding goes toward social programs and services designed to support families, foster youth development, and provide assistance to vulnerable groups. By investing in social welfare, the region shows a commitment to building an inclusive and supportive society where all citizens, particularly those in need, receive appropriate assistance and resources.

Presidency, Justice, and Local Administration (Presidencia, Justicia y Administración Local) is allocated 3.6% of the budget, or €929,731,644. This portion is likely used to fund regional governance, local administrative functions, and the justice system, ensuring that public services are well-managed and that the rule of law is upheld. Efficient administration at the local level is vital for maintaining transparency and effective governance.

The Community of Madrid has allocated 2.6% of the budget, or €666,487,253, to Employment Policies (Políticas de Empleo). This allocation supports job creation programs, workforce development, and initiatives to reduce unemployment. By investing in employment, the region is aiming to boost economic productivity, create opportunities for residents, and reduce reliance on social assistance through a thriving job market.

Environment, Agriculture, and Interior (Medio Ambiente, Agricultura e Interior) receives 2.5% of the budget, which amounts to €639,773,194. These funds are directed toward environmental protection, agricultural development, and potentially internal affairs. This investment reflects a commitment to sustainability, rural development, and protecting natural resources, which are increasingly critical in light of global environmental challenges.

The Digitalization (Digitalización) sector is allocated 2% of the budget, or €512,538,212. This portion is intended to support digital transformation projects, upgrade technology infrastructure, and enhance public sector efficiency through modernization. Investing in digitalization is essential for innovation, making public services more accessible, and preparing the region for the future digital economy.

An allocation of 1.2%, or €316,659,848, goes to Culture, Tourism, and Sports (Cultura, Turismo y Deporte). These funds are used to support cultural institutions, promote tourism, and develop sports programs. This investment contributes to improving the quality of life for residents and attracts visitors, benefiting the local economy and preserving the cultural heritage of Madrid.

Lastly, Economy, Finance, and Employment (Economía, Hacienda y Empleo) also receives 1.2% of the budget, totaling €310,411,949. This funding is likely focused on economic management, financial planning, and additional employment programs. By investing in these areas, the Community of Madrid seeks to foster economic stability, promote sustainable growth, and ensure a balanced budget that supports its broader social and economic goals.

BALANCE DE SITUACIÓN AL 31 DE DICIEMBRE DE 2023 Y 2022 (Expresados en euros)				
Número de cuenta	ACTIVO	Notas	2023	2022
	<b>A) ACTIVO NO CORRIENTE</b>		<b>169.953.167,68</b>	<b>147.293.552,26</b>
	<b>I. Inmovilizado intangible</b>	6	<b>85.591.975,66</b>	<b>67.992.293,40</b>
203, (2803), (2903)	3. Patentes, licencias, marcas y similares		32.312.403,43	24.984.001,43
206, (2806), (2906)	5. Aplicaciones informáticas		47.048.765,69	38.022.376,72
2069	9. Aplicaciones informáticas en curso		6.230.806,54	4.985.915,25
	<b>II. Inmovilizado material</b>	5	<b>84.293.416,27</b>	<b>79.233.580,29</b>
210, 211, (281), (291)	1. Terrenos y construcciones		0,00	0,00
212 a 219, (2812 a 2819)	1. Instalaciones técnicas y otro inmovilizado		64.145.492,84	63.822.653,48
23	2. Inmovilizado en curso y anticipos		20.147.923,43	15.410.926,81
	<b>V. Inversiones financieras a largo plazo</b>	8.1	<b>67.775,75</b>	<b>67.678,57</b>
254, (295), (298)	2. Créditos a terceros	15	67.775,75	67.678,57
	<b>B) ACTIVO CORRIENTE</b>		<b>183.342.494,21</b>	<b>183.197.083,70</b>
	<b>II. Existencias.</b>	9	<b>134.262,59</b>	<b>171.433,80</b>
31, 32, (391), (392)	2. Materias primas y otros aprovisionamientos		134.262,59	171.433,80
	<b>III. Deudores comerciales y otras cuentas a cobrar</b>		<b>63.335.708,19</b>	<b>2.886.213,93</b>
430, 431, 432, (437), (490)	1. Clientes por ventas y prestaciones de servicios	8.2 y 12.1	17.830,64	34.455,04
44, 5531, 5533	3. Deudores varios	8.3	-895,37	28,78
460, 544	4. Personal	8.4 y 15	82.808,88	39.561,54
4700, 4708, 471, 472	6. Otros créditos con Administraciones Públicas	8.5	63.235.964,04	2.812.168,57
	<b>V. Inversiones financieras a corto plazo</b>	8.3	<b>104.959,12</b>	<b>0,00</b>
531,533,541,546,(597)	3. Valores representativos de deuda.		104.959,12	0,00
480	<b>VI. Periodificaciones a corto plazo</b>	12.5	<b>116.289,84</b>	<b>248.003,56</b>
	<b>VII. Efectivo y otros activos líquidos equivalentes</b>		<b>119.651.274,47</b>	<b>179.891.432,41</b>
570, 571, 572, 574, 575	1. Tesorería		119.651.274,47	179.891.432,41
	<b>TOTAL ACTIVO (A + B)</b>		<b>353.295.661,89</b>	<b>330.490.635,96</b>

BALANCE DE SITUACIÓN AL 31 DE DICIEMBRE DE 2023 Y 2022 (Expresados en euros)				
Número de cuenta	PATRIMONIO NETO Y PASIVO	Notas	2023	2022
	<b>A) PATRIMONIO NETO</b>		<b>325.387.799,01</b>	<b>293.575.232,90</b>
	<b>A.1) Fondos propios</b>		<b>316.122.855,18</b>	<b>277.810.363,22</b>
	<b>I. Capital</b>		<b>700.217,74</b>	<b>700.217,74</b>
100, 101, 102	1. Fondo social	8.6	700.217,74	700.217,74
	<b>V. Resultados de ejercicios anteriores</b>		<b>-227.165.315,03</b>	<b>-223.787.417,56</b>
(121)	2. (Resultados negativos de ejercicios anteriores)	8.6	-227.165.315,03	-223.787.417,56
118	<b>VI. Otras aportaciones de socios</b>	4.12	<b>803.349.721,15</b>	<b>728.062.878,07</b>
129	<b>VII. Resultado del ejercicio</b>	3	<b>-260.761.768,68</b>	<b>-227.165.315,03</b>
130, 131, 132	<b>A.3) Subvenciones, donaciones y legados recibidos</b>	16	<b>9.264.943,83</b>	<b>15.764.869,68</b>
	<b>C) PASIVO CORRIENTE</b>		<b>27.907.862,88</b>	<b>36.915.403,06</b>
529	<b>II. Provisiones a corto plazo</b>		<b>548.096,42</b>	<b>58.197,18</b>
	1. Provisión para otras responsabilidades	13	548.096,42	58.197,18
	<b>V. Acreedores comerciales y otras cuentas a pagar</b>		<b>27.359.766,46</b>	<b>36.857.205,88</b>
400, 401, 405, (406)	1. Proveedores	8.7	24.028.078,30	32.542.904,67
41	3. Acreedores varios	8.8	529.796,13	1.082.922,33
465, 466	4. Personal (remuneraciones pendientes de pago)	8.9	8.392,95	7.228,56
4750, 4751, 4758, 476, 477	6. Otras deudas con Administraciones Públicas	8.10	2.793.499,08	3.224.150,32
	<b>TOTAL PATRIMONIO NETO Y PASIVO (A + B+ C)</b>		<b>353.295.661,89</b>	<b>330.490.635,96</b>

12. Balance of the fiscal year 2023

CUENTA DE PÉRDIDAS Y GANANCIAS CORRESPONDIENTE AL EJERCICIO ANUAL TERMINADO EL 31 DE DICIEMBRE DE 2023 Y 2022 (Expresadas en euros)			
A) OPERACIONES CONTINUADAS	Notas	2023	2022
<b>1. Importe neto de la cifra de negocios.</b>	12.1	<b>301.944,57</b>	<b>204.605,93</b>
b) Prestaciones de servicios		301.944,57	204.605,93
<b>3. Trabajos realizados por la empresa para su activo.</b>	6.5	<b>15.765.660,12</b>	<b>12.176.669,40</b>
<b>4. Aprovisionamientos.</b>	12.2	<b>-56.095.906,82</b>	<b>-46.117.951,77</b>
b) Consumo de materias primas y otros consumibles		-76.356,67	-28.883,06
c) Trabajos realizados por otras empresas		-56.436.570,98	-46.594.749,96
d) Deterioro de materias primas y otros aprovisionamientos		417.020,83	505.681,25
<b>5. Otros ingresos de explotación.</b>	12.6	<b>1.517.164,35</b>	<b>1.543.160,77</b>
a) Ingresos accesorios y otros de gestión corriente		1.517.164,35	1.543.160,77
<b>6. Gastos de personal.</b>	12.3	<b>-54.308.936,39</b>	<b>-49.340.186,80</b>
a) Sueldos, salarios y asimilados		-43.416.578,54	-39.710.538,97
b) Cargas sociales		-10.892.373,29	-9.633.286,47
c) Fxresos de provisión para retribuciones al personal		15,44	3.638,64
<b>7. Otros gastos de explotación.</b>		<b>-116.666.794,04</b>	<b>-98.504.291,42</b>
a) Servicios exteriores	12.4	-116.887.391,03	-98.958.725,07
b) Inbutos	11.2.3	-17.380,14	-15.799,52
c) Exceso provisión serv.exteriores	12.4	257.201,96	476.966,74
d) Otros gastos de gestión corriente	12.6	-19.224,83	-6.733,57
<b>8. Amortización del inmovilizado.</b>	5, 5.1 y 5.4	<b>-62.193.042,18</b>	<b>-53.322.070,83</b>
<b>9. Imputación de subvenciones de inmovilizado no financiero y otras.</b>	16	<b>6.348.434,48</b>	<b>6.172.846,79</b>
<b>11. Deterioro y resultado por enajenaciones del inmovilizado.</b>	5.5 y 12.6	<b>-40.508,85</b>	<b>-44.809,52</b>
a) Deterioro y pérdidas		-40.508,85	-44.809,52
<b>A1 - RESULTADO DE EXPLOTACIÓN (1+2+3+4+5+6+7+8+9+10+11)</b>		<b>-265.371.984,76</b>	<b>-227.232.027,45</b>
<b>12. Ingresos financieros.</b>	8.1	<b>4.611.548,63</b>	<b>70.365,77</b>
b) De valores negociables y otros instrumentos financieros		4.611.548,63	70.365,77
b.2) De terceros		4.611.548,63	70.365,77
<b>13. Gastos financieros</b>		<b>0,00</b>	<b>-3.210,89</b>
<b>15. Total Diferencias de cambio</b>	10	<b>-1.332,55</b>	<b>-442,46</b>
<b>A2 - RESULTADO FINANCIERO (12+13+14+15+16)</b>		<b>4.610.216,08</b>	<b>66.712,42</b>
<b>A3 - RESULTADO ANTES DE IMPUESTOS (A1 + A2)</b>		<b>-260.761.768,68</b>	<b>-227.165.315,03</b>
<b>17. Impuestos sobre beneficios.</b>		<b>0,00</b>	<b>0,00</b>
<b>A4 - RESULTADO DEL EJERCICIO PROCEDENTE DE OPERACIONES CONTINUADAS (A.3 + 17)</b>	3	<b>-260.761.768,68</b>	<b>-227.165.315,03</b>
<b>A.5 - RESULTADO DEL EJERCICIO (A.4 + 18)</b>		<b>-260.761.768,68</b>	<b>-227.165.315,03</b>

12. Profit and loss account for the year 2023

The **balance sheet** for the Digital Administration Agency of the Community of Madrid as of December 31, 2023, shows a total asset value of **€353,295,661.89**, an increase from **€330,490,635.96** in 2022. The agency's assets are primarily divided into non-current and current assets:

- **Non-Current Assets:** This includes intangible and tangible fixed assets valued at approximately **€169.9 million**. Specifically, intangible assets such as software licenses and IT development projects have increased, reflecting significant investment in digital infrastructure.
- **Current Assets:** Key highlights in this category include **cash and cash equivalents**, with a notable treasury balance of **€119.6 million**. Trade receivables and inventory are also included, though these represent a smaller portion of the agency's current assets.

On the **liabilities and equity** side, **total equity** increased to **€325.4 million** due to contributions from the Community of Madrid. The agency's **current liabilities** amount to **€27.9 million**, showing a decrease from **€36.9 million** in 2022, largely consisting of short-term provisions and accounts payable.

The **income statement** shows a challenging financial year for the agency, with significant operational and personnel costs leading to an operating loss:

1. **Revenue:** The agency reported **€301,944.57** from service income, reflecting an increase over **€204,605.93** in 2022. However, this is a modest amount compared to the overall cost structure.
2. **Operating Expenses:**
  - **Personnel Expenses** reached **€54.3 million**, up from **€49.3 million** the previous year, driven by increased staffing or higher remuneration.
  - **Other Operating Expenses** were substantial at **€116.7 million**, including outsourced services and other general operating costs.
  - **Amortization of Fixed Assets** totaled **€62.2 million**, reflecting the agency's significant investment in digital infrastructure and IT assets, which are depreciated over their useful life.

The resulting **operating loss** for the year amounted to **-€265.4 million**, a deeper loss than **-€227.2 million** in 2022. This operational deficit is compounded by a modest net financial income of **€4.6 million**, bringing the **total loss before tax** to **-€260.8 million**.

The agency operates without corporate tax obligations due to its public administrative nature, so its **net loss for the year stands at -€260.8 million**. This financial result is covered by substantial contributions from the Community of Madrid, reflected as equity inflows rather than revenue in the agency's accounts.

For further information:

[https://www.comunidad.madrid/sites/default/files/memoria\\_cuentas\\_anuales\\_2023.pdf](https://www.comunidad.madrid/sites/default/files/memoria_cuentas_anuales_2023.pdf)

### c. Public debt trend, indicating any relationships with major institutions and the type of debt.

The Debt/GDP ratio of the Public Administration Sector of the Community of Madrid stood at 12.8% in the second quarter of 2024.

Indicadores endeudamiento anuales

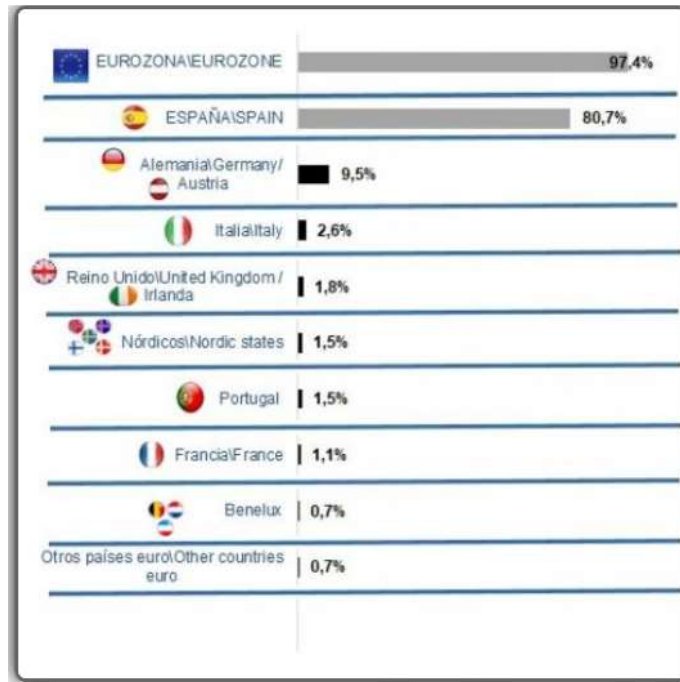


Ratios	2020	2021	2022	2023
Deuda/PIB (%)	15.7	14.3	13.0	12.3
Deuda/Habitante (euros)	5.125.1	5.097.5	5.076.4	5.230.4
Deuda/Ingresos corrientes (%)	150.0	146.3	161.1	149.7
Carga Financiera/Ingresos corrientes (%)	21.0	14.2	16.6	14.4

*Nota: Según derechos y obligaciones reconocidos.*

*Fuente: Comunidad de Madrid, INE y Banco de España*

13. annual debt indicator table



14. Spain's debt compared to other countries and the EU

## Description of Major Policies

In 2023, the Community of Madrid implemented several significant policies across various sectors:

- 1. Social and Health Services:** The 2023 budget marked a historic investment in healthcare and social services, particularly in primary care and vulnerable population support. The regional government also enacted the "Law on Rights, Guarantees, and Comprehensive Protection of Children and Adolescents" to enhance protections for minors, including safeguarding their welfare and providing comprehensive social services  
[Comunidad de Madrid](#)  
[BOE](#)  
.
- 2. Economic and Fiscal Policies:** The region maintained its low-tax strategy, continuing with the lowest income tax (IRPF) brackets in Spain. New tax deductions were introduced to assist families, such as a €500 deduction for eldercare within the family, a 10% deduction on rental expenses, and full deductions on interest for education loans for postgraduate studies. Additional deductions promoted family expansion, home purchases for families, and incentives for investments in new businesses  
[Comunidad de Madrid](#)  
.
- 3. Digital Transformation:** The "2023-2026 Digitalization Strategy" aimed to establish Madrid as a digitally advanced region by investing in public service digitalization, secure digital infrastructure, and enhancing digital skills among residents and employees. This included efforts to streamline public services for better accessibility and introduce advanced digital governance to meet citizen needs effectively  
[Comunidad de Madrid](#)  
.
- 4. Environmental and Energy Initiatives:** Under the "2023-2030 Energy, Climate, and Air Strategy," Madrid implemented sustainable mobility policies, including low-emission zones, renewable energy for public transport, and incentives for hydrogen-powered transport. Additionally, energy efficiency programs were rolled out for public buildings, industrial facilities, and water management, as well as renewable energy adoption and water conservation in agriculture  
[Comunidad de Madrid](#)  
.
- 5. Transport Infrastructure:** Significant investments were made to expand and modernize Madrid's transport network. This included extensions to the Metro lines and ongoing efforts to make public transportation free for seniors, with improvements targeting sustainability and intermodal connectivity  
[Comunidad de Madrid](#)  
  
[Comunidad de Madrid](#)  
.

These policies reflect Madrid's focus on strengthening social services, fostering economic growth, promoting sustainability, and embracing digital advancements to meet the evolving needs of its population.

## Dissemination Plan

### 1. Objectives

- Enhance Financial Transparency: Provide residents and stakeholders with a clear understanding of Madrid's financial management and resource allocation.
- Build Public Trust: Demonstrate fiscal responsibility and effective use of public funds.
- Inform Decision-Making: Offer relevant financial insights to residents, businesses, and community organizations to encourage participation in regional economic decisions.

### 2. Key Components

- Consolidated Financial Statements: Summarize assets, liabilities, revenue, and expenses, and clarify the year's fiscal performance.
- Budget Allocations by Sector: Highlight significant expenditures, particularly in healthcare, education, social services, and digitalization.
- Debt and Revenue Trends: Provide insights into debt management, revenue sources, and tax policies to show fiscal responsibility.
- Policy-Related Financial Impacts: Explain how funds support key initiatives in social services, digital infrastructure, and environmental sustainability.

### 3. Target Audience

- General Public: Residents of Madrid interested in understanding public spending and financial health.
- Local Businesses and Investors: Entities seeking insight into the economic climate and opportunities.
- Policy Stakeholders: Community groups, NGOs, and educational institutions with an interest in specific budget allocations.
- Media and Financial Analysts

### 4. Key Messages

- Transparency in Financial Management: Emphasize the Community of Madrid's dedication to responsibly managing and reporting public funds.
- Investment in Community Priorities: Highlight the substantial investments in healthcare, education, and environmental projects.
- Fiscal Discipline and Low Debt Levels: Showcase debt management practices that maintain Madrid's low debt-to-GDP ratio.
- Support for Economic Growth: Explain tax relief measures and strategic spending that encourage business development and support residents.

### 5. Communication Channels

- Official Website.
- Social Media Campaigns
- Community Newsletters

### **INTELLECTUAL CAPITAL**

Intellectual capital in the Community of Madrid represents the added value of specialized knowledge, technological capabilities, and organizational innovations developed within its public administration, elements that offer a competitive advantage in managing and providing services to citizens (Bueno Campos et al., 2006). This capital translates into initiatives aimed at transforming and modernizing the administration through the use of advanced technologies and effective management of internal knowledge.

Among the key initiatives in the Community of Madrid in 2023, the "Madrid Open Data" platform stands out. Launched to improve transparency and promote the reuse of public data, this platform allows businesses, citizens, and academic institutions to access real-time information on a wide range of topics, from transportation and the environment to health and education (Comunidad de Madrid, 2023). The initiative not only aligns with the principles of open government but also strengthens inter-institutional collaboration and promotes research and development in strategic areas for the region.

Another significant component of intellectual capital in the Community is the "Electronic Administration" (launched in 2018 and updated in 2023 to improve accessibility). This digital platform makes it easier for citizens to complete procedures and manage tasks, eliminating bureaucratic barriers and reducing waiting times. The platform integrates services such as certificate requests, document renewals, and fee payments, increasing administrative efficiency and enabling substantial savings in public resources. According to the 2023 IR report, the use of this platform has increased by 25% since 2020, reflecting the improvement in the adoption of digital services by citizens (Comunidad de Madrid, 2023).

Additionally, the Community of Madrid has invested in "continuous training programs" for public employees, particularly in areas such as digital transformation, cybersecurity, and citizen services. In 2023, more than 150 training courses in emerging technologies were held, focusing on artificial intelligence, data management, and cloud services (Comunidad de Madrid, 2023). This focus on professional development not only enhances staff skills but also drives innovation and facilitates the administration's adaptation to technological changes.

The protection and privacy of personal data are another fundamental aspect of intellectual capital. In 2023, the Community implemented a reinforced cybersecurity protocol to ensure that personal data and sensitive information of citizens are protected in compliance with the European Union's General Data Protection Regulation (GDPR). This protocol includes periodic audits, cybersecurity training for employees, and the use of advanced encryption tools across all public information systems (Comunidad de Madrid, 2023; GDPR, 2018).

A clear example of how intellectual capital is applied in the Community of Madrid can be found in the healthcare sector. In this area, the Hospital Universitario La Paz has pioneered the development of innovative technologies, such as the remote monitoring system for patients with chronic diseases. This system, resulting from collaboration between hospital professionals and research centers, has improved patient monitoring, reduced hospitalizations, and enhanced patients' quality of life. This



type of innovation not only improves the efficiency of the healthcare system but also positions the Community of Madrid as a leader in technological innovation in healthcare.

Finally, policies have been implemented to "foster collaborative innovation" between the public and private sectors, such as agreements with universities and technology companies. These collaborations have led to the development of innovative solutions, such as the "Smart Cities" pilot project, which uses sensors and big data analysis to improve energy efficiency and reduce pollution in urban areas (IR Report, Comunidad de Madrid, 2023).

Intellectual capital in the Community of Madrid not only optimizes the quality of public services but also supports sustainability and regional economic growth, aligning with the Integrated Information Framework (IR) and the Sustainable Development Goals (SDGs). The Community recognizes that knowledge, technology, and collaboration are essential to tackling future challenges and improving the lives of its citizens.

## **HUMAN CAPITAL**

Human capital is a key concept within the framework of Integrated Reporting (IR) for the Community of Madrid in 2023. It refers to the economic value generated by the experience, education, skills, and competencies of employees within the organization, particularly in a public administration like the Community of Madrid. This type of capital is not directly reflected in the organization's balance sheet but has a crucial impact on the effectiveness and efficiency of public services provided to citizens. According to the Community of Madrid's 2023 Management Report, human capital is considered one of the primary sources of competitiveness and sustainability for public institutions, as the quality of employees and their continuous development largely determines the success of the public policies implemented.

In 2023, the Community of Madrid significantly increased its efforts in managing and developing human capital, with a focus on continuous training and professional development for its employees. The 2023 Training Plan set a 20% increase in the budget allocated to training, which allowed for the training of over 30,000 public employees in key areas such as public management, technological innovation, and citizen services (Comunidad de Madrid, Management Report 2023, p. 47). This type of training not only improves administrative efficiency but also strengthens employee commitment to the strategic objectives of the Community of Madrid, reflecting a holistic approach to human capital development.

A clear example of the importance of human capital can be observed in the public healthcare sector of the Community of Madrid. In 2023, a comprehensive review of the ongoing training processes in public hospitals was carried out, with the aim of improving the quality of medical services. Training in new medical technologies and clinical data management became a priority, with the launch of training programs focused on applying artificial intelligence to medicine (Comunidad de Madrid, Healthcare Innovation Report 2023, p. 20). This training has enabled healthcare professionals to improve the quality of patient care and increase the efficiency of hospital processes, resulting in shorter waiting times for medical procedures and better personalized care.

Furthermore, human capital is directly linked to talent retention within the public administration. In 2023, the Community of Madrid implemented a series of labor incentives to retain more experienced and specialized employees, particularly in critical areas such as health and education. These incentives included salary increases and flexible working conditions to facilitate work-life balance, with a specific focus on older, more specialized employees (Comunidad de Madrid, Talent Retention Plan 2023, p. 14). These efforts are essential to maintaining high-quality public services and ensuring that citizens receive top-level care, guaranteeing the long-term sustainability of the public administration.

On the other hand, human capital is also related to diversity and inclusion within the public administration. In the 2023 Equality and Diversity Plan, the Community of Madrid emphasized its commitment to increasing the representation of different social groups within its workforce, which contributes to enriching the work environment and improving creativity and problem-solving within the public administration. This includes the creation of inclusion programs that promote equal opportunities in access to training and career advancement for people with disabilities, women in leadership positions, and individuals from diverse ethnic backgrounds.

Human capital in the Community of Madrid not only represents a set of individual skills and capabilities but also reflects the administration's commitment to the development and well-being of its employees. Investment in continuous training, talent retention, diversity, and commitment to equality are key aspects that allow the Community of Madrid not only to improve the quality of public services but also to position itself as a benchmark in efficient and sustainable public management.

## **NATURAL CAPITAL**

Natural capital is a fundamental component of the Integrated Reporting (IR) framework of the Community of Madrid, especially in 2023, when sustainability has been emphasized as a key pillar in public administration. This concept refers to natural resources and ecosystems that provide both direct and indirect benefits to individuals and organizations. Assets within natural capital include elements such as air, water, soil, forests, and biodiversity, all of which are vital for environmental health, citizens' quality of life, and the sustainability of public policies.

In the Community of Madrid's 2023 Sustainability Report (Comunidad de Madrid, p. 33), it is highlighted that the region has increased its investment in the conservation and restoration of natural ecosystems as part of a broader commitment to the Sustainable Development Goals (SDGs) of the 2030 Agenda. Specifically, the Community of Madrid has implemented a series of reforestation projects and the recovery of natural spaces in both urban and rural areas. In 2023, more than 200,000 trees were planted across the region, with a particular focus on public spaces and metropolitan areas. This initiative contributes to both climate change mitigation and the improvement of air quality and local biodiversity.

A tangible example of how natural capital is managed in the Community of Madrid is the "Parque Regional de la Cuenca Alta del Manzanares". In 2023, the region allocated more than 4 million euros to habitat restoration in this park, which hosts a significant biodiversity, including protected species. These initiatives not only help preserve natural ecosystems but also improve the quality of life for

citizens by providing accessible green spaces for leisure and recreation (Comunidad de Madrid, Sustainability Report 2023, p. 40).

Water management, a scarce resource in the region, is another key aspect of natural capital. In 2023, the Community of Madrid implemented a “Water Efficiency Plan”, reducing water consumption by 10% compared to the previous year. This was achieved through the installation of greywater recycling systems and improvements in irrigation infrastructures in both urban and rural areas. The plan also includes the restoration of water basins to ensure clean and accessible water for all citizens (Comunidad de Madrid, Water Management Report 2023, p. 15).

Urban forest preservation has also been a significant focus. In 2023, the “Metropolitan Forests Project” of the Community of Madrid promoted the creation of new forested areas within the city of Madrid, contributing to carbon capture and improving air quality. Moreover, the biodiversity in these forests has been monitored through the use of digital technologies, enabling real-time tracking of species. This initiative has resulted in an increase in plant and animal species diversity in urban forest spaces (Comunidad de Madrid, Biodiversity Report 2023, p. 22).

Through all these initiatives, the Community of Madrid not only aims to preserve its natural capital but also integrate it effectively into the decision-making process of public administration. Incorporating natural resources into sustainability reports allows the region to measure the environmental impact of its policies, identify areas for improvement, and ensure that future generations can benefit from a healthy and resilient natural environment.

Natural capital is a critical asset for the Community of Madrid, which is committed to the conservation, restoration, and sustainable use of its natural resources. The policies adopted in 2023 reflect a strategic approach to ensuring environmental sustainability, mitigating climate change, and improving citizens' quality of life through ecosystem protection and better management of water and forest resources.

## **PRODUCTIVE CAPITAL**

Productive capital refers to the material, physical, and technological resources that an organization uses to fulfill its mission and achieve its strategic objectives. In the context of the Integrated Reporting (IR) of the Community of Madrid in 2023, this concept encompasses both physical infrastructures (such as buildings, equipment, and vehicles) and technological systems (digital platforms, management software, etc.) that enable public administration to provide efficient services to citizens. Productive capital is not only key to the administration's operability but also plays a central role in digital transformation and the continuous improvement of public service quality.

In the Community of Madrid's “2023 Public Infrastructure Report”, it is stated that the region invested over 2.5 billion euros in the renovation and modernization of key infrastructures such as hospitals, schools, and social care centers, aiming to improve the quality of life for citizens and optimize public resources. These investments in physical infrastructure are part of a long-term strategy to ensure that resources are used efficiently and sustainably, guaranteeing the ability to provide high-quality public services (Comunidad de Madrid, Public Infrastructure Report 2023, p. 18).

A clear example of productive capital in action in the Community of Madrid is the “modernization of the public transport network”. In 2023, a budget of 400 million euros was allocated for the renewal

of the bus and train fleet, incorporating electric and low-emission vehicles. This investment aims to reduce the region's carbon footprint while improving the efficiency and quality of the service provided to citizens. Additionally, the Community of Madrid has implemented smart digital management systems to optimize public transport routes and schedules, improving the user experience and reducing waiting times (Comunidad de Madrid, Public Transport Report 2023, p. 22).

Technological capital has also been a priority in 2023. According to the “Digital Transformation Plan 2023”, a total of 1.2 billion euros was invested in the digitization of public administration. This includes the implementation of digital public service management platforms, such as the “Integrated Health Management System”, which connects hospitals, health centers, and citizens through mobile applications and online platforms. These platforms allow citizens to carry out procedures more quickly and easily while optimizing resource management in public services (Comunidad de Madrid, Digital Transformation Plan 2023, p. 30).

Moreover, the Community of Madrid continued the development of technological infrastructures within the region, including state-of-the-art data centers and cybersecurity systems to protect public and private information. These technological advancements are fundamental not only to improving operational efficiency in public services but also to managing government and citizen data more effectively, contributing to a more transparent and accessible governance model.

An essential aspect of productive capital is the creation of infrastructures that support employment and the digital economy. In 2023, the Community of Madrid allocated 50 million euros to the creation of coworking spaces and business accelerators in different municipalities, aiming to foster entrepreneurship and technological innovation. These infrastructures not only provide physical spaces for companies to grow but also offer technological resources and training for entrepreneurs, helping to create a dynamic business environment that enhances regional competitiveness (Comunidad de Madrid, Business Innovation Report 2023, p. 25).

Productive capital in the Community of Madrid is key to the modernization and efficiency of public administration. Through significant investments in physical and technological infrastructures, the region has been able to improve the quality of public services, optimize available resources, and foster innovation and entrepreneurship. This integrated approach allows not only for enhanced government operability but also for offering citizens a more modern, accessible, and sustainable environment.

## **SOCIAL CAPITAL**

Social capital refers to the networks of relationships, norms of trust, and reciprocity that exist between people within a community or society. In the context of Integrated Reporting (IR) for the Community of Madrid in 2023, this concept is crucial for assessing the impact of public policies on the well-being of citizens. Social capital reflects how interactions between individuals, organizations, and public administration contribute to social development, community cohesion, and citizen participation in public management.

The Community of Madrid in 2023, has placed significant emphasis on strengthening social capital through various initiatives aimed at fostering solidarity, cooperation, and social inclusion. According

to the “Informe de Participación Ciudadana 2023”, the region has launched over 200 participation programs in which citizens have had the opportunity to voice their opinions, suggest policies, and collaborate directly with authorities in areas such as education, healthcare, and the environment. These programs, which include debate forums, public consultations, and citizen surveys, have allowed residents to feel heard, with their ideas influencing the design of public policies (Comunidad de Madrid, Informe de Participación Ciudadana 2023, p. 19).

One of the standout projects regarding social capital in 2023 has been the initiative “Madrid, una ciudad inclusiva” (“Madrid, an Inclusive City”), aimed at integrating people from diverse backgrounds and social conditions into public life. This project has promoted the inclusion of vulnerable groups such as migrants, people with disabilities, and the elderly in community activities and government decision-making. A concrete example is the inclusive employability program, which, with an investment of 25 million euros, has trained more than 5,000 people in vulnerable situations, helping them access jobs in both the public and private sectors. This initiative has strengthened social capital by fostering greater social integration and cohesion within the Madrid community (Comunidad de Madrid, Informe de Inclusión Social 2023, p. 21).

Moreover, social capital has also played a vital role in strengthening relationships between public administration and civil society organizations. In 2023, the Community of Madrid signed agreements with over 300 associations working in diverse areas such as mental health, the environment, and education. These agreements have established cooperation networks and facilitated the delivery of public services through local associations, leading to better coverage of citizens' needs and a more tailored approach to the diverse population of Madrid (Comunidad de Madrid, Informe de Colaboración con la Sociedad Civil 2023, p. 10).

Social capital has also been crucial in managing social crises and emergencies. In 2023, during the COVID-19 pandemic, the Community of Madrid activated a series of support measures for the most affected communities, such as psychological support services and food aid programs for families in vulnerable situations. Thanks to established community support networks and the trust built over the years, the region was able to quickly deploy these programs with the collaboration of local associations and social entities. This response demonstrates how social capital can be a key factor in addressing unforeseen challenges and ensuring that aid reaches those who need it most (Comunidad de Madrid, Informe sobre la Crisis Sanitaria y Apoyo Social 2023, p. 14).

Social capital is essential for creating a more cohesive and participatory society in the Community of Madrid. The policies implemented in 2023, such as promoting citizen participation, social inclusion, and strengthening collaboration networks between the administration and associations, have helped increase trust and solidarity in the Madrid community. These efforts not only improve the quality of life for citizens but also ensure that public administration can respond more effectively to the needs of all its residents.

## **FINANCIAL CAPITAL**

Financial capital refers to the monetary and financial resources available to an organization or public entity, such as funds, reserves, revenues, investments, and other sources of capital that enable an administration to manage its operations and finance its activities. In the context of Integrated Reporting (IR) for the Community of Madrid in 2023, financial capital is essential for ensuring the

execution of effective and sustainable public policies, as well as for maintaining the region's economic and fiscal stability.

In 2023, the Community of Madrid managed a regional budget exceeding 24,000 million euros, reflecting the importance of efficient management of financial resources to meet the growing demands for public services in areas such as education, health, infrastructure, and social welfare. The administration prioritized spending on key infrastructure, investing 3,500 million euros in projects to modernize hospitals, roads, and public transportation, aiming to improve citizens' quality of life and ensure equitable access to services (Comunidad de Madrid, Presupuesto Regional 2023, p. 4).

Regarding fiscal management, the Community of Madrid has followed a policy of austerity and resource optimization, allowing it to maintain a low public debt compared to other autonomous communities. According to the "Informe Económico y Financiero 2023", the region's debt in 2023 represents only 13% of its regional GDP, one of the lowest national rates. This financial discipline has allowed the administration to maintain adequate solvency levels and continue its public investment plan without compromising long-term economic stability (Comunidad de Madrid, Informe Económico y Financiero 2023, p. 12).

A specific example of the use of financial capital in 2023 was the implementation of the "Plan de Recuperación y Resiliencia" (Recovery and Resilience Plan) for the region, partially funded by European Union funds. In 2023, the Community of Madrid received a total of 1,200 million euros from the EU as part of this plan, which was allocated to projects focused on digitalization, sustainability, and green employment. These funds have been used to improve digital infrastructures, drive energy transition efforts, and create jobs in sectors related to the circular economy and renewable energy. This approach not only enhances the region's competitiveness but also contributes to meeting the Sustainable Development Goals (SDGs) (Comunidad de Madrid, Informe de Proyectos de Recuperación 2023, p. 8).

In 2023, the Community of Madrid also continued its strategy to foster private investment through tax incentives and public-private collaboration programs. Notably, subsidies and tax exemptions have been granted to innovative companies in the clean technology sector, helping attract new investments that contribute to quality job creation. According to the Informe de Inversiones y Subsidios 2023, 150 million euros have been allocated in incentives for tech companies and startups operating in sustainability, aiming to foster innovation and ecological transition in the region (Comunidad de Madrid, Informe de Inversiones y Subsidios 2023, p. 14).

Additionally, financial capital has been key in financing social cohesion programs. In 2023, the Community of Madrid allocated 700 million euros to housing, social assistance, and education programs for vulnerable areas. These funds were used to ensure access to public housing for low-income individuals and to finance scholarships and grants for students in vulnerable situations. These initiatives reinforce the Community of Madrid's commitment to social justice and equity in access to essential services (Comunidad de Madrid, Informe de Cohesión Social 2023, p. 11).

Financial capital is essential for the sustainability of public policies in the Community of Madrid. In 2023, the administration demonstrated efficient management of financial resources, combining internal funds with external resources such as EU contributions to finance strategic projects that promote economic development, innovation, and social cohesion. This capacity to generate, manage, and distribute financial resources is critical for maintaining the well-being of citizens and ensuring a sustainable future for the region.



## Methodological note

All information included in this report has been sourced from official portals of the Community of Madrid, including data published on government transparency pages and verified by public authorities. The annual financial statements presented are entirely official, with data accurately extracted from documents and databases provided directly by the regional government. Additionally, statistical information and relevant demographic or economic insights have been cross-referenced with data from Spain's National Institute of Statistics (INE) to ensure comprehensiveness and reliability.

These sources, being primary and transparent, allow us to present an accurate overview of the Community of Madrid's financial management, budget allocations, and policy impacts. Accessing and reviewing data directly from these official platforms ensures that the figures and information meet public sector standards for accuracy, transparency, and accountability.

Here are some of the webs that we have consulted:

Population's information:

[https://iestadis.edatos.io/statistical-visualizer/visualizer/collection.html?resourceType=collection&agencyId=IECM&resourceId=003\\_000001](https://iestadis.edatos.io/statistical-visualizer/visualizer/collection.html?resourceType=collection&agencyId=IECM&resourceId=003_000001)

[https://www.madrid.org/iestadis/fijas/estructu/demograficas/padron/estructu\\_indestdem.htm](https://www.madrid.org/iestadis/fijas/estructu/demograficas/padron/estructu_indestdem.htm)

<https://www.madrid.org/iestadis/fijas/basicos/descarga/infbasica24-cas.pdf>

Public Organization's information:

[https://www.comunidad.madrid/sites/default/files/boletin\\_2023\\_0.pdf](https://www.comunidad.madrid/sites/default/files/boletin_2023_0.pdf)

<https://www.comunidad.madrid/transparencia/organizacion-recursos/sector-publico-autonomico>

[https://www.comunidad.madrid/sites/default/files/doc/hacienda/folleto\\_proyecto\\_presupuestos\\_generales\\_2024\\_0.pdf](https://www.comunidad.madrid/sites/default/files/doc/hacienda/folleto_proyecto_presupuestos_generales_2024_0.pdf)

<https://www.comunidad.madrid/gobierno/hacienda/transparencia-cuentas-publicas>



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