

12 June 2024

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the fourth payment request submitted by Spain on 20 December 2023, transmitted to the Economic and Financial Committee by the European Commission**

**Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 20 December 2023, Spain submitted a request for payment for the fourth instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Spain provided due justification of the satisfactory fulfilment of 60 out of the 61 milestones and targets of the fourth instalment of the non-repayable support, as set out in Section 2(1)(1.2) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Spain<sup>1</sup>.

For 9 milestones and targets covering a large number of recipients, in addition to the summary documents and official listings provided by Spain, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

In its payment request, Spain has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Spain, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of 60 out of 61 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Spain's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, promoting energy-efficiency housing, as well as better irrigation systems and waste management. Reforms also aim at promoting business creation and growth and supporting cybersecurity. The payment request also includes a set of measures for the pension reform, regarding the adaptation of the computation period for the calculation of the retirement pension to new careers and replacement of the sustainability factor by an intergenerational equity mechanism as well as the reform on the adjustment of the maximum contribution base. The milestones and targets also confirm progress towards the completion of investment projects related to sustainable tourism, research and innovation and development; social, digital and environmental investments in just transition areas, as well as investments in increasing vocational education and training offers.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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<sup>1</sup> ST 10150 2021, ST 10150 2021 ADD 1 REV 1 as amended by ST 13692 2023; ST 13692 2023\_ADD\_1 and ST 9303 2024; ST 9303 2024 ADD 1.

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**[Non-repayable support]**

<b>Number:</b> T4	T4 - C1.I1 – Low-emission areas and transformation of urban and metropolitan transport		
<b>Name of the Target:</b> Budget spent in purchases or awarded by municipalities aiming at promoting sustainable mobility			
<b>Quantitative Indicator:</b> Million EUR	<b>Baseline:</b>	<b>Target:</b> 4	<b>Time:</b> Q4 2022
<b>Context:</b> <p>The measure/investment aims to foster the sustainable and digital transformation of transport services, with the aim of contributing to reduce the use of private vehicles in urban environments and incentivising the transition to cleaner passenger and freight transport fleets.</p> <p>Target 4 concerns the award or purchase of budget by municipalities for projects aiming at promoting sustainable mobility.</p> <p>Target 4 is the first step of the implementation of investment C1.I1, and it will be followed by targets 5,6,7,9 related to the awards of funds for, and the subsequent completion, of projects related to sustainable mobility in municipalities and Autonomous Communities, as well as targets 8 and 10 regarding the award of funds for and the improvement of state roads in urban areas to promote new forms of mobility. The investment has a final expected date for implementation in 2025.</p>			
<b>Evidence Provided:</b> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"><li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled.</li><li>ii. As an annex to the document, a spreadsheet containing, for each project financed under the target, the set of information required by the verification mechanism of the Operational Arrangement. These include a) official reference of the publication of the awards in the Public Procurement platform, b) the beneficiary entity/name of the municipality, including its population, where the project is implemented, c) the type and category of project implemented in accordance with the description of the target in the CID, d) the amount awarded, without VAT, e) the field of intervention and the category under which the project can be labelled, in line with Annex VI to the Recovery and Resilience Facility Regulation (EU) 2021/241; f) for the acquisition of vehicles, the specifications of the DNSH compliance according to Operation Arrangement.</li><li>iii. A copy and the link of the Ministerial Order TMA/892/2021 of 17 August, published in the national Official Journal (<i>Boletín Oficial del Estado</i>) No. 201 of 23 August 2021 (hereinafter referred to as “Order 892/2021”).</li></ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"><li>i. A copy of the Ministerial Order established under the Order TMA/892/2021 containing the official final list of beneficiaries and the list of the actions that will be subsidized under the target.</li></ol>			

- ii. A spreadsheet containing the univocal reference (*codigo actuacion OM*) between the 6 projects listed in the main excel spreadsheet mentioned at point ii. above and the list of actions included in Annex I of the Ministerial Order establishing the list of final beneficiaries and subsidized actions of the first call for proposal established in accordance with Order TMA/892/2021.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Publication of the award of the project or subsidies in the OJ or in the public procurement platform or execution of expenditure associated to purchases by municipalities (EUR 400 million). Furthermore, in accordance with the further specifications of the operational arrangements, for the purposes of this Operational Arrangements, purchases shall only be understood as the acquisition of goods with a value below EUR 5,000, including VAT.**

Spain submitted a spreadsheet which includes the list of projects as well as the official reference and link to the publication of the award resolution in the public procurement platform or equivalent documentation for each individual project. The information and evidence submitted by Spain enabled the Commission to verify the correspondence between the projects listed in the excel spreadsheet submitted to the Commission and the list of actions included in Annex I of the Ministerial Order establishing the list of final beneficiaries and subsidized actions of the first call for proposal established in accordance with Order TMA/892/2021. The spreadsheet also lists the amount awarded for each single project, without VAT, as well as the overall amount awarded, summing up to EUR 431 858 000. With respect to the further specifications related to projects under the target concerning purchases, the verification of the amounts in the links to the publication confirmed that none of the projects concerns the acquisition of goods for a value below EUR 5 000, including VAT, and therefore none of them corresponds to purchases executed by municipalities, in line with the further specifications of this target.

The access to the links for a sample of 60 units confirmed that for 58 projects a final award resolution or a notice of award "*Resolución final de adjudicación*" or "*Anuncio de adjudicación*" has been published on the public procurement platform in line with the requirements of the target, with a total amount awarded without VAT equal to the one indicated in the spreadsheet.

The Council Implementing Decision required the publication of the award of the projects or subsidies aiming at promoting sustainable mobility. Two projects included in the sample (Coffee identification number C01.I01.P01.S124.02/sequential number 273 and C01.I01.P01.S32.02/sequential number 65) concern the modification of pre-existing concession contracts of services by municipalities. According to the national legal framework, the amendment of existing concession contracts is not considered a new awarding procedure (Article 131 of Law 9/2017, of 8 November, on public procurement). For these two projects, the evidence submitted by Spain is the publication of the notice of the approval of the amendment of the concession contract broadening the scope of the existing contract, instead of the publication of the award of the projects as provided for in the Council Implementing Decision. Whilst this constitute a minimal substantive deviation from the requirement of the Council Implementing Decision, the amendment of the concession contracts is to be considered equivalent to the outcome of a new public procurement process for the purpose of achieving the objective of the target. In particular, the evidence provided by Spain proves that the amounts of funds without VAT indicated in the spreadsheet (namely EUR 1 828 000 for the project with Coffee identification number C01.I01.P01.S124.02/sequential number 273 and EUR 1 330 000 for the project with Coffee identification number C01.I01.P01.S32.02/sequential number 65) have been allocated to these

projects to carry out actions which fully satisfy the requirements of the Council Implementing Decision regarding both the scope of the actions financed as well as the criteria for the climate coefficient attached to the actions financed. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

The Council Implementing Decision also required that the award linked to each project or subsidy under the target is published on the official journal or the public procurement platform. The evidence submitted by Spain confirmed that the notice of the approval of the amendment of the existing contract for project with coffee identification number C01.I01.P01.S124.02/sequential number 273 was published on the public procurement platform. For the project with Coffee identification number C01.I01.P01.S32.02/sequential number 65, amounting to EUR 1 330 000 as indicated in the spreadsheet, the notice of the approval for the amendment of the existing contract was published on the transparency portal on the website of the municipality. Spain has explained that, in line with the national applicable legislation, this document did not need to be published in the Official Journal or in the public procurement platform. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the decision by the local government to amend the concession contract was instead made available on the municipality's transparency portal on its official website, in compliance with the requisites of transparency of national legislation. Consequently, the publication on the transparency platform of the amendment of the concession contract is to be considered in line with national procedures and equivalent to the outcome of publishing in the procurement platform or official journal of a new public procurement process for the purpose of achieving the objective of the target. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

**Projects promoting sustainable mobility in municipalities with more than 50 000 inhabitants and capitals in the province and, under certain conditions, may also be allocated to municipalities of between 20 000 and 50 000 inhabitants. Furthermore, in accordance with the further specifications of the operational arrangements, this aid shall be allocated to municipalities with more than 50 000 inhabitants and, under certain conditions, may also be allocated to municipalities of between 20 000 and 50 000 inhabitants.**

Article 2 of Order 892/2021 '*Objeto de la subvención*' explains that the purpose of the aid programme is to subsidise actions contributing to the achievement of specific objectives which aims to achieving an improvement of the air quality and noise reduction in urban environments, boosting the decarbonisation of urban mobility through various measures addressing the fabric of the city and its infrastructure, as well as the optimisation of urban and metropolitan transport. Among the specific objectives to which this aid programme contributes to, Article 2 specifically refers to "*promoting a modal shift in urban and metropolitan areas towards more sustainable modes of transport, prioritising collective public transport and active mobility to contribute to environmental and health improvement objectives*". This confirms that the projects supported by the Order are aimed at promoting sustainable mobility actions.

Article 6 '*Beneficiarios*' of Order 892/2021 establishes the eligibility requirements for beneficiaries to receive funding under the target, limiting the scope of the actions only to municipalities (i.e. local authorities): a) that are capital of province, b) with more than 50 000 inhabitants, according to latest population figures declared official by the Government, c) with more than 20 000 inhabitants, according to the latest population figures declared official by the Government, in which they have an

urban public transport service, and have a Sustainable Mobility Plan in force and approved on the date of submission of your application, in line with the requirements in the CID. Article 6 of Order 892/2021 outlines two more categories of beneficiaries: i) Supramunicipal local authorities grouping several municipalities, established by legal regulations and entrusted with responsibility for collective urban public transport, provided that all or part of the grouped municipalities are municipalities included in the abovementioned points a), b) or c); and ii) Groupings of municipalities established in accordance with Article 11.3 of the General Subsidies Act and Article 67 of Royal Decree-Law 36/2020 of 30 December, provided that all the members of the grouping are municipalities included in the abovementioned points a), b) or c). Therefore, the projects implemented by supra-municipal local authorities and groupings of municipalities, since they always cover municipalities under groups a), b) and c) as per Article 6 of the Order 892/2021, will promote sustainable mobility in municipalities that are capital of province, with more than 50 000 inhabitants, or with more than 20 000 inhabitants, which have an urban public transport service, and have a Sustainable Mobility Plan in force and approved on the date of submission of your application, in line with the requirements of the CID.

The milestone in the Council Implementation is further specified in the Operational Arrangements, which requires projects to contribute to promoting sustainable mobility in urban and metropolitan areas developed by the local authorities and shall be allocated in urban and metropolitan areas with more than 50.000 inhabitants and under certain conditions, to the urban areas between 20.000 and 50.000 inhabitants. These certain conditions are the following a) have public transport service in place and b) a Sustainable Urban Mobility Plan (SUMP) approved, or conditions other than those at points a) and b) that could be established to achieve the aim of the line of investments. As described above, Article 2 of Order 892/2021 confirms that the projects contribute to promoting sustainable mobility in urban and metropolitan areas, and Article 6 defines the beneficiaries of these projects, in line with the requirements of the Council Implementing Decision and the Operational Arrangements.

**Projects shall support for instances: (a) the conversion of public transport fleets in order to achieve the objectives of the Clean Vehicles Directive and in compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01); (b) the implementation and management of low emissions zones (LEZs); (c) the digitalisation of public transport, its administration management and the improvement of its accessibility; (d) measures to incentivise and prioritise collective transport and active mobility. Furthermore, in accordance with the further specifications of the operational arrangements, projects contribute to promote sustainable mobility supporting for instances the typologies at point from a) to d) (of the description of the target in the CID).**

The section of the Order 892/2021 ‘*Exposicion de motivos*’ sets out the lines of actions eligible to be financed by municipalities under the target. These include a) actions for the implementation of Low Emission Zones that include the set of investments required for their implementation; b) measures aimed at the digital and sustainable transformation of public transport and the promotion of healthy mobility; c) actions for the transformation of public transport fleets in order to contribute to the achievement of the objectives of the Clean Vehicles Directive; d) digitalization actions that result in greater efficiency in traffic and transport management and demand management, as well as in the analysis of information.

Articles 2(1) ‘*Objeto de la subvención*’ and Article 34 (a) to (d) ‘*Lista de actuaciones financiadas*’ of Order 892/2021 specify the list of actions and corresponding specific measures eligible for financing under the target, in line with the requirements in the CID at points (a) to (d). Specifically, eligible actions shall aim at:



- (a) accelerating the implementation of Low Emission Zones (LEZs);
- (b) promoting modal shift in urban and metropolitan environments towards more sustainable modes of transport, prioritizing collective public transport and active mobility to contribute to environmental and health improvement objectives;
- (c) promoting the transformation of public passenger and freight transport towards a zero-emission activity by improving the accessibility of the system.
- (d) digitizing the activity of public transport services, resulting in greater efficiency of the system, better accessibility and advantages for the public transport user

Article 34 (c)(16) of Order 892/2021 provides the categories of vehicles eligible under projects involving the acquisition of buses for public transport fleets, in compliance with the 'Do not significant harm' technical guidance (2021/C58/01):

- Purchase of electric buses.
- Acquisition of hydrogen-powered buses.
- Purchase of heavy goods vehicles of categories N2, N3 electric or powered by hydrogen for the provision of the municipal public service urban waste and cleaning.

Moreover, Article 5(2)(a) of Order 892/2021 '*Requisitos de las actuaciones*' establishes that funding under the investment shall not be granted to actions that do not ensure full compliance with the principle of Do No Significant Harm principle or which do not contribute to climate change objectives (climate coefficient), at all stages of project design and implementation and individually for each action, and according to the technical guide on the application of the Do Not Significant Harm principle technical guidance (2021/C 58/01).

The target in the Council Implementation is further specified in the Operational Arrangements, which requires projects to support for instances the typologies at point from a) to d). This requirement is to be considered fulfilled by the provisions contained in Article 2 and Article 34 of the Order 892/2021, in line with the justifications described above.

**Selection criteria shall ensure that out of the total final budget of EUR 1 500 000 000, at least EUR 310 000 000 contribute to the climate change objectives with a 100 % climate coefficient and at least EUR 1 190 000 000 with a 40 % climate coefficient, in accordance with Annex VI to the Recovery and Resilience Facility Regulation (EU) 2021/241.**

The section of the Order 892/2021 '*Exposicion de motivos*' indicates that the funds allocated as part of this investment programme/target shall contribute to the climate objectives with at least a climate coefficient of 40 % according to their allocation to the field of intervention listed in Annex VI to the Recovery and Resilience Facility Regulation (EU) 2021/241, whilst a part of the funds earmarked under the target, amounting to EUR 310 000 000, shall achieve a climate coefficient of 100%, with funds earmarked mostly to intervention areas 074 (clean urban transport rolling stock), 075 (cycling infrastructure) and 077 (alternative fuels infrastructure).

Article 5(1)(g) of Order 892/2021 '*Requisitos de las actuaciones*' provides that projects under the target shall contribute at least 40 % to the climate objectives of the European Union according to their allocation to the field of intervention listed in Annex VI to the Regulation (EU) 2021/241 establishing the Recovery and Resilience Mechanism. Annex II of the Ministerial Order establishing the list of the final beneficiaries and lines of actions subsidized under the first call for proposals

submitted by the Spanish authorities shows that all projects have a climate coefficient of at least 40% under intervention field 048 (air quality and noise reduction measures) or 100% under intervention fields 074 (clean urban transport rolling stock), 075 (cycling infrastructure) and 077 (alternative fuels infrastructure). With respect to the share of funds that shall be earmarked with a 100% climate coefficient, Annex II of the Ministerial Order also shows that the total contribution of eligible projects presented by municipalities and selected to be awarded under the first call for proposals with a climate coefficient of 100% amounted to EUR 375 700 000, thereby exceeding the reference value (EUR 310 000 000) established in the description of the target in the CID. These projects cover intervention areas 074 (clean urban transport rolling stock), 075 (cycling infrastructure) and 077 (alternative fuels infrastructure).

The checks carried out in Annex II of the Ministerial Order for a sample of 60 units confirmed that all projects in the sample are earmarked with a climate coefficient of either 40% under intervention field 048 (air quality and noise reduction measures) or 100% under intervention field 075 (cycling infrastructure) or 077 (alternative fuels infrastructure) in accordance with Annex VI to the Recovery and Resilience Facility Regulation (EU) 2021/241.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M22	M22 - C2.R3 - Housing Law
<b>Name of the Milestone:</b> Entry into force of the Housing Law, including actions supporting the increase of housing supply in compliance with nearly zero-energy buildings	
<b>Qualitative Indicator:</b> Provision in the Housing Law on the entry into force	<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The aim of this reform is the entry into force of the Housing Law, to achieve a sufficient level of housing for rent at affordable prices and encourage an increase in the supply of affordable and social housing, while avoiding measures that could hinder housing supply in the medium term. It shall include public planning, programming and collaboration instruments in the area of housing, prioritise the rehabilitation and improvement of the existing public and private housing stock and foster the regeneration and renewal of residential environments.</p> <p>Milestone 22 concerns the entry into force of the Housing Law, which shall address planning, programming and collaboration instruments to ensure proper fulfilment of the right to decent and adequate housing. It shall include, as one of the priorities, the rehabilitation of the existing housing stock, as well as the regeneration and renovation of the residential environments. The law shall encourage an increase in the supply of affordable and social housing, ensuring compliance with the requirements currently laid down for nearly zero-energy buildings according to the Basic Energy Saving Document (DB-HE) of the Technical Building Code (CTE).</p> <p>Milestone 22 is the only milestone or target of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>	

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. A copy of Law 12/2023, of 24 May, published in the national Official Journal (*Boletín Oficial del Estado*) No. 124 of 25 May 2023 (hereinafter referred to as “Law 12/2023”).

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the Housing Law**

Law 12/2023 (included in point ii) of the evidence provided) was published in the national Official Journal No. 124 of 25 May 2023 and entered into force on 26 May 2023, as provided by the final ninth provision (“*disposición final novena*”) on entry into force.

**The Housing Law shall address various planning, programming and collaboration instruments to ensure proper fulfilment of the right to decent and adequate housing.**

Chapter II and Chapter III of Law 12/2023 address various planning, programming and collaboration instruments, both introducing new instruments and regulating existing ones. Article 24 of Law 12/2023 provides the legal framework to develop planning and programming instruments, notably the national plans for housing and urban renovation. The national plans for housing and urban renovation include multi-annual planning, which may be linked to subsidy, taxation and regulatory measures, as well as support for the provision of affordable housing through public-private partnerships and other tools. Article 24(5) of Law 12/2023 specifically provides that the national plans for housing and urban renovation will establish programmes to promote the access to the right of decent and adequate housing. The programmes will ensure that at least an emergency solution is provided in case of inadequate, lack or loss of housing. They will also help promote sufficient and adequate housing supply to facilitate access to housing.

Collaboration instruments are covered in the following provisions:

- Article 20 of Law 12/2023, which stipulates that public administrations may conclude collaboration instruments between each other, such as exchange of information and cooperation agreements, to cooperate for the purposes of housing policy;
- Article 21 of Law 12/2023, which establishes cooperation bodies on housing and land;
- Article 22 of Law 12/2023, which establishes the responsibilities for inter-ministerial coordination; and
- Article 25 of Law 12/2023, which addresses public-private cooperation.

Article 2, letter a, of Law 12/2023 establishes that one of purposes of housing policy is to ensure the proper fulfilment of the right to decent and adequate housing. As the collaboration instruments are to be used to further the objectives of housing policy, they also aim to ensure proper fulfilment of the right to decent and adequate housing.

Furthermore, this is also in line with the description of the measure, which requires the measure “**to address the various public planning, programming and collaboration instruments already in place to support the right to decent and adequate housing**”.

The elements mentioned above are also in line with the description of the measure that requires that “**The aim of this reform is to implement, by means of the Housing Law, a first of a kind regulation**

**in Spain, to address the various public planning, programming and collaboration instruments already in place to support the right to decent and adequate housing”.**

**The rehabilitation and improvement of the existing housing stock shall be one of the priorities.**

Article 2 provides as one of the objectives of Law 12/2023 to encourage the rehabilitation and improvement of existing housing, both public and private. This objective is addressed by Article 23(2)a of Law 12/2023 which establishes that the planning and programming of the state administration, when implementing Law 12/2023, shall prioritise “the rehabilitation and improvement of existing housing”. Article 24 of Law 12/2023 provides the legal framework to develop planning and programming instruments, including for rehabilitation. It provides that state plans for housing and rehabilitation, regeneration and urban and rural renewal, in coordination with other state strategies and with other sectoral public policies, will include multi-annual planning, which may be linked to measures relating to financing, taxation, regulation and support for the provision of affordable housing through public-private partnerships to create an affordable housing fund or any other type of housing fund. The state plans for housing, rehabilitation, regeneration and urban and rural renewal shall consist of programmes that will promote and support as a matter of priority actions including in the areas such of maintenance and renovation of residential dwellings, as well as the improvement and renovation of their built environment (Article 24(2) letter b) and measures necessary for the creation, expansion and management of public housing parks, both as a result of new construction and renovation, with the primary focus on addressing the housing needs of vulnerable households Article 24(2) letter c) Among the priority areas to be prioritised by the state plans for housing and rehabilitation, regeneration and urban and rural renewal plans are thus several in which rehabilitation and improvement of the existing housing stock are among the priorities.

Furthermore, this is also in line with the description of the measure, which requires that Law 12/2023 **“shall address the rehabilitation and improvement of the existing housing stock, both public and private”.**

Article 4 of Law 12/2023 specifically provides that measures to improve and renovate the public housing stock and to promote the improvement of living conditions, accessibility, or energy efficiency of residential, public and private buildings, are considered to be services of general interest for the purpose of guiding public investment decisions.

**Regeneration and renovation of the residential environments in which they are located shall be one of the priorities.**

Article 24 of Law 12/2023 provides the legal framework to develop planning and programming instruments, including for regeneration and renovation of the residential environments, namely the state plans for housing and rehabilitation, regeneration and urban and rural renewal plans. As explained above, Article 24(2) letter b establishes that the state plans for housing, rehabilitation, regeneration and urban and rural renewal shall consist of programmes that will promote and support as a matter of priority actions including in the areas such of maintenance and renovation of residential dwellings, as well as the improvement and renovation of their built environment.

Furthermore, in line with the description of the measure, which requires **“regeneration and renewal of the residential environments in which they are located, to improve the quality of life”**; Article 2 about the objectives of the law provides in letter n that measures should identify and prevent, among others, the degradation of the housing stock and the residential environment, to improve the quality of life. In a teleological interpretation of the provisions of the law, the actions taken on the basis of the law are expected to be designed in a way to improve the quality of life. Against this background,

as well as the legal framework to develop planning and programming instruments for regeneration and renovation of the residential environments, the law is expected to improve the quality of life.

**The law shall encourage an increase in the supply of affordable and social housing ensuring compliance with the requirements currently laid down for nearly zero-energy buildings according to the Basic Energy Saving Document (DB-HE) of the Technical Building Code (CTE).**

Law 12/2023 contains provisions aimed at encouraging an increase of affordable and social housing. For instance, the fourth final provision ("*disposicion final cuarta*") of Law 12/2023 modifies the Land and Urban Rehabilitation Law, raising the minimum percentages of new urban development sites to be allocated to protected housing from 30% to 40% in rural areas and from 10% to 20% in urban areas. In accordance with Article 3 letter f, "protected housing" covers two categories: i) social housing and ii) housing subject to price limits in the sale or rent prices, for a specified period of time. The provision therefore encourages an increase in both affordable and social housing.

Article 15 of Law 12/2023 includes an obligation to allocate a minimum of 50% of reserved land for rental housing. Article 15(1)c of Law 12/2023 also establishes that in stressed areas (defined under Article 18 of Law 12/2023), reserved land may only be used for construction of social housing.

In addition, the second final provision of Law 12/2023 ("*disposicion final segunda*") strengthens the existing tax incentive which aims at encouraging owners to offer their dwellings for rent. Whereas previously, Law 35/2006, of 28 November, on Income Tax for Individuals and partial amendment of the laws on Corporation Tax, Income Tax for Non-Residents and on Personal Net Wealth ("Law 35/2006") provided that dwellings offered for rent could benefit of a 60% reduction in the rental yield for the purpose of calculating the income tax, the second final provision of Law 12/2023 provides higher reductions for rent at affordable prices and social houses. More specifically, it modifies Article 23 of Law 35/2006, introducing four categories of reductions:

Article 23(2)(a) of Law 12/2023 provides that the rental yield for the purpose of taxation is reduced by 90%, in case a new rental contract is concluded with a rent 5% lower than that of the previous contract.

Article 23(2)(b) of Law 12/2023 provides that the rental yield for the purpose of taxation is reduced by 70% for new housing contracts that are incorporated into the market and rented to young people (aged 18-35). The same reduction applies to public or non-profit entities that offer their property for social housing.

(Article 23(2)(c) of Law 12/2023 provides that the rental yield for the purpose of taxation is reduced by 60% if renovations were undertaken in the past two years.

Article 23(2)(c) of Law 12/2023 provides that the rental yield for the purpose of taxation is reduced by 50% in all other cases where a dwelling is offered for rent.

Compliance with the requirements currently laid down for nearly zero-energy buildings according to the Basic Energy Saving Document (DB-HE) of the Technical Building Code (CTE) is ensured, as it has been legally required in Spain as of 27 June 2020. Notably, the Technical Building Code established in Royal Decree 314/2006 of 17 March 2015, as amended by Royal Decree 732/2019 of 20 of December, lays down the requirements for nearly zero-energy buildings. The third transitional provision ("*disposicion transitoria tercera*") of Royal Decree 732/2019 of 20 of December provides that these requirements are obligatory as of 27 June 2020 for any new construction works and interventions on existing buildings for which municipal permits are required.

Furthermore, this is also in line with the description of the measure which requires that **“The law shall encourage an increase in the supply of affordable and social housing, ensuring compliance with the requirements currently laid down for nearly zero-energy buildings according to the Basic Energy Saving Document (DB-HE) of the Technical Building Code (CTE)”**.

The above-mentioned provisions of Law 12/2023 that encourage an increase in the supply of affordable and social housing also address the **“achievement of a sufficient level of housing stock for rental property, available at affordable prices”**, in line with the measure description, since they contribute to this objective.

Furthermore, in line with the description of the measure, **“and shall avoid measures that could hinder housing supply in the medium term”**, Law 12/2023 does not appear to hinder housing supply in the medium term. As outlined above, the law contains measures that aim to increase the supply of affordable rental and social housing.

Furthermore, in line with the description of the measure, that **“[t]he objective of this measure is to implement, by means of the Housing Law, a first of a kind regulation in Spain”**, the preamble of Law 12/2023 explains that it is the first Spanish national law governing the right to housing since the adoption of the constitution.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M23	M23 - C2.R4 - Law on the Quality of Architecture and Building Environment and New National Architecture Strategy	
<b>Name of the Milestone:</b> Entry into force of the Law on Quality of Architecture and the Building Environment		
<b>Qualitative Indicator:</b> Provision in the Law on Quality of Architecture and the Building Environment on the entry into force		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The aim of this reform is to declare the quality of architecture and buildings as a public good, to improve the quality of life, promote architecture’s social roots, promote the sustainable development of urban areas and hubs, contribute to economic and social development, and protect and safeguard the cultural and natural heritage. The law also aims to regulate inter-administrative cooperation measures in the field of procurement of architectural, engineering and urban planning projects and works, tools to disseminate good practice and support, training and public-private partnerships and (iii) the promotion of rehabilitation from a comprehensive perspective.</p> <p>Milestone 23 concerns the entry into force of the Law on Quality of Architecture and the Building Environment, which lays down the principle of quality in architecture and built environment, establishing environmental sustainability and the contribution to the achievement of energy efficiency targets as one of the key assessment criteria, and guiding the rehabilitation of the building stock towards an integrated approach.</p> <p>Milestone 23 is the only milestone or target of this reform.</p>		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- i. A copy of Law 9/2022 of 14 June on the Quality of Architecture, published in the national official journal (*Boletín Oficial del Estado*) No. 142 on 15 June 2022.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Adoption and entry into force of the Law on Quality of Architecture and the Building Environment**

Law 9/2022 of 14 June on the Quality of Architecture (included in point ii) of the evidence provided), hereinafter referred to as “Law 9/2022”, was published in the national official journal No. 142 on 15 June 2022 and entered into force on 16 June 2022, in accordance with the seventh final provision (“*disposición final séptima*”) of Law 9/2022 on entry into force.

**Integrated approach to rehabilitation which shall boost the growth of the nearly zero-energy building stock, not only among new buildings but also between existing buildings.**

Article 2(j) of Law 9/2022 (included in point ii) of the evidence provided) establishes that the law aims to increase the number of nearly zero-energy buildings, not only in new buildings, but also through integrated approaches to the renovation of the existing building stock. To this aim, Article 5(1) of Law 9/2022 obliges the public authorities to promote the conditions necessary to ensure that the objectives of Law 9/2022 are fulfilled. Specifically, Article 5 obliges the public authorities to act as role models by planning and incentivising the renovation of the public building stock in accordance with an integrated rehabilitation approach. In order to promote the objectives of the law, as defined in Article 2, Article 5 also obliges the public authorities to take measures such as training of professionals involved in the control of administrative construction processes and raising awareness in society by installing signs on exemplary buildings and handing out awards. These and other measures undertaken on the basis of Article 5 will thus have to be designed to address, among others, the objective to increase the number of nearly zero-energy buildings, not only in new buildings, but also through integrated approaches to the renovation of the existing building stock.

**The law shall lay down the principle of quality in architecture and built environment.**

Article 4 of Law 9/2022 (included in point ii) of the evidence provided) establishes the principle of quality in architecture and built environment, providing that the policies developed by the public authorities in relation to design, planning, forecasting, project management, project execution management, construction, rehabilitation, transformation and preservation of architecture will be based on the principle of quality.

**The law shall establish environmental sustainability and the contribution to the achievement of energy efficiency targets as one of the key assessment criteria.**

Article 4 of Law 9/2022 (included in point ii) of the evidence provided) establishes the principle of quality in architecture and built environment, which requires compliance with specific criteria to be respected under this principle. Among these criteria are the contribution to environmental sustainability, listed under Article 4 letter d, and energy efficiency, listed under Article 4 letter f.

**The law shall guide the necessary rehabilitation of the housing stock towards an integrated approach to rehabilitation.**

Article 5(1) of Law 9/2022 specifies that the public authorities will act as role models and provides that they will promote the principle of quality in architecture for the public building stock by incentivising and planning the renovation of the public building stock in accordance with an integrated renovation approach.

Moreover, in line with the description of the measure, the **Law shall address various initiatives and actions closely linked to the rehabilitation and regeneration programmes in this component of the Spanish recovery and resilience plan. In particular, the law shall regulate: (i) inter-administrative cooperation measures in the field of procurement of architectural, engineering and urban planning projects and works, (ii) tools to disseminate good practice and support, training and public-private partnerships and (iii) the promotion of rehabilitation from a comprehensive perspective.**

Regarding point (i), the second final provision (“*disposicion final segunda*”) of Law 9/2022 (included in point ii) of the evidence provided) introduces a new Article 52a in Royal Decree-Law 36/2020 of 30 December 2015 to authorise joint procurement of the design and execution of the works, when the contract is to be financed with funds from the Recovery, Transformation and Resilience Plan. This ensures that the provision covers all the various initiatives and actions closely linked to the rehabilitation and regeneration programmes in this component of the Spanish recovery and resilience plan, as required in the description of the measure, as they will all be financed with funds from the Recovery, Transformation and Resilience Plan. This provision addresses initiatives and actions linked to the Spanish recovery and resilience plan, notably those under Component 2, by regulating inter-administrative cooperation measures in the field of procurement of architectural, engineering and urban planning projects and works.

Regarding (ii), Article 5(3) of Law 9/2022 provides that public authorities will promote the professionalisation of the various multidisciplinary actors involved in the field of architecture by strengthening training at all levels of education and by enhancing lifelong learning and knowledge transfer. Article 5(5) of Law 9/2022 also provides that training and technical and humanistic knowledge of the various professionals involved in monitoring construction processes from the administrative level will be promoted. Article 5(3) of Law 9/2022 provides that the General State Administration will cooperate with institutions and organisations related to the dissemination of the architecture, in order to create synergies for its knowledge, the economic development of the sector and citizen involvement.

Regarding (iii), as outlined above, Article 5(1) of Law 9/2022 specifies that the public authorities will act as role models and provides that they will promote the principle of quality in architecture for the public building stock by incentivising and planning the renovation of the public building stock in accordance with an integrated renovation approach.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M25	M25 - C2.R6 - Improved funding for renovation actions
<b>Name of the Milestone:</b> Entry into force of the amendments to the Horizontal Property Law to facilitate funding for rehabilitation	



<b>Qualitative Indicator:</b> Provision in the Horizontal Property Law on the entry into force	<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The aim of this reform is to address one of the main impediments to the launching of the renovation activity, namely access to finance on favourable terms. The measure establishes a new Instituto de Crédito Oficial (ICO) guarantee line to partially cover the risk of loans granted by private financial institutions to renovate residential buildings. It also requires the reform of the Horizontal Property Law, to improve access to finance for communities of owners, and encourages the deployment of green finance by financial institutions.</p> <p>Milestone 25 concerns the entry into force of the amendments to Law 49/1960 (Horizontal Property Law), of 21 July, on co-ownership in order to promote the implementation of energy-efficiency renovation and improvements in buildings by communities of owners, and to facilitate access to financing.</p> <p>Milestone 25 is the only milestone or target of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>ii. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;</li> <li>iii. A copy of Royal Decree-Law 19/2021 of 5 October 2020 on urgent measures to boost building renovation activity in the context of the Recovery, Transformation and Resilience Plan, published in the national official journal (<i>Boletín Oficial del Estado</i>) No. 239 of 6 October 2021 (hereinafter referred to as “Royal Decree-Law 19/2021”);</li> <li>iv. A copy of Law 10/2022 of 14 June 2010 on urgent measures to boost building renovation activity in the context of the Recovery, Transformation and Resilience Plan, published in the national official journal (<i>Boletín Oficial del Estado</i>) No. 142 of 15 June 2022 (hereinafter referred to as “Law 10/2022”);</li> <li>v. The Agreement between the Secretariat-General for Urban Agenda and Housing and the Instituto de Crédito Oficial, E.P.E., for the management of guarantees on behalf of the State for the ‘Guarantee line for the Rehabilitation of Residential Buildings’ (<i>Convenio entre la Secretaría General de Agenda Urbana y Vivienda y el Instituto de Crédito Oficial, E.P.E., para la gestión de los avales por cuenta del Estado de la «Línea de avales rehabilitación edificatoria residencial»</i>), published in the national official journal (<i>Boletín Oficial del Estado</i>) No.44 of 21 February 2023, accessible at <a href="https://www.boe.es/diario_boe/txt.php?id=BOE-A-2023-4642">https://www.boe.es/diario_boe/txt.php?id=BOE-A-2023-4642</a>.</li> </ul>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.</p> <p><b>Entry into force of the amendments to Law 49/1960 (Horizontal Property Law), of 21 July, on co-ownership.</b> Law 49/1960 (Horizontal Property Law), of 21 July was amended by Royal Decree-Law 19/2021 (included in point ii) of the evidence provided), which was published in the national official</p>	

journal No. 239 of 6 October 2021 and entered into force on the same day, in accordance with the final third provision (“*disposicion final tercera*”).

Subsequently, Royal Decree-Law 19/2021 was superseded by Law 10/2022 (included in point iii) of the evidence provided), which was published in the national official journal No. 142 of 15 June 2022 and entered into force on 16 June 2022 in accordance with the final third provision.

**Amendments to Law 49/1960 (Horizontal Property Law), of 21 July, on co-ownership in order to promote the implementation of renovation and improvements in buildings by communities of owners. The objective of the amendment is to facilitate decision-making by the communities of owners to undertake building renovation works that contribute to the improvement of energy efficiency.**

Article 2 of Law 10/2022 amends Law 49/1960 (Horizontal Property Law), of 21 July, by inserting a provision in Article 17(2) of the Horizontal Property Law, which establishes that associations of owners may take decisions by simple majority concerning renovation works that contribute to the improvement of the energy performance of the building, the deployment of commonly used renewable energy sources as well as for the application for aid and financing for its development. Since such decisions were previously subject to a qualified majority regime, the amendment facilitates decision-making by the communities of owners to undertake building renovation works that contribute to the improvement of energy efficiency. Under the Horizontal Property Law, as amended by Article 2 of Law 10/2022, all members of associations of owners are obliged to pay their share for energy efficiency renovations. This provision also facilitates decision-making by the communities of owners to undertake building renovation works that contribute to the improvement of energy efficiency, as it will be easier to finance projects with all members of associations of owners sharing the costs. In comparison, rules on decision-making on many other types of renovations under the Horizontal Property Law are still under a qualified majority regime, with the option for owners to opt out from paying a share under certain conditions (as per Article 17(4)). By granting energy efficiency renovations a special status within the Horizontal Property Law, the measure promotes the implementation of renovation and improvements in buildings.

**Amendments to Law 49/1960 (Horizontal Property Law), of 21 July, on co-ownership in order to promote access to finance. The objective of the amendment is to facilitate access to bank financing.**

Article 2 of Law 10/2022 (included in point iii) of the evidence provided) amends Law 49/1960 (Horizontal Property Law), of 21 July, by inserting provisions in Article 17(2) of the Horizontal Property Law, which establish that communities of owners will decide by simple majority on applications for financial aid, loans and other type of financing concerning works that contribute to the improvement of the energy performance of the building and the deployment of commonly used renewable energy sources. In addition, as explained above, all members of associations of owners are obliged to pay their share for energy efficiency renovations without the possibility to opt out, as was previously possible. Hence, it will be easier to finance projects with all members of associations of owners sharing the costs. This favours the granting of loans by financial institutions on favourable terms. These adopted regulatory provisions therefore improve access to finance, both from the owners themselves, as well as public and private funding sources, communities of owners as required in the description of the measure.

Furthermore, in line with the description of the measure to **establish[es] a new Instituto de Crédito Oficial (ICO) guarantee line to partially cover the risk of loans granted by private financial institutions to renovate residential buildings.**

The new Instituto de Crédito Oficial (ICO) guarantee line was established by the Agreement between the Secretariat-General for Urban Agenda and Housing and the Instituto de Crédito Oficial, for the management of guarantees on behalf of the State for the ‘Guarantee line for the Rehabilitation of Residential Buildings (“the ICO Agreement”)), published in the national official journal No. 44 of 21 February 2023 and entered into force on 23 November 2022 through its publication in the State Electronic Register of State Public Sector Cooperation Bodies and Instruments, as required by stipulation 1(c)(1) of the ICO Agreement.

The first stipulation, letter d, of the Agreement provides that customers of the guarantee line must be owners or associations of owners who will undertake renovation works partially financed by national programmes for energy efficiency renovation under the RRP.

The first stipulation, letter n, provides that the guarantee will cover 50% of the principal amount of each loan entered into by the financial institution with customers within the guarantee line. Thereby, the guarantee line partially covers the risk of loans granted by private financial institutions to renovate residential buildings.

In addition, in line with the description of the measure **to encourage the deployment of green finance by financial institutions.**

The amendments to the Horizontal Property Law via Law 10/2022 and the establishment of the ICO guarantee line via the ICO Agreement as described above promote the uptake of green financing by financial institutions. As explained above, the amendments to the Horizontal Property Law facilitate decision-making and access to finance, which is expected to increase the number of energy efficiency renovations. The ICO Agreement, as explained above, is also expected to partially covers the risk of loans granted by private financial institutions to renovate residential buildings. While the amendments to the Horizontal Property Law are expected to increase the demand for investments of financial institutions in energy efficiency improvement works, the ICO Agreement will facilitate supply of such investments. Both the amendments to the Horizontal Property Law and the ICO Agreement are therefore expected to boost investments of financial institutions in energy efficiency improvement works.

Moreover, Article 3 of Law 10/2022 amends the consolidated text of the Land and Urban Rehabilitation Law to strengthen the powers of associations of owners in lending operations related to building renovation works.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T38	T38 - C2.I6 - Support programme for the development of pilot projects for local action plans of the Spanish Urban Agenda		
<b>Name of the Target:</b> Actions plans under the Spanish Urban Agenda			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 100	<b>Time:</b> Q4 2022
<b>Context:</b>  The measure aims to support local authorities in implementing the ten strategic objectives of the Spanish Urban Agenda through approving at least 100 local action plans. The measure shall serve as a role model and guide for other local authorities in developing their own action plans, thereby			

implementing the Spanish Urban Agenda. Moreover, the support to local authorities for developing their own Local Action Plans shall be awarded through competitive tendering, comprising crosscutting and integrated projects with a strategic vision, and through a governance model that ensures the widest participation.

Target 38 concerns the approval of Local Action Plans by at least 100 municipalities. The actions plans shall be equipped with the criteria set out in the Spanish Urban Agenda and contain an assessment and lines of actions in accordance with its ten strategic objectives.

Target 38 is the only milestone or target of this investment.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. List of municipalities whose Local Action Plan has been approved;
- iii. Copies of the action plans and of the corresponding assessment for 60 units;
- iv. Copies of the corresponding certificate of approval for 60 units.

The authorities also provided:

- v. Order TMA/957/2021 of 7 September approving the regulatory bases for the granting of aid for the development of pilot projects for local action plans under the Spanish Urban Agenda and the call for applications for grants under the competitive tendering procedure, published in the national official journal (*Boletín Oficial del Estado*) No. 219 of 13 September 2021 (hereinafter referred to as “Order TMA/957/2021”) accessible at <https://www.boe.es/eli/es/o/2021/09/07/tma957>;
- vi. Final Decision to grant aid for the development of pilot projects for local action plans under the Spanish Urban Agenda accessible at [https://cdn.mitma.gob.es/portal-web-drupal/sede\\_electronica/subvenciones\\_prtr/resolucion\\_definitiva\\_convocatoria\\_proyectos\\_pi\\_loto\\_aue.pdf](https://cdn.mitma.gob.es/portal-web-drupal/sede_electronica/subvenciones_prtr/resolucion_definitiva_convocatoria_proyectos_pi_loto_aue.pdf)
- vii. Programme of online workshop, 2 February 2022 accessible at [https://cdn.mitma.gob.es/portal-web-drupal/AUE/doc/programa\\_con\\_ponencias\\_taller\\_aue\\_planes\\_de\\_accion.pdf](https://cdn.mitma.gob.es/portal-web-drupal/AUE/doc/programa_con_ponencias_taller_aue_planes_de_accion.pdf)
- viii. Programme of Urban Forum of Spain, Granada, 16-17 October 2023 accessible at <https://forurbanoespana.es/>

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**At least 100 municipalities shall have their Local Action Plan (City Strategy) approved.**

At least 116 municipalities had their Local Action Plan approved (list of municipalities and provinces included in point ii) of the evidence provided). The evidence provided for a sample of 60 units confirmed that all Local Action Plans in the sample (included in point iii) of the evidence provided) were

accompanied by a certificate of approval (included in point iv) of the evidence provided). In some cases, a Local Action Plan was adopted at the level of the province instead of separate Local Action Plans for each municipality within the province.

**The Local Action Plan (City Strategy) shall be equipped with the criteria set out in the Spanish Urban Agenda, comprising an assessment and lines of actions in accordance with its ten strategic objectives.**

The evidence provided for a sample of 60 units confirmed that the Local Action Plans were equipped with the criteria set out in the Spanish Urban Agenda, comprising an assessment and lines of actions in accordance with its 10 strategic objectives as outlined in the description of the measure. More specifically, each Local Action Plans in the sample comprises an assessment in accordance with the ten strategic objectives of the Spanish Urban Agenda. Based on this assessment, each Local Action Plans comprises lines of action in accordance with the strategic objectives. In line with the wording of the original plan as submitted by Spain, the lines of action do not necessarily cover each of the ten strategic objectives, depending on the outcome of the assessment.

Furthermore, this is in line with the description of the measure that **“the measure shall [...] (ii) implement the Spanish Urban Agenda with action plans at local level”**.

In line with the description of the measure, **the measure shall [...] iii) implement concrete projects as part of the local action plans to highlight the potential of the Spanish Urban Agenda.**

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the measure description of investment 6 and has undertaken the assessment on a revised basis. In such description, it is stated that the measure shall implement concrete projects as part of the local action plans to highlight the potential of the Spanish Urban Agenda.

However, the description of the measure in the plan initially submitted by Spain clearly indicated that the action plans as such are the deliverable of the investment. Also, Spain provided information concerning the costs of the measure that only cover costs for the elaboration of the action plans via workshops and the set-up of a website. Spain did not submit information concerning the costs of concrete projects to be implemented as part of the local action plans. This is why only approval of the action plans has been established as a requirement of the milestone and is now subject to the Commission’s assessment. As explained above, the milestone requiring that at least 100 municipalities have their action plans approved has been fulfilled. Against this background, the justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the milestone.

Furthermore, in line with the description of the measure, the support is **awarded through competitive tendering.**

The local authorities who received support for their Local Action Plans were selected through a competitive call for tender, published as Order TMA/957/2021 in the national official journal (Boletín Oficial del Estado) No. 219 of 13 September 2021 (included in point v) of the evidence provided). Article 6 of Order TMA/957/2021 establishes the selection and evaluation criteria to be used to rank and select beneficiaries. Eligible applicants were ranked according to these criteria and the highest ranked selected and published in the Final Decision to grant aid for the development of pilot projects for Local Action Plans under the Spanish Urban Agenda (included in point vi) of the evidence provided).

Furthermore, in line with the description of the measure, the support shall **comprise in particular crosscutting and integrated projects with a strategic vision.**

Article 1(1) of Order TMA/957/2021 provides that the purpose of the support is to finance the development of pilot projects for local action plans under the Spanish Urban Agenda aligned with the objectives, working methodology and the cross-cutting, strategic and integrated approach proposed by the Spanish Urban Agenda.

The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met. Each of the 60 Local Action Plans sampled included crosscutting and integrated projects with a strategic vision.

Furthermore, in line with the description of the measure, the support is awarded through **a governance model that ensures the widest participation.**

As outlined in the preamble, point V, of Order TMA/957/2021, the design of the support awarded to local authorities has been public and shared in numerous workshops and seminars organised jointly with the Spanish Federation of Municipalities and Provinces.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M41	M41 - C3.R2 - Development and review of the regulatory framework for the environmental sustainability of livestock farming	
<b>Name of the Milestone:</b> Entry into force of the regulatory framework to develop a general register of Best Available Techniques on farms to inform on pollutant and GHG emissions, and reform the planning legislation with criteria on farms across sectors		
<b>Qualitative Indicator:</b> Provision of the regulatory framework on the entry into force		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The measure aims to improve the environmental sustainability of livestock farming by developing and revising the legislative framework to i) develop a general register of Best Available Techniques (BATs) to facilitate the calculation of polluting and greenhouse gas (GHG) emissions in farms; and ii) gradually revising the planning legislation in the livestock sectors. The measure also aims at iii) Improving the biosecurity of livestock transport in relation to transmissible animal diseases; and iv) Regulating the use of antibiotics in species of livestock interest.</p> <p>Milestone 41 concerns the entry into force of the regulatory framework to develop a general register of BATs on farms to inform on pollutant and GHG emissions, and reform the planning legislation with criteria on farms across sectors.</p> <p>Milestone 41 is the first step of the implementation of the reform, and it will be followed by milestone 422, related to the entry into force of a Royal Decree to improve the biosecurity of livestock transport and of a Royal Decree on the sustainable use of antibiotics in species of livestock interest. The reform has a final expected date for implementation in June 2024.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>		

- i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled
- ii. Annex 1: Royal Decree 988/2022 of 29 November, regulating the General Register of Best Available Techniques, published in the Official Journal (*Boletín Oficial del Estado*) No. 287 of 30 November 2022 (<https://www.boe.es/eli/es/rd/2022/11/29/988/con>)
- iii. Annex 2: Link to the General Register of Best Available Techniques (ECOGAN IT system) (<https://www.mapa.gob.es/es/ganaderia/temas/ganaderia-y-medio-ambiente/calculo-emissions/default.aspx>)
- iv. Annex 3 Royal Decree 306/2020 of 11 February laying down basic rules for the management of intensive pig farms and amending the basic rules governing extensive pig holdings published in the Official Journal (*Boletín Oficial del Estado*) No. 38 of 13 February 2020 (<https://www.boe.es/eli/es/rd/2020/02/11/306/>)
- v. Annex 4 Royal Decree 637/2021 of 27 July laying down basic rules for governing poultry farms, published in the Official Journal (*Boletín Oficial del Estado*) No. 179 of 28 July 2021 (<https://www.boe.es/eli/es/rd/2021/07/27/637/>)
- vi. Annex 5 Technical specifications on the updating and further development of ECOGAN IT system
- vii. Annex 6: Notice of commencement of the ECOGAN assignment 2022-25

The authorities also provided:

- viii. Annex 7: Minutes of Final Reception of ECOGAN Assignment 2019-22.
- ix. Annex 8: Minutes of the final reception of ECOGAN assignment 2015-16
- x. Annex 9: Technical specifications of the assignment for the environmental characterization of Spanish livestock farming. Years 2019-2022.
- xi. Annex 10: Technical specifications of the assignment for the environmental characterization of Spanish livestock farming. Years 2015-16.

#### **Analysis:**

The justification and substantiating evidence provided by the Spain authorities covers all constitutive elements of the milestone.

#### **Entry into force of the regulatory framework to develop a general register of Best Available Techniques on farms to inform on pollutant and GHG emissions.**

Royal Decree 988/2022 of 29 November (Annex 1), regulating the General Register of Best Available Techniques was published in the national Official Journal (*Boletín Oficial del Estado*) on 30 November 2022 and entered into force on 2 January 2023 as stated in the sixth final provision.

#### **The regulatory framework for the development of the general register of Best Available Techniques shall facilitate calculations of polluting and greenhouse gas emissions in pig and poultry farms, as well as the recording of other environmental data.**

As stated in Article 1 of Royal Decree 988/2022 (Annex 1 of the evidence provided), the objective of the royal decree is to, among other, regulate the General Register of Best Available Techniques and establish a harmonised collection, calculation and transmission procedure of data on Best Available Techniques ensuring their quality, homogeneity and comparability, through a computerised system called ECOGAN (Link in Annex 2 of the evidence provided). Additionally, Article 1 states that this Royal Decree shall apply to holdings of all livestock species subject to the requirement to apply and notify Best Available Techniques in national or Union law, which includes pig and poultry farms.

Article 7 explains how the ECOGAN IT system works, in particular:

- Article 7.2 states that the ECOGAN IT system shall calculate the polluting emissions from the holding and the percentage reductions compared to the reference technique for the purposes of compliance with national legislation or applicable EU legislation, on the basis of the reporting of Annex I data for BATs reporting, and on the basis of recognised international protocols.
- Article 7.3 establishes that the polluting greenhouse gas emissions to be calculated by the ECOGAN IT system are: Gas nitrogen (N<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), nitrogen oxides (NO<sub>x</sub>), ammonia (NH<sub>3</sub>), methane (CH<sub>4</sub>). ECOGAN shall also calculate the total nitrogen and phosphorus excreted from the farm, therefore recording other environmental data.

Finally, Annex I to Royal Decree 988/2022 states the Minimum data contained in the General Register of Best Available Technologies on holdings applied on the holding. Section 1 of this Annex refers to the minimum data to be reported for pig holdings and section 2 for poultry holdings.

Therefore, in line with the description of the measure and milestone, Royal Decree 988/2022 **develops a general register of Best Available Techniques (BATs) to facilitate calculations of polluting and greenhouse gas (GHG) emissions in pig and poultry farms, as well as the covering of other environmental data**, as stated in article 7.3.

Additionally, in line with the measure description, article 9 of the Royal Decree 988/2022 **provides a better assessment of livestock farmers' compliance with GHG and pollutant emission commitments** through the establishment of a coordination and follow-up of the application of the general register for Best Available Techniques committee. This committee analyses the compliance with the BAT requirements through the ECOGAN IT system and act accordingly if needed. Also, this committee promotes the use of BATs through seminars and training sessions. The ECOGAN IT system is already in place (Annex 7 of the evidence provided), and the upgrade to include additional developments in the system is ongoing (Annex 5 and 6).

**The gradual revision of planning legislation in the livestock sectors shall regulate requirements of location, size, sanitary conditions and infrastructures in farms, modifying the requirements for pigs farms, and creating a new regulatory framework for the poultry sector.**

First, the entry into force of the **gradual revision of planning legislation in the livestock sectors**:

- Royal Decree 306/2020 (Annex 3 of the evidence provided) of 11 February, on the amendment to the requirements for the pig sector was published in the national Official Journal (*Boletín Oficial del Estado*) on 13 February 2020 and entered into force on 14 February 2020, the day after its publication in the Official Journal, as stated in the fourth final provision, with the exception of:
  - the training requirements set out in Article 4 (4), which entered into force on 1 January 2022.
  - the biosecurity, infrastructure, equipment and management requirements laid down in Article 5, which entered into force from 1 January 2024, for existing holdings only.
  - The obligation to have a comprehensive pigs farm management system referred to in Article 6, which entered into force on 1 January 2022.
  - Emissions reduction requirements for existing farms as established in Article 10 (2), which entered into force from 1 January 2023, provided that the measures entail a structural change in the holding.
  - Without prejudice to Article 10 (1) and (2), the requirements concerning the communication of Best Available Techniques established by Article 10 (3) as well as the requirements for recording and accounting for pollutant emissions and best



available techniques laid down in Article 11, entered into force on 1 January 2022. This is in line with the measure description **requiring the implementation of general register of BATs for pig and poultry farms by 31 December 2023**

- the annual report referred to in Article 11 (5), to be issued for the first time before 30 June 2022.
- Paragraph 1 of the first final provision, which entered into force one year after the publication of this Royal Decree in the Official Journal
- Royal Decree 637/2021 of 27 July (Annex 4 of the evidence provided), laying down basic rules for the management of poultry farms, was published in the national Official Journal (*Boletín Oficial del Estado*) on 28 July 2021 and entered into force on 29 July 2021, the day after its publication in the Official Journal, as stated in the seventh final provision, with the exception of:
  - The training requirements set out in Article 4(2) entered into force as from 1 January 2023, without prejudice to the training requirements laid down in the Royal Decree Royal Decree 692/2010 of 20 May 2010 and Royal Decree 1084/2005 of 16 September 2005.
  - For existing holdings only, the requirements on biosecurity, hygiene, infrastructure, equipment and management and hygiene and sanitary conditions laid down in Articles 5 and 6 entered into force from 1 January 2024. By way of derogation from the single derogatory provision, meat poultry holdings shall comply with the requirements in this regard laid down in Royal Decree 1084/2005 of 16 September 2005 until such entry into force.
  - For any poultry farm, including those already existing before the entry into force of this Royal Decree, the obligation to have an Integrated Management System for Poultry Farms established in Article 9 entered into force from 1 July 2022.
  - Article 11 entered into force three months after the publication of this Royal Decree.
  - the emission reduction requirements for existing plants set out in Article 12(1) entered into force from 1 January 2024, provided that they involve a structural change to the plant, or from 1 June 2023 if they do not involve such a structural change.
  - The communication of the Best Available Techniques (BAT) provided for in Article 13(3), as well as the requirements for the recording and accounting of emissions and Best Available Techniques laid down in Article 13, shall (have) enter(ed) into force in accordance with the following deadlines, independently of other obligations of the operators of the installation for the purposes of the Spanish legislation:
    - In the case of broilers (poultry), on 1 October 2023, the first notification must be made before 1 December 2023.
    - In the case of laying hens, 1 January 2024.
    - In the case of turkeys on 1 January 2026

The communications on BAT shall be valid for the declarations made in 2024 for the purposes referred to in Article 19 (d) of the Royal Decree and Article 5 (3) of Royal Decree 988/2022 of 29 November regulating the General Register of Best Available Techniques on Holdings and the support for calculating, monitoring and reporting emissions in livestock farming, and amending various agricultural legislation.

- Article 16(4) entered into force on 1 January 2023.

Both legislative provisions have been published by the end of 2022 in line with the measure description. The Council Implementing Decision required that the application of the revised planning legislation is carried out progressively within approximately two years of its publication, for pig and poultry farms. As explained above, this has been the case for pigs and for broilers and laying hens.

For turkeys, the communication of the Best Available Techniques (BAT) provided for in Article 13(3) of Royal Decree 637/2021 of 27 July (Annex 4 of the evidence provided), is not required until 1 January 2026. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of this law and the actual application of the provisions is considered both limited and proportional, notably taking into consideration the lack of updated data to establish the BAT benchmarks. The delay in the application of the BAT requirements beyond the approximate two years ensure that benchmarks are established based on updated and accurate data. Moreover, the Royal Decree has already entered into force, and it contains a specific timeline for the implementation communication on BAT from 1 January 2026. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Second, **the gradual revision of planning legislation in the livestock sectors regulates the requirements of location, size, sanitary conditions and infrastructures in farms**, as well as the **distance, biosecurity and the environmental and animal welfare infrastructure requirements** set out in the measure description:

Royal Decrees 306/2020 and 637/2021 define the legal framework for the management of the pig and poultry sectors, respectively, including the development of the basic standards for animal and health management, in line with the requirements for distance, biosecurity, location, size, infrastructure and health conditions on farms. Specifically:

- **Modifying the requirements for pigs farms**

Article 7 of Royal Decree 306/2020 regulates the requirements **regarding location and environmental and sanitary separation**. The minimum distances are set out in Annex V.

Article 5 sets the **biosecurity, infrastructure, equipment and management** conditions for pig holdings

Article 4 states the responsibilities regarding **training, biosecurity, hygiene, animal wellbeing and health**.

Article 3 sets the classification of pig holding in relation to its **size**, meaning their production capacity expressed in larger livestock unit (LLU):

- i) Reduced operation: those with a maximum capacity of 5,1 LLU.
- ii) Group one: holdings with capacity up to 120 LLU.
- iii) Group 2: holdings with a capacity of more than 120 LLU and up to 480 LLU.
- iv) Group 3: holdings with a capacity of more than 480 LLU and up to 720 LLU.

- **Creating a new regulatory framework for the poultry sector**

Article 8 of Royal Decree 637/2021 of 27 July regulates the requirements on **location, distances and health and environmental conditions**.

Article 6 regulates the **hygiene, health and biosecurity** conditions of poultry holdings.

Article 5 regulates the **infrastructure and equipment requirements**.

Article 4 states the responsibilities regarding **training, biosecurity, hygiene, animal wellbeing and health**.

Article 3 and Annexes I and II define the classification of the poultry exploitation by **size** and type of animal.

Furthermore, in line with the description of the measure, **the legislation establishes individual sectoral emission reduction commitments, laying down requirements according to their contribution to the generation of the pollutants, in application of the principle of proportionality:**

- Article 10 of Royal Decree 306/2020 of 11 February establishes the requirement to adopt the improvements in the holding with the objective to reduce emissions by at least 30% or 40% depending on the technique used to ensure proportionality. Article 9 lays down measures to reduce pollution from manure management.

- Article 12 of Royal Decree 637/2021 of 27 July establishes the emission reduction requirements for the different poultry holdings to ensure proportionality. The exact list is in Annex IX. Article 22 lays down measures to reduce pollution from manure management.
- In addition, Article 7 of Royal Decree 988/2022 of 29 November provides for compliance with greenhouse gas and pollutant emission commitments through the ECOGAN IT application. In particular, the ECOGAN computerised system shall calculate the emissions from the holding and the percentage reductions compared to the reference technique for the purposes of compliance with national legislation or applicable EU legislation, on the basis of the communication of Annex I data for BATs reporting, and on the basis of recognised international protocols. Paragraph 3 of Article 7 also provides that the emissions for which ECOGAN is to carry out its calculations are nitrogen gas (N<sub>2</sub>), nitrous oxide (N<sub>2</sub>O), nitrogen oxides (NO<sub>x</sub>), ammonia (NH<sub>3</sub>), methane (CH<sub>4</sub>), in addition to discharges into nitrogen and total phosphorus, thus satisfying the need to record other environmental data in order to reduce pollution from livestock farming and thereby improve environmental sustainability.
- Annex I to Royal Decree 988/2022 contains the minimum information contained in the General Register of BATs in holdings for both pig and poultry. In this respect, the requested information includes:
  - Of the holding as a whole
  - The environmental characteristics of the holding
  - Production data and food
  - Storage and management of slurry and solid manure from housing – Consumption and use of energy, water and wastewater management.
- The evolution of emissions in each of the livestock sectors on the basis of the information recorded in ECOGAN in Annex I to Royal Decree 988/2022 of 29 November shall be published in an annual report by MAPA's Directorate-General for Agricultural Production and Markets in accordance with Article 10 of the aforementioned Royal Decree.

In line with the description of the measure, **the legislative provisions for pig and poultry farms anticipate that the implementation of the general register of BATs have been operational by 31 December 2023.** In particular:

For pig farms:

- Article 11 of Royal Decree 306/2020 established the requirement to use ECOGAN as means to register the BATs.
- Annex 2 of the evidence provided is the link to the General Register of BATs. The webpage contains the annual reports on BATs in the pig sector for 2021 and 2022, proving that the general register of BAT is operational by end-2023.

For poultry farms:

- Article 13 of Royal Decree 637/2021 established the requirement to use ECOGAN as means to register the BATs.
- Annex 2 of the evidence provided is the link to the General Register of BATs. The webpage includes a link to register the BATs implemented in poultry holding during 2022, in view of a communication by 30 November 2023, proving that the general register of BAT is operational by end-2023.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M43	M43 - C3.R4 - Boosting the governance and sustainable management of Spanish irrigation
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**Name of the Milestone:** Entry into force of the Royal Decree for a governance mechanism to improve the Spanish irrigation system

**Qualitative Indicator:** Provision of the Royal Decree on the entry into force

**Time:** Q4 2022

**Context:**

The objective of this reform is to establish a governance mechanism at national level to allow all sectors and levels of public authorities concerned to cooperate on irrigation. The measure shall also set up an observatory on the sustainability of irrigation to provide data on the economic, social and environmental impacts of irrigation on the territory.

Milestone 43 requires the entry into force of the Royal Decree for a governance mechanism to improve the Spanish irrigation system, so that affected sectors can cooperate in key aspects such as sustainability, execution criteria and regulations. It is also intended to create an observatory of sustainable irrigation in Spain.

Milestone 43 is the only milestone or target of this reform.

Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Spain will set up an observatory on the sustainability of irrigation to provide data on the economic, social and environmental impacts of irrigation on the territory. This is a further step of this reform that is not linked to the milestones and targets in the Council Implementing Decision.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. Annex I Royal Decree 845/2022 of 11 October, establishing the National Irrigation Board and the Irrigation Sustainability Observatory, published in the national Official Journal (*Boletín Oficial del Estado*) No. 245 of 12 October 2022.  
(<https://www.boe.es/eli/es/rd/2022/10/11/854> )

The authorities also provided:

- i. Annex II: Convening of the plenary session of the National Irrigation Board
- ii. Annex III: Press release on the first plenary session of the National Irrigation Board
- iii. Annex IV: Commissioning for the design and initial implementation of the Observatory for the Sustainability of Irrigation

**Analysis:**

The justification and substantiating evidence provided by Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the Royal Decree for a governance mechanism to improve the Spanish irrigation system.**

Royal Decree 854/2022 of 11 October 2022 published in the national Official Journal (*Boletín Oficial del Estado*) on 12 October 2022 (Annex I in the list of evidence provided above) establishing the National Irrigation Board and the Irrigation Sustainability Observatory, entered into force on 13 October 2022, the day after its publication in the national Official Journal (*Boletín Oficial del Estado*) as stated in the third final provision.

**The Royal Decree shall establish a governance mechanism at the national level so that the affected sectors can cooperate in aspects related to Spanish irrigation, such as sustainability, execution criteria, regulations:**

- Article 1 of the Royal Decree 854/2022 (Annex I in the list of evidence provided above) sets the purpose of the Royal Decree, which is the creation and regulation of the National Irrigation Board and the Observatory for the Sustainability of Irrigation.
- Article 2 sets up the National Irrigation Board, attached to the Directorate-General for Rural Development, Innovation and Agri-Food Training of the Ministry of Agriculture, Fisheries and Food. This article sets the aim of the National Irrigation Board, which is to promote and facilitate cooperation, consultation, analysis and exchange of information between the competent authorities of the General State Administration and the Autonomous Communities on irrigation and water management, as well as other stakeholders, in order to facilitate the governance and efficient development of irrigation policy in Spain, taking particular account of the environmental requirements applicable. As part of the consultation, analysis and exchange of information process between authorities, the National Irrigation Board can request new legislation or amendments to existing legislation, contributing to the execution criteria of the irrigation regulatory framework.
- Article 3 sets the functions of the National Irrigation Board, such as to act as a forum for communication, analysis and discussion of the economic, social and environmental sustainability aspects of irrigation in Spain. The other functions described in this article are aimed at supporting sustainability: increase energy efficiency in water saving and digitalisation of irrigation, the reclaimed water system, boost training and dissemination of good farming practices, improve coordination with other policies, etc. Function e) is aimed at providing information and advice on aspects of the policies or regulations developed by the European Union that have an impact on irrigation policy. Other functions consist of the collection of data, development of technical reports, in particular on water scarcity, and sharing of best practices in terms of irrigation.

**The Royal Decree is also intended to create an observatory of sustainable irrigation in Spain.**

- Article 6 of Royal Decree 854/2022 (Annex I in the list of evidence provided above) establishes the creation of an Observatory for Sustainability of Irrigation as an online platform for knowledge and technological support to the irrigated agriculture sector and as an information platform of the National Irrigation Board. The same article states that the main purpose of the Observatory is to provide information on the evolution of the main indicators relating to the economic, social and environmental sustainability of irrigated agriculture in Spain, in order to contribute to the transparency and trust of society in general in this sector.
- The Observatory for Sustainability of Irrigation is under design. The Observatory is an online platform that is being developed (IV of the evidence provided). The platform is intended to be in place by mid-2024.

Furthermore, in line with the description of the measure, **the governance mechanism allows all sectors and levels of public authorities concerned to cooperate on irrigation, in particular on environmental sustainability, implementation criteria and aspects related to the applicable legislation.**

Besides the explanations provided by articles 1, 2 and 3 of Royal Decree 854/2022 of 11 October 2022 above, Spain has provided as Annex II in the list of evidence above the convening of the plenary session establishing the National Irrigation Board which took place on 15 December 2022 and as

Annex III in the list of evidence the press release after the first plenary session of the National Irrigation Board. These annexes prove the operationalisation of the National Irrigation Board.

Furthermore, in line with the description of the measure, **the observatory on the sustainability of irrigation in Spain provides data on the economic, social and environmental impact of irrigation on the territory:**

- Article 7 of Royal Decree 854/2022 (Annex I in the list of evidence provided above) includes a non-exhaustive list of functions of the Observatory such as:
  - Publication of data and statistics of interest to the irrigation sector.
  - Publication of studies or reports on the state of irrigation in all its fields: technical, economic, social and technical, economic, social and environmental aspects.
  - Dissemination of R&D&I activities in the field of irrigation.
  - Compilation of information to create a framework of knowledge on the competitiveness and sustainability of irrigation. competitiveness and sustainability of irrigation.
  - Identification and dissemination of the best practices in irrigated agriculture that are carried out in Spain and in the world
  - Identification and dissemination of measures for compliance with the DNSH principle in the implementation and operation of irrigation projects.
  - Publication of objective data on the impact on the territory of irrigation transformation and modernisation works in economic, social and environmental terms.
  - Communication of alternatives, preparation of reports and monitoring with a view to improving and modernising irrigation, increasing water and energy efficiency, the use of renewable energies, in particular self-consumption of electricity, and prioritising investments in sustainable irrigation using non-conventional water.
  - Dissemination of the role of irrigation in food production and development of rural areas.
  - Publication of a periodic public report on irrigated agriculture in Spain, showing the evolution of a series of previously established indicators.
  - Publication of any other specific reports made at the request of the National Irrigation Board, in its different forms, or provided by it.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M44	M44 - C3.R5 - Implementation of the Action Plan II of the Strategy for Digitising the Agri-Food and Rural Areas	
<b>Name of the Milestone:</b> Adoption of the second action plan of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas		
<b>Qualitative Indicator:</b> Publication on webpage of Ministry of Agriculture		<b>Time:</b> Q4 2022
<b>Context:</b>  The measure aims to continue the implementation of the Spanish Strategy for the Digitalisation for the Agri-food and Rural areas through a second action plan that responds to the strategy's three basic objectives: i) reducing the digital divide; ii) promoting the use of data; and iii) boosting business development and new business models.		

Milestone 44 concerns the adoption of the second action plan of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas to give continuity to the digitalisation strategy in place with the objectives of reducing the digital divide, promoting the use of data, and promoting business development and new business models.

Milestone 44 is the only milestone of this reform.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled.
- ii. Annex I: II Action plan 2021-2023 of the Digitalisation Strategy of the Agri-food Sector and the Rural Area ([iiplanaccion2021-2023\\_tcm30-581202.pdf \(mapa.gob.es\)](#))
- iii. Annex II: Press release by the Ministry of Agriculture, Fisheries and Food, on the publication of the II Action Plan
- iv. Annex III: Press release by Moncloa on the publication of the II Action Plan

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Adoption of the second action plan of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas.**

The II Action Plan 2021-2023 of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas (Annex I of the evidence provided) was adopted on 10 December 2021 and published on the Ministry of Agriculture, Fisheries and Food (MAPA) website ([iiplanaccion2021-2023\\_tcm30-581202.pdf \(mapa.gob.es\)](#)) as stated in the press releases (Annex II and Annex III of the evidence provided) provided by the Spanish authorities.

This is in line with the measure description requirements to design, elaborate and implement the second action plan of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas.

**Give continuity to the digitisation strategy of the agri-food sector and the rural environment.**

The II Action plan foresees the launch of 21 actions with an amount of EUR 64 million for the period 2021-2023 (page 45). The content captures the experience gained in the implementation of the first Action Plan 2019-2020 of the Digitalisation Strategy of the Agri-food Sector and the Rural Area, as explained on pages 9 and 10, and gives continuity to several measures considered to be replicated or extended. These measures are A10 - Mapping of connectivity demands in the territory of the agri-food sector and rural areas; A11- CULTIVA Program (Program for training residences of young farmers on model farms); A12 - Code of Conduct on the exchange of agricultural data; A13 - Monitoring of digital innovations developed by operational groups of the National Rural Development Program; and A14 – Next Generation EU innovation projects: precision agriculture. These measures will allow to continue with the digitisation strategy of the agri-food sector and the rural environment.

Additionally, the II Action plan is supported by a strong budgetary context, which is reflected in the nature of the actions and a larger budget allocation.

The actions of the second Action Plan 2021-2023 have been chosen, as explained on page 8 of the Plan, on the basis of:

- Necessity and timeliness of their implementation as follow-up actions to those implemented in the First Action Plan
- Necessity and timeliness of implementation in the current European and national context
- Feasibility of implementation between 2021 and 2023.

The choice of actions as per the criteria above allows to give continuity and reinforce the digitisation strategy started with the I Action plan.

Furthermore, in line with the description of the measure, **the second action plan shall respond to the strategy's three basic objectives:**

- i) Reducing the digital divide:** The II Action Plan includes two lines of action related to reducing the digital divide:
  - a. Improve connectivity: Action 10 on the continuation of the mapping of connectivity demands in the agri-food sector and rural areas (p. 31) and action 15 on actions on connectivity and 5G deployment in the agri-food and rural sector (p.36)
  - b. Improve capacity building: Action 1 on Competence Centre for Digital training in the Agri-Food Sector (p. 21); Action 2 on a platform to support advisors of the Knowledge and Innovation System in Agriculture (p.22); Action 3 on the digitalization package for SMEs and livestock holdings under the 2014-2022 National Rural Development Programme (p. 23); Action 11 Crop Program on training placement programmes for young farmers on model farms, where digitalization is integrated across the board (p.32)
- ii) Promoting the use of data:** The II Action Plan includes several actions related to the promotion of the use of data:
  - a. Action 5 on the use of MAPA digital tools such as SIAR for irrigation management, SIEX for farm information or Fruktia for the estimation of fruit crops (p. 25-26)
  - b. Action 7 on a Digital innovation Hub for companies in the agri-food sector based on an open-source cloud platform (Fiware technology) which will provide an experimental and collaborative environment to make it easier for businesses to realise technological developments linked to the challenges of the sector (p. 28)
- iii) Promoting business development and new business models:** The II Action Plan includes several actions related to promoting business development and new business models:
  - a. Action 6 on the support for technology-based entrepreneurship in the agri-food sector by granting loans to SMEs. This action line has already two agreements signed between MAPA and ENISA, EUR 23 million could be channelled to ENISA, which has enabled the cumulative approval of 74 digital innovative projects at the end of 2022 (49 already with the funds in their possession, a total of EUR 8,9 million) (p. 27)
  - b. Action 9 on the support programme for the implementation of precision agriculture and technology 4.0 in the agricultural and livestock sector (p. 30)
  - c. Action 13 on the support to the innovative projects of the European innovation Partnership for Agricultural Productivity and Sustainability (p. 34-35)

Furthermore, in line with the description of the measure, the II Action Plan continues **supporting the adoption and incorporation of digital processes and skills in economic activity linked to rural areas and their social fabric** through the following elements:

- **Strategic Line 2 'Upskilling':** has the objective of reducing the digital divide, meaning adopting digitalization, with follow-up actions from Action Plan I such as the cultural programme (page 32) and new actions such as the launch of the Digital Competence



Centre, the platform to support advisors of the Knowledge and Innovation System in Agriculture (AKIS) and the digitalisation (pages 21, 22 and 23). The main focus of these actions is on improving the digital skills of the agri-food sector (farmers, livestock farmers, technicians, agricultural advisors and the agri-food industry). The Digital Competence Centre the targets a wider audience (public administration, rural development groups and technology centres).

- **Actions supporting the adoption and incorporation of digital processes** include actions improving connectivity (with connectivity and 5G deployment actions with a wide impact in rural areas), promoting the use of data, or by boosting business development and new business models. In particular, as regards the promotion of data use and the adoption of digital processes, the creation of a Digital Innovation Hub for companies in the agri-food sector based on Fiware technology (action 7), and the progress of the Ministry of Agriculture in opening up its data and on the tools for processing it (action 4). In terms of boosting business development and new business models, the most remarkable economic action is to support technology-based entrepreneurship in the agri-food sector by granting loans to SMEs and supporting innovative projects of the European Innovation Partnership for Agricultural Productivity and Sustainability (EIP Agri) co-financed by the EAFRD in the 2014-2022 National Rural Development Programme and in 2023 with the CAP Strategic Plan in Spain (action 14). Some of these actions go beyond the agri-food sector, especially those involving the deployment of connectivity and 5G in rural areas (action 10 and 15), and the loans to SMEs to support technology-based entrepreneurship in the agri-food sector as the main beneficiary companies are SMEs of services and technology for the agri-food sector, but also SMEs in logistics, distribution or marketing (action 6). By going beyond the agri-food sector, these actions have an impact on the **entire rural environment and its social fabric**.

Moreover, in line with the description of the measure description, the measure **shall design, elaborate and implement the second action plan of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas**.

The second action plan is being implemented as expected, with several actions fulfilled and other long-term actions that have been launched, as summarized in the following table:

	<b>ACTION</b>	<b>IMPLEMENTATION</b>
A1	Competence Centre for digital training in the agri-food sector	The action has been implemented with a new agreement with the University of Cordoba and the Polytechnic University of Madrid endowed with 500,000 euros for 2022 and 2023. Subsequently, nine more universities have joined. Publication in the Official Journal (Boletín Oficial del Estado) of the Agreement: <a href="https://www.boe.es/boe/dias/2022/11/11/pdfs/BOE-A-2022-18543.pdf">https://www.boe.es/boe/dias/2022/11/11/pdfs/BOE-A-2022-18543.pdf</a> . Centre's website: <a href="https://centrocompetencias.mapa.es/">https://centrocompetencias.mapa.es/</a>  As an evaluation of the 2023 edition, 16 24-hour courses, 14 2-hour courses and 10 demonstration activities were carried out. Applications for the courses attracted 1400 students for the 24-hour courses, 800 for the 2-hour courses and 200 for the demonstration activities.
A2	AKIS Platform Advisor	Two in-house orders are being carried out for the implementation of the platform. Links to job listings: <a href="https://contrataciondelestado.es/wps/poc?uri=deeplink%3Adetalle_licitacion&amp;idEvl=biRxHRnVfG4BPRBxZ4nJ%2Fg%3D%3D&amp;ise=1">https://contrataciondelestado.es/wps/poc?uri=deeplink%3Adetalle_licitacion&amp;idEvl=biRxHRnVfG4BPRBxZ4nJ%2Fg%3D%3D&amp;ise=1</a> <a href="https://contrataciondelestado.es/wps/poc?uri=deeplink%3Adetalle_licitacion&amp;idEvl=dscrpakq7fsSugstABGr5A%3D%3D&amp;ise=1">https://contrataciondelestado.es/wps/poc?uri=deeplink%3Adetalle_licitacion&amp;idEvl=dscrpakq7fsSugstABGr5A%3D%3D&amp;ise=1</a> There is a pre-version of the Platform that is being tested before making it public. Link to the pre-version of the website: <a href="https://pre.akisplataforma.es/">https://pre.akisplataforma.es/</a>
A3	Digitization Package. Training, demonstration activities and advice to SMEs and farms in the framework of	A call was made in 2022 to support training, demonstration, establishment of digitalization advice, as well as provision of this service to agricultural and livestock farms and agri-food industries. It has been resolved with subsidies awarded to 4 entities for 2022 and 2023, two of them professional agricultural organizations

	the PNDR 2014-2020	<p>(841,000 euros in total to COAG, UPA, Agri-Food Cooperatives of Spain and the Wine Technology Platform). Regulatory bases and call:</p> <p>BOE-B-2022-4705 Extract from Royal Decree 113/2022, of February 10, 2022, which establishes the regulatory bases of the subsidies of the digitalization package and approves its call for the financial years 2022 and 2023.</p> <p>Grants:<a href="https://sede.mapa.gob.es/portal/site/seMAPA/ficha-procedimiento?procedure_suborg_responsable=21&amp;procedure_etiqueta_pdu=null&amp;procedure_id=904&amp;by=theme">https://sede.mapa.gob.es/portal/site/seMAPA/ficha-procedimiento?procedure_suborg_responsable=21&amp;procedure_etiqueta_pdu=null&amp;procedure_id=904&amp;by=theme</a></p>
A4	BigMAPA	<p>A tool has been deployed on the Ministry's website that allows access to more than 300 million official data collected from its agricultural and fisheries statistics, which allow interaction with the data using PowerBI technology.</p> <p><a href="https://www.mapa.gob.es/es/estadistica/temas/estadistica-digital/">https://www.mapa.gob.es/es/estadistica/temas/estadistica-digital/</a></p>
A5	Digital tools of the MAPA (SIAR, SIEIX, FRUKTIA)	<p><b>SIAR</b> It allows the consultation and download of daily, weekly or monthly meteorological data from one or more stations, as well as the estimation of the net needs of the crops, taking into account only the climatic conditions and the crop. <a href="https://eportal.mapa.gob.es/websiar/Inicio.aspx">https://eportal.mapa.gob.es/websiar/Inicio.aspx</a></p> <p><b>SIEIX</b> The SIEIX is a set of databases and administrative records interconnected and interoperable, technically and systematically, with the Agricultural Holdings Registers of the Autonomous Communities, the Digital Agricultural Exploitation Notebooks, the Comprehensive Animal Traceability System and other public registers. It is part of the Recovery, Transformation and Resilience Plan (C11. I2. Digitalization tractor projects of the General State Administration. Tractor project shuttle. PD AAPP. Axis 2. High-impact projects in the digitalization of the Public Sector. MEASURE 15. Digital transformation in other areas of the General State Administration). Its legal development has been approved by Royal Decree 1054/2022, of 27 December 2022, which establishes and regulates the Information System for Agricultural and Livestock Holdings and Agricultural Production, as well as the Regional Register of Agricultural Holdings and the Digital Farm Notebook. Access: <a href="https://www.boe.es/boe/dias/2022/12/29/pdfs/BOE-A-2022-23054.pdf">https://www.boe.es/boe/dias/2022/12/29/pdfs/BOE-A-2022-23054.pdf</a></p> <p><b>App Website:</b> <a href="https://www.fega.gob.es/es/content/siex">https://www.fega.gob.es/es/content/siex</a> <a href="https://www.fega.gob.es/es/content/siex">https://www.fega.gob.es/es/content/siex</a></p> <p><b>FRUKTIA</b> Fruktia is a predictive tool developed by the Ministry of Agriculture, Fisheries and Food, to foresee situations of oversupply in the stone fruit and citrus sector before traditional systems of knowledge of forecasts or capacity. At the moment, the action is in the preparation and testing phase, so there are no preliminary execution data yet available. Learn more about this tool: <a href="https://www.mapa.gob.es/es/agricultura/temas/producciones-agricolas/6proyectofruktia_caminoarroyoyangelicamateo_tcm30-576381.pdf">https://www.mapa.gob.es/es/agricultura/temas/producciones-agricolas/6proyectofruktia_caminoarroyoyangelicamateo_tcm30-576381.pdf</a></p>
A6	Support for technology-based entrepreneurship in the agri-food sector (MAPA-ENISA). Agrolnnpulso	<p>With three agreements signed between MAPA and ENISA, 43 million euros have been transferred to ENISA, which has allowed 144 innovative digitally-based projects to be approved, cumulatively as of 31 December 2023, credits with RRP funds for 144 innovative digital-based projects (105 already with the funds in their possession, in total 18,633 million euros). Website of the Agrolnnpulso line: <a href="https://www.enisa.es/es/financia-tu-empresa/lineas-de-financiacion/d/agroinnpulso">https://www.enisa.es/es/financia-tu-empresa/lineas-de-financiacion/d/agroinnpulso</a> Official State Journal of the Agreements: <a href="https://www.boe.es/boe/dias/2021/07/13/pdfs/BOE-A-2021-11657.pdf">https://www.boe.es/boe/dias/2021/07/13/pdfs/BOE-A-2021-11657.pdf</a> <a href="https://www.boe.es/boe/dias/2022/09/22/pdfs/BOE-A-2022-15451.pdf">https://www.boe.es/boe/dias/2022/09/22/pdfs/BOE-A-2022-15451.pdf</a> <a href="https://www.boe.es/boe/dias/2023/07/07/pdfs/BOE-A-2023-15801.pdf">https://www.boe.es/boe/dias/2023/07/07/pdfs/BOE-A-2023-15801.pdf</a> The addendum to the 2023 Agreement transferring a further €4 million to ENISA (MAPA funds) is about to be published in the Official State Journal.</p>
A7	Digital innovation hub for companies in the agri-food sector	<p>The works to adapt spaces for the development of the Hub's face-to-face activities, which have absorbed approximately 1,337 million euros, have been completed, and the activities included in the tender have already begun, which will absorb more than 5 million euros over the next two years. Since the start of activities in May 2023, training courses, a start-up incubation program have already been launched and all activities are proceeding according to schedule. <a href="https://lavegainnova.es/">https://lavegainnova.es/</a></p>
A8	Observatory for the digitalisation of the agri-food sector	<p>The agreement by which it is created is published in the BOE-A-2021-17025 Resolution of 14 October 2021, of the Directorate-General for Rural Development, Innovation and Agri-Food Training, which publishes the Agreement with the Cajamar Cooperative Group, for the creation of a digitalization observatory in the agri-food sector. <a href="https://www.boe.es/boe/dias/2021/10/19/pdfs/BOE-A-2021-17025.pdf">https://www.boe.es/boe/dias/2021/10/19/pdfs/BOE-A-2021-17025.pdf</a> The Observatory has already published a first study on "Diagnosis and Analysis of the Initial Situation of the Digitalisation of the Agri-Food Sector in Spain" <a href="https://www.mapa.gob.es/es/desarrollo-rural/temas/innovacion-medio-rural/estudio_1def_tcm30-655777.pdf">https://www.mapa.gob.es/es/desarrollo-rural/temas/innovacion-medio-rural/estudio_1def_tcm30-655777.pdf</a>, a study based on a survey of more than 3,500 operators in the primary sector and the agri-food processing industry. <a href="https://www.mapa.gob.es/es/desarrollo-rural/temas/innovacion-medio-">https://www.mapa.gob.es/es/desarrollo-rural/temas/innovacion-medio-</a></p>

		<p><a href="#">rural/estudio_3def_tcm30-655779.pdf.</a>, a digital tool, DigiMAPA, has been developed to help connect the agri-food sector with AgroTech companies<sup>2</sup>. Three other studies are forthcoming to be published: an analysis of the technological offer of AgroFoodTIC companies and the challenges faced by their sector, an investigation into the needs arising from the digital transformation of the agri-food value chain, and a study based on a new survey of agricultural professionals. Livestock and the agri-food industry, which is explored in depth in some aspects of the previous survey.</p> <p>The Observatory is an action with a vocation for continuity, which is why an addendum to the Agreement has been signed until December 2025, which will allow the monitoring of the digitalisation process of the agri-food sector to continue. <a href="https://www.boe.es/boe/dias/2024/01/05/pdfs/BOE-A-2024-323.pdf">https://www.boe.es/boe/dias/2024/01/05/pdfs/BOE-A-2024-323.pdf</a></p>
A9	Approve the support programme aimed at promoting the application of precision agriculture and 4.0 technologies in the agricultural sector	<p>In the last quarter of 2021, Royal Decree 948/2021, of 2 November 2021, was published, establishing the regulatory bases for the granting of aid corresponding to investment 4 of component 3 within the Recovery, Transformation and Resilience Plan (C3. I4) which is managed by the MAPA and the Autonomous Communities and which are aimed at the environmental and digital transition of agricultural and livestock farms.</p> <p>With a total planned budget allocation of €307 million, this initiative includes four support programmes aimed at the implementation of strategic investment projects, including “Accelerating the modernisation of agricultural equipment and the adoption of precision technologies in the agricultural and livestock sector” specifically endowed with €79 million over several annual instalments.</p> <p>During 2022, the Autonomous Communities have developed the necessary legal frameworks to channel these grants through competitive concurrence and, in general, calls have been opened whose application deadlines have been extended until June/July 2022.</p> <p>As of October 2022, a total of 3,115 applications had been received in Spain for the support programme for precision agriculture and 4.0 technologies in the agricultural and livestock sector, which together requested 135 million euros, that is, a demand that far exceeds the budget of available funds, in fact it is one of the lines that has had the most demand of the 4 existing ones.</p> <p>Currently, the MAPA is working to transfer resources to the Autonomous Communities, whenever budgetary availability allows it, to channel more credit in order to avoid the managing bodies having to reject applications submitted when there is budget availability globally, as well as to guarantee compliance with the milestones associated with this investment in the PRTR.</p> <p>More information: <a href="https://www.boe.es/boe/dias/2021/11/03/pdfs/BOE-A-2021-17911.pdf">https://www.boe.es/boe/dias/2021/11/03/pdfs/BOE-A-2021-17911.pdf</a> and <a href="https://www.mapa.gob.es/es/prensa/221013conferenciasectorialrepartodefondos_tcm30-631559.pdf">https://www.mapa.gob.es/es/prensa/221013conferenciasectorialrepartodefondos_tcm30-631559.pdf</a></p>
A10	Mapping of connectivity demands in the territory of the agri-food sector and rural environment	<p>Information updates have been carried out. Connectivity in the MAP GEOPORTAL tool, including its own layer for the connectivity situation (Percentage of population with coverage 100 MBps) in the viewer. It can be consulted through this link. <a href="https://sig.mapama.gob.es/geoportal/">https://sig.mapama.gob.es/geoportal/</a></p>
A11	CULTIVA Programme (Programme of training stays for young farmers in model farms.	<p>Information on this program, as well as current and past calls, can be found at the following link: <a href="https://www.mapa.gob.es/fr/desarrollo-rural/temas/jovenes-rurales/visitas-formativas/default.aspx">https://www.mapa.gob.es/fr/desarrollo-rural/temas/jovenes-rurales/visitas-formativas/default.aspx</a></p>
A12	Code of Conduct for Agricultural Data Exchange	<p>This can be deemed as completed, without a need of adoption of a Code of Conduct, taking into account the new regulatory framework on data exchange (Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022 on European data governance and amending Regulation (EU) 2018/1724 (Data Governance Act)) .</p>
A13	Monitoring of digital innovations developed by operational groups of the National Rural Development Programmes	<p>The monitoring of innovation projects of the supra-regional operational groups financed by the National Rural Development Programme (PNDR) 2014-2022 is a constant that the MAPA executes with its own resources.</p> <p>This analysis has been carried out normally since the beginning of the II Action Plan and is reflected in internal monitoring notes, statistical analysis of the calls resolved and advice on the organization of conferences such as those cited in Action 19 (conferences), or Action 20 (DATAGRI forum). The dossier of Innovation projects executed by GO can be consulted in the link below. <a href="https://www.mapa.gob.es/es/desarrollo-rural/temas/innovacion-medio-rural/dosier_proyectos_innovacion_digital_esp_tcm30-671808.pdf">https://www.mapa.gob.es/es/desarrollo-rural/temas/innovacion-medio-rural/dosier_proyectos_innovacion_digital_esp_tcm30-671808.pdf</a>.</p> <p>In addition, in relation to those projects with a digital component, a series of internal consumption reports are prepared by the Ministry</p>
A14	Next Generation EU Innovation Projects: Precision Agriculture	<p>In the 2022 call for grants for innovation projects of supra-regional operational groups of the European Innovation Partnership for Agricultural Productivity and Sustainability (PNDR 2014-2022) financed with Next Generation EU funds, there is a specific line on digitalisation:</p> <p>B. Resource efficiency, including precision and smart agriculture, innovation, digitalisation and modernisation of production machinery and equipment.</p> <p>The call was published and resolved in 2022, specifically the award took place on 29 December 2022 and</p>

<sup>2</sup> <https://digimapa.plataformatierra.es/>

		involved the approval of 23 innovation projects in the agricultural, livestock, forestry and food processing sectors, consuming all the available funds. Of these, 21 (totalling an amount of €11.37 million, all of them from line B, as well as others from other lines) focus on the adoption and/or development of digital technologies in different topics and subsectors, both incorporating blockchain (for traceability of extra virgin olive oil), and making use of federated data platforms (for genetic improvement in sheep). among others. More information: <a href="https://www.mapa.gob.es/es/prensa/230102proyectosinnovadores_tcm30-640317.pdf">https://www.mapa.gob.es/es/prensa/230102proyectosinnovadores_tcm30-640317.pdf</a> Link to the call: <a href="https://www.infosubvenciones.es/bdnstrans/GE/es/convocatoria/616762">https://www.infosubvenciones.es/bdnstrans/GE/es/convocatoria/616762</a>
A1 5	Actions to deploy connectivity and 5G in the agri-food and rural sector	<p>Within component 15 of the Recovery, Transformation and Resilience Plan is investment I1: "Promoting territorial structuring through network deployment: Extension of <b>ultra-fast broadband</b>". Through it, a call for projects has been designed in the period 2021-2023 with the aim of achieving 100% population coverage of access speed to 100 Mbps through a competitive concurrence process that guarantees technological neutrality and the maintenance of market competition mechanisms and access of all operators to the deployed infrastructure.</p> <p>To this end, in November 2022, the regulatory bases were approved and aid was announced for the provision of broadband connectivity solutions to the end user in remote rural areas (Programme for the Universalisation of Digital Infrastructures for Cohesion – Rural Demand, or UNICO Rural Demand): <a href="https://www.boe.es/boe/dias/2022/11/18/pdfs/BOE-A-2022-19069.pdf">https://www.boe.es/boe/dias/2022/11/18/pdfs/BOE-A-2022-19069.pdf</a>. Hispasat has been the only successful bidder, for 76.3 million euros, where European funds are applied. More information: <a href="https://portal.mineco.gob.es/RecursosNoticia/mineco/prensa/noticias/2022/20230207_ndp_esoluci%C3%B3n_provisional_demanda_rural.pdf">https://portal.mineco.gob.es/RecursosNoticia/mineco/prensa/noticias/2022/20230207_ndp_esoluci%C3%B3n_provisional_demanda_rural.pdf</a></p> <p>Regarding the field of <b>5G</b>, the <b>I6: Deployment of 5G: networks</b> investment aims to promote the installation of 5G infrastructures and networks in parts of the national territory that would not be reached by the traditional deployment of operators, mainly in rural areas.</p> <p>Order of bases of this line of aid called Single 5G Network Program.</p> <p><a href="https://www.boe.es/boe/dias/2022/06/06/pdfs/BOE-A-2022-9277.pdf">https://www.boe.es/boe/dias/2022/06/06/pdfs/BOE-A-2022-9277.pdf</a>. More information: <a href="https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/asuntos-economicos/Paginas/2023/170723-despliegue-5g-zonas-rurales.aspx">https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/asuntos-economicos/Paginas/2023/170723-despliegue-5g-zonas-rurales.aspx</a></p>
A1 6	Actions to support Connected Industry 4.0	<p>This aid is aimed at promoting the growth of SMEs, promoting their digital transformation and improving their levels of cybersecurity through the "Active Industry 4.0", "Active Growth" and "Active Cybersecurity" programmes, within the framework of the Recovery, Transformation and Resilience Plan (PRTR), on a non-competitive basis, in order of submission of admitted applications once the checks of compliance with the requirements have been carried out. The grants have a planned investment of 33, 16.9 and 7.1 million euros, respectively.</p> <p>Order approving the regulatory bases of these aids: <a href="https://www.boe.es/boe/dias/2022/08/25/pdfs/BOE-A-2022-14113.pdf">https://www.boe.es/boe/dias/2022/08/25/pdfs/BOE-A-2022-14113.pdf</a></p> <p>Publication in the Official State Gazette of the calls for grants</p> <p><a href="https://www.boe.es/boe/dias/2022/04/13/pdfs/BOE-B-2022-11768.pdf">https://www.boe.es/boe/dias/2022/04/13/pdfs/BOE-B-2022-11768.pdf</a></p> <p><a href="https://www.boe.es/boe/dias/2023/07/12/pdfs/BOE-B-2023-21448.pdf">https://www.boe.es/boe/dias/2023/07/12/pdfs/BOE-B-2023-21448.pdf</a></p>
A1 7	Advanced Digital Self-Diagnosis Tool (HADA)	<p>The Advanced Digital Self-Diagnosis Tool (HADA) designed by the General Secretariat of Industry and SMEs of the Ministry of Industry, Trade and Tourism, is an online application that, through a questionnaire, allows companies to obtain an assessment of their state of digital maturity.</p> <p>Information about the tool can be found at the following link: <a href="https://www.industriaconectada40.gob.es/programas-apoyo/Paginas/HADA.aspx#:~:text=La%20Herramienta%20de%20Autodiagn%C3%B3stico%20Digital,su%20estado%20de%20madurez%20digital">https://www.industriaconectada40.gob.es/programas-apoyo/Paginas/HADA.aspx#:~:text=La%20Herramienta%20de%20Autodiagn%C3%B3stico%20Digital,su%20estado%20de%20madurez%20digital</a></p> <p>Its use has become very widespread as it serves as a starting point to qualify for aid from the Secretary of State for Digitalisation and Artificial Intelligence of the Ministry of Economic Affairs and Digital Transformation (MINECO) for digital solutions in the form of in-kind vouchers for the digital kit.</p>
A1 8	Aid in the field of Artificial Intelligence for the agri-food sector	<p>During 2021, the Secretary of State for Digitalization and Artificial Intelligence of MINECO designed a framework of competitive grants to identify large projects in consortiums for the application of artificial intelligence. Subsequently, a call was launched with RRP Next Generation EU funds.</p> <p>Link to the call and award: <a href="https://www.infosubvenciones.es/bdnstrans/GE/es/convocatoria/574421">https://www.infosubvenciones.es/bdnstrans/GE/es/convocatoria/574421</a> and <a href="https://portalayudas.mineco.gob.es/misiones-ia-2021/concesion/2021/Paginas/Resolucion.aspx">https://portalayudas.mineco.gob.es/misiones-ia-2021/concesion/2021/Paginas/Resolucion.aspx</a></p> <p>On December 20, 2021, a grant of 9.7 million euros was awarded to a large project to be executed in a consortium called "Agraria: artificial intelligence applied to the value chain of agricultural production" currently underway"</p> <p>In addition, an unforeseen action has been carried out in relation to the stimulation of artificial intelligence for the agri-food sector. Specifically, last December, the rules and call for university-business chairs on artificial intelligence were published in the Official State Journal, prioritizing one for agriculture:</p> <p>Order ETD/1180/2022, of 25 November 2022, which establishes the regulatory bases and calls for the granting of grants for the creation of university-business chairs (Enia Chairs), aimed at the research and development of artificial intelligence, for its dissemination and training within the framework of the European Recovery, Transformation and Resilience Plan funded by the European Union-Next Generation EU.</p> <p>More information: <a href="https://www.boe.es/boe/dias/2022/12/01/pdfs/BOE-A-2022-20163.pdf">https://www.boe.es/boe/dias/2022/12/01/pdfs/BOE-A-2022-20163.pdf</a> and <a href="https://portalayudas.mineco.gob.es/catedras-ENIA/Paginas/Index.aspx">https://portalayudas.mineco.gob.es/catedras-ENIA/Paginas/Index.aspx</a></p>
A1 9	Dissemination days	Some of the conferences held are:

		<ul style="list-style-type: none"> <li>14 February 2022: Webinar "Opportunities for the digitalisation of the agri-food sector". <a href="https://youtu.be/NINPASXp8cE">https://youtu.be/NINPASXp8cE</a> on the PNDR 2014-2022 grants, co-financed by the EAFRD for the acquisition of skills in digitalisation and advice, together with the dissemination of the aid from the digital kit of the Secretary of State for Digitalisation and Artificial Intelligence, with RED.ES as a collaborating entity. Within the framework of the collaboration between MAPA and the School of Industrial Organization. More information: <a href="https://www.boe.es/boe/dias/2021/11/03/pdfs/BOE-A-2021-17962.pdf">https://www.boe.es/boe/dias/2021/11/03/pdfs/BOE-A-2021-17962.pdf</a></li> <li>29 March 2022, Webinar on the 2022 Call for Innovative Projects. <a href="https://www.youtube.com/live/WdQTYeanex0?feature=share">https://www.youtube.com/live/WdQTYeanex0?feature=share</a> On the PNDR 2014-2022 grants, co-financed by the EAFRD, for the financing of innovative projects of general interest by supra-regional operational groups of the AEI Agri.</li> <li>26, 27 and 28 April 2022 in Zaragoza within the framework of FIMA, celebration of the "VIII National Forum on Rural Development: innovation and digitalisation in sustainable agri-food" through the Agreement with the Official College of Agricultural Engineers of Aragon, Navarre and the Basque Country with the MAPA. More information: <a href="https://www.boe.es/boe/dias/2022/04/01/pdfs/BOE-A-2022-5222.pdf">https://www.boe.es/boe/dias/2022/04/01/pdfs/BOE-A-2022-5222.pdf</a></li> <li>17 May 2023 at Food4Future Bilbao, panel discussion on entrepreneurship in digitalization with startups, accelerators, agri-food sector. Initiatives to support AgriFood entrepreneurship from the Ministry of Agriculture, Fisheries and Food   Expo Food Tech. In addition, informative materials from the itinerant exhibition of innovation projects of supra-autonomous operational groups were brought.</li> <li>28 July 2023, informative webinar for applicants on new BBRRs and 2023 call for: Grants for the preparation and execution of innovative projects carried out by Supraautonomic Operational Groups of the AEI-Agri within the framework of PEPAC.</li> <li>13 September 2023: A day of conferences, round tables and networking activities. Objective: Welcome day for the start-ups selected for the monitoring program of La Vega Innova. Duration: 9:00 - 21:00. 2 events morning/afternoon, Place: 9:00-16:00 MAPA (Gran Vía de San Francisco, room 7A)16:00-21:00 WAYRA-TELEFÓNICA (Gran Vía Building)</li> </ul>
A2 0	DATAGRI 2021-2023	<p>MAPA supports the Datagri Forum which is held annually. In 2022 and 2023, the Ministry has signed agreements with the Datagri Association, with the 2022 edition being held in El Ejido (Almería) and the 2023 edition in Logroño.</p> <p>Links to the agreements:  <a href="https://boe.es/boe/dias/2022/08/09/pdfs/BOE-A-2022-13461.pdf">https://boe.es/boe/dias/2022/08/09/pdfs/BOE-A-2022-13461.pdf</a>  <a href="https://www.boe.es/boe/dias/2023/11/03/pdfs/BOE-A-2023-22533.pdf">https://www.boe.es/boe/dias/2023/11/03/pdfs/BOE-A-2023-22533.pdf</a></p> <p>Enlace at the DATAGRI hole: <a href="https://www.datagri.org/">https://www.datagri.org/</a></p>
A2 1	Strategic Project for Economic Recovery and Transformation (PERTE) agri-food	<p>The Strategic Project for Economic Recovery and Transformation (PERTE) of the agri-food sector was approved in February 2022 by the Council of Ministers. This initiative is a melting pot of actions that revolve around three axes. The first, endowed with 400 million euros, is the strengthening of the food industry so that it improves its production processes and increases its competitiveness. The second has 454.35 million and involves the digital adaptation of all the agents that make up the value chain - primary production, transformation, marketing and distribution. The third involves support for research, innovation and technology transfer, to which €148.56 million will be allocated.</p> <p>Continuous work has been carried out to disseminate this initiative, some of them within the framework of the conferences mentioned in the A 19 governance action, or the A20 of the Datagri. To cite two actions focused on the PERTE on axis 2 related to digitalization, the following should be highlighted:</p> <ul style="list-style-type: none"> <li>On October 3rd, the webinar "PERTE Agri-food, actions for the digital transformation of the agri-food sector". Approximate amount: 1,000 euros. Link where you can view the content of this conference: <a href="https://www.youtube.com/watch?v=48kuABo_W3E">https://www.youtube.com/watch?v=48kuABo_W3E</a></li> <li>November 7 in Valencia, the V Congress of the Connected Industry where the round table discussion took place: "From the field to the consumer: Digital transformation in the value chain of the agro-industrial sector". Action carried out by MAPA and financed by MINCOTUR More information: <a href="https://cic40.es/agenda-congreso/">https://cic40.es/agenda-congreso/</a></li> </ul> <p>On the other hand, it should be recalled that the Council of Ministers in January 2023 approved the appointment of a Commissioner for the monitoring of the actions of the Agri-Food PERTE.</p> <p>All information on the Agri-Food PERTE is available at the following address:  <a href="https://planderecuperacion.gob.es/como-acceder-a-los-fondos/pertes/perte-agroalimentario">https://planderecuperacion.gob.es/como-acceder-a-los-fondos/pertes/perte-agroalimentario</a></p>
<b>Commission Preliminary Assessment: Satisfactorily fulfilled</b>		

<b>Number: T47</b>	<b>T47 - C3.I1 - Plan to improve efficiency and sustainability in irrigation</b>
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**Name of the Target:** Implementation of the agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA to support the improvement and the sustainability of irrigated areas (Phase II)

**Quantitative Indicator:** 303 MEUR

**Baseline:** 0

**Target:** 303

**Time:** Q4 2022

**Context:**

The measure aims to improve the efficiency and sustainability of irrigation by promoting water savings and energy efficiency in irrigation activities, through a number of specific modernising actions.

Target 47 requires the implementation of Phase II of the collaboration agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA, with a view to implement the conditions of the plan to improve efficiency and sustainability in irrigation that is being carried out with this investment project. As part of this, Target 47 requires that the collaboration agreement regulates the public/private financing regime for the investments in the modernisation of irrigation, the project selection criteria, the plan execution procedures as well as the list of actions to be carried out to execute the budget. The actions must fall within the following scope: i) The substitution of the use of groundwater or surface water by the use of non-conventional water resources (reclaimed water or desalinated water in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01)); ii) the implementation of water regulation systems (reservoirs) that allow for gravity irrigation; iii) the replacement of open-air ditches with underground pipes; iv) the construction of filtering and pumping systems; and v) the installation of meters and remote management systems.

Target 47 is the second target of the investment, and it follows the completion of target 46 related to Phase I of the collaboration agreement between MAPA and SEIASA positively assessed under the 2<sup>nd</sup> payment request. It will be followed by target 424, related to the expansion of Phase II and target 48 on the completion of modernisation works for at least 125 000 hectares of irrigation systems. The investment has a final expected date for implementation in June 2026.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled
- ii. Annex 1: Publication of the Agreement between MAPA and SEIASA in the Official Journal (*Boletín Oficial del Estado*) No. 176 of 23 July 2022 (<https://www.boe.es/boe/dias/2022/07/23/pdfs/BOE-A-2022-12270.pdf>)
- iii. Annex 6: List of actions classified by objective of the measure description
- iv. Annex 7: Extract of the collaboration agreement including the selection criteria of the actions in line with the measure description
- v. Annex 8: Extract of the collaboration agreement including the DNSH requirements in compliance with the DNSH Technical Guidance
- vi. Annex 5: Report from the University of Cartagena proving compliance with the DNSH principle for desalinated water.

The authorities also provided:

- vii. Annex 2: Certificate of inscription of the Agreement between MAPA and SEIASA in the national Agreements Registration

- viii. Annex 3: Entrustment agreement between MAPA and CSIC for the elaboration of scientific-technical directives for ensuring compliance with the DNSH Technical Guidance (2021/C58/01).
- ix. Annex 4: Accounting documents certifying the payment from MAPA to SEIASA

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Implementation of Phase II (EUR 303 000 000 of budget execution) of the collaboration agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA, with a view to implement the conditions of the plan to improve efficiency and sustainability in irrigation.**

The collaboration agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA to support the improvement and the sustainability of irrigated areas (Phase II) was signed on 21 July 2022 and was published in the Official Journal on 23 July 2022 (Annex 1 of the evidence provided). The collaboration agreement takes effect from the date of its signature (clause 13) and has a budget of EUR 303 000 000, excluding VAT (clause 1).

The Council Implementing Decision states that target 47 refers in the name of the target to the implementation of Phase II (EUR 303 000 000 of budget execution) of the collaboration agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA. In the submission of the plan, Spain broke down the expenditures on this investment into three years (2021-2023). Phase I, corresponding to T46, with EUR 260 million (2021); Phase II, corresponding to T47 with EUR 303 000 000 (2022); and Amendment to Phase II, corresponding to T424 with EUR 150 million Euros (2023). Target 46 referred in the name of the target, to the Entry into force of Phase I (EUR 260 000 000 of budget execution) of the collaboration agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA. Additionally, the description of targets 46 and 47 is the same, only changing the monetary budget of the Agreement. Considering the description of Target 46 and Target 47 being the same, it is interpreted that Target 47 refers to the entry into force of Phase II of the collaboration agreement instead of the implementation of the agreement itself. Finally, the implementation of the agreements will be assessed under Target 48. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

**The collaboration agreement shall implement the conditions of the plan to improve efficiency and sustainability in irrigation that is being carried out with this investment project. This legal norm (the collaboration agreement) shall regulate:**

- i) **The public/private financing regime for these irrigation modernisation investments:**
  - o Clause 9 of the collaboration agreement (Annex 1 of the evidence provided) regulates the public-private financing regime for investments in the modernisation of irrigation. The clause states that up to 80% of the eligible costs will be financed under the measure described in the RRP. The rest will be financed by the water users community (*Comunidad de usuarios del agua*).
- ii) **The project selection criteria:**

Annex I to the collaboration agreement includes the selection criteria. These criteria prioritize:

  - i. Modernising actions including i) actions in areas replacing surface water or groundwater with the use of unconventional water resources (such as reclaimed water and desalinated water, and ii) actions that increase water saving or achieve a further decrease in water demand or higher energy savings;

- ii. Modernising irrigation systems with and energy impact including i) a preferential treatment of actions that do not require electricity for their operation over those that need it or require renewable energy, and ii) modernisation measures to facilitate energy self-sufficiency including the use of renewable energy;
- iii. Fostering new technologies, such as i) actions enabling higher levels of implementation of new technologies and innovations to achieve more efficient irrigation, and ii) actions proposing a higher degree of intensity in the modernisation of irrigation; and
- iv. Other aspects to be taken into account in the selection criteria include the economic viability of the actions and spill-over effects of the modernisation actions.

Additionally, i) projects may not include any common infrastructure works owned or planned to be privately owned; and ii) measures to modernise irrigation may under no circumstances lead to an increase in the irrigable area.

This list of project selection criteria is in line with the list of actions **to promote water saving and energy efficiency in irrigation activities** outlined in the measure description.

**iii) The plan execution procedures:**

- Clause 2 of the agreement regulates SEIASA actions and how they are being executed. Clause 2 also regulates that prior to the execution of the modernisation actions, SEIASA will enter into an Agreement with communities of water users (*Comunidades de usuarios del agua*) to inform them about financing, procedures, follow-up and schedules of the works being carried out. The content of this agreement is defined in Clause 3.
- Clause 4 explains the responsibilities of each party (SEIASA and MAPA) regarding the execution of the plan. SEIASA shall propose the projects and carry out the management of the works, which shall be carried out under the terms set out in the specifications governing each works contract. As regards the administrative management of works projects, it will be carried out by the SEIASA in accordance with the internal procurement procedures approved by SEIASA, in accordance with the criteria established by MAPA and the Ministry of Finance.
- Clause 6 establishes a series of indicators to follow-up the accomplishment of the modernisation actions.

**iv) The list of actions to be carried out linked to the budget execution under this measure.**

- The final list of selected actions is summarized in Column “Categorías” of Annex 6 (summary table of actions financed under the collaboration agreement). Annex 6 provides the list of actions financed<sup>3</sup> which, as set out in the measure description, include at least:
  - i. Substitution of the use of groundwater or surface water by the use of non-conventional water resources (reclaimed water or desalinated water in compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01)): 9 actions
  - ii. Implementation of water regulation systems (reservoirs) that allow for gravity irrigation: 10 actions
  - iii. Replacement of fossil fuels needed for pumping with renewable energy sources (mainly photovoltaic): 21 actions
  - iv. Replacement of open-air ditches with underground pipes: 12 actions

<sup>3</sup> There is a total of 40 modernisation actions. Some modernisation actions cover more than one eligible action.



- v. Construction of filtering and pumping systems: 16 actions
- vi. Installation of meters and remote management systems: 23 actions

This list of selected actions is in line with the eligibility criteria set out in point a) of Annex I to the collaboration agreement and with **the list of actions included in the description of the measure**. The actions listed above serve to **promote water savings and energy efficiency in irrigation activities**, as outlined in the measure description.

Furthermore, in line with the description of the measure, this **measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01)**:

- Clauses three and four of the collaboration agreement require the community of water users and SEIASA respectively the need to fully comply with the DNSH Technical Guidance.
- Clause 19 of the collaboration agreement requires that all modernisation actions must comply with the DNSH principle within the meaning of Article 17 of Regulation (EU) 2020/852 and the DNSH Technical Guidance (2021/C58/01). This clause also requires that the agreements between SEIASA and the communities of water users include the requirements to comply with the DNSH principle.
- Annex III to the collaboration agreement ensures that all projects and all steps comply with the following:
  - Scientific-technical directives prepared by CSIC (Annex 3 of the evidence provided)
  - Report from the Polytechnic University of Cartagena on best available technology with the lowest environmental impacts in the sector (Annex 9 of the evidence provided).

Furthermore, **in line with the description of the measure, desalinated water is to be produced using the best available technology with the lowest environmental impacts in the sector**:

- Clause 7 of the collaboration agreement states that for “all actions related to desalinated water installing facilities to reduce the salt content in existing water, the best available technology in the sector with the lowest environmental impact must be used. This will be ensured by complying with the guidelines included in the study of the Polytechnic University of Cartagena indicated in Annex III to this Agreement”.
- Annex III to the collaboration agreement ensures that all projects and all steps comply with report from the Polytechnic University of Cartagena on best available technology with the lowest environmental impacts in the sector.
- Annex 9 of the evidence provided: report by the Polytechnic University of Cartagena confirming that desalinated water is produced using the best available technology with the lowest environmental impacts in the sector in each of the supported actions related to desalinated water.

Moreover, in line with the description of the measure which **requires all irrigation activities to be carried out in compliance with the Water Framework Directive, the necessary Environmental Impact Assessments to be carried out in accordance with Directives 2009/147/EC and 92/43/EEC, and the required mitigation steps for protecting the environment to be implemented**:

Exhibiting (*Exponendo*) Fourteenth of the collaboration agreement requires that all irrigation actions selected in the collaboration agreement have already been included in the corresponding third cycle River Basin Management Plan, in line with the Water Framework Directive and will be subject to the applicable environmental assessment by the Ministry for the Ecological Transition and the Demographic Challenge in accordance with Law 21/2013 on Environmental Assessments which includes the appropriate assessment under Article 6.3 of the Habitats Directive (92/43/EEC).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M55	M55 - C3.I6 - Plan to promote sustainability, research, innovation and digitalisation in the fisheries sector (I): Modernisation of the network of marine reserves of fisheries interest	
<b>Name of the Milestone:</b> Acquisition of ICT equipment for the Marine Reserves of Fishing Interest and contracts for the acquisition of special-purpose vessels for the marine reserves		
<b>Qualitative Indicator:</b> Publication in public procurement platform of the contract award	<b>Time:</b> Q4 2022	
<p><b>Context:</b></p> <p>The objective of this investment is to modernise the network of marine reserves of fisheries interest through control and surveillance activities in the reserves thanks to two new special-purpose support vessels and the implementation of information and communication technologies such as by acquiring drones. The measure also intends to create a new marine reserve and to update the <i>Isla de Alborán</i> marine reserve.</p> <p>Milestone 55 is part of investment C3.I6. Milestone 55 concerns the Publication in the Public Procurement Platform of the contract awarded for i) the acquisition of ICT equipment (radar from the Alborán Island to the Peninsula and the purchase of drones) for the Marine Reserves of Fishing Interest; and ii) the award of two contracts for the acquisition of two special-purpose vessels for the marine reserves using best available technology to ensure compliance with the DNSH Technical Guidance.</p> <p>Milestone 55 is the only milestone or target of this investment.</p> <p>Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Spain will extend the network of reserves by creating a new marine reserve and by updating the <i>Isla de Alborán</i> marine reserve and its surroundings in order to facilitate access and improve its energy efficiency by 2024. This is a further step of this investment that is not linked to the milestones and targets in the Council Implementing Decision.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled</li> <li>ii. Annex 1: Publication in the Public Procurement platform of the award of the support vessel</li> <li>iii. Annex 2: Publication in the Public Procurement platform of the award of the surveillance vessel</li> <li>iv. Annex 3: Publication in the Public Procurement platform of the award of the radar</li> <li>v. Annex 4: Publication in the Public Procurement platform of the award of the four drones</li> <li>vi. Annex 7: report on extracts from tender documents for all suppliers</li> <li>vii. Annex 8: report on best technology available for the support vessel prepared by independent naval engineer and endorsed by the Official College of Naval and Oceanic Engineers</li> <li>viii. Annex 11: Technical specifications surveillance vessels</li> </ol>		

- ix. Annex 12: Report on best technology available for the surveillance vessel by independent naval engineer and endorsed by the Official Chamber of Naval and Oceanic Engineers.
- x. Annex 14: Technical specifications for both supplies (radio link and ROVs)
- xi. Annex 15: radio link DNSH self-assessment by beneficiary
- xii. Annex 19: Technical specifications for drones
- xiii. Annex 20: report by collegiate telecommunications engineer on the issue of sufficient drone power.

The authorities also provided:

- xiv. Annex 5: Publication in the Public Procurement platform of the award of the ROV submarine vehicles
- xv. Annex 6: Complementary DNSH report vessels. Supplementary report to identify and justify, by analysing alternatives and assessing the selection criteria applied, the options for both specialised vessels for marine reserves.
- xvi. Annex 9: Questionnaire of the company awarded the marine reserve support vessel
- xvii. Annex 10: Administrative specifications or tender specifications for the surveillance vessel for marine reservation
- xviii. Annex 13: DNSH self-assessment of the company awarded the surveillance vessel for marine reservation.
- xix. Annex 16: DNSH self-assessment ROVs
- xx. Annex 17: Administrative specifications for both supplies (radio link and ROVs)
- xxi. Annex 18: DNSH self-assessment for the drones

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

#### **Publication in the Public Procurement Platform of the contract awarded for the acquisition of ICT equipment for the Marine Reserves of Fishing Interest:**

- Annex 3 (point v of the evidence provided) corresponds to the publication in the Public Procurement platform of the award of the Alborán Lighthouse radar radio link to Peninsula. The award was published on 20 September 2022.
- Annex 4 (point vi of the evidence provided): Publication in the Public Procurement platform of the award of the four drones. The award was published on 21 October 2022.

#### **Publication in Public Procurement Platform of the award of two contracts for the acquisition of two special-purpose vessels for the marine reserves:**

- Annex 1 (point iii of the evidence provided) corresponds to the publication of the award for the acquisition of the support vessel. The award was published on 22 July 2021.
- Annex 2 (point iv of the evidence provided) corresponds to the publication of the award for the acquisition of the surveillance vessel. The award was published on 18 July 2022.

Furthermore, in line with the description of the measure, **Spain has acquired two special-purpose support vessels and the information and communication technology to enable control and monitoring via public procurement procedures**, as evidenced by Annexes 1, 2, 3 and 4 (points iii to vi of the evidence provided) as these are the documents of the publication of the award in the public procurement platform.

#### **The ICT equipment for the Marine Reserves consists of:**

- **Alborán Lighthouse radar radio link to Peninsula:** As stated in Annex 14 (point xi of the evidence provided), the radar radio link is a remote radar between the Alborán Island and the Navy Maritime Operations and Monitoring Centre (COVAM) in the Peninsula. This is in line with the requirement of the measure on equipping the Alborán Island with adequate

facilities (i.e. a radar radio link to the Peninsula) to monitor and control the reserve. Additionally, as stated in Annex 21 (point xiv of the evidence provided), the Radio link has already been installed in the island.

- **the purchase of drones with sufficient power that allow control and monitoring activities and optimise the existing means, also reducing the environmental impact:** As stated in the technical specifications of Annex 19 (point xii of the evidence provided), the drones should have a minimum autonomy of 31 minutes and 3 battery unites to allow for 3 flights without the need for recharging. A report from an independent engineer (Annex 20, point xiii of the evidence provided) concludes that the acquired drones “have the sufficient power and scope for its surveillance function within the framework of the Marine Reserves”. Finally, the report also concludes that the use of drones reduces the need of trips from the surveillance vessels, therefore reducing the environmental impact of the control and monitoring activities and optimizing existing means.

Furthermore, in line with the description of the measure, **the implementation of information and communication technology shall enable control and monitoring of the reserves, by acquiring, at least, drones with sufficient power to allow control and monitoring activities and optimise the existing means;**

- Annex 4 (point vi of the evidence provided): Publication in the Public Procurement platform of the award of the four drones. The award was published on 21 October 2022. As stated in the technical specifications of Annex 19 (point xii of the evidence provided), the drones should have a minimum autonomy of 31 minutes and 3 battery unites to allow for 3 flights without the need for recharging. A report from an independent engineer (Annex 20, point xiii of the evidence provided) concludes that the acquired drones “have the sufficient power and scope for its surveillance function within the framework of the Marine Reserves”. Finally, the report also concludes that the use of drones reduces the need of trips from the surveillance vessels, therefore reducing the environmental impact of the control and monitoring activities and optimizing existing means.

Furthermore, in line with the description of the measure, **the two special-purpose vessels are aimed to ensure control and surveillance of the activities carried out in the reserves:**

- Annex 11 (point ix of the evidence provided) contains the list of technical clauses for the purchase of a surveillance vessel. Section 1 explains that the vessel is needed to perform surveillance and protection work in marine reserves, and with sufficient autonomy to carry out these functions without the need to call at the port in two days.
- Annex 1 (point iii of the evidence provided) contains the list of technical clauses for the purchase of a support vessel. Section 1 explains that the vessel is aimed at supporting the surveillance, monitoring and maintenance works in the Marine Reserves.

**For the purchase of a special-purpose vessel for a new marine reserve, the best technology that allows compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) shall be sought:**

- Support vessel:
  - Annex 8 (point viii of the evidence provided) is a report from an independent naval engineer which confirms that the vessel is built using the best available technology. In particular the report concludes in page 48 that “In view of all the above, it can be concluded that the ship object of the action leads to the best environmental performance possible within the alternatives currently available”.

- Surveillance vessel:
  - Annex 12 (point x of the evidence provided) is a report from an independent naval engineer which confirms that the vessel is built using the best available technology. In particular the report concludes in page 55 that “In view of all the above, it can be concluded that the ship object of the action leads to the best environmental performance possible within the alternatives currently available”.

Furthermore, in line with the description of the measure, **this measure does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01):**

- Annex 6 (point xv of the evidence provided) contains an analysis by the General Secretary of Fisheries on the alternatives and selection criteria to ensure compliance with the DNSH principle prior to the construction of both vessels.
- Annex 7 (point vii of the evidence provided) contains the extracts of the technical specifications of the calls needed to comply with the DNSH principle: “The contractor shall ensure full compliance with the principle Do No Significant Harm and climate and digital labelling, as provided for in the Recovery, Transformation and Resilience Plan, approved by the Council of Ministers on 27 April 2021 and Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, at all stages of the project design and implementation, and individually for each action”
- Annex 9 and Annex 13 (points xvi and xviii of the evidence provided) contain the DNSH self-assessments by the companies building the support and surveillance vessels respectively.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M60	M60 - C3.I10 - Plan to boost the sustainability, research, innovation and digitalisation of the fisheries sector (V): Support to the fight against illegal, unreported and unregulated fishing	
<b>Name of the Milestone:</b> Purchase of light patrol boats and high seas patrol vessels to combat illegal, unreported and unregulated fishing		
<b>Qualitative Indicator:</b> Publication in public procurement platform of the contract award		<b>Time:</b> Q4 2022
<b>Context:</b>		
The measure aims to support the fight against illegal, unreported and unregulated fishing through the purchase of four patrol vessels and the modernisation of three high sea patrol vessels.		
Milestone 60 is part of investment C3.I10. Milestone 60 requires the publication in the public procurement platform of the award contracts for the acquisition of four new light patrol vessels and three renewed high seas patrol vessels to be used to combat illegal, unreported and unregulated fishing.		
Milestone 60 is the only milestone or target of this investment.		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.

For the four patrol vessels

- ii. Annex 1: Publication in the Public Procurement platform of the award of the four patrol vessels (Plataforma de Contratación del Sector Público (contrataciondelestado.es))
- iii. Annex 3: report by independent engineers on compliance with DNSH principle
- iv. Annex 4: Technical specification for the construction of the new four patrol vessels
- v. Annex 5: Contract between MAPA and the Naval company for the construction of the four patrol vessels
- vi. Annex 6: Administrative specification for the construction of the four patrol vessels
- vii. Annex 7: Modified resolution for the construction of the new four patrol vessels, to improve the engine requirements to comply with the DNSH Technical Guidance
- viii. Annex 15: report by naval engineer on best available technology for the four patrol vessels
- ix. Annex 22: Addendum of 23 May 2023 extending the Framework Agreement between the MAPA and Ministry of Interior on inspection and surveillance of fishing activities, published in the Official Journal (*Boletín Oficial del Estado*) of 27 July 2023.

For the three renewed high seas patrol vessels:

- x. Annex 2: Agreement between the Ministry of Agriculture, Fisheries and Food and the Navy for the modernization of the three high seas patrol vessels, published in the national Official Journal (Boletín Oficial del Estado) No. 105 of 3 May 2022 (BOE-A-2022-7172 Resolución de 27 de abril de 2022, de la Subsecretaría, por la que se publica el Acuerdo entre el Ministerio de Defensa y el Ministerio de Agricultura, Pesca y Alimentación, para la modernización de los patrulleros Tarifa, Arnomendi y Alborán)
- xi. Annex 8: Agreement between the Ministry of Defence and the Ministry of Agriculture, Fisheries and Food for the modernisation of the three patrol vessels
- xii. Annex 9: Technical specification of the contract for the renovation works in the high seas patrol vessels.
- xiii. Annex 10: Annex I to the Technical specifications including the list of equipment and systems to be upgraded.
- xiv. Annex 11: Annex II to the Technical specifications with the list of actions to be done on each of the three vessels.
- xv. Annex 12: Justification of compliance with the DNSH principle for the three patrol vessels
- xvi. Annex 13: Administrative specifications for the modernisation works of the three high seas patrol vessels.
- xvii. Annex 14: Publication in the Official Journal of the formalization of the contract
- xviii. Annex 17: report justifying compliance with the DNSH principle requirements and use of the best available technology

For all vessels

- xix. Annex 18: report by the Directorate General on Fisheries and Aquaculture on the use of the best available technology

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Publication in the Public Procurement Platform of the award of the contract for four new light patrol boats**

Annex 1 (point ii of the evidence provided) provides the publication of the award contract in the public procurement platform on 7 October 2021.

**Publication in the Public Procurement Platform of the award of the contract for three renewed high seas patrol vessels**

Annex 2 (point iii of the evidence provided) provides the publication in the national Official Journal (*Boletín Oficial del Estado*) of 4 April 2022 of the agreement between the Ministry of Defence, to which the Spanish Navy belongs, and the Ministry of Agriculture, Fisheries and Food for the modernisation of the three high seas patrol vessels “Alborán”, “Arnomendi” and “Tarifa”. This agreement constitutes the legal basis for the transfer of the vessels from the Ministry of Agriculture, Fisheries and Food to the Navy for the modernisation works of the vessels.

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of milestone 60 and has undertaken the assessment on the following basis. In such description of the milestone, it is stated “**Publication in Public Procurement Platform of the award of the contract for four new light patrol boats and three renewed high seas patrol vessels.**”

However, the measure description clearly indicates that the measure shall be implemented through a public procurement procedure for the construction of patrol vessels and **through the amendment of an agreement with the Spanish Navy in the case of offshore patrol vessels**, which shall constitute the legal basis for the transfer of the vessels to the Navy, managing the above-mentioned modernisation works. In line with the measure description, the three high seas (offshore) patrol vessels have been modernised through the amendment of an agreement with the Spanish Navy. Against this background, the justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the milestone.

**The vessels shall be used to combat illegal, unreported and unregulated fishing, which continues to be one of the greatest existing threats to marine ecosystems,**

- Section 1 of Annex 9 (point xii of the evidence provided) on the technical specification of the contract for the modernisation works of the high seas patrol vessels states that the purpose of this investment is to “Modernise three high seas patrol vessels which are to be used to combat illegal, unreported and unregulated fishing”.
- Point 6 of Annex 14 (point xvii of the evidence provided) on the formalisation of the contract for the modernisation of three high seas patrol vessels states that the activities to be carried out are “Modernisation activities of three high seas patrol vessels which are to be used to combat illegal, unreported and unregulated fishing”.
- Annex 5 (point v of the evidence provided) on the contract for the purchase of four patrol vessels, states that the purpose of the contract is the “supply of four patrol vessels for surveillance, inspection and combat illegal fishing actions”. Additionally, Annex 22 (point ix of the evidence provided) recital one states that ‘Article 9 (1) of Royal Decree 430/2020, of 3 March, which develops the basic structure of the Ministry of Agriculture, Fisheries and Food, entrusts the Directorate-General for Fisheries Management and Aquaculture of the Secretariat-General for Fisheries (SGP), inter alia, to coordinate in the field of comprehensive control of activities falling within the scope of the Common Fisheries Policy, as well as international cooperation and with third countries in the field of control and inspection and the fight against illegal, unreported and unregulated fishing.’ In recital two it states that patrol vessels are transferred from the ministry of Interior to MAPA to ensure compliance with the

national and European fishing policy, meaning the vessels are assigned for control and inspection and the fight against illegal, unreported and unregulated fishing.

**The best technology that allows compliance with the “Do no significant harm” Technical Guidance (2021/C58/01) shall be sought:**

- **Four new patrol vessels:** Annex 4 (point iv of the evidence provided) on the technical specifications for the purchase of the four new patrol vessels lists in section 2.7 the requirements that the vessels need to comply with be best available technology with the lowest environmental impacts in the sector. The technical specifications required in point 2.7.6 that compliance with the DNSH principle shall be revised during the second semester after the start of the construction works and, in case necessary, adopt corrective measures to ensure its correct implementation. On this line, a report was issued by a consultancy company (Annex 3, point iii of the evidence provided) proving compliance with the principle. Additionally, on 8 July 2022, the technical specifications were modified (Annex 7, point vii of the evidence provided) to change the diesel engines to hybrid engines after MAPA requested a DNSH report by a naval engineer (Annex 15, point viii of the evidence provided) which stated that hybrid engines were available and were a better alternative. This report from the naval engineer concludes *“As explained in the comparison of operating modes, the on-board arrangement of a hybrid propulsion would provide advantages over conventional propulsion in cases where the ship’s mode of operation is at low or medium speed, as hybrid propulsion would allow the generators to operate in the vicinity of its optimal design point in contrast to conventional propulsion main diesel engine operating at a point far away from their optimal design point. Consequently:*
  - *Environmental improvement: better combustion of diesel fuel in power generating engines, which together leads to lower pollutant emissions (CO2 and unburnt fuel).*
  - *Economic improvement: lower fuel consumption, lower maintenance cost of main engines and longer lifetime. In addition to what has been said above, the change in the type of propeller resulting from hybrid to conventional propulsion should be added:*
  - *Economic improvement: lower cost of installing and maintaining a propeller of fixed blades in front of a steerable blades. In addition, the flexibility provided by hybrid rather than conventional propulsion would bring the above-mentioned economic and environmental benefits, in addition to a reduction in noise emissions”.*
- **Three modernised high seas patrol vessels:** Annex 17 (point xviii of the evidence provided) is an explanatory memorandum by the Ministry of Defence justifying compliance with the DNSH principle requirements and use of the best available technology. These DNSH requirements are included in the technical specification of the contract for the renovation works in the high seas patrol vessel (annex 9, 10 and 11, points xii to xiv of the evidence provided), therefore obliging the company performing the modernisation works. The report lists the different modernisation actions done in the vessels and explains why this is the best technology. The report concludes that *“In light of sections 2 and 3 of this explanatory memorandum, we consider that the modernisation works for the ‘Alborán’, ‘Arnomendi’ and ‘Tarifa’ high seas patrol vessels have been carried out in accordance with the principle of do not significant harm to the environment and the best available technical solutions have been taken into account for the definition of the measures planned for ship equipment and systems”.*
- Annex 18 (point xix of the evidence provided) provides a report by the Directorate General on Fisheries and Aquaculture on the use of the best available technology confirming that all vessels (the four new vessels and the three modernised vessels) use the best available technology with the lowest environmental impact in the sector.



Furthermore, in line with the description of the measure, **this investment does not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852, taking into account the description of the measure and the mitigating steps set out in the recovery and resilience plan in accordance with the DNSH Technical Guidance (2021/C58/01):**

- Four new patrol vessels: Annex 4 (point iv of the evidence provided) of the evidence provided on the technical specifications for the purchase of the four new patrol vessels requires in section 2.7 that *“the contractor shall ensure full compliance with the principle of do no significant harm and climate and digital tagging, as planned in the Recovery, Transformation and Resilience Plan, approved by the Council of Ministers on 27 April 2021 and by Regulation (EU) No 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility”*
- Three modernised vessels: Annex 8 (point xi of the evidence provided) of the evidence provided on the agreement between MAPA and Ministry of Defence, states in clause one that *“The measures covered by this agreement shall respect the principle of do no significant harm and its implementing legislation, as set out in Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Mechanism and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (Taxonomy Regulation), and further developed in the European Commission's Technical Guide (2021/C 58/01) on the application of this principle”*

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M62	M62 - C4.R1 - Conservation of terrestrial and marine biodiversity
<b>Name of the Milestone:</b> Strategic Plan for Natural Heritage and Biodiversity and Plan on the Network of Protected Marine Areas	
<b>Qualitative Indicator:</b> Publication in the Official Journal	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this reform is to update the biodiversity and natural heritage legislation to support meeting commitments stemming from the Convention on Biological Diversity and the recently adopted EU Biodiversity Strategy for 2030. To do so, this reform shall take various actions to adopt legislation, plans and strategies related to biodiversity and natural ecosystems.</p> <p>Milestone 62 consists of six points: i) adoption of the Strategic Plan for Natural Heritage and Biodiversity (Royal Decree); ii) the Plan on the Network of Protected Marine Areas Plan (Royal Decree), including the set-up of at least nine marine management bases; iii) the Biodiversity, Science and Knowledge Strategy; iv) the National Strategy for the Conservation of Pollinators; v) the regulation for updating authorities, administrative and scientific bodies, under the Convention on International Trade in Endangered Species of Wild Fauna and Flora; and vi) the Wetlands Conservation and Restoration Plan.</p> <p>Milestone 62 is the only milestone or target of this reform. This reform shall be directly supported by Investment 1 and Investment 2 of this Component 4 of the Spanish Recovery and Resilience Plan. It shall also complement the other two reforms and investments described in this component of the Spanish Recovery and Resilience Plan.</p>	

### Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
- ii. Document including the link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 313, of 30 December 2022, of the Royal Decree 1057/2022 of 27 December 2022, in which the Strategic Plan for Natural Heritage and Biodiversity to 2030 is approved, according to Law 42/2007, of 13 December 2007, of Natural Heritage and Biodiversity. (<https://www.boe.es/buscar/act.php?id=BOE-A-2022-23751>)
- iii. Document including the link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 313, of 30 December 2022, of the Royal Decree 1056/2022, of 27 December, which approves the Plan for the Network of Protected Marine Areas and the minimum common criteria to manage the network in a coordinated and coherent way (<https://www.boe.es/buscar/act.php?id=BOE-A-2022-23750>)
- iv. Document signed by the Deputy Director General of Biodiversity Directorate of the Ministry of Ecological Transition and Demographic Challenge certifying the set-up of at least nine marine management bases.
- v. Document including the link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 313, of 30 December 2022, pages 193070 to 193114, of the Order PCM/1341/2022, of 29 December 2022, which approves the Biodiversity and Science Strategy ([BOE-A-2022-24400 Orden PCM/1341/2022, de 29 de diciembre, por la que se publica el Acuerdo del Consejo de Ministros de 20 de diciembre de 2022, por el que se aprueba la Estrategia de Biodiversidad y Ciencia \(2023-2027\).](#));
- vi. Document including the link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 287, of 30 October 2020, pages 94150 to 94150, of Resolution of 15 October 2020, of the Secretary of State for the Environment, by which the Agreement of the Sectoral Conference on the Environment is published, regarding natural heritage and biodiversity, which approves the National Strategy for the Conservation of Pollinators (BOE-A-2020-13283 Resolución de 15 de octubre de 2020, de la Secretaría de Estado de Medio Ambiente, por la que se publica el Acuerdo de la Conferencia Sectorial de Medio Ambiente, en materia de patrimonio natural y biodiversidad.), the document also includes the link to the Strategy published in the webpage of the Ministry for Ecological Transition and Demographic Challenge ([estrategiaconservacionpolinizadores\\_tcm30-512188.pdf](#) (miteco.gob.es));
- vii. Document link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 295 of 10 December 2021, of Royal Decree 986/2021, of 16 November 2021 updating the authorities, administrative and scientific bodies, under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (<https://www.boe.es/eli/es/rd/2021/11/16/986/con>);
- viii. Document link to the publication in the Official Journal (*Boletín Oficial del Estado*), of 16 December 2022, pages 174838 to 174838, of the Resolution of 1 December 2022, of the Secretary of State for the Environment, by which the Agreement of the Sectoral Environment Conference is published approving the Wetlands Conservation and Restoration Plan ([https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-21392](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-21392)), the document also includes the link to the Plan, published in the Ministry of Ecological Transition and Demographic Change ([Plan Estratégico de Humedales a 2030](#) (miteco.gob.es)).
- ix. Document including links to the government's website and official journal proving that there has been an appointment of at least one civil servant in services of the Spanish

administration dealing with coastal and/or marine issues located in at least nine different provinces (as specified in the Operational Arrangements).

The authorities also provided:

- x. Document certifying the fulfilment of the milestone.
- xi. Report on the component's management.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Adoption of the Strategic Plan for Natural Heritage and Biodiversity (Royal Decree).**

The Spanish authorities have adopted the Strategic Plan for Natural Heritage and Biodiversity (hereinafter Strategic Plan) according to the publication in the Official Journal of the Royal Decree 1057/2022 of 27 December 2022. Royal Decree 1057/2022 entered into force on 31 December 2022, according to its third final provision (*disposición final tercera*), on the following day of its publication in the Official Journal (30 December 2022) (as evidenced by the documents in point ii) of the evidence provided).

In line with the requirement in the description of the measure, Spain is required to approve and **deploy the Strategic Plan for Natural Heritage and Biodiversity (as set out in Law 42/2007, of 13 December 2007, on Natural Heritage and Biodiversity).**

The approval of the Strategic Plan for Natural Heritage and Biodiversity is indeed the starting point for its deployment. For example, one of the lines of action of the Strategic Plan for Natural Heritage and Biodiversity (included in section 3.1 of the mentioned Strategy included in point ii) of the evidence provided) aims at increasing the knowledge on natural heritage and biodiversity. This is deployed by investment 1 of this component: digitalisation and knowledge of natural heritage, especially by milestone 65 (positively assessed in the third payment request). The objective of this milestone is the setting up of the biodiversity knowledge and monitoring system to digitalise the management, control and monitoring of natural heritage, covering both terrestrial and marine fields, aiming at improving substantially the knowledge of species and habitats, aligned with the first line of action included in the Plan mentioned above.

Furthermore, in line with the description of the measure, the reform shall support meeting **the commitments stemming from the Convention on Biological Diversity**. The latter are indeed included in the Strategic Plan (as evidenced by the documents in point ii) of the evidence provided). Sections 3.2, 3.3 and 3.4 of the Strategic Plan address the points raised in Article 1 of the Convention on Biological Diversity related to biology conservation and sustainable use of ecosystems (as evidenced by the documents in point ii) of the evidence provided). In addition, sections 3.5, 3.6 and 3.7 of the Strategic Plan address also points raised on Article 1 of the Convention on Biological Diversity related to creating a just and equitable participation as well as finding appropriate financing (as evidenced by the documents in point ii) of the evidence provided).

In line with the description of the measure, the reform shall also support meeting **the commitments stemming from the EU Biodiversity Strategy for 2030**. Those are also included in the Strategic Plan. Section 3.2 of the Strategic Plan includes aspects covered by the second key point of the EU Biodiversity Strategy for 2030: no deterioration in the trends and conservation status of protected species and habitats, and at least 30% of those in unfavourable conservation status reach favourable status (as evidenced by the documents in point ii) of the evidence provided). In addition, section 3.3 of the Strategic Plan also addresses the second point of the EU Biodiversity Strategy as it includes the

objectives and measures to recover and restore ecosystems (as evidenced by the documents in point ii) of the evidence provided). Furthermore, point 3.5 of the Strategic Plan addresses the points laid down in the fourth key point of the EU Biodiversity Strategy (as evidenced by the documents in point ii) of the evidence provided). The Strategic Plan aims at promoting biodiversity and ecosystems conservation and restoration beyond Spain and the EU through international cooperation and trade.

Moreover, in line with the description of the measure, the Strategic Plan is supposed to **have a long-lasting impact on the conservation and management of all Spanish natural systems as well as on the services it provides to society**. The objective of Section 3.2 of the Strategic Plan (document included in point ii) of the evidence provided) is to put in place the necessary measures to improve the conservation and management of all Spanish natural systems. The measures included focus on achieving at least stable, and increasing trends of fauna and flora and have the necessary tools and plans for conservation of natural ecosystems as well as to reverse negative trends in natural ecosystems. The strategy plans to have a long-lasting effect impact, as included in the second final provision (*disposición final segunda*) of the strategy (included in point ii) in the evidence provided), which explains that this plan will be in place for eight years since the date of approval, 31 December 2022.

**Adoption of the Plan on the Network of Protected Marine Areas (Royal Decree), including the set-up of at least nine marine management bases.**

The Spanish authorities have adopted the Plan on the Network of Protected Marine Areas according to the publication in the Official Journal of the Royal Decree 1056/2022 of 27 December 2022. Royal Decree 1056/2022 entered into force on 31 December 2022, according to its sixth final provision (*disposición final sexta*), on the following day of its publication in the Official Journal (30 December 2022) (as evidenced by the document in point iii) of the evidence provided).

The Spanish authorities have set-up ten marine management bases in the country, specifically in Las Palmas de Gran Canaria, Pontevedra, Palma de Mallorca, Cadiz, Valencia, Barcelona, Oviedo, Santander, Almeria and Santa Cruz de Tenerife (as evidenced by the document in point iv) of the evidence provided as well as in the Ministry's website: [here](#), whose link is included in the summary document, point i) of the evidence provided).

In addition, the target is further specified in the Operational Arrangements, which states that **to certify that the marine management bases have been set-up, i) a certificate signed by the competent authority (document included in point iv) of the evidence provided) and ii) a proof of appointment of at least one civil servant in services of the Spanish administration dealing with coastal and/or marine issues located in at least nine different provinces are considered as a qualitative indicator of the publication in the Official Journal**. The second point is evidenced in point vi) of the evidence provided. This document includes links to the Official Journal and the government's website, where at least nine civil servants have been appointed in the services of the Spanish administration dealing with coastal and/or marine issues, *SG Biodiversidad Terrestre y Marina*, located in the ten provinces mentioned above where the marine management bases have been located.

Furthermore, in line with the description of the measure, **the Plan for the Marine Protected Areas Network promotes an ecologically coherent network as it contributes to the conservation of areas of natural heritage and marine biodiversity** (included in Article 3 of the Plan for the Marine Protected Areas Network (included in point iii) of the evidence provided), which focuses on guidelines to plan and promote conservation actions of protected marine areas) and to **foster a planned, effective and coherent management of marine protected areas** (as specified in Annex section V of the Plan for the

Marine Protected Areas Network (included in point iii) of the evidence provided), which sets up the minimum requirements that need to be applied to reach an effective and coherent coordination).

#### **Adoption of the Biodiversity, Science and Knowledge Strategy.**

Spain has adopted the Biodiversity and Science Strategy according to the publication in the Official Journal of the Order PCM/1341/2022 (hereinafter “Order”) of 29 December 2022, which entered into force on 31 December 2022, a day after its publication in the Official Journal, according to the fourth final provision (*disposición final cuarta*). As stated in the first paragraph of the Order, the Council of Ministers, on 20 December 2022, approved the Biodiversity and Science Strategy (as evidenced by the document in point v) of the evidence provided).

Furthermore, in line with the description of the measure, the Biodiversity and Science Strategy **identifies the main research gaps by establishing specific areas in which research in biodiversity is necessary**. This is included in Annex V of the Strategy, which explains the priority knowledge needs in the framework of this strategy. Table IV.1 sets out the main research topics in which research should focus on within the framework of this Strategy, both included in point v) of the evidence provided. This contributes to develop knowledge in the topic.

#### **Adoption of the National Strategy for the Conservation of Pollinators.**

The National Strategy for the Conservation of Pollinators was adopted by the Sectorial Conference on Environment on 21 September 2020, according to the Resolution of 15 October 2020, of the Secretary of State for the Environment, published in the Official Journal of 30 October 2020 (as evidenced in point vi) of the evidence provided). The Resolution published in the Official Journal includes the link to the full text of the National Strategy for the Conservation of Pollinators which has been published on the webpage of the Ministry for Ecological Transition and Demographic Challenge (as evidenced in point vi) of the evidence provided).

Furthermore, in line with the description of the measure the National Strategy for the Conservation of Pollinators provides **actions to improve the situation of pollinators, focusing on i) the promotion of favourable areas for pollinators** (addressed in section 4.B of the Strategy included in the second document in point vi) of the evidence provided); **ii) improvement in its management and reduction of risks created by harmful species** (addressed in section 4.C of the Strategy included in point vi) of the evidence provided); **iii) phytosanitary products** (addressed in section 4.D of the Strategy, included in point vi) of the evidence provided); **and iv) promotion of research on the conservation of pollinators, and the dissemination of the related research findings in this areas** (addressed in section 4.E and 4.F of the Strategy, included in point vi) of the evidence provided).

#### **Regulation for updating authorities, administrative and scientific bodies, under the Convention on International Trade and Endangered Species of Wild Fauna and Flora.**

Royal Decree 986/2021, published in the Official Journal on 16 November 2021, updates the authorities, administrative and scientific bodies, under the Convention on International Trade and Endangered Species of Wild Fauna and Flora (hereinafter “CITES Convention”) (as evidenced by document in point vii) of the evidence provided). Royal Decree 986/2021 (hereinafter “Royal Decree”) entered into force on 2 January 2022, according to its fifth final provision (*disposición final quinta*) (as evidenced by document in point vii) of the evidence provided). Article 2 of the Royal Decree appoints the new administrative authority and management body, the Directorate General for Biodiversity, Forests and Desertification of the Ministry of Ecological Transition and Demographic Challenge. The former administrative authority and management body was assigned by the Royal Decree 1739/1997,

of 20 November 1997, and it was the Directorate General for International Trade of the Ministry of Economics and Finance (as stipulated in page 3 of the Royal Decree). In addition, Article 3 of the Royal Decree appoints the scientific body, the State Agency for Scientific Research (*Agencia Estatal Consejo Superior de Investigaciones Científicas – CSIC*). The former scientific authority was assigned by the Royal Decree 1739/1997, of 20 November 1997, and it was the Directorate general for Nature Conservation of the Ministry of Environment (as stipulated in page 3 of the Royal Decree).

Furthermore, in line with the description of the measure, this Royal Decree establishes measures to **guarantee the implementation of the measures derived from the CITES**, as stipulated in the first additional provision (*disposición adicional primera*) (as evidenced by document in point vii) of the evidence provided). In the European Union, the CITES Convention is implemented through Regulation (CE) 338/97 of the Council, of 9 December 1996 (as specified in page 3 of the Royal Decree included in point vii) of the evidence provided). The first additional provision aligns the Royal Decree with the Regulation (CE) 338/97 of the Council, of 9 December 1996, therefore, guaranteeing the implementation of the measures derived from CITES, whose objective is to regulate the international trade of fauna and flora and its products, **ensuring that trade is not detrimental to the conservation status of species and their long-term survival.**

#### **Adoption of the Wetlands Conservation and Restoration Plan**

The Wetlands Conservation and Restoration Plan was adopted by the Sectorial Conference on Environment on 23 November 2022, according to the Resolution of 1 December 2022, of the Secretary of State for the Environment, by which the Agreement of the Sectorial Environment Conference is published in the Official Journal of 16 December 2022 (as evidenced in point viii) of the evidence provided). The publication in the Official Journal includes the link to the full text of the Wetlands Conservation and Restoration Plan published on the webpage of the Ministry for Ecological Transition and Demographic Challenge.

Furthermore, in line with the description of the measure, the Wetlands Conservation and Restoration Plan aims at **preserving and a rational use of wetlands** by creating different lines of action related to i) improve the knowledge on wetlands (section 5.1 of the plan included in point viii) of the evidence provided); ii) improve the protection, conservation and management of wetlands (section 5.2 of the plan, included in point viii) of the evidence provided); iii) improve and restore wetlands as well as reduce its threats (section 5.3 of the plan, included in point viii) of the evidence provided); iv) contribute to the conservation and improvements of wetlands ecosystems in the national territory as well as through international agreements (section 5.4 of the plan, included in point viii) of the evidence provided); v) ensure the correct financing to be able to implement the mentioned plan, including the promotion of public-private partnerships (section 5.5 of the plan, included in point viii) of the evidence provided); and vi) reinforce the governance framework and the related legislation (section 5.6 of the plan, included in point viii) of the evidence provided).

Furthermore, in line with the description of the measure, **the development of the actions under this measure will directly be supported by Investment 1 and Investment 2 included in component 4.** Investment 1 aims at establishing a system to digitalise the management, control and monitoring of natural heritage, covering both the terrestrial and marine fields, improving knowledge on biodiversity. This investment directly contributes to this reform as one of the objectives of the reform is to improve biodiversity knowledge. This is why this reform approves the Biodiversity and Science Strategy (as evidence by the document in point v) of the evidence provided), whose main objective is to identify research gaps related to biodiversity to extend knowledge on biodiversity. In addition, investment 2 aims at improving the conservation of terrestrial and marine biodiversity. This is also a priority of this reform. This is why the reform approves the Strategic Plan for Natural Heritage and

Biodiversity, whose objective is to improve the conservation and management of all Spanish natural ecosystems as well as on the services it provides as evidenced in point 3.2 of the Strategic Plan for Natural Heritage and Biodiversity, included in point ii) in the evidence provided.

In addition, in line with the description of the measure, **this reform shall complement the other two reforms and investments under this component.** The Strategic Plan for Natural Heritage and Biodiversity, especially section 3.3 “Restoration of ecosystems” (included in point ii) of the evidence provided), complements reform 2 and investment 3 of this component, whose objective is to promote the restoration of ecosystems and green infrastructure. In addition, section 3.4 “Reducing threats to natural heritage and biodiversity” (included in point ii) of the evidence provided) includes a sub section that includes lines of action to prevent forest fires and increase the ability to extinguish them. Therefore, the Strategic plan also complements investment 4 of this component, whose aim is to invest in sustainable forest management actions, including actions to combat forest fires and adapt to climate change. In this same vein, this reform also complements reform 3 of this component, whose objective is the adoption of the Spanish Forest Strategy and Support Plan.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M64	M64 - C4.R3 - Sustainable forest management
<b>Name of the Milestone:</b> Approval of the Spanish Forest Strategy and Support Plan	
<b>Qualitative Indicator:</b> Publication in the Official Journal	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this reform is to update the 1999 Spanish Forest Strategy together with the 2002-2032 Spanish Forestry Plan, developing a package of actions to boost the forestry sector, covering the Spanish forest as a whole and addressing economic and social revitalisation of rural areas. This will be achieved by the adoption of the Spanish Forest Strategy and Support Plan, including the guidelines for sustainable forest management, as well as the Strategic Guidelines for Forest Fires Management.</p> <p>Milestone 64 concerns the adoption of the Spanish Forest Strategy and Support Plan, which shall include guidelines for sustainable forest management.</p> <p>Milestone 64 is the only milestone or target of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>ii. Document including the link of the publication in the Official Journal (<i>Boletín Oficial del Estado</i>) No. 313 of 20 December 2022, pages 193192 to 193193, of the Resolution on 27 December 2022, of the Secretary of State for Environment, which updates the Spanish Forest Strategy, Horizon 2050 (<a href="#">BOE-A-2022-24407 Resolución de 27 de diciembre de 2022, de la Secretaría de Estado de Medio Ambiente, por la que se publica el Acuerdo del Consejo de Ministros de aprobación de la revisión de la Estrategia Forestal Española horizonte 2050.</a>). The Official Journal includes the link to the Spanish Forest Strategy Horizon 2050,</li> </ol>	

published in the website of the Ministry for Ecological Transition and Demographic Challenge: [Estrategia Forestal Española horizonte 2050 \(miteco.gob.es\)](https://www.miteco.gob.es/).

- iii. Document including i) the link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 313 of 30 December 2022, pages 193194 to 193195, of the Resolution on 27 December 2022, of the Secretary of State for Environment which updates the Spanish Forestry Plan 2022-2032 ([BOE-A-2022-24408 Resolución de 27 de diciembre de 2022, de la Secretaría de Estado de Medio Ambiente, por la que se publica el Acuerdo del Consejo de Ministros de aprobación de la revisión del Plan Forestal Español 2022-2032](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-24408) [https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-24409](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-24409)). The Official Journal includes the link to the Spanish Forest Plan 2022-2032, published in the website of the Ministry for Ecological Transition and Demographic Challenge: [Plan Forestal Español 2022-2032 \(miteco.gob.es\)](https://www.miteco.gob.es/); and ii) the link of the publication in the Official Journal (*Boletín Oficial del Estado*) No. 313, of 30 December 2022, pages 193196 to 193197, of the Resolution on 27 December 2022, of the Secretary of State of Environment, which publishes the Common Basic Guidelines for Sustainable Forest Management ([BOE-A-2022-24409 Resolución de 27 de diciembre de 2022, de la Secretaría de Estado de Medio Ambiente, por la que se publica el Acuerdo de Consejo de Ministros de aprobación de las "Directrices Básicas Comunes de Gestión Forestal Sostenible"](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-24409)). The Official Journal includes the link to the Common Basic Guidelines for Sustainable Forest Management, published in the website of the Ministry for Ecological Transition and Demographic Challenge: [Directrices Básicas Comunes de Gestión Forestal Sostenible \(miteco.gob.es\)](https://www.miteco.gob.es/).

The authorities also provided:

- iv. Document including the link of the publication of the Strategic Guidelines for Forest Fires Management, published in the website of the Ministry for Ecological Transition and Demographic Challenge, and approved on 28 July 2022 by the Sectorial Conference for Environment ([Microsoft Word - Orientaciones Estratégicas IIFF CS28072022.docx \(miteco.gob.es\)](https://www.miteco.gob.es/)).
- v. Document certifying the fulfilment of the milestone;
- vi. Report on the component's management.

#### Analysis:

The justification and substantiating evidence provided by the Spain's authorities covers all constitutive elements of the milestone.

#### Adoption of the Spanish Forest Strategy.

The Spanish authorities have adopted the updated Spanish Forest Strategy, Horizon 2050, according to the Resolution on 27 December 2022, of the Secretary of State of Environment, published in the Official Journal on 30 December 2022. This Strategy updates the first Spanish Forest Strategy, adopted in 1999 (as included in point ii) of the evidence provided).

Furthermore, in line with the description of the measure, the Spanish Forestry Strategy develops a **package of actions to boost the forestry sector based on five strategic priorities, which cover the Spanish forest as a whole**, as it covers biodiversity, climate change, bioeconomy, as well as governance among others, including different lines of action in each of the five priorities:

- **The conservation and enhancement of natural heritage, biodiversity and connectivity** is the first priority of the strategy (included in pages 68-69 of the Strategy in point ii) of the evidence



provided). This priority sets out three lines of action, one of them is to improve the protection and conservation status of forest ecosystems, including its species and forest areas.

- **Protection, health security and protection of prevention and adaptation to natural and environmental risks** is the second priority of the strategy (included in pages 70-79 of the Strategy in point ii) of the evidence provided). This priority sets out four lines of action, one of them aims at increasing cooperation and coordination for forest **fires** management.
- **Forest bio-economy: green economy and jobs, mobilisation of forest resources, and sustainable socio-economic development of the forestry sector** is included in the third priority of the strategy (included in pages 80-86 of the Strategy in point ii) of the evidence provided). This priority sets out six different lines of actions, the fourth line of action aims at **revitalising the socioeconomic situation of the forestry sector**, focusing on green economy and employment, to stop **depopulation in rural areas**.
- **Development and improvement of knowledge and forestry culture** is the fourth priority of the strategy (included in pages 86-87 of the Strategy in point ii) of the evidence provided), which includes three lines of action regarding education, reskilling programmes and research in the forestry sector; and,
- **Forest governance model: the regulatory, administrative and instrumental framework of the Spanish forestry policy** is the fifth and last priority of the strategy (included in pages 88-95 of the Strategy in point ii) of the evidence provided). This priority includes nine lines of action, and number six addresses **ownership**, as included in the measure's description. This line of action aims at improving the knowledge of public and private forest ownership, promoting measures to declare forest ownerships which are not being taken care of, and promoting private forest ownership.

Point two of the strategy analyses the **evolution, current status and trends in forest areas and resources** (included in pages 24-45 of the Strategy in point ii) of the evidence provided), in line with the description of the measure. In addition, the Spanish Forestry Strategy is aligned with the **European Green Deal** as shown in point V included in section 6 of the Strategy as well as section 4 (included in point ii) of the evidence provided).

#### **Adoption of the Support Plan.**

The Spanish authorities have adopted the Spanish Forest Plan 2002-2032, according to the Resolution on 27 December 2022, of the Secretary of State of Environment, published in the Official Journal on 30 December 2022. While the abovementioned Spanish Forest Strategy is the document which establishes the Spanish forest policy, the Spanish Forest Plan (2002-2032) is the support plan that focuses on long-term planning of the Spanish forestry policy (developed by the Spanish Forest Strategy) (included in the first paragraph of page 7 of the Plan in point iii) of the evidence provided).

#### **Include guidelines for sustainable forest management.**

The Spanish authorities have adopted the Basic **Guidelines for Sustainable Forest Management**, according to the Resolution on 27 December 2022, of the Secretary of State of Environment, published in the Official Journal on 30 December 2022.

Furthermore, in line with the description of the measure, these guidelines cover issues such as **biodiversity, climate change** (included in point 4.11, page 18, of the Guidelines in point iv) of the evidence provided), and **circular bio-economy** (included in section 1.2, while explaining the Strategic European instruments for the forestry sector, in section 5 which explains the minimum requirements for those projects related to forest management specifically in sub-sections 1 and 2 and in annex 2,

specifically in criteria number 2 which objective is to maintain and improve the productive function on forest; all this information is included in the Guidelines in point vi) of the evidence provided).

In addition, in line with the description of the measure, one of the main instruments in the Spanish Forest Strategy is the **Strategic Guidelines for Forest Fires Management**. These guidelines, published on the website of the Ministry for Ecological Transition and Demographic Challenge, were approved by the Sectoral Conference on Environment on 28 July 2022 (as stipulated in the first page of the Guidelines in point v) of the evidence provided). These guidelines set out seven **objectives to follow** (included in section 3 of the Guidelines in point v) of the evidence provided) and define the **main lines of work** (included in section 4 of the Guidelines in point v) of the evidence provided). In addition, objective 6 of section 4, identifies three **different groups in society** that are indirectly related to forest fires and proposes to create participatory and collaboration mechanisms with these groups (this is done in page 13 and 14 of the Guidelines in point v) of the evidence provided). These strategic guidelines **contribute to control forest fires** and increase the **strategic positioning of the forest sector in the context of the ecological transition** as it includes action lines to i) reduce the risks of forest fires and prepare ecosystems and society to their occurrence (objective 2 of the guidelines, included in point v) of the evidence provided), ii) adapt the different devices and agents to increase fire protection and reinforce cooperation among them (objective 4 of the guidelines, included in point v) of the evidence provided), and iii) manage rural areas to achieve their sustainability in the face of forest fires (objective 1 of the guidelines, included in point v) of the evidence provided), among others.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M77	M77 - C5.I2 - Monitoring and restoration of river ecosystems, aquifer recovery and flood risk mitigation	
<b>Name of the Milestone:</b> Restoration of riverbanks protection against flood risks		
<b>Qualitative Indicator:</b> Certificates signed by MITERD		<b>Time:</b> Q4 2024
<b>Evidence provided:</b>		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		
<ul style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Excel file being an annex to the summary document including: a list of the riverbanks restored, including for each of them: a) the name, the location and a brief description in accordance with the CID Annex; b) extract of the relevant parts of the technical specifications of the project proving alignment with the description of the CID; c) the type of action on riverbank restoration undertaken; d) number of kilometres of riverbanks restored and the number of inhabitants being protected against flood risk; and e) a copy of the certificate of completion.</li> <li>iii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> <li>iv. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> <li>v. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> <li>vi. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> <li>vii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> <li>viii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> <li>ix. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.</li> </ul>		

- x. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xi. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xiii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xiv. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xv. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xvi. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xvii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xviii. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xix. Copy of the certificate of completion signed by MITERD or the hydrographic confederation.
- xx. Copy of the certificates of completion signed by MITERD or the hydrographic confederation.

The authorities also provided:

- xxi. Document explaining the methodology used to count homogeneously the number of kilometres restored and inhabitants protected of flood risks;
- xxii. Official document provided by MITERD on the actions implemented on Bibei River, including the project's description, location, the start and end date, and the amount of km restored and inhabitants protected for actions C05.I02.P02.SI01.01 ;
- xxiii. Official document provided by MITERD on the actions implemented on Tajo's basin, including the project's description, location, the start and end date, and the amount of km restored for actions C05.I02.P02.SI01.03 ;
- xxiv. Official document provided by MITERD on the actions implemented in Tajo's basin, including the project's description, location, the start and end date and the amount of km restored and inhabitants protected from flood risk for actions C05.I02.P02.SI01.06 ;
- xxv. Official document provided by MITERD on the actions implemented in the Guadiana river, including the project's description, location, the start and end date and the amount of km restored and inhabitants protected from flood risk for actions C05.I02.P02.SI01.05 and C05.I02.P02.SI01.11 ;
- xxvi. Official document provided by MITERD on the actions implemented in the Guadiamar River, including the project's description, location, the start and end date and the amount of km restored of actions C05.I02.P02.SI01.09 ;
- xxvii. Official document provided by MITERD on the actions implemented in the river Guadaíra, including the project's description, location, the start and end date and the amount of km of riverbank restored of actions C05.I02.P02.SI01.07 and C05.I02.P02.SI01.10 ;
- xxviii. Official document provided by MITERD on the actions implemented in the Segura River, including the project's description, location, the start and end date and the amount of km of riverbank restored of actions C05.I02.P02.SI01.08 ;
- xxix. Official document provided by MITERD on the actions implemented in the Hajar River, including the project's description, location, the start and end date and the amount of km of riverbank restored of actions C05.I02.P02.SI01.02 and C05.I02.P02.SI01.04 ;
- xxx. Official document provided by MITERD on the actions implemented in Asturias, including the project's description, location, the start and end date and the amount of km of riverbank restored of actions C05.I02.P02.S01.SI01.01 and C05.I02.P02.S01.SI01.02;
- xxxi. Official document provided by MITERD on the actions implemented in the Tajo basin, including the project's description, location, the start and end date and the amount of km of riverbank restored of actions C05.I02.P02.S02.SI01.01;
- xxxii. Official document provided by MITERD on the actions implemented in the Cega River, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P02.S03.SI01.06 ;

- xxxiii. Official document provided by MITERD on the actions implemented in the Duero's basin in Valladolid, including the project's description, location, the start and end date and the amount of km of riverbank restored of actions C05.I02.P02.S03.SI01.05;
- xxxiv. Official document provided by MITERD on the actions implemented in the Duero's basin in Avila, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P02.S03.SI01.04;
- xxxv. Official document provided by MITERD on the actions implemented in the Duero's basin in Zamora, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P02.S03.SI01.03
- xxxvi. Official document provided by MITERD on the actions implemented in the Duero's basin in Leon, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P02.S03.SI01.01 ;
- xxxvii. Official document provided by MITERD on the actions implemented in the Duero's basin in Soria, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P02.S03.SI01.02 ;
- xxxviii. Official document provided by MITERD on the actions implemented in the Guadiana River ad River Rucas, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P03.SI01.01 and C05.I02.P03.SI01.02 ;
- xxxix. Official document provided by MITERD on the actions implemented in the Mino-Sil River in Galicia, including the project's description, location, the start and end date and the amount of km of riverbank restored and inhabitants protected from flood risk of actions C05.I02.P03.S09.SI01.01.
- xl. 18 copies (one for each project) of the project's technical specifications. These copies have the following name: *Anexo\_b\_77H\_C5\_I2\_MITERD\_C05.I02.xxx*.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**At least 200 km of riverbanks restored and at least 40 000 inhabitants being protected against flood risks.**

Spain has implemented a set of actions which have restored a total of 200.36 km of riverbanks and protected 45.286 inhabitants against flood risks. These figures result from applying the criteria for establishing the monitoring indicators of the projects that are included in the protocol elaborated by the Directorate-General for Water of MITERD in order to use the same methodology for the actions supported by this investment in the RRP. This protocol is well-founded and plausible from a technical point of view (included in point xxi) of the evidence provided). The actions implemented are the following:

- Actions to improve the environmental conservation status of the Bibe River (Porto de Sanabria, Zamora): these actions have restored 2 km of riverbank and have protected 43 inhabitants from flood risks (as included in point xxii) of the evidence provided). The actions were finalised on 11 November 2022 (as evidenced in point iii) of the evidence provided).
- Actions to improve the hydro morphological conditions of Tajo's basin. This line of action includes two different actions: i) restoring 0.076 km of riverbank in Jarama river; and ii)

restoring 0.25 km of riverbank in Cofio river. Both actions have restored a total of 0.326 km of riverbank (as included in point xxiii) of the evidence provided). The actions were finalised on 30 October 2022 (as evidenced in point iv) of the evidence provided).

- Actions to improve the environmental conservation of the public hydraulic domain in the Tajo basin: this line of action has restored 39.6 km of riverbank and has protected 18 inhabitants from flood risks (as included in point xxiv) of the evidence provided). The actions were finalised on 31 December 2022 (as evidenced in point v) of the evidence provided).
- Actions to improve the vegetation, the negative effects of floods and the risk of fire in the Guadiana River: this line of action has restored 28.32 km of riverbank and has protected a total of 3 394 inhabitants from flood risks (as included in point xxv) of the evidence provided). The actions were finalised on December 2022 (as evidenced in point vi) of the evidence provided).
- Actions to i) recover the water mass continuity and ii) to improve the conservation status of the habitats and ecosystems in the Guadamar River: this line of action has restored 2.5 km of riverbank (as included in point xxvi) of the evidence provided). The actions were finalised on December 2022 (as evidenced in point vii) of the evidence provided).
- Actions to i) recover the water mass continuity and ii) to improve the conservation status of the habitats and ecosystems in the river Guadaíra: this line of action has restored 2.25 km of riverbank (as included in point xxvii) of the evidence provided). The actions were finalised on December 2022 (as evidenced in point viii) of the evidence provided).
- Actions related to the conservation, maintenance and improvement of the connectivity in the public hydraulic domain of the hydrographic confederation of Segura River: this line of action has restored 2.51 km of riverbank (as included in point xxviii) of the evidence provided). The actions were finalised on 3 October 2022 (as evidenced in point ix) of the evidence provided).
- Actions related to the recovery of the river mobility space in the Híjar River: this line of action has restored a total of 1.9 km of riverbank (as included in point xxix) of the evidence provided). The actions were finalised on June 2022 (as evidenced in point x) of the evidence provided).
- Actions to restore and improve the natural vegetation close to Atracitas de Gillón in Asturias: this line of action has restored a total of 1.05 km of riverbank (as included in point xxx) of the evidence provided). The actions were finalised on September 2021 (as evidenced in point xi) of the evidence provided).
- Actions to improve environmental conservation of the public hydraulic domain in the Tajo basin: this line of action has restored a total of 32.41 km of riverbank, 32.23 km in La Vera (Cáceres) and 0.177 in Villaviciosa de Odón (Madrid) (as included in point xxxi) of the evidence provided). In addition, 154 inhabitants have been protected from flood risk (as included in point xxxi) of the evidence provided). The actions were finalised on 31 March 2021 (as evidenced in point xii) of the evidence provided).
- Actions in the Cega River to i) improve the continuity of river and ii) eliminate obstacles and improve the hydraulic capacity of the river: this line of action has restored a total of 4.18 km of riverbank (0.18 km in action i) and 4km in action ii), as included in point xxxii) of the evidence provided). In addition, the action implemented to eliminate obstacles and improve the hydraulic capacity of the river has protected 12 inhabitants from flood risk (as included in point xxxii) of the evidence provided). The actions were finalised on July 2022 (as evidenced in point xiii) of the evidence provided).
- Actions to improve the hydro morphological conditions of Duero's basin in Valladolid: this line of action has restored a total of 0.5 km of riverbank (as included in point xxxiii) of the evidence provided). The actions were finalised on November 2022 (as evidenced in point xiv) of the evidence provided).
- Actions to improve the hydro morphological conditions of Duero's basin in Avila: this line of action has restored a total of 0.5 km of riverbank (as included in point xxxiv) of the evidence provided). In addition, this line of action has protected 2 inhabitants from flood risks (as

included in point xxxiv) of the evidence provided). The actions were finalised on November 2022 (as evidenced in point xv) of the evidence provided).

- Actions to improve the hydro morphological conditions of Duero's basin in Zamora, especially in i) Granucillo, Santibanez de Vidriales and Bime de Urz, Canizo, and de Belver de los Montes. This line of action has restored a total of 14.98 km of riverbank and has protected 144 inhabitants from flood risk (as included in point xxxv) of the evidence provided). The actions were finalised on June 2022 (as evidenced in point xvi) of the evidence provided).
- Actions to improve the hydro morphological conditions of Duero's Basin in Leon. This line of action has restored a total of 1.62 km of riverbank (as included in point xxxvi) of the evidence provided). The actions were finalised on November 2021 (as evidenced in point xvii) of the evidence provided).
- Actions to improve the maintenance and conservation of the riverbed of Duero's River in Soria. This line of action has restored a total of 1.04 km of riverbank (as included in point xxxvii) of the evidence provided). The actions were finalised on April 2022 (as evidenced in point xviii) of the evidence provided).
- Actions to restore the Guadiana River and the River Rucas (part of the Guadiana Basin). This line of actions has restored a total of 55.47 km of riverbank and 38 726 inhabitants protected from flood risk (as included in point xxxviii) of the evidence provided). The actions were finalised on October 2021 (as evidenced in point xix) of the evidence provided).
- Actions to improve biodiversity conservation and maintenance of the Mino-Sil River in Galicia. This line of action has restored a total of 9.2 km of riverbank and has protected 2 793 inhabitants from floor risks (as included in point xxxix) of the evidence provided). The actions were finalised on 10 November 2020 (as included in point xx) of the evidence provided).

Furthermore, in line with the description of the measure, the objective of the investment to **restore river ecosystems and natural river reserves, which encompasses a number of concrete actions aimed at restoring river space** such as recovering water mass continuity or to improve the conservation status of habitats and ecosystems, among others, has been met by all the actions mentioned above.

In addition, in line with the description of the measure, this investment has **established actions to mitigate flood risk. This line of action** builds up on **already existent flood risks management plans (FRMPs)** (point i) of the evidence provided includes the [link](#) to the Ministry's website where the plans are published). These plans include **prevention measures for spatial and town planning** (included in objective 5 included in chapter 7 of the flood risks management plans), **the development of technical guidelines to reduce the vulnerability of exposed areas in flood zones** (included in objective 7 included in chapter 7 of the flood risks management plans) **and to promote the adaptation to flood risk of different economic sectors** (included in objective 1 included in chapter 7 of the flood risks management plans). The programme of measures is included in chapter 12 of the FRMPs. Furthermore, as evidenced in Annex II of the FRMPs, **municipalities need to address the implementation of river restoration measures in urban environments** in collaboration with the Ministry through the Hydrographic Confederations (or with the competent regional water administration), **introduce sustainable drainage systems, and improve the permeability of urban environments and their connection with the environmental values of rivers in urban areas by developing technical guidelines and objectives of water planning.**

The milestone is further specified in the Operational Arrangements, which says that the certificates of completion signed by the hydrological confederations are also considered as a qualitative indicator. The certificates of completion provided by Spain have been signed by the hydrological confederations and/or MITERD (aligned with the qualitative indicator).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T80	T80 - C5.I4 - Adapting the coastline to climate change, and implementing Marine Strategies and Maritime Spatial Planning Plans		
<b>Name of the Target:</b> Restoration of degraded areas and ecosystems across at least 50 kilometres of coastline			
<b>Quantitative Indicator:</b> Number (kms)	<b>Baseline:</b> 0	<b>Target:</b> 50	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this investment is to implement the Strategy for Adaptation of the Coastal to the Effects of Climate Change, with the objective to increase the resilience of the Spanish coast to climate change, and to integrate climate change adaptation into the planning and management of the Spanish coast. This investment shall also protect and restore the coastal ecosystems or degraded areas as well as improve the accessibility to the public land-based maritime domain. Finally, this investment shall also address the implementation of strategic marine planning policies.</p> <p>Target 80 concerns the completion of at least 50 kilometres of coastline in restoration of degraded areas and ecosystems, protection and increase accessibility to coastal areas, mitigation of erosion, better knowledge and increase coastal areas resilience and adaptation to the effects of climate change, remote monitoring and implementation of strategic marine planning policies.</p> <p>Target 80 is the first step of the implementation of the investment, and it will be followed by targets 81 and 81b covering additional kilometres of coastline with the same type of eligible actions. The investment has a final expected date for implementation on 31 December 2025.</p>			
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> <li>ii. Annex including the list of actions undertaken, and for each one: a) the name, the location and a brief description; b) extract of the relevant parts of the technical specifications of the project aligned with the CID; c) the type of action undertaken; d) the number of kilometres of coastline restored and protected; e) the name of the certificate of completion.</li> <li>iii. Document summarising the works implemented in the Balearic Islands, including the location, the type of action and a brief description, and the amount of km restored.</li> <li>iv. Contract to implement the actions in the Balearic Islands.</li> <li>v. Certificate of completion of works implemented in the Balearic Islands.</li> <li>vi. Document including the works implemented in the Balearic Islands.</li> <li>vii. Document including additional information to the works implemented in the Balearic Islands.</li> <li>viii. 4 contracts to implement the actions in the Balearic Islands.</li> <li>ix. Document summarising the works implemented in Girona, including the location, the type of action and a brief description, and the amount of km restored.</li> <li>x. Order to the company to implement the works in Girona.</li> </ol>			

- xi. Certificate of completion of the works implemented in Girona.
- xii. Document including the issues identified that are addressed by the actions implemented in Girona.
- xiii. 7 contracts to implement the actions in Girona.
- xiv. Document summarising the works implemented in Tarragona, including the location, they type of action and a brief description, and the amount of km restored.
- xv. Certificate of completion of the works implemented in Tarragona.
- xvi. Order to the company to implement the works in Tarragona.
- xvii. Document including the actions to be implemented.
- xviii. 2 contracts to implement the actions in Tarragona.
- xix. Document summarising the works implemented in Alicante, including the location, they type of action and a brief description, and the amount of km restored.
- xx. Order to the company to implement the works in Alicante.
- xxi. Certificate of completion of the works implemented in Alicante.
- xxii. Order to the company to implement the works in Alicante.
- xxiii. Actions and costs implemented in Alicante.
- xxiv. Document summarising the works implemented in Castellon, including the location, they type of action and a brief description, and the amount of km restored.
- xxv. Document including all the actions implemented in Castellon.
- xxvi. Certificate of completion of the works implemented in Castellon.
- xxvii. Order to the company to implement the works in Castellon.
- xxviii. 7 contracts to implement the actions in Castellon.
- xxix. Document summarising the works implemented in Valencia, including the location, the type of action and a brief description, and the amount of km restored.
- xxx. Document identifying the issues that need to be address by the actions.
- xxxi. Order to the company to implement the works in Valencia.
- xxxii. Certificate of completion of the actions implemented in Valencia.
- xxxiii. 4 contracts to implement the actions in Valencia.
- xxxiv. Document summarising the works implemented in the Banya Península in Tarragona, including the location, the type of action and a brief description of the amount of km restored.
- xxxv. Document including all the project, published by the Ministry of Agriculture and fishing, nourishment and environment.
- xxxvi. Order to the company to implement the works.
- xxxvii. Document including the all the elements of the project implemented
- xxxviii. Three contracts to implement the works.
- xxxix. Document summarising the works implemented in Deltebre, Tarragona, including the location, the type of action and a brief description of the amount of km restored .
- xl. Document including the memoire of the project.
- xli. Order to the company to implement the works.
- xl.ii. Certificate of completion of the works done.
- xl.iii. Document including technical aspects of the project, such as costing.
- xl. iv. Document summarising the works implemented in the Balearic Islands, including the location, the type of action and a brief description of the amount of km restored
- xl. v. Document including the memoire of the project.
- xl. vi. Order to the company to implement the tasks.
- xl. vii. Certificate of completion of the works done.
- xl. viii. 2 contracts to implement the works.
- xl. ix. Certificate of completion of the works done in the Peninsula of La Banya in Tarragona.



## Analysis:

The justification and substantiating evidence provided by the Spain authorities covers all constitutive elements of the target.

**Completion of at least 50 kilometres of coastline in restoration of degraded areas and ecosystems, protection and increase accessibility to coastal areas, mitigation of erosion, better knowledge and increase coastal areas resilience and adaptation to the effects of climate change, remote monitoring and implementation of strategic marine planning policies.** To reach the target of 50 kilometres, multiple eligible actions/works are included in the target description, of which Spain could implement **any** of them. The actions implemented under target 80 are the following:

- Emergency works to repair the damages caused by extreme weather events in the Balearic Islands, which have restored a total amount of **17 km of coastline** (as evidenced in point iii) of the evidence provided). Different actions have been implemented to **increase the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline by the restoration of beach and dune system and other similar actions, protect and restore the coastal ecosystems or degraded areas and promote the conservation and management of the coastline** such as cleaning the dune systems and remove waste, reparation of sand collectors that were broken, reparation and reconstruction of walls and reparation of fences that were protecting the dune systems and were broken by the extreme weather events (as evidenced in points iii), vi) and vii) of the evidence provided). In addition, actions to **improve orderly and correct accessibility to the public land-based maritime domain by planning, managing and restoring of access** have also been implemented such as the reparation of walkways to promote orderly and correct accessibility to the maritime domain (as evidenced in points iii), vi) and vii) of the evidence provided). The actions were finalised on 20 August 2020 (as evidenced in point v) of the evidence provided).
- Emergency works to repair the damages caused by extreme weather events in Castell-Platja D'Aro, L'Escala and Cadaqués, in the province of Girona, which has restored a total amount of **0.41 km of coastline** (as evidenced in point vi) of the evidence provided). To **increase the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline by actions and to protect and restore the coastal ecosystems or degraded areas by recovering improperly or inappropriately occupied Stated-owned maritime land, and to improve the accessibility to the public land-based maritime domain by planning, managing and restoring the access** the sea walk has been restored in L'Escala, breakwater has been repaired and the access to the coastal area has been improved in Cadaqués (as evidenced in points ix) and xii) of the evidence provided). The actions were finalised on 31 July 2020 (as evidenced in point xi) of the evidence provided).
- Emergency works to repair the damages caused by extreme weather events in Tarragona have restored a total of **5 km of coastline** (as evidenced in point xiv) of the evidence provided). Different actions have been implemented to **increase the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline** such as the reparation and creation of new **breakwaters**, protection of cliffs (which **contributes to the creation of coastal protection infrastructure**) and reparation of damages in the sea walks of different municipalities (as evidenced in points xiv) and xvii) of the evidence provided). In addition, the actions have also repaired pedestrian paths and improved the accessibility to the land-based maritime domain, **improving its orderly and correct accessibility** (as evidenced in points xiv) and xvii) of the evidence provided). The actions were finalised on 15 October 2020 (as evidenced in point xvi) of the evidence provided).

- Emergency works to repair the damages caused by extreme weather events in Alicante have restored a total of **9.386 km of coastline** (as evidenced in point xix) of the evidence provided). To **increase the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline** works have been implemented to repair and create new **breakwaters** (as evidenced in the document included in point xxi) and xxiii) of the evidence provided). In addition, **coastal protection infrastructure** has been put in place such as the creation of a new wall of concrete in Torrevieja (as evidenced in point xxi) of the evidence provided) and a wood fence in the beach of Altea (as evidenced in point xxiii) of the evidence provided). Furthermore, actions to clean beaches have been implemented contributing to **protect and restore coastal ecosystems and degraded areas**. Different actions have been implemented in the area **to improve the correct and orderly access to the public land-based maritime domain by planning, managing and restoring the access** such as the construction of new stairs and ramp to the beach of Cap Negret (as evidenced in point xxi) of the evidence provided). The actions were finalised on 6 November 2020 (as evidenced in point xxi) of the evidence provided).
- Emergency works to repair the damages caused by extreme weather events in Castellon have restored a total of **1.071 km of coastline** (as evidenced in point xxiv) of the evidence provided). The creation of a new **breakwater** by the mouth of the river Cérvol has contributed to **increase the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline**. This has also been achieved by **sediment management**, with works related to the transfer of sand and other materials (as evidence in point xxv) of the evidence provided). The actions implemented have also repaired sand collectors and planted specific native plant species in dune systems, contributing to **the restoration of dune systems** (as evidence in point xxv) of the evidence provided). In addition, in the municipality of Peniscola, the wooden walkway has been repaired to protect the dune systems, contributing to a **better conservation and management of the coastline and to improve orderly and correct accessibility to the public land-based maritime domain by improving the planning, management and restoration of access** (as evidenced in point xxv) of the evidence provided). The actions were finalised on 14 August 2020 (as evidenced in point xxvi) of the evidence provided).
- Emergency works to repair the damages caused by extreme weather events in Valencia have restored a total of **4.69 km of coastline** (as evidenced in point xxix) of the evidence provided). Different actions have been implemented to **increase the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline by sediment management** such as the transfer of sand from points with accumulation of sand to other points that lacked sand due to the extreme weather events (as evidenced in point xxix) of the evidence provided). Other actions have contributed to **beach and dune system restoration** (as evidenced in point xxix) and xxx) of the evidence provided). The actions have also removed waste from dunes and beaches, contributing to the **environmental recovery of degraded coastal areas and ecosystems and the conservation and management of the coastline** (as evidenced in point xxix) and xxx) of the evidence provided). Moreover, these actions have **improved orderly and correct accessibility to the public land-based maritime domain** through the reparation of walkways that were damaged by the extreme weather events (as evidenced in points xxix) and xxx) of the evidence provided). The actions were finalised on 21 December 2020 (as evidenced in point xxxii) of the evidence provided).
- A project related to the removal of coastal infrastructure in the Banya peninsula in Tarragona contributed to restoring a total of **0.3 km of coastline** (as evidenced in point xxxiv) of the evidence provided). The objective of this project was to remove an infrastructure in the sea, used as a beach bar. This contributed to **protect and restore the coastal ecosystems or degraded areas by recovery improperly or inappropriately occupied State-owned maritime**

**land** (as evidenced in points xxxiv) and xxxv) of the evidence provided). These actions were finalised on 15 December 2020 (as evidenced in point xlix) of the evidence provided).

- A project to implement actions for the maintenance of “Finca Bombita” in Deltebre, Tarragona has restored a total of **1 km of coastline** (as evidenced in points xxxix) and xl) of the evidence provided). The actions implemented are three: i) restore the drainage capacity of the property; ii) actions related to the maintenance of the property such as waste removal; and iii) environmental actions to improve the conditions of fauna and flora (as evidenced in point xl) of the evidence provided). This contributes to **protect and restore the coastal ecosystems and degraded areas by environmental recovery of degraded coastal areas and ecosystems and the conservation and management of the coastline**. These actions were finalised on 30 April 2021 (according to point xlii) of the evidence provided).
- A project to conserve the dune systems in the Balearic Islands has restored a total of **14.95 km of coastline** (according to point xlvii) of the evidence provided). The actions implemented are the installation and reparation of sand collectors, installation of new fences to protect the dunes and the creation of wood pathways to avoid people walking on the dune, among others (as evidence in point xlv) and xlv) of the evidence provided), contributing to **increasing the resilience of the Spanish coast to the adverse effects of climate change by combating erosion and strengthening the coastline by the restoration of beach and dune system and protecting and restoring the coastal ecosystems or degraded areas and promote the conservation and management of the coastline**. These actions were finalised on 2 December 2022 (according to point xlvii) of the evidence provided).

The sum of all these implemented actions and kilometres of coastline covered confirms that **Spain has completed works across 53.81 km of coastline, thus overachieving the target of 50 km.**

Furthermore, in line with the description of the measure, **this investment implements the Strategy for Adaptation of the Coastal to the Effects of Climate Change, with the objective to increase the resilience of the Spanish coast to climate change and climate variability, and to integrate climate change adaptation into the planning and management of the Spanish coast.** This strategy ([link](#) to the Strategy, included in point i) of the evidence provided) refers to a number of measures (named “opciones”) that can be implemented to reach the strategy’s goals. These measures are included in page 86 to 93 of the Strategy, and are the same ones as the measures to be implemented in this investment: sediment management, beach and dune system restoration, creation of new artificial structures to maintain the coastline (such as breakwaters), protect and/or restore the coastal ecosystems or degraded areas.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M84	M84 - C6.R2 - Indicative Rail Strategy	
<b>Name of the Milestone:</b> Indicative Rail Strategy		
<b>Qualitative Indicator:</b> Publication in the Official Journal		<b>Time:</b> Q4 2022
<b>Context:</b> The objective of this reform is to establish instruments that ensure that the rail network meets the mobility needs of the future in a coherent and effective way. The strategy shall set up a clear planning scenario for the railway transport mode and it shall make it possible to align investment priorities with the Strategy for Safe, Sustainable and Connected Mobility (R1).		

Milestone 84 is part of reform C6.R2, and concerns the publication in the Official Journal of the approval resolution of the Indicative Rail Strategy. The Strategy shall consist of the eight actions listed below:

- i) establishing a clearer planning of actions in the railway sector, especially geared toward everyday mobility;
- ii) improving network maintenance;
- iii) ensuring economic sustainability of the rail network;
- iv) prioritising resource efficiency, with an ex-ante and ex-post evaluation of investment projects;
- v) enhancing interoperability of the network, especially on the trans-European network corridors, and intermodality of the network;
- vi) boosting rail freight traffic;
- vii) enhancing safety in rail transport and
- viii) fostering the digitalisation of transport and innovation to ensure connected mobility.

In addition, Spain must ensure the fulfilment of the provisions of Law 21/2013 on environmental impact assessment and Law 9/2018 of 5 December, amending Law 21/2013, for the actions listed above and implement the required mitigation actions for protecting the environment of the Environmental Impact Assessment (EIA).

Milestone 84 is the only milestone or target of this reform.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled .
- ii) Copy of the publication in the national official journal (*Boletín Oficial del Estado*) No. 313 of 30 December 2022 of the Ministerial Order TMA/1338/2022 of 23 de December approving the Indicative Rail Strategy 2021-2026. The web link to the national official journal was also provided ([https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-24391](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-24391)).
- iii) Copy of the Indicative Rail Strategy 2021-2026 and web link ([https://www.mitma.gob.es/recursos\\_mfom/paginabasica/recursos/estrategia\\_indicativa\\_fin\\_alv2.pdf](https://www.mitma.gob.es/recursos_mfom/paginabasica/recursos/estrategia_indicativa_fin_alv2.pdf)).
- iv) Copy of the Strategic Environmental study of the Indicative Rail Strategy 2021-2026 and web link ([https://www.mitma.gob.es/recursos\\_mfom/paginabasica/recursos/estudio\\_ambiental\\_estrategico\\_final\\_con\\_anexos.pdf](https://www.mitma.gob.es/recursos_mfom/paginabasica/recursos/estudio_ambiental_estrategico_final_con_anexos.pdf)).
- v) Press release of 30 December 2022 on the approval of the Indicative Rail Strategy 2021-2026, which included a link to the Indicative Rail Strategy ( Ares(2024)739397). Weblink: <https://www.mitma.gob.es/el-ministerio/sala-de-prensa/noticias/vie-30122022-0907>

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the milestone.

**Publication in the Official Journal of the approval resolution of the Indicative Rail Strategy and entry into force.**

The resolution approving the Indicative Rail Strategy 2021-2026 (“the rail strategy”), in the form of a ministerial order, was published in the national Official Journal of 30 December 2022 as evidenced by

the second document in the list of provided evidence. In addition, section 7 of the resolution stated that it would enter into effect the following day to its publication, that is, on 31 December 2022.

The target is further specified in the Operational Arrangements, which establishes that the publication in the relevant official website is considered as a qualitative indicator of the entry into force. Therefore, the rail strategy is deemed to have entered into force on 30 December 2022, as on that date, Spain published the press release which included the link to the rail strategy on the Ministry's official website as evidenced by the fifth document in the list of provided evidence.

**The Strategy shall consist of the eight actions listed below:**

- i) establishing a clearer planning of actions in the railway sector, especially geared toward everyday mobility;**
- ii) improving network maintenance;**
- iii) ensuring economic sustainability of the rail network;**
- iv) prioritising resource efficiency, with an ex-ante and ex-post evaluation of investment projects;**
- v) enhancing interoperability of the network, especially on the trans-European network corridors, and intermodality of the network;**
- vi) boosting rail freight traffic;**
- vii) enhancing safety in rail transport and**
- viii) fostering the digitalisation of transport and innovation to ensure connected mobility.**

As evidenced by section 5 of the rail strategy, all the eight actions listed above, except the first and fourth, are among the strategic objectives of the rail strategy.

As regards the first action, the rail strategy follows a methodology that results in a clear planning of actions in the railways sector. First, it takes stock of the state of play (section 4); second it sets out its strategic objectives (section 5); third, it lists the activity programmes that will serve as a basis to develop the scenarios (section 6); and finally it recommends the scenario (scenario 2), which is geared towards the everyday needs of the citizen and rail user, as the scenario best fit to meet the strategic objectives of the rail strategy (section 7).

As regards the second action, this is the second strategic objective of the rail strategy in the list in section 5.2. The rail strategy improves the network maintenance as compared to earlier planning frameworks, noting that Scenario 2 (sections 7.2.2 and 7.2.3) allocates more importance and resources to this area than earlier planning frameworks.

As regards the third action, this is the third strategic objective of the rail strategy in the list in section 5.3. In its section 9.2, the rail strategy supports covering to the extent possible the investment needs through the charges to the users. However, the rail strategy notes that charges are insufficient to cover all the investment needs and therefore also identifies additional resources, notably the national budget.

As regards the fourth action, section 7.2.1 sets out to achieve the strategic objectives of having an efficient network that enhances the daily mobility of users, boosts rail freight traffic and promotes operational safety, priority should be given to actions that complete the network rationally, ensuring the economic sustainability of the network by means of a rigorous ex-ante evaluation and with a view to economic and social profitability.

As regards the fifth action, this is the fourth strategic objective of the rail strategy in the list in section 5.4. Scenario 2 in Section 7.2.1 pursues the interoperability of the network by seeking the technical and

regulatory harmonisation across jurisdictions. Furthermore, this same section of the rail strategy identifies the intermodality of the network as a key element for establishing the action programme to develop the rail network.

As regards the sixth action, this is the fifth strategic objective of the rail strategy in the list in section 5.5. Section 7.2.1 identifies the promotion of rail freight as a key element for establishing the activity programme to develop the rail network under scenario 2.

As regards the seventh action, this is the sixth strategic objective of the rail strategy in the list in section 5.6. The importance of improving safety is developed in Sections 7.2.2 and 7.2.3 which lay down the activity programmes for maintaining, renovating and improving the network under scenario 2.

As regards the eight action, this is the seventh strategic objective of the rail strategy in the list in section 5.7. The digitalisation of the network and R&D&I is mostly developed in Sections 7.2.2 and 7.2.3 which lay down the activity programmes for maintaining, renovating and improving the network under scenario 2. It includes for instance the digital transformation for maintaining the network and R&D&I to improve security and intermodality.

Furthermore, in line with the description of the measure, the strategy shall equip itself with instruments to ensure that the rail network meets future mobility needs in a coherent and effective manner and shall set up a clear planning scenario for the railway transport mode and it shall make it possible to align investment priorities with the Strategy for Safe, Sustainable and Connected Mobility (R1). The Strategy for Safe, Sustainable and Connected Mobility ('mobility strategy') is the new planning framework that has replaced the Transport and Housing infrastructure planning framework. The Indicative Rail Strategy ('rail strategy'), as noted in its Section 3.2, is the tool under the mobility strategy to plan the investments in the rail sector and therefore its investment priorities are guided by those of the mobility strategy. In particular, the needs of the citizen and the rail user are the guiding principles to establish the investment priorities. The rail strategy considers two scenarios. The first one is in line with the traditional approach of earlier planning frameworks where the focus was the development of the high-speed rail network. The second one, which is also the planning scenario that the rail strategy eventually recommends following, is the scenario where investments are guided by the needs of citizens and rail users and where at least 50% of the investments would be allocated to improve the conventional rail network.

**Ensure the fulfilment of the provisions of Law 21/2013 on environmental impact assessment and Law 9/2018 of 5 December, amending Law 21/2013, for the actions listed above and implement the required mitigation actions for protecting the environment of the Environmental Impact Assessment (EIA).**

Spain carried out the strategic environmental study ('the environmental study') of the draft rail strategy pursuant to Law 21/2013 as evidence by the fourth document in the list of provided evidence. The environmental study, carried out in line with the procedure described in Articles 17-26 of Law 21/2013, identifies, describes, and assesses the likely effects of the rail strategy on the environment and includes a set of recommendations to protect the environment. Table 50 of the environmental study summarises the potential negative effects of the rail strategy and the measures that would allow avoiding, mitigating or compensating those effects. The final version of the rail strategy includes in its section 7.2.4 an activity programme on environmental integration under scenario 2 and which is cross-cutting to the activity programmes for developing the network, maintaining it, and renovating it. Table 9 of the rail strategy has been developed on the basis of the findings of the environmental study and table 11 includes the indicators to monitor the environmental objectives and measures during the implementation of the rail strategy.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T85	T85 - C6.I1 - National transmission network: European Corridors		
<b>Name of the Target:</b> Core TEN-T network: award of contracts			
<b>Quantitative Indicator:</b> Contract or other legal instrument	<b>Baseline:</b> 0	<b>Target:</b> 144	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this investment is to build, modernise and upgrade railway infrastructure in the core European TEN-T corridors with actions in seven main dimensions, with works to be completed on at least 1400 kilometres of network included within the Atlantic and Mediterranean Corridors.</p> <p>Target 85 concerns the award of 144 contracts or other legal instruments which include actions to build, modernise and upgrade railway infrastructure in the Mediterranean and Atlantic corridors of the core TEN-T network. The types of actions to be supported are listed in the description of the target, in line with one or more of the seven main dimensions (Platform, Replacement, Tracks, Electricity, Traffic signalling and control, Telecommunications or Stations).</p> <p>Target 85 is the first milestone or target of this investment. The subsequent targets (T86 and T87) concerns the completion of the work on the relevant railway sections, with a total target of at least 1 400 km by Q2 2026 in the two relevant corridors. The investment has a final expected date for implementation by 30 June 2026.</p>			
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> <li>ii. A list of 141 contracts or other legal instruments awarded with relevant links to the public procurement platform (Anexo_1_85_C6_I1_MITMA_Mecanismo de verificacion_SP4_Sampling 20240415);</li> </ol> <p>In the context of the sampling analysis, additional evidence was provided for a sample of 60 units including for each unit:</p> <ol style="list-style-type: none"> <li>iii. the relevant contract or other legal instrument (for instance award decision by Adif) showing in particular the date of the award, the type of action and the railway corridor,</li> <li>iv. the technical specification of the project (<i>‘Pliego or Memoria del proyecto’</i>) showing in particular the type of action and the railway corridor, and</li> <li>v. a written explanation of the fulfilment of the requirements.</li> </ol>			
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.</p> <p><b>Award of at least 144 contracts or other legal instruments</b></p> <p>Spain initially submitted a list of 144 units (contracts or other legal instruments awarded), item ii of the evidence provided.</p> <p>The evidence provided for a sample of 60 units confirmed that each of the sampled contracts had been awarded. Spain provided copies of 53 signed contracts between the beneficiary (<i>Administrador</i></p>			

*de Infraestructuras Ferroviarias, Adif*) and the contractor, an award decision by the board of Adif (contract number 3.21/20810.0046) and six decisions by Adif approving and commissioning an in-house company (contract number 3.21/20830.0006, 3.22/20830.0077, 3.22/30820.0029, 3.22/30820.0020, 3.22/20830.0223 and 3.22/20810.0047) (item iii of the evidence provided).

Eleven of the contracts provided still have a mention of a co-financing through other EU funds (CEF or ERDF). For all these contracts, Spain also provided in the list of contracts (item ii of the evidence provided) the links to the procurement platform, where a recitification has been published, correcting this information and indicating the financing exclusively through the RRF.

At the end of the assessment period, Spain withdrew three contracts from the evidence provided, bringing down the number of units to 141.

The Council Implementing Decision required an award of at least 144 contracts or other legal instruments. Spain has submitted evidence for an award of 141 contracts or other legal instruments. Whilst this constitutes a minimal numerical deviation of 2.1% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met notwithstanding this minimal deviation. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

**The contracts or other legal instruments include actions in one or more of the corridors of the core TEN-T network,** as listed in the CID annex (specific sections within the Atlantic and/or Mediterranean Corridors).

The evidence provided for the sampled contracts confirmed that each of the units in the sample belonged to one or more of the sections within the Atlantic and Mediterranean Corridors listed in the CID Annex and were part of the core TEN-T network within the meaning of Regulation (EU) 2021/1153. In particular the name of the contracts and the description of the objectives of the works in the technical specification (item iv of the evidence provided) includes the specific name and description of the respective railway section. Each of these railway sections corresponds to one from the list provided in the CID. From the list in part III of the EU regulation mentioned above, it can be seen that each one of these railway section is part of the Atlantic and/or Mediterranean Corridors of the core TEN-T network.

**The works shall include one or more of the types of actions listed in the CID Annex**

The evidence provided for a sample of 60 units, and in particular the name of the contracts and the description of the objectives of the works in the technical specification (item iv of the evidence provided), confirmed that all the contracts in the sample include at least one of the types of actions listed in the CID Annex (Platform, Replacement, Tracks, Electricity, Traffic signalling and control, Telecommunications or Stations).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T88	T88 - C6.I2 - Trans-European Network for Transport Program, other works		
<b>Name of the Target:</b> TEN-T network rail transport and state road network awarded contracts			
<b>Quantitative Indicator:</b> Contract or other legal instrument	<b>Baseline:</b> 0	<b>Target:</b> 188	<b>Time:</b> Q4 2022



**Context:**

The objective of this investment is to improve the national transport network, covering various transport modes. Four types of actions are included in this investment: i) upgrade of the rail network (non-core TEN-T), ii) work on the State road network to make it safer, iii) projects for the development of the Single European Sky, and iv) the digitalisation of the Ministry of Transport, Mobility and Urban Agenda.

Target 88 concerns the award of 188 contracts or other legal instruments which include interventions on railways in the non-core TEN-T network and roads in the State road network. The types of interventions to be supported are listed in the description of the target (eight types for rail and five types for road).

Target 88 is the first milestone or target of this investment. The subsequent targets for the work on railway infrastructure (T89 and T92) concerns the completion of the work, with a total target of at least 900 km by Q2 2026. The subsequent target for the work on road infrastructure (T94) concerns the completion of work by Q2 2026. The other milestones and targets for this investment (T90, M91 and T93) concern the Single European Sky and the digitalisation of the Ministry. The investment has a final expected date for implementation by 30 June 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.
- ii. A list of 189 contracts or other legal instruments awarded with relevant links to the public procurement platform (Anexo\_1\_88\_C6\_I2\_MITMS\_Mecanismo de verificacion\_SP4\_Sampling 20240424de verificacion\_SP4\_Sampling 20240424);

In the context of the sampling analysis, additional evidence was provided for a sample of 60 units including for each unit:

- iii. the relevant contract or award decision showing in particular the date of the award, the type of action and the railway or road section,
- iv. for railways, the technical specification of the project (*'Pliego'* or *'Memoria del proyecto'*) showing in particular the type of action and the railway section,
- v. for road projects, the link to the technical specifications (*'pliego'*) on the public procurement platform showing in particular the type of action and the road section,
- vi. for road projects, the link to the 'Catalogue of the State Road Network' published as an annex to the law 37/2015,
- vii. a written explanation of the fulfilment of requirements.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Award of at least 188 contracts or other legal instruments**

Spain submitted a list of 189 units (contracts or other legal instruments awarded), item ii of the evidence provided.

The evidence provided for a sample of 60 units confirmed that each of the sampled contract had been awarded. Spain provided copies of 58 signed contracts between the beneficiary (for railways: *Administrador de Infraestructuras Ferroviarias*, Adif, and for roads the Ministry of Transport or Catalogne region for contract number TA-07264.1-AA) and the contractor as well as two award

decisions by Adif (contract number 3.21/20810.0046 and 3.22/49110.0073) (item iii of the evidence provided).

One of the contracts provided (contract number 3.20/20830.0120) still have a mention of a co-financing through ERDF. Spain provided in the list of contracts (item ii of the evidence provided) the links to the procurement platform, where a rectification has been published, correcting this information and indicating the financing exclusively through the RRF.

**The contracts or other legal instruments include interventions in the non-core TEN-T network and the state road network**

The evidence provided for a sampled of 60 units confirmed that each of the units in the sample included interventions in the non-core TEN-T network or in the state road network.

For railways, in particular the name of the contracts and the description of the objectives of the works in the technical specification (item iv of the evidence provided) includes the specific name and description of the respective railway section. From the list in Annex I of the Regulation (EU) 1315/2013, it can be seen that each one of these railway section is part of non-core TEN-T network.

For roads, in particular the name of the contracts and the description of the objectives of the works in the technical specification (item v of the evidence provided) includes the specific name and description of the respective road section. From the list of roads included in the 'Catalogue of the State Road Network' (item vi of the evidence provided), it can be seen that each of the road section belongs to the state road network.

**For rail, interventions belong to one or more of the interventions listed in the CID annex**

The evidence provided for a sample of 60 units, and in particular the name of the contracts and the description of the objectives of the works in the technical specification (item iv of the evidence provided), confirmed that all the contracts in the sample include at least one of the eight types of interventions listed in the CID Annex (Traffic management, Security, Noise reduction, Satellite technology, Electrification, Track renewal, Signalling and control, Creation of new sections).

**For roads, interventions belong to one or more of the interventions listed in the CID annex**

The evidence provided for a sample of 60 units, and in particular the name of the contracts and the description of the objectives of the works in the technical specification (item v of the evidence provided), confirmed that all the contracts or other legal instruments in the sample include at least one of the five types of interventions listed in the CID Annex (Safety, Sustainability, Digitalisation, Intelligent Transport Systems in bus-VAO lanes, fixed link across the Strait of Gibraltar).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T95	T95 - C6.I3 - Intermodality and logistics		
<b>Name of the Target:</b> T1: Number of contracts or other legal instruments awarded to improve intermodal and logistic infrastructures			
<b>Quantitative Indicator:</b> Contract or other legal instrument	<b>Baseline:</b> 0	<b>Target:</b> 66	<b>Time:</b> Q4 2022
<b>Context:</b>			
The objective of this investment is to implement Axis 6 of the Secure, Sustainable and Connected Mobility Strategy on Smart Intermodal Logistic Chains, through: a) the development or upgrade of nine strategic intermodal and logistical terminals to, in some cases, integrate the intermodal terminals			

with the logistics area and, in all cases, to boost the shift of freight from road to rail; b) the improvement of rail connections to two ports and the improvement of road access to one port; and c) improved accessibility and sustainability in ports.

Target 95 is the first target of investment C6.I3 and requires the award of at least 66 contracts or other legal instruments including interventions to improve intermodal and logistic infrastructures. Interventions shall belong to one or more of the following areas: a) the development and upgrade of strategic intermodal and logistical terminals in nine locations, b) the construction or extension of sidings to a length of at least 750 metres, c) the improvement of rail access to the Port of A Coruña and the Port of Castellón, d) the improvement of road access to the Port of Algeciras; and e) improved accessibility and sustainability in ports.

Target 95 is the first step of the implementation of investment C6.I3. It will be followed by target 96, target 97 and target 98 related to the award of a cumulative number of 105 projects for intermodal and logistic infrastructure works (target 96) as well as the completion works in the areas defined in the description of target 95 (target 97 and target 98). The investment has a final expected date for implementation by 30 June 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
- ii. A spreadsheet including a list of the publication of the award resolutions published in the Spanish Public Procurement platform indicating for each of the awards: a) the reference and link of the OJ or Public Procurement Platform where the award has been published; b) the amount being awarded (excluding VAT); c) the corridor and/or modal logistic node where the project is implemented, and d) the type of works concerned.

The authorities also provided:

- iii. A document justifying the differences in amounts between the compliance certificate for the target and those shown in the spreadsheet (point ii of the evidence provided).

Copies of signed contracts or other legal instruments (CSV documentary evidence):

- iv. 321275070059\_RC0432\_CONTRATO.pdf.
- v. 321275070192\_RC0430\_CONTRATO.pdf.
- vi. 321275070246\_RC1083\_CONTRATO.pdf.
- vii. 321275100082\_RC1068\_CONTRATO.pdf.
- viii. 321275100086\_RC1070\_CONTRATO.pdf.
- ix. 321275100160\_RC1069\_CONTRATO.pdf.
- x. 321275100180\_RC1076\_CONTRATO.pdf.
- xi. 322275070137\_RC1354\_CONTRATO.pdf.
- xii. 322275100042\_RC1250\_CONTRATO.pdf.
- xiii. 322285070083\_RC0435\_CONTRATO.pdf.
- xiv. 320231080131\_RC1152\_CONTRATO.pdf.
- xv. 321231080062\_RC0423\_CONTRATO.pdf.
- xvi. 321231080185\_RC1159\_CONTRATO.pdf.
- xvii. 322061100158\_RC1235\_CONTRATO.pdf.

- xviii. 322231080115\_RC1153\_CONTRATO.pdf.
- xix. 320275070033\_RC0784\_CONTRATO.pdf.
- xx. 321231080187\_RC1161\_CONTRATO.pdf.
- xxi. 321231080189\_RC1160\_CONTRATO.pdf.
- xxii. 321231080191\_RC1162\_CONTRATO.pdf.
- xxiii. 321061100215\_RC0425\_CONTRATO.pdf.
- xxiv. 321061100269\_RC1192\_CONTRATO.pdf.
- xxv. 322061100100\_RC0426\_CONTRATO.pdf.
- xxvi. 320231080265\_RC0598\_CONTRATO.pdf.
- xxvii. 321231080037\_RC0421\_CONTRATO.pdf.
- xxviii. 322061100159\_RC1387\_CONTRATO.pdf.
- xxix. 322231080134\_RC1283\_CONTRATO.pdf.
- xxx. 320275070156\_RC0439\_CONTRATO.pdf.
- xxxi. 322275070018\_RC1280\_CONTRATO.pdf.
- xxxii. 321275070182\_RC1125\_CONTRATO.pdf.
- xxxiii. 321275070183\_RC1126\_CONTRATO.pdf.
- xxxiv. 321275070186\_RC1127\_CONTRATO.pdf.
- xxxv. 321285070134\_RC0747\_CONTRATO.pdf.
- xxxvi. 322275100041\_RC1249\_CONTRATO.pdf.
- xxxvii. 322061100125\_RC1214\_CONTRATO.pdf.
- xxxviii. Contrato de obras.pdf.
- xxxix. Contrato de servicios OIP\_ES67AXAH5STTJCJXC9FIBI7WB6G5.pdf.
- xl. Contrato de servicios OIP\_2YOE4ZZGCOW7LRAO49FIBJGL6JU9.pdf.
- xli. Contrato de servicios OIP\_MR4PI2FUZJ5EEYHY29FIMQMXUUE9.pdf.
- xlii. FIRMADO\_220103 RESOLUCIÓN ÓRGANO CONTRATACIÓN.pdf.
- xliii. CONTRATO AT-CA-4200.A.pdf.
- xliv. 41-CA-4200.A Contrato (imprimible).pdf.
- xlv. PO-20-0030 Adjudicacion Becsa\_firmado\_reg.pdf.
- xlvi. Contrato OIP\_5SUEUSK4HCAJHTGUA9FCZJBTSM29.pdf.
- xlvii. Contrato Lote 1.pdf.
- xlviii. Contrato OIP\_V5JIFCYSWQI2Z3CR49FCZJ4ABAZH.pdf.
- xlix. Aprobación del gasto OIP\_OS3R6ITWFXZS2U3BR9FCVJY7VZB9.pdf.
- I. Aprobación del gasto OIP\_NUFVRXHEXVN2MOZMH9FCYW6ZB2G9.pdf.
- li. Contrato OIP\_5ILBNTPDG2NFE2AYB9FCZHRCBIXI.pdf.
- lii. Aprobación del gasto OIP\_EHVBF6FBD7EDEQH359FCYXYG4SH9.pdf.
- liii. Anexo Contrato.pdf.
- liv. Contrato OIP\_F6JSBQUT4HHHXESUR9FHPHR7BS3M.pdf.
- lv. Contrato OIP\_ZLJMWN5MIJML7CQDF9FHPHMKBZ4G.pdf.
- lvi. Contrato OIP\_7ZAXSKKHQZMWHHMGF9FHPHE3BQ7U.pdf.
- lvii. Contrato OIP\_QHUWIH6YRYBYDJPR79FIFTBXBNV7.pdf.
- lviii. CONTRATO FIRMADO Exp. 531-2021.pdf.
- lix. CONTRATO FIRMADO .pdf.
- lx. Contrato OIP\_MTEJVSXYPM7AYCUP9FH3FIFBU7N.pdf.
- lxi. Contrato OIP\_DFOMRVIRBRGJXBWGX9FH3FLM3IU9.pdf.
- lxii. Contrato OIP\_LK6WAXRZQBE3EO2AN9FH3FQ3BBTO.pdf.
- lxiii. Contrato OIP\_MVGNASATWLLOUJ6FV9FH3FPM2PA9.pdf.
- lxiv. Contrato OIP\_UGZQ73AHFO6AZLUMU9FHQUS2LVD9.pdf.
- lxv. Contrato OIP\_NOIVVG34K6VEIFCTM9FHQU3U6IZ9.pdf.
- lxvi. Contrato de obra OIP\_UWTCQU4YRKUDE6IY9FILAMXBLIF.pdf.
- lxvii. Contrato de obra OIP\_2ED7XFFIGNJMEAGP29FILBMU7LV9.pdf.
- lxviii. Contrato de obra OIP\_53ZMP7MVCK4PMMITG9FILBK2OU9.pdf.

lxix. Contrato de obra OIP\_XQYPPLGBW4RTYCYTX9FILBKJ5R9.pdf.

lxx. Acuerdo de Encargo a medio propio.pdf.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Award of at least 66 contracts or other legal instruments including interventions to improve intermodal and logistic infrastructures.**

Spain submitted a list of 67 projects which had been awarded by 31 December 2022, including for each project a link to the Spanish procurement platform (point ii of the evidence provided). Spain also provided for each project a copy of the signed tender contract or other legal instrument (point iv until point lxx of the evidence provided).

The evidence provided, and in particular, the date “Fecha de Formalización” in the “Formalizado” field in the “Formalización” document in the Spanish public procurement platform confirms that the award date of each project was after 1 February 2020, and therefore eligible within the meaning of Article 17(2) of the RRF Regulation.

The evidence provided for each project, and in particular, the subject of the tender (“Objeto del Contrato”) of the “Anuncio de adjudicación” document as published in the Spanish public procurement platform and the object in the copies of contracts or other legal instruments (point vi until point lxx of the evidence provided), confirmed that the awarded projects concerned interventions to improve intermodal and logistic infrastructures.

**Interventions shall belong to one or more of the following areas: a) the development and upgrade of strategic intermodal and logistical terminals. These interventions shall belong to one or more of the following locations:**

- Vicálvaro in Madrid.
- La Llagosta in Barcelona.
- San Luis in Valencia.
- Júndiz in Álava.
- Logistic facility of Can Tunis (Barcelona).
- Orduña terminal (Bizkaia).
- Logistics facility in Lezo (Gipuzkoa).
- Muriedas (Santander).
- Escombreras terminal (Murcia).

Out of the list of 67 projects, 28 projects directly concern the development and upgrade of strategic intermodal and logistic terminals.

The evidence provided for each project, and in particular, the “Objeto del Contrato” field of the “Anuncio de adjudicación” document in the Spanish public procurement platform and the object in the copies of signed contracts or other legal instruments (point iv until point xxxi of the evidence provided) confirmed that each of the terms of references required projects to develop and upgrade one of the nine strategic intermodal and logistic terminals listed in the description of the target. In line with the description of the measure, the same evidence confirmed that each project boosts the shift of freight from road to rail and that in some cases the projects integrate the intermodal terminal concerned with the logistics area.

**Interventions shall belong to one or more of the following areas: b) the construction or extension of sidings to a length of at least 750 metres.**

Out of the list of 67 projects, 5 projects directly concern the construction or extension of sidings to a length of at least 750 metres.

The evidence provided for each project, and in particular, the “Objeto del Contrato” field of the “Anuncio de adjudicación” document in the Spanish public procurement platform and the object in the copies of signed contracts or other legal instruments (point xxxii until point xxxvi of the evidence provided) confirmed that each of the terms of references required projects to construct or extend sidings to a length of at least 750 metres.

**Interventions shall belong to one or more of the following areas: c) the improvement of rail access to the Port of A Coruña and the Port of Castellón.**

Out of the list of 67 projects, 6 projects directly concern the improvement of rail access to the Port of A Coruña and the Port of Castellón.

The evidence provided for each project, and in particular, the “Objeto del Contrato” field of the “Anuncio de adjudicación” document in the Spanish public procurement platform and the object in the copies of signed contracts or other legal instruments (point xxxvii until point xlii of the evidence provided) confirmed that each of the terms of references required projects to improve rail access to the Port of A Coruña and the Port of Castellón.

**Interventions shall belong to one or more of the following areas: d) the improvement of road access to the Port of Algeciras.**

Out of the list of 67 projects, 2 projects directly concern the improvement of road access to the Port of Algeciras.

The evidence provided for each project, and in particular, the “Objeto del Contrato” field of the “Anuncio de adjudicación” document in the Spanish public procurement platform and the object in the copies of signed contracts or other legal instruments (point xliii and point xliv of the evidence provided) confirmed that each of the terms of references required projects to improve road access to the Port of Algeciras.

**Interventions shall belong to one or more of the following areas: e) improved accessibility and sustainability in ports, including:**

- **Accessibility:** railway access works, including works to refurbish and upgrade, as well as new access and improvement of internal traffic in ports, by adapting the infrastructure that continues its external land-based access.
- **Sustainability:** including adequacy of water supply and sanitation systems; air quality improvement plans; installation of more efficient energy networks; solar photovoltaic installations; renovation of lighting networks and installation of LED technology; power consumption control systems; refurbishment of processing systems.

Out of the list of 67 projects, 26 projects directly concern improved accessibility and sustainability in ports.

The evidence provided for each project, and in particular, the “Objeto del Contrato” field of the “Anuncio de adjudicación” document in the Spanish public procurement platform and the object in

the copies of signed contracts or other legal instruments (point xlv until point lxx of the evidence provided) confirmed that each of the terms of references required projects improve the accessibility and sustainability in ports. These elements also confirmed that each of the terms of reference fell under one of the interventions listed in the Council Implementing Decision.

In line with the description of the measure, the above analysis confirms that **the investment consists in the three lines of actions described, being a) the development or upgrade of nine strategic intermodal and logistical terminals to, in some cases, integrate the intermodal terminals with the logistics area and, in all cases, to boost the shift of freight from road to rail; b) the improvement of rail connections to two ports and the improvement of road access to one port; and c) improved accessibility and sustainability in ports.**

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M99	M99 - C6.I4 - Support programme for sustainable and digital transport	
<b>Name of the Milestone:</b> Support to the programme of sustainable and digital transport		
<b>Qualitative Indicator:</b> Publication in the Official Journal and adoption of official resolutions		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The measure aims to improve the efficiency of the transport system by digitising and introducing new technologies in the sector, and by supporting the most sustainable means of transport, in particular rail, through: a) a support scheme for sustainable freight transport based on ECO-INCENTIVES for rail and maritime purposes; b) the transfer of funds to Autonomous Communities for the award of grants for projects for the digitalisation of passenger and freight transport services at regional and local level; c) the transfer of funds to Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level; and d) the award of projects for 13 actions related to i) interoperability in rail freight transport; ii) the promotion of transport intermodality; iii) the modernisation of rail freight equipment; iv) safe, sustainable and connected road transport; v) sustainability of maritime and air transport; and vi) the digitalisation of transport.</p> <p>Milestone 99 is part of investment C6.I4 and requires the endowment of EUR 800 000 000 under the Support Programme of Sustainable and Digital Transport through: a) the publications in the Official Journal of the Ministerial Order(s) establishing the support scheme for sustainable freight transport based on ECO-INCENTIVES for rail and maritime purposes; b) the official resolutions approving the transfers established in the Royal Decree that allocates the transfer of funds to Autonomous Communities for the award of grants for projects for the digitalisation of passenger and freight transport services at regional and local level; c) the official resolutions approving the transfers established in the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the transfer of funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level; and d) the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the award of projects for 13 actions in the six domains listed above.</p> <p>Milestone 99 is the first step of the implementation of investment C6.I4 and it will be followed by milestones 100 and 101, related to the award of ECO-INCENTIVES and the official notification of the start of works (milestone 100), and the official notification of the completion of works (milestone 101), respectively. The investment has a final expected date for implementation by 30 June 2026.</p>		

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
- ii. A copy of and link to the publication in the Official Journal of the Ministerial Order (Order TMA/371/2022) of 21 April 2022, approving the regulatory bases for the award of subsidies in competition with non-competitive eco-incentives for the promotion of rail freight transport based on environmental and socio-economic merit, as part of the Recovery, Transformation and Resilience Plan, and approving and publishing the call for applications for the 2022 eligibility period <https://www.boe.es/eli/es/o/2022/04/21/tma371/dof/spa/pdf>.
- iii. A copy of and link to the publication in the Official Journal of the Ministerial Order (Order TMA/391/2022) of 26 April 2022, approving the regulatory bases for the award of subsidies in competition with non-competitive eco-incentives for the promotion of maritime freight transport based on environmental and socio-economic merit under the Recovery, Transformation and Resilience Plan, and the procedure and call for applications for the selection of collaborating entities that will participate in its management. <https://www.boe.es/eli/es/o/2022/04/26/tma391/dof/spa/pdf>.
- iv. A link to the publication in the Official Journal of the amendment to Order TMA/371/2022 (Order TMA/1234/2022) of 12 December 2022 <https://www.boe.es/eli/es/o/2022/12/12/tma1234/dof/spa/pdf>.
- v. A copy of the official resolutions, dated 30 November 2022, approving the transfers established in the Royal Decree that allocates the transfer of funds to Autonomous Communities for the payment of grants for projects for the digitalisation of passenger and freight transport services at regional and local level.
- vi. A copy of the official resolutions, dated 24 November 2021, approving the transfers established in the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the transfer of funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level for the year 2021.
- vii. A copy of the official resolutions, dated 19 July 2022, approving the transfers established in the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the transfer of funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level for the year 2022.
- viii. A copy of and link to the Ministerial Order of 13 December 2022, resolving the procedure for awarding the first call for grants from the Programme to Support Sustainable and Digital Transport on a competitive basis, as part of the Recovery, Transformation and Resilience Plan – financed by the European Union – NextGenerationEU [https://cdn.mitma.gob.es/portal-web-drupal/sede\\_electronica/documentos/orden\\_de\\_resolucion\\_de\\_concesion\\_fda.pdf](https://cdn.mitma.gob.es/portal-web-drupal/sede_electronica/documentos/orden_de_resolucion_de_concesion_fda.pdf).

The authorities also provided:

- ix. A link to the publication in the Official Journal of Ministerial Order (TMA/370/2022) of 21 April 2022, approving the regulatory bases for the competitive sustainable and digital transport support programme, as part of the Recovery, Transformation and Resilience Plan, and approving and publishing the call for applications for the 2022 financial year <https://www.boe.es/eli/es/o/2022/04/21/tma370/dof/spa/pdf>.



**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**The endowment of EUR 800 000 000 under the Support Programme of Sustainable and Digital Transport through:**

- a) **the publications in the Official Journal of the Ministerial Order(s) establishing the support scheme for sustainable freight transport based on ECO-INCENTIVES for rail and maritime purposes;**

As regards the promotion of sustainable freight transport for rail purposes, Ministerial Order (TMA/371/2022) of 21 April 2022 (point ii of the evidence provided) approved the regulatory bases for the award of subsidies, on a non-competitive basis, of the ECO-INCENTIVE for the promotion of rail freight transport based on environmental and socio-economic merit, as part of the Spanish Recovery and Resilience Plan. The Order also approved the call for applications corresponding to the 2022 eligibility period. The ECO-INCENTIVE program for the promotion of rail freight transport was endowed with initial allocation of EUR 60 000 000 to be distributed equally over three years, covering the 2022, 2023 and 2024 eligibility periods. Ministerial Order (TMA/1234/2022) of 12 December 2022 (point iv of the evidence provided) amended Ministerial Order (TMA/371/2022, increasing the initial endowment for the ECO-INCENTIVE program for the promotion of rail freight transport to EUR 74 628 962.

In relation to the promotion of sustainable freight transport for maritime purposes, Ministerial Order (TMA/391/2022) of 26 April 2022 (point iii of the evidence provided) approved the regulatory bases for the award of subsidies, on a non-competitive basis, of the ECO-INCENTIVE for the promotion of maritime freight transport based on environmental and socio-economic merit, as part of the Spanish Recovery and Resilience Plan. The Order also approved the procedure and the call for the selection of collaborating entities that will participate in its management. The ECO-INCENTIVE program for the promotion of maritime freight transport was endowed with initial allocation of EUR 60 000 000 to be distributed equally over three years, covering the 2023, 2024 and 2025 eligibility periods.

In view of the above, the total endowment for the support scheme for sustainable freight transport based on ECO-INCENTIVES for rail and maritime purposes amounts to EUR 134 628 962.

- b) **the official resolutions approving the transfers established in the Royal Decree that allocates the transfer of funds to Autonomous Communities for the award of grants for projects for the digitalisation of passenger and freight transport services at regional and local level;**

Spain provided a copy of the official resolutions, dated 30 November 2022, approving the transfers established in the Royal Decree that allocates the transfer of funds to Autonomous Communities for the payment of grants for projects for the digitalisation of passenger and freight transport services at regional and local level (point v of the evidence provided). These resolutions confirm the formal approval of the transfer of EUR 110 000 000 in funds to the Autonomous Communities for the award of grants for projects for the digitalisation of passenger and freight transport services at regional and local level, as established by Royal Decree (902/2022) of 25 October. This Royal Decree approved the direct grant to the Autonomous Communities and the cities of Ceuta and Melilla of aid for the modernisation of private passenger transport companies

providing road transport services and private undertakings involved in the transport of goods by road, as part of the Spanish Recovery and Resilience Plan.

- c) **the official resolutions approving the transfers established in the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the transfer of funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level;**

Spain provided a copy of the official resolutions, dated 24 November 2021 and 19 July 2022, approving the transfers established in the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the transfer of funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level for the year 2021 and 2022 (points vi and vii of the evidence provided). These resolutions confirm the formal approval of the transfer of EUR 47 500 000 and EUR 62 500 000, respectively, in funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level, as established by the resolution of the State Secretariat for Transport, Mobility and the Urban Agenda, publishing the Agreement of the National Transport Conference of 5 November 2021. This resolution laid down the criteria for the territorial distribution of budget appropriations for the financial years 2021 and 2022, as well as the distribution of those for the financial year 2021, for the financing of investment actions under Components 1 'Sustainable, safe and connected mobility shock plan in urban and metropolitan environments' and 6 'Sustainable, safe and connected mobility' of the Recovery, Transformation and Resilience Plan.

- d) **the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the award of projects to the 13 actions listed in the CID Annex.**

Pursuant to the Ministerial Order of 13 December 2022, resolving the procedure for awarding the first call for grants from the Programme to Support Sustainable and Digital Transport on a competitive basis (point viii of the evidence provided), a total of EUR 445 371 038 was awarded to 103 projects in relation to the 13 actions listed above:

- Action 1: 3 projects for a total value of EUR 13 352 500,00 directly concern on-board European Rail Traffic Management Systems (ERTMS);
- Action 2: 4 projects for a total value of EUR 1 104 818,70 directly concern actions removing barriers to rail interoperability in accordance with the TSIs;
- Action 3: 1 project for a value of EUR 14 113 213,50 directly concerns innovation and development of the variable gauge axis in locomotives;
- Action 4: 14 projects for a total value of EUR 36 222 011,32 directly concern the construction, adaptation or upgrading of cargoes and intermodal rail-road terminals and their land connections;
- Action 5: 12 projects for a total value of EUR 173 947 745,32 directly concern actions supporting the refurbishment or upgrading of wagons for rail freight, including for the establishment of rail highway services;
- Action 6: 8 projects for a total value of EUR 96 064 115,29 directly concern actions to support the refurbishment or adaptation of railway tractor equipment with other material using alternative fuels (hydrogen or electricity);
- Action 7: 2 projects for a total value of EUR 4 172 477,42 directly concern the construction and upgrading of secure parking areas for commercial vehicles and provision of information services (Delegated Regulation (EU) No 885/2013);

- Action 8: 5 projects for a total value of EUR 1 700 505,64 directly concern Intelligent Transport Services for the Road Sector (ITS) in toll motorway concessions and other road safety and conservation services;
- Action 9: 1 project for a value of EUR 1 119 303,90 directly concerns actions supporting the deployment of alternative fuels refuelling infrastructure for heavy duty vehicles on the road network;
- Action 10: 19 projects for a total value of EUR 15 911 826,88 directly concern actions to support the refurbishment or adaptation of means and machinery to achieve sustainable pavement: reduced carbon footprint and sound reducers;
- Action 11: 12 projects for a total value of EUR 66 277 090,33 directly concern support for the deployment of alternative fuels in ports and airports;
- Action 12: 3 projects for a total value of EUR 8 177 050,00 directly concern support for the uptake of propulsive alternative energy technologies in the maritime sector; and
- Action 13: 19 projects for a total value of EUR 13 208 379,55 directly concern the digitalisation of passenger and freight transport services at national level.

The Council Implementing Decision requires the adoption by the State Secretariat for Transport, Mobility and the Urban Agenda of the award of projects to the 13 actions listed in the CID Annex and also listed in the context section above. The Spanish authorities adopted a Ministerial Order for this purpose (point viii of the evidence provided), not a 'resolution'. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, Ministerial Orders have a higher regulatory status and the same practical and legal effect. Therefore, the adoption through a Ministerial Order can be considered at least equivalent to the adoption of an official resolution. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The total endowment under the Support Programme of Sustainable and Digital Transport through elements a) (EUR 134 628 962), b) (EUR 110 000 000), c) (EUR 110 000 000) and d) (EUR 445 371 038) amounts to EUR 800 000 000, as required in the milestone description.

**For actions 9 and 11, selection criteria shall comply with the 'Do no significant harm' Technical Guidance (2021/C58/01), ensuring that the infrastructure is enabled at the time of construction for the transport of renewable and low-carbon gases.**

Annex I of Ministerial Order (TMA/370/2022) (point ix of the evidence provided) sets out the specific eligibility criteria for all 13 actions awarded under the Order. For Action 9 (actions supporting the deployment of alternative fuels refuelling infrastructure for heavy duty vehicles on the road network), the eligibility criteria stipulate that new points of sale will be built to supply renewable hydrogen. For action 11 (support for the deployment of alternative fuels in ports and airports) two of the eligibility criteria stipulate that: (i) all natural gas installations covered by this subsidy must have the capacity to operate with renewable and low-carbon gases (they will provide bio-LNG blended with renewable liquid and gaseous fuels of non-biological origin at least 20 %) from their start-up, and (ii) the purchase of ground-handling vehicles or the removal of existing vehicles shall be eligible only if the subsidised vehicles are to be operated at airports of general interest, these vehicles shall be powered 100 % by electricity or hydrogen.

The evidence provided, in particular Ministerial Order (TMA/370/2022) (point ix of the evidence provided), confirms that DNSH compliance is ensured by means of a self-assessment and self-declaration by beneficiaries. Specifically:

- Article 5(1)(d) of the Order specifies that only projects that ensure full compliance with the “Do no significant harm principal”, as established by the “Do no significant harm” Technical Guidance of the European Commission, are eligible to receive grants;
- Article 23(5) of the Order provides that failure to comply with the conditions attached to the compliance of DNSH will result in the loss of the right to receive or recover the subsidy;
- Article 37(1)(c) stipulates that beneficiaries shall submit a self-declaration, in accordance with the template set out in Annex III.C, including information on the compliance of the proposed project with EU and national legislation in areas such as environmental protection, environmental impact assessment and DNSH; and
- Article 21(2) requires monitoring reports on the progress of a project to include a technical report certifying the degree of compliance with the conditions imposed and the commitments made in the grant award decision, indicating the adequacy of the activities carried out and the results obtained, an updated planning of the work to be carried out, information on the contracts awarded and on financing needs, as well as information on environmental aspects, in particular compliance with DNSH.

This is in line with the requirements set out for actions 9 and 11 in the measure description requiring that **the eligibility criteria of this measure shall ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) by setting out a condition under which the transition and distribution infrastructure of gaseous fuels shall be enabled at the time of construction for the transport of renewable and low-carbon gases.**

In line with the description of the measure, the above analysis confirms that **the investment consists in elements a), b), c) and d) in the CID Annex, and also listed in the context section above.**

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T140	T140 - C10.I1 - Investment in Just Transition		
<b>Name of the Target:</b> Support for environmental, digital and social infrastructure projects			
<b>Quantitative Indicator:</b> 100	<b>Baseline:</b> 0	<b>Target:</b> 140	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>The objective of this investment is to create jobs, finance small-scale pilot projects that can be scaled-up, and boost economic development, contributing to social and territorial cohesion in Just Transition Areas. This shall be done by targeting four specific areas: i) environmental restoration; ii) environmental, digital and social infrastructure projects; iii) research and development and innovation (RDI) projects on energy storage and green hydrogen; and iv) reskilling and upskilling workers. This investment will exclusively target Just Transition Areas.</p> <p>Target 140 concerns the publication in the Official Journal of the award of at least EUR 91 million for at least 100 environmental, digital and social infrastructure projects in Just Transition Areas.</p> <p>Target 140 is the second milestone or target of the investment, and it follows the completion of milestone 139 related to the order approving the regulatory framework for the just transition training aid programme and the order setting out the regulatory bases for granting aid for the development of environmental, digital and social infrastructure projects. It will be followed by four additional targets: target 431 related to the award of at least EUR 11 million for at least 30 environmental, digital and social infrastructure projects; target 141 related to providing job search assistance and/or individual reskilling pathways for unemployment people in just transition areas; target 142 related to</p>			

completing two investment projects in *Ciudad de la Energía* (CIUDEN) for two RDI projects on green hydrogen production and energy storage; and target 143 related to rehabilitating at least 2 000 hectares of land in closed coal mining sites or adjacent areas to thermal or nuclear power stations. The investment has a final expected date for implementation on 30 June 2026.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Excel file included as an annex to the summary document including: the list of official codes and names of projects and for each of them 1) the municipality or territory and Just Transition Areas where the project is located; 2) amount awarded (excluding VAT).
- iii. Resolution published by the Just Transition Institute in their website of Order TED/1476/2021. (Link: [RD Orden TED1476.pdf \(transicionjusta.gob.es\)](https://www.boe.es/eli/es/o/2021/12/27/ted1476))
- iv. Resolution of Order TED/1476/2021 published in the National Official Journal, No. 171, of 19 July 2023, pages 35 562 to 35 565, which publishes the environmental, social and digital projects to be financed in just transition areas (available in the following link: [Anuncio 22036 del BOE núm. 171 de 2023](https://www.boe.es/eli/es/o/2023/07/19/22036)).
- v. Resolution of Royal Decree 334/2023, published in the National Official Journal, No. 238, of 5 October 2023, pages 46 997 to 46 998, in which the Just Transition Institute signs nine addenda to the convenes with Autonomous Communities for the development of infrastructure and restoration projects in areas affected by mining activities (available in the following link: [Anuncio 28669 del BOE núm. 238 de 2023](https://www.boe.es/eli/es/rd/2023/10/05/334)).

The authorities also provided:

- vi. Order TED/1476/2021, of 27 December, published in the National Official Journal, No. 312, of 29 December 2021, pages 166523 to 166581, which sets out the regulatory bases for granting aid for the economic development of just transition areas, through the development of environmental, digital and social infrastructure in municipalities and territories in transition to a low carbon economy (available in the following link: <https://www.boe.es/eli/es/o/2021/12/27/ted1476>)
- vii. Order TED/442/2022, of 10 May, published in the National Official Journal, No. 119, of 19 May 2022, pages 69 570 to 69 573, which modifies some aspects of Order TED/1476/2021. (Available in the following link: <https://www.boe.es/eli/es/o/2022/05/10/ted442>)
- viii. Royal Decree 334/2023, of 3 May, published in the National Official Journal, No. 106, of 4 May 2023, pages 61 668 to 61 679, which modifies Royal Decree 675/2014, of 1 August 2014, establishing the regulatory bases for granting aid for the economic development of coal mine areas, through the implementation of infrastructure and restoration projects, within the Framework of the Recovery and Resilience Plan (available in the following link: <https://www.boe.es/eli/es/rd/2023/05/03/334>).
- ix. Royal Decree 675/2014, of 1 August, published in the National Official Journal, No. 190, of 6 August 2014, setting up the regulatory basis to grant aid for the economic development of coal mine areas, through the implementation of infrastructure and restoration projects (available in the following link: <https://www.boe.es/eli/es/rd/2014/08/01/675/con>).
- x. Copy of the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xi. Copy of the addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.

- xii. Copy of the convene with the Autonomous Community of Asturias to implement an environmental infrastructure project in a just transition area.
- xiii. Copy of the addenda to the convene with the Autonomous Community of Asturias to implement an environmental infrastructure project in a just transition area.
- xiv. Copy of the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xv. Copy of the addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xvi. Copy of the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xvii. Copy of the addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xviii. Copy of the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xix. Copy of the first addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xx. Copy of the second addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxi. Copy of the convene with the Autonomous Community of Asturias to implement a digital infrastructure project in a just transition area
- xxii. Copy of the addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxiii. Copy of the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxiv. Copy of the first addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxv. Copy of the second addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxvi. Copy of the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxvii. Copy of the second addenda to the convene with the Autonomous Community of Asturias to implement a social infrastructure project in a just transition area.
- xxviii. Copy of the convene with the Autonomous Community of Castilla y Leon to implement an environmental infrastructure project in a just transition area
- xxix. Copy of the first addenda to the convene with the Autonomous Community of Castilla y Leon to implement an environmental infrastructure project in a just transition area.
- xxx. Copy of the second addenda to the convene with the Autonomous Community of Asturias to implement an environmental infrastructure project in a just transition area.
- xxxi. Document certifying the fulfilment of the milestone.
- xxxii. Report on the component's management.
- xxxiii. Invoice of not eligible costs of project AST-2020-0018.
- xxxiv. Invoice of not eligible costs of project AST-2020-0022.
- xxxv. Invoice of not eligible costs of project AST-2020-0040.
- xxxvi. Invoice of not eligible costs of project AST-2020-0045.
- xxvii. Invoice of not eligible costs of project AST-2020-0001.
- xxviii. Document including the link to Law 37/1992, of 28 December, regarding VAT.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Publication in the Official Journal of the award of at least EUR 91 000 000 for at least 100 environmental, digital and social infrastructure projects (...).**

The Resolution of Order TED/1476/2021 published in the Official Journal, No. 171, of 19 July 2023, pages 35 562 to 35 565, includes the award of EUR 89 million (including VAT) for 107 projects (as evidenced in Annex I of the documents included in points iii) and iv) of the evidence provided). A 21% VAT rate has been applied horizontally to all projects awarded (which is the maximum VAT applicable within Spanish Law), therefore, the amount of money awarded excluding VAT is EUR 73 553 719,01 (taking into account the application of Law 37/1992 on VAT included in point xxxvii) of the evidence provided).

In addition, the resolution of Royal Decree 334/2023, published in the Official Journal, No. 238, of 5 October 2023, pages 46 997 to 46 998, includes the award of EUR 29 400 843,37 (including VAT) for nine projects (as evidenced in the first and second page of the document included in point v) of the evidence provided). A 21% VAT rate has been applied horizontally to all projects awarded (which is the maximum VAT applicable within Spanish Law), therefore, the amount of money awarded excluding VAT is EUR 24 298 217,66 (taking into account the application of Law 37/1992 on VAT included in point xxxvii) of the evidence provided). Five out of the nine projects included some works limited to preparation and/or initial phases of the projects whose costs were incurred before 1 February 2020 (as evidenced in the documents included from point xxxiii) to xxxvi) of the evidence provided). The actions were the following:

- Drafting of the project to implement a district heating system (as evidenced in point xxxiii) of the evidence provided);
- Thermal and electrical installation projects (as evidenced in point xxxiv) of the evidence provided);
- Basic project to be able to implement biomass facilities and energy efficiency (as evidenced in point xxxiv) of the evidence provided);
- Draft of project for the extension of the geothermal network (as evidenced in point xxxv) of the evidence provided);
- Field work for the creation of plans and memoire (as evidenced in point xxxvi) of the evidence provided);
- Technical assistance for the development of a project (as evidenced in point xxxvi) of the evidence provided);
- Analysis and drafting of the project and its budget (as evidenced in point xxxvi) of the evidence provided);
- Air conditioning installation design (as evidenced in point xxxvi) of the evidence provided);
- Technical assistance for the development of a project (as evidenced in point xxxvi) of the evidence provided);
- Geotechnical study of a relevant building for the implementation of the project (as evidenced in point xxxvii) of the evidence provided);
- Electricity project in a relevant building for the implementation of the project (as evidenced in point xxxvii) of the evidence provided);
- Structural calculation of the extension building of the ICT business centre (as evidenced in point xxxvi) of the evidence provided);
- Geotechnical study of the land for the project (as evidenced in point xxxvii) of the evidence provided);

- Topographic survey for the development of the project (as evidenced in point xxxvii) of the evidence provided);
- Drafting plans, measurements and budgets of the project (as evidenced in point xxxvii) of the evidence provided).

These costs amount EUR 161 382,48 and are not eligible under the Recovery and Resilience Fund, neither the VAT. Therefore, the total amount eligible for the nine affected projects is EUR 21 889 240,04 (VAT excluded).

The sum of both resolutions confirm that a total of EUR 95 442 969,05 has been awarded for 116 projects, thus overachieving the target.

All these projects are environmental, digital and/or social infrastructure projects. As assessed in the second payment request for milestone 139, the types of projects exclusively covered by Order TED/1476/2021 are specified in Article 32 and fall within the categories included in the target's description: social, environmental and digital (as included in point vi) of the evidence provided). Order TED/442/2022, which modifies Order TED/1476/2021, does not amend Article 32, therefore, the amendment does not impact the scope of the projects (included in point vii) of the evidence provided). In addition, Royal Decree 334/2023, amending Royal Decree 675/2014, includes a new paragraph in Article 5 specifying that the projects financed under the Recovery and Resilience Plan will be environmental, digital and social infrastructure projects in just transition areas (as included in point viii) of the evidence provided). Therefore, both regulatory bases state that the projects financed under the Recovery and Resilience Plan must be environmental, digital and social infrastructure projects.

**(...) in municipalities and territories in transition to a low carbon economy. The 100 environmental, digital and social infrastructure projects shall be located in municipalities and territories in Just Transition Areas.**

Order TED/1476/2021 specifies in Article 3 the entities that are eligible to receive the funds, which are those affected by the transition to a low carbon economy that are included in the Just Transition Protocols (as evidenced in point vi) of the evidence provided). Order TED/442/2022 does not amend Article 3 of Order TED/1476/2021, therefore, the eligible municipalities do not change (as evidenced in point vii) of the evidence provided).

Royal Decree 334/2023 adds a new subsection in article 4 of Royal Decree 675/2014, specifying that the projects financed under the Recovery and Resilience Plan will have to be implemented exclusively in Just Transition Areas (as evidenced in point viii) of the evidence provided).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M145	M145 - C11.R1 - Reform for the modernisation and digitalisation of the administration	
<b>Name of the Milestone:</b> Entry into force of the amendment to Law 40/2015 and ministerial orders strengthening inter-territorial cooperation		
<b>Qualitative Indicator:</b> Provision in the legal act and ministerial orders indicating their entry into force		<b>Time:</b> Q4 2022



**Context:**

The objective of this reform is to modernise and digitalise the public administration through multiple lines of action, including addressing weaknesses in employment policies of the public administrations, strengthening cooperation and coordination among different levels of government, and improving how the central government implements public policies.

Milestone 145 requires the entry into force of an amendment to Law 40/2015 as well as ministerial orders to strengthen the cooperation and coordination among different levels of government.

Milestone 145 is the second milestone of C11.R1 and it follows the completion of milestone 144, related to the entry into force of a legislative act to reduce temporary employment in public administrations. It is accompanied by milestones 146, 147 and 148 in this payment. It will be followed by milestones 149, 432 and 433, relating to the statutes of the new evaluation public body, law on transparency and integrity in the activities of interest groups, and the update of the National Security Framework, respectively; and target 150, referring to the stabilisation of public employment.

This reform has a final expected date for implementation by 31 December 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Copy and link to the publication in the Official Journal of Royal Decree-Law 6/2022, of 29 March, adopting urgent measures within the framework of the National Response Plan to the economic and social consequences of the war in Ukraine, published on the Official Journal on 30 March 2022 (BOE-A-2022-4972 of 30 March 2022).
- ii. Copy and link to the publication in the Official Journal of Order TER/257/2022, of 29 March, providing for the publication of the Rules of Procedure of the Conference of Presidents, published on the Official Journal on 2 April 2022 (BOE-A-2022-5270 of 2 April 2022).
- iii. Copy and link to the publication in the Official Journal of Royal Decree 440/2024, of 30 April, on operating criteria for sectoral conferences, published on the Official Journal on 1 May 2024 (BOE-A-2024-8712 of 1 May 2024).
- iv. Copy and link to the publication in the Official Journal of Order PJC/385/2024, of 30 April, creating the Digital Platform for Collaboration between Public Administrations and regulating its configuration and operation, published in the Official Journal on 1 May 2024 (BOE-A-2024-8708 of 1 May 2024).

The authorities also provided:

- v. Copy of the Regulatory Impact Assessment (*Memoria Abreviada de Análisis de Impacto Normativo (MAIN)*) of Royal Decree 440/2024, of 30 April, on operating criteria for sectoral conferences; as well as the “Annex: Summary of contributions received and their assessment” to the Regulatory Impact Assessment.
- vi. Copies of the letters sent to the autonomous communities consulting them in a participative, inclusive and transparent process on the draft ministerial order regulating objectives i), ii) and iv) of the milestone; as well as the feedback received from the autonomous communities

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the amendment to Law 40/2015 and ministerial orders to strengthen inter-territorial cooperation.**

Royal Decree-law 6/2022, of 29 March, adopting urgent measures within the framework of the National Response Plan to the economic and social consequences of the war in Ukraine, was published on the Official Journal on 31 March 2022 and, in line with its 43<sup>rd</sup> final disposition, entered into force the day following its publication. The 22<sup>nd</sup> final disposition of Royal Decree-law 6/2022 modifies Law 40/2015, of 1 October, on the Legal Regime of the Public Sector. In particular, the 22<sup>nd</sup> final disposition introduces a new wording of Article 142 (concerning techniques for cooperation between public administrations) and a new 30th additional disposition relating to the establishment of the Digital Platform for Cooperation between Public Administrations.

Order PJC/385/2024, of 30 April, creating the Digital Platform for Collaboration between Public Administrations and regulating its configuration and operation, was published on the Official Journal on 1 May 2024 and, according to its second final disposition, entered into force the day following its publication. This order establishes the Digital Collaboration Platform between Public Administrations and regulates its configuration and operation, strengthening inter-territorial cooperation.

On 13 March 2022, the Conference of Presidents adopted unanimously its new Rules of Procedure, which was then published for general knowledge as an annex to Order TER/257/2022, of 29 March, providing for the publication of the Rules of Procedure of the Conference of Presidents, published on the Official Journal on 2 April 2022. These new Rules of Procedure became applicable following their unanimous adoption by the Conference of Presidents on 13 March 2022, in line with the national legal framework. These rules of procedure establish the Office of the Conference of Presidents (Article 10), a permanent Secretariat reinforcing the Conference of Presidents and strengthening in turn inter-territorial cooperation.

Royal Decree 440/2024, of 30 April, on operating criteria for sectoral conferences, was published on the Official Journal on 1 May 2024 and, according to its second final disposition, entered into force the day following its publication. This Royal Decree strengthens inter-territorial cooperation by delivering on the operating criteria for sectoral conferences.

The Council Implementing Decision required the entry into force of ministerial orders to strengthen inter-territorial cooperation, which shall cover the following elements: i) allowing for the creation of multisectoral conferences; ii) spelling out decision-making procedures in the Sectorial Conferences, including when they generate agreements of mandatory compliance; iii) reinforcing the Conference of Presidents through the creation of a permanent Secretariat; iv) providing for the compulsory preparation, approval and publication of multiannual policy objectives and result indicators as well as transparent mechanisms of monitoring and evaluation; and v) establishing digital interadministrative interconnection and interoperability between the central and regional government IT platforms. The Spanish authorities adopted a royal decree, namely Royal Decree 440/2024, of 30 April, covering requirements i), ii) and iv) of the milestone mentioned above. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, both ministerial orders and royal decrees have the same binding effect in the Spanish legal system, while royal decrees have a higher hierarchical rank. Therefore, the adoption through a royal decree can be considered at least equivalent to an adoption by a ministerial order. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone

represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

#### **Allowing for the creation of multisectoral conferences.**

The Council Implementing Decision requires allowing for the creation of multisectoral conferences. Article 3 of Royal Decree 440/2024 establishes the regime of multisectoral conferences, both in relation to the convening of the meetings and the adoption of decisions. It institutionalises the working methods between several sectoral conferences and the adoption of matters of decision-making nature, boosting collaboration between these cooperation bodies and providing clarity in their functioning, whilst respecting the internal self-organisational autonomy of sectoral conferences as set out in their internal rules of procedure.

Article 3(1) of Royal Decree 440/2024 provides that where the issues to be discussed directly concern matters shared by two or more sectoral conferences, they may meet jointly under the name of multisectoral conferences. Article 3(2) regulates the convening of these meetings and Article 3(3) the adoption of the agenda. The convening of meetings of multisectoral conferences shall occur by a joint decision of the presidents of each sectoral conference concerned. The adoption of the agenda for the meetings of multisectoral conferences shall also be adopted by a joint decision of the presidents of each sectoral conference and accompany the formal convening of the meeting. Hence, the convening of the meetings and the adoption of the agenda occurs in a simultaneous single act, allowing for a jointly and coordinated development of the discussions between several sectoral conferences.

Articles 3(4) and (5) of Royal Decree 440/2024 further define the rules for decision-making in multisectoral conferences. The discussions shall take place on the basis of the same documentation and in the same forum (in line with Articles 3(2) and (3)), without prejudice to the fact that, in order to comply with the voting rules and systems of each sectoral conference, the same documents may be voted sequentially by the sectoral conferences concerned, resulting in a single outcome. Article 3(6) refers to the drafting and approval of the minutes and Article 3(7) to the certification of the decisions. The minutes of the sessions shall be drawn up jointly by the members of the secretariats of the sectoral conferences and approved by the members of each sectoral conference. The secretariat of each sectoral conference shall issue a certificate of the decisions taken by its sectoral conference, specifying that these are to be deemed to have been adopted at the multisectoral conference.

On pages 80, 81 and 82 of “Annex: Summary of contributions received and their assessment” of the Regulatory Impact Assessment Report (“*Memoria Abreviada de Análisis de Impacto Normativo (MAIN)*”) accompanying Royal Decree 440/2024, Spain explains, as a reply to the observations by the Council of State, that the Spanish legal system already allowed the possibility that several Sectoral Conferences could meet jointly on the basis of the ruling of the Supreme Court STC 76/1983 FJ 13. However, there was no basic legal regime governing it and setting out the relevant procedures. On this basis, it can be concluded that the institutionalisation of multisectoral conferences in Article 3 of Royal Decree 440/2024 enables multisectoral conferences to properly function with the necessary legal certainty and contributes to addressing the objective of the milestone, namely strengthening interterritorial cooperation.

**Spelling out their decision-making procedures, including when they generate agreements of mandatory compliance.** Furthermore, in accordance with the description of the measure, **this shall reinforce the role of sectoral conferences, the existing bodies for cooperation with regions, by clarifying when they may reach agreements of mandatory compliance.**

Article 2 of Royal Decree 440/2024 further details the decision-making procedures laid down in Article 151 of Law 40/2015, of 1 October, in relation to the minutes and certifications, clarifying for all sectoral conferences the binding effects of the decision adopted and the public administrations affected by each decision. Article 2(1) establishes that the Secretariat of the Sectoral Conference is responsible for drawing up the minutes of the meeting, specifying the manner in which the meeting was held, the persons attending the meeting, the manner in which they attended, the place and date of the meeting, the general content of the deliberations and the outcome of the decisions taken. Article 2(2) provides that “[t]he agreements and recommendations shall be certified in the minutes. The minutes must specify the procedure followed for the adoption of agreements and recommendations, the decision-making or coordination nature of the agreement, or the advisory nature of the recommendation to be adopted, as well as the public administrations for which it is binding in each case, in accordance with Article 151 of Law 40/2015 of 1 October.” Article 2(3) states that “[t]he minutes shall state the voting rights of each participant and any dissenting votes expressed. In the agreements in which the General State Administration exercises coordination functions, the report shall specify the basis for their competence.” Article 2(4) provides that the Secretariat of each Sectoral Conference is responsible for issuing the certifications of the decisions taken. Furthermore, “[t]he certification shall specify the sectoral conference that adopted the agreement or recommendation, the date and place of adoption, the decision-making, advisory or coordinating nature of the decision taken, as well as whether it is an agreement or recommendation, the votes of the members who participated in the vote, the public administrations to whom it applies, if any, and the dissenting votes.”

Therefore, Article 2 of Royal Decree 440/2024 reinforces the role of sectoral conferences by providing further clarity on the decision-making procedures laid down in Article 151 of Law 40/2015, of 1 October, particularly on the minutes of the meeting, the binding or non-binding effects of the adopted decision and on the scope of its application. This reinforces, from a broader perspective, the decision-making processes of the sectoral conferences, ensuring legal certainty and clear rules facilitating and simplifying the framework for discussion and negotiation between the various actors.

Given the large heterogeneity of this typology of bodies and the differences in their competence and internal decision-making frameworks, this ex-post approach allows the secretariats of sectoral conferences to liaise with each other, have better knowledge and documentation of all of them, and share their best practices for future use in subsequent meetings. The spelling out of the decision-making in the minutes rather than further detailing ex-ante specific rules for a heterogeneous group of bodies achieves, therefore, the same result.

Furthermore, the Single Additional Provision of Royal Decree 440/2024 further reinforces the role of the sectoral conferences by ensuring that all sectoral conferences adapt their internal rules to these basic aspects, combining both respect for the organisational and operational autonomy of the sectoral conferences.

**Reinforcing the conference of presidents through the creation of a permanent secretariat. Furthermore, in accordance with the description of the measure, the reform shall also reinforce the Conference of Presidents (where the Prime Minister and Presidents of the Autonomous Communities meet at the highest level).**

As defined in Article 1 of the Rules of Procedure of the Conference of Presidents, contained in the Annex to Order TER/257/2022, of 29 March, the Conference of Presidents is the highest body for political cooperation between the Spanish Government and the governments of the Autonomous Communities and the cities of Ceuta and Melilla.

Article 10 of the Rules of Procedure of the Conference of Presidents establishes the Office of the Conference of Presidents, a permanent secretariat, which shall provide technical and administrative support to the Conference, the Preparatory Committee and the commissions and working groups to be set up. It shall carry out the tasks of administrative secretariat and any other tasks assigned to it by agreement of the Conference of Presidents and its bodies. The Office of the Conference of Presidents shall be headed by a Secretary-General, appointed and dismissed by agreement of the Preparatory Committee on a proposal from the head of the Ministry responsible for territorial cooperation. The Secretary-General may participate in the meetings of all the bodies of the Conference of Presidents with no vote and shall be responsible for drawing up the minutes of the sessions. This body shall be attached to the Ministry responsible for territorial cooperation, which shall provide it with the resources necessary for its operation, without any increase in public expenditure. In addition, the Office may be assisted by staff from the State, the Autonomous Communities and cities with the Statute of Autonomy with experience in the field of inter-administrative cooperation. The Secretary-General may appoint a person from the Office of the Conference of Presidents to attend meetings of the Sectoral Conferences for the purpose of appropriate follow-up.

**Providing for the compulsory preparation, approval and publication of multiannual policy objectives and result indicators as well as transparent mechanisms of monitoring and evaluation.**

Article 4(1) of Royal Decree 440/2024 establishes the necessary planning of the activity of the sectoral conference and the obligation to make them public at the frequency established when approving its working method and through the internet portal designated by agreement of the sectoral conference or, failing that, on the Ministry's internet portal held by the presidency of the sectoral conference. Article 4(2) further clarifies that the specific plans for cooperation between the Autonomous Communities and the joint plans, of a multilateral nature, between the General State Administration and those of the Autonomous Communities, adopted by the sectoral conference, as well as the forecasts approved for this purpose by the sectoral conference, should be considered part of the planning. Those include, among others, multiannual political objectives, performance indicators, and transparent monitoring and evaluation mechanisms.

**Establishing digital inter-administrative interconnection and interoperability between the central and regional government IT platforms.**

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the descriptions of Reform 1 of Component 11 and milestone 145 and has undertaken the assessment on a revised basis. In such descriptions, it is stated that the reform shall establish digital inter-administrative interconnection and interoperability between the central and regional government IT platforms. However, the text of Reform 1 of Component 11 in the Spanish Recovery and Resilience Plan refers to the "*[c]reation of a digital inter-administrative collaboration platform to boost the digitalisation of inter-administrative cooperation mechanisms.*" This latter wording is the one considered relevant for the fulfilment of milestone 145.

The 22<sup>nd</sup> Final Disposition of Royal Decree-Law 6/2022, of 29 March, adopting urgent measures within the framework of the National Response Plan to the economic and social consequences of the war in Ukraine, modifies Law 40/2015, of 1 October, on the Legal Regime of the Public Sector. In particular, it amends Article 142 of Law 40/2015 concerning collaboration techniques to establish the obligations to facilitate the inclusion in an integrated information system of the personal files of citizens with the public administration, so that they can access their content through secure procedures; and to develop the so-called Digital Platform for Collaboration between Public Administrations as a tool to facilitate the relations and electronic support of the Sectoral Conferences and in general the

cooperation bodies, as well as other common platforms for the exchange of data in all public administrations.

The 22<sup>nd</sup> Final Disposition of Royal Decree-Law 6/2022 also adds a 30<sup>th</sup> Additional Disposition to Law 40/2015, which further develops the creation of the Digital Platform for Collaboration between Public Administrations. It establishes that the Ministry of Economic Affairs and Digital Transformation and the Ministry of Territorial Policy shall, by joint ministerial order, promote the measures necessary for the creation and operation of this platform. The organisation and operating arrangements of the platform shall be regulated by secondary legislation and in any event shall be in line with the criteria and guidelines successively established by the Sectoral Conference of Public Administration, or where appropriate, the Sectoral Committee for eGovernment.

Ministerial Order PJC/385/2024 creates the Digital Platform for Cooperation between Public Administrations, (so-called “Cooper@”), which shall be attached to the State Secretariat for Territorial Policy (Article 1(1)). According to Article 1(2), Cooper@ shall apply to the following cooperation bodies: i) the Conference of Presidents and its Preparatory Committee; ii) Sectoral Conferences, as well as other cooperation bodies which, under a different name, are covered by the concept of a Sectoral Conference provided for in Article 147 of Law 40/2015, of 1 October; iii) the Sectoral Commissions; and iv) working groups attached to the cooperation bodies referred in points i) and iii).

Article 2(1) of Ministerial Order PJC/385/2024 establishes that, in general terms, the platform shall: i) facilitate the performance of the consultative and decision-making and coordination functions of the cooperation bodies; ii) serve as a channel for cooperation, collaboration, communication and exchange of information between the General State Administration, the Autonomous Communities, the cities of Ceuta and Melilla, and, where appropriate, the local authorities; iii) provide a meeting space both for collaborative work and, where appropriate, for the holding of virtual meetings with appropriate security guarantees, promoting the interconnection and interoperability of the various public administrations; and iv) allow for discussion, adoption and certification of agreements and recommendations by the cooperation bodies. Article 2(2) of the Ministerial Order further specifies that more specifically, Cooper@ will allow, inter alia, for: i) convening and submitting the convening of meetings of the cooperation bodies; ii) sharing documentation and facilitating collaborative work on these files; iii) facilitate the transcription of the meetings and the preparation of the draft minutes and summary notes; iv) facilitate the use of electronic voting systems; and v) use the data collected. The functionalities described in Articles 2(1) and (2) confirm that Cooper@ is a digital inter-administrative collaboration platform that provides for digital inter-administrative cooperation mechanisms and promotes interoperability of the various public administrations.

**Concerning objectives i), ii) and iv), the ministerial orders shall be consulted with the Autonomous Communities in a participative, inclusive and transparent process.**

Page 1 of “Annex: Summary of contributions received and their assessment” of the Regulatory Impact Assessment Report (“*Memoria Abreviada de Análisis de Impacto Normativo (MAIN)*”) of Royal Decree 440/2024 describes the consultation with the autonomous communities on the ministerial order project that, following this consultation process, was upgraded to royal decree in its consultation phase. It explains that the Ministry of Territorial Policy prepared a draft ministerial order that was consulted, together with the MAIN, with all the autonomous communities, which were given 17 working days to express their observations. Observations were received from the majority of Autonomous Communities, except from the autonomous community of La Rioja, which had no comments and Catalonia, the Canary Islands and Navarra, which did not provide a response. Spain has also provided the consultation letters submitted to the different autonomous communities on 18

December 2023 as well as the feedback received from these, proving that a participative, inclusive and transparent process of consultation has been followed. As a result of various observations, in the consultation phase, the rank of the ministerial order was elevated to royal decree.

The MAIN's Annex describes and assesses in detailed and transparent manner the observations of the autonomous communities (pages 17-41) and other bodies being consulted (pages 42-84).

The MAIN's Annex (pages 75 and 76), as a reply to the observations by the Council of State, explains that the text that was finally submitted for approval as a Royal Decree has not been consulted again with the Autonomous Communities but shared for information on 20 February 2024. It also clarifies that the text of the Royal Decree consists of four articles (three less than the ministerial order) which have not suffered any essential modification with respect to the content of the ministerial order (changes reducing its initial content were done in response to the observations received and other changes consisted in redrafting for greater clarity). It further explains that the Court Supreme Ruling 1262/2023, of 16 October 2023, regarding the possibility of integrating the vice of nullity in the elaboration of a regulatory norm due to omission of the consultation procedure of interested parties, provides that it is not required to restart a consultation except in those cases where substantial changes are introduced, which affect core aspects of the norm. The MAIN's Annex notes that the new text of the Royal Decree does not include substantial changes on core aspects of the norm, and therefore a new consultation was not deemed legally necessary.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M146	M146 - C11.R1 - Reform for the modernisation and digitalisation of the administration	
<b>Name of the Milestone:</b> Entry into force of the law to reinforce public policies evaluation		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this reform is to modernise and digitalise the public administration through multiple lines of action, including addressing weaknesses in employment policies of the public administrations, strengthening cooperation and coordination among different levels of government, and improving how the central government implements public policies.</p> <p>Milestone 146 requires the entry into force of a law to reinforce the evaluation of public policies.</p> <p>Milestone 146 is part of C11.R1 and it follows the completion of milestone 144, related to the entry into force of a legislative act to reduce temporary employment in public administrations. It is accompanied by milestones 145, 147 and 148 in this payment. It will be followed by milestones 149, 432 and 433, relating to the statutes of the new evaluation public body, law on transparency and integrity in the activities of interest groups, and the update of the National Security Framework, respectively; and target 150, referring to the stabilisation of public employment.</p> <p>This reform has a final expected date for implementation by 31 December 2024.</p>		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Copy and link to the publication in the Official Journal of Law 27/2022, of 20 December, on the institutionalisation of the evaluation of public policies in the General State Administration (*Ley 27/2022, de 20 de diciembre, de institucionalización de la evaluación de políticas públicas en la Administración General del Estado*), published on the Official Journal (BOE-A-2022-21677 of 21 December 2022).
- iii. Copy of the Assessability Analysis of Law 27/2022, of 20 December, on the institutionalisation of the evaluation of public policies in the General State Administration, prepared by the Institute for Public Policy Evaluation (January 2023).
- iv. Copy of the Report on the Regulatory Impact Analysis of the draft law on the institutionalisation of the evaluation of public policies in the General State Administration.

The authorities also provided:

- v. Copy of the sheet P340 of the 921N expenditure programme ('Direction and organisation of public administration') relating to the internal process for drawing up the 2023 General State Budget, reflecting the amounts allocated to the reinforcement of the Institute for Evaluation of Public Policies (so-called 'AEVAL').
- vi. Copy of the agreement of the Interministerial Committee on Remuneration ('CECIR') of 23 February 2023 approving the creation of 10 additional posts to the Institute for Evaluation of Public Policies.
- vii. Copy of the list of posts of the Institute for Evaluation of Public Policies in the Central Staff Register before and after the creation of the 10 additional posts.

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

#### **Entry into force of the Evaluation Law with a set of actions to reinforce public policies based on ex-ante evaluation.**

Law 27/2022, of 20 December, on the institutionalisation of the evaluation of public policies in the General State Administration, was published on the Official Journal on 21 December 2022 and entered into force the following day, on 22 December 2022, in line with the third final disposition.

The Law consists of 32 articles, divided into four titles, including the preliminary one, six additional provisions, one transitional and three final provisions. The Preliminary Title contains some general provisions, including general definitions and the final objectives of the evaluation of public policies. Title I establishes a conceptual framework for evaluation in public policy-making. Title II regulates the practical aspects of public policy evaluation, including ex-ante evaluation. Title III establishes the institutional framework for the evaluation of public policies in the General State Administration.

#### **Reinforcing the regime of the current National Evaluation Institute (*Instituto de Evaluación de Políticas Públicas*) to grant it organisational and functional independence.**

The current Institute for the Evaluation of Public Policies is attached to the Ministry of Finance and the Civil Service through the Secretariat of State for the Civil Service, with the organic level of the Subdirector General (Article 14(6) of Royal Decree 682/2021, of 3 August, laying down the basic organisational structure of the Ministry of Finance and the Civil Service and amending Royal Decree



139/2020, of 28 January, establishing the basic organisational structure of the ministerial departments).<sup>4</sup> This is, it is an administrative unit with the rank of Subdirector General of the Secretariat of State for the Civil Service and does not have the capacity to recruit, organise or manage its own budget or staff.

To reinforce the regime of the current Institute to grant it organisational and functional independence, Article 29 of Law 27/2022 authorises the creation of a State Agency for the Evaluation of Public Policies. Law 40/2015, of 1 October, on the Legal Regime of the Public Sector<sup>5</sup> regulates the legal regime applicable to state agencies. Specifically, Article 108 bis establishes that *“State agencies are bodies governed by public law, which have public legal personality, their own assets and autonomy in their management, and are empowered to exercise administrative powers, which are set up by the Government to implement programmes corresponding to the public policies carried out by the General State Administration within the scope of its powers. State agencies are endowed with the mechanisms of functional autonomy, responsibility for the management and control of results set out in this law. [...]”*

The single transitional provision of Law 27/2022 establishes that, until the effective entry into operation of the State Agency for Evaluation of Public Policies, the current Institute assumes the functions referred to in Article 29 of Law 27/2022, which are compatible with those entrusted by with Article 14(6) of Royal Decree 682/2021, of 3 August. The entry into operation of the State Agency for Evaluation of Public Policies will be assessed as part of Milestone 149.

#### **Providing the institute with the capacity and means to exercise its functions.**

The single transitional provision of Law 27/2022 also establishes that until the State Agency for Evaluation of Public Policies has its own budget, the expenditure associated with its entry into operation or activity shall be financed from the budget appropriations of the State Secretariat for the Civil Service.

Since the Institute for Evaluation of Public Policies is attached to the Ministry of Finance and the Civil Service through the State Secretariat for the Civil Service as a Subdirector General, the expenditure budget allocated to the Institute cannot be included in the General Budget of the State separately from the budget of the State Secretariat for the Civil Service. Nonetheless, the State Secretariat for the Civil Service reflected in the Sheet P340 of the 921N expenditure programme (‘Direction and organisation of public administration’) relating to the internal process for drawing up the 2023 General State Budget that EUR 1 503 000 were allocated to the reinforcement of the Institute for Evaluation of Public Policies (under ‘AEVAL’) until its transformation into a State Agency.

Of the total budget allocated to the reinforcement of the Institute for Evaluation of Public Policies, EUR 900 000 correspond to personnel costs. In fact, on 23 February 2023, the Interministerial Committee on Remuneration (‘CECIR’) agreed to increase the number of the Institute’s posts by 10 additional posts.

#### **Including the principle of systematic ex-ante evaluation of policies.**

Article 11(1) introduces the principle of systematic ex-ante evaluation, establishing that *“[d]raft laws, strategic programmes or plans, and all types of strategic planning documents and initiatives that develop public policies must include, before they are approved, a technical assessment document,*

<sup>4</sup> <https://www.boe.es/eli/es/rd/2021/08/03/682/con>

<sup>5</sup> <https://www.boe.es/eli/es/l/2015/10/01/40/con>

*known as the assessability report, in order to verify the quality and accuracy of the diagnosis made, the feasibility, coherence and consistency of the design, the clarity, sufficiency and accessibility of the planned information and evaluation system, and whether there are sufficient capacities, resources and commitments for the evaluation to be implemented.”* The recommendations of the assessment report shall be taken into account by the body responsible for public policy and, where appropriate, explain their separation from them (Article 11(5)); and its implementation shall be monitored by the Public Policy Evaluation Coordination Unit of the relevant ministerial department (Article 11(6)). Additionally, strategic plans that are approved, after obtaining a favourable assessment report, and which comply with the principles of sound economic and financial management and budgetary sustainability of public finances, may have priority in their budgeting and financing as established by the Ministry responsible for the civil service (Article 11(7)).

Article 26(1) states that “[e]ach ministry shall ensure that an ex-ante evaluation and ex post evaluation of public policies in its area of competence that have a particular budgetary impact or are of high relevance due to their expected social or economic impact are carried out.” In any case, an ex-ante evaluation of the policies included in the Government’s Strategic Evaluation Plan should be carried out, as these are all considered relevant from the point of view of the social and economic impact and expected expenditure, in accordance with Article 24(3). Article 26(3) notes that these compulsory ex-ante evaluations shall aim to analyse, with a cross-cutting and participatory approach, the public value of the actions being analysed. To this end, aspects such as the impact on gender equality, demographic challenge, digital transformation, green transition, child impacts, social inclusion or administrative rationality, among others, are relevant.

#### **Preserving the mandate of other bodies and agencies, including the AIReF.**

The preamble of Law 27/2022 notes that “*the Law is fully respectful and reconciling with the various public bodies, bodies and entities, whatever the type of assessment they carry out, in so far as it focuses solely on the evaluation of public policies, and its application is complementary to any specific regulation on assessment or equivalent terms, in accordance with the wording of Article 3(3) on activities excluded from the scope of the Law and the second final provision on the supplementary nature of the Law.*”

Article 3(3) of the Law establishes that “[e]x post evaluations of public expenditure review deemed necessary shall be carried out by the Independent Authority for Fiscal Responsibility, AIReF, in accordance with the terms laid down in its regulations.” Similarly, Article 3(2) preserves the activity of the Court of Auditors. Article 3(4) excludes from the scope of Law 27/2022 all audits, effectiveness checks, ongoing supervision, internal control of economic and financial activity, quality of services and any other evaluation activities subject to specific regulations. Article 3(5) establishes that Law 27/2022 shall be supplementary to those aspects of public policy evaluation activities not provided for in the specific legislation.

Additionally, the second, third and fourth additional provisions of the Law preserve certain activities carried out by bodies and units such as the General Audit Office of the State Administration, the State Agency for Tax Administration and the operability and effectiveness of the armed forces, respectively.

#### **Increasing transparency and citizens’ participation in public policy making.**

Furthermore, in line with the description of the measure, the Law contains several provisions aiming at increasing transparency and citizen’s participation in the process of policymaking. Article 1 defines the purpose of the law as “*structuring the public policy evaluation system in the General State Administration in order to institutionalise evaluation as a tool for collective and organisational*

*learning, public service improvement, accountability and transparency, contributing to the effectiveness and efficiency of public action.” Article 6 lists “collaborative elements in design and implementation, such as co-creation, construction with citizens, in partnerships, or co-participation” as common technical aspects of the design of public policies.*

*Article 8 establishes that “[t]he evaluation shall be independent, objective and participatory. The adoption of a comprehensive approach to its implementation will be encouraged and its results, conclusions and recommendations will be made public.” Article 9(3) states that, regardless of the method of evaluation chosen, “instruments will be encouraged to ensure the participation of the actors involved and the sectors of citizens affected by public policy. Preferably, an inclusive approach will be promoted, correcting social inequities, addressing social and community heterogeneity. The results obtained in the participation process shall be public and shall be taken into account in the evaluation. In any event, reasons must be given for the omission of the arguments put forward in the participatory process.” Article 17 lists transparency as one of the principles of conduct of the evaluation team in the exercise of its evaluation function. Article 22(4) provides that “the final evaluation report shall be published within one month of its receipt on the thematic portal for evaluating public policies, without prejudice to its publication also on the Transparency Portal of the General State Administration, guaranteeing general access and implementing the obligations on active advertising laid down in Law 19/2013 of 9 December, on transparency, access to information and good governance.”*

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M147	M147 - C11.R1 - Reform for the modernisation and digitalisation of the administration	
<b>Name of the Milestone:</b> Entry into force of the reform of the Law 7/1985 on local administrative regimes and the amendment of the Royal Decree 1690/1986, of 11 July, approving the Regulation on Population and Territorial Demarcation of Local Entities		
<b>Qualitative Indicator:</b> Provision in the law and the royal decree implementing the reforms indicating their entry into force		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this reform is to modernise and digitalise the public administration through multiple lines of action, including addressing weaknesses in employment policies of the public administrations, strengthening cooperation and coordination among different levels of government, and improving how the central government implements public policies.</p> <p>Milestone 147 consists of two measures: i) the entry into force of the amendment to Law 7/1985, of 2 April, on local administrative regimes; and ii) the entry into force of the amendment to Royal Decree 1690/1986, of 11 July, approving the Regulation on Population and Territorial Demarcation of Local Entities.</p> <p>Milestone 147 is part of C11.R1 and it follows the completion of milestone 144, related to the entry into force of a legislative act to reduce temporary employment in public administrations. It is accompanied by milestones 145, 146 and 148 in this payment. It will be followed by milestones 149, 432 and 433, relating to the statutes of the new evaluation public body, law on transparency and integrity in the activities of interest groups, and the update of the National Security Framework, respectively; and target 150, referring to the stabilisation of public employment.</p>		

The reform has a final expected date for implementation by 31 December 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Copy and link to the publication in the Official Journal of Royal Decree-Law 6/2023, of 19 December, approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (*Real Decreto-ley 6/2023, de 19 de diciembre, por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*), published on the Official Journal (BOE-A-2023-25758 of 20 December 2023).
- iii. Copy of the summary of the regulatory impact analysis, including fiscal sustainability aspects, of Royal Decree-Law 6/2023, of 19 December, approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (*Memoria Abreviada del Análisis de Impacto Normativo del Real Decreto-ley por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*).
- iv. Copy and link to the publication in the Official Journal of Royal Decree 141/2024, of 6 February, amending the Regulation on Population and Territorial Demarcation of Local Entities, approved by Royal Decree 1690/1986, of 11 July (*Real Decreto 141/2024, de 6 de febrero, por el que se modifica el Reglamento de Población y Demarcación Territorial de las Entidades Locales, aprobado por el Real Decreto 1690/1986, de 11 de julio*), published on the Official Journal (BOE-A-2024-2248 of 7 February 2024).
- v. Copy of the summary of the regulatory impact analysis, including fiscal sustainability aspects, of Royal Decree 141/2024, of 6 February, amending the Regulation on Population and Territorial Demarcation of Local Entities, approved by Royal Decree 1690/1986, of 11 July (*Memoria del Análisis de Impacto Normativo del Proyecto de Real Decreto por el que se modifica el Reglamento de Población y Demarcación Territorial de las Entidades Locales, aprobado por el Real Decreto 1690/1986, de 11 de julio*).

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the milestone.

**Entry into force of the amendment of Law 7/1985, of 2 April, regulating local administrative regimes.**

Royal Decree-Law 6/2023, of 19 December, amends, in its Third Book (Article 128), Law 7/1985, of 2 April, regulating local administrative regimes. It was published on the Official Journal on 20 December 2023 and, according to the ninth final disposition, the Third Book entered into force the day following its publication on the Official Journal.

**The amendment of Law 7/1985 shall contribute to: i) accelerating and broadening the deployment of local public services, including via digital means such as apps, and ii) supporting small towns in their provision of public services.**

The Council Implementing Decision states that the amendment of Law 7/1985 regulating local administrative regimes shall contribute to accelerating and broadening the deployment of local public services, including via digital means such as apps. However, the Spanish Recovery and Resilience Plan refers exclusively to the deployment of local public services via digital means, and it does not contain a reference to the apps, demonstrating that the reference to the apps was included in the Council Implementing Decision as an example and not a requirement to be assessed. On this basis, and taking into account the analysis below, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The Third Book of Royal Decree-Law 6/2023, i.e. Article 128, adds and amends different provisions of Law 7/1985 contributing to accelerate and broaden the deployment of local public services, including via digital means, and supporting small towns in their provision of public services.

As regards the acceleration and broadening of the deployment of local public services including via digital means, Article 128(6) adds Article 70 quater to Law 7/1985 establishing the obligation for local authorities to take the necessary measures to facilitate the accessibility of public services to citizens, promoting the use of information and communication technologies in the provision of public services. To this end, the local authorities shall adopt plans for the implementation of digital mechanisms to facilitate accessibility to public services for citizens and businesses, as well as establish internet portals providing information and access to digital public services for citizens and operating as a communication platform between citizens and local authorities aimed at promoting the progressive digitalisation of public services. In the case of municipalities with fewer than 20 000 inhabitants, these obligations must be provided with the adaptations and implementation deadlines corresponding to their specialities, as established in the relevant regional legislation. Together these provisions contribute to accelerating and broadening the deployment of local services, including via digital means.

On the other hand, Article 128(4) and (5) of Royal Decree-Law 6/2023 contribute to supporting small towns in their provisions of public services. Article 128(4) adds a new paragraph to Article 25 of Law 7/1985 introducing the principle of differentiation in the allocation of powers to municipalities, which shall follow a specific weighting of the management capacity of the local authority to promote adjustments or measures, if necessary. Article 128(5) allows for the establishment of collaborative management systems *“in designated municipalities with fewer than 20.000 inhabitants to ensure sufficient resources for the fulfilment of municipal competences and, in particular, for the provision of quality, financially sustainable, of the minimum mandatory public services, by means of organisational and operational rationalisation measures; ensuring the provision of such services by means of common or associative management arrangements; support for staff in common with one or more other municipalities; and, in general, promoting the economic and social development of municipalities.”*

These provisions allow for accelerating and broadening the deployment of local public services, including via digital means, as well as supporting small towns in their provision of public services in accordance with the requirement of the Council Implementing Decision.

**Entry into force of the amendment of Royal Decree 1690/1986, of 11 July, approving the Regulation on Population and Territorial Demarcation of Local Entities.**

Royal Decree 141/2024, of 6 February, amending the Regulation on Population and Territorial Demarcation of Local Entities, approved by Royal Decree 1690/1986, of 11 July, was published on the

Official Journal on 7 February 2024 and entered into force the day following its publication, in line with the second final disposition.

**The amendment of Royal Decree 1690/1986 shall update and improve the municipal census of inhabitants managed by the municipalities.**

Previously, the Regulation on Population and Territorial Demarcation of Local Entities, approved by Royal Decree 1690/1986, of 11 July provided for the municipalities to communicate monthly to the National Statistical Institute, by computer or telematic means, any changes in the data from their municipal census.

Royal Decree 141/2024, of 6 February, amending the Regulation on Population and Territorial Demarcation of Local Entities, approved by Royal Decree 1690/1986, of 11 July, updates and improves the municipal census of inhabitants by providing for real-time communication between the municipalities and the National Statistical Institute (INE) of the variations in the data of the municipal census. In particular, sub-paragraph eleven of the sole article of Royal Decree 141/2024, modifying Article 65 of the Regulation on Population and Territorial Demarcation of Local Entities establishes that “[m]unicipalities shall send to the National Statistical Institute, by means of a real-time data exchange system, the variations that have occurred in the data in their municipal registers, so that this body can carry out the coordination tasks assigned to it in Article 17 (3) of Law 7/1985 of 2 April [...]” Sub-paragraph twelve modifying Article 66 of the Regulation on Population and Territorial Demarcation of Local Entities states that following the same procedure “the National Statistical Institute shall notify the municipalities of the discrepancies detected in the data in their municipal registers, with a view to making the necessary amendments [...]”

The Council Implementing Decision required the entry into force of the amendment to Royal Decree 1690/1986, of July 11, approving the Regulation on Population and Territorial Demarcation of Local Entities updating and improving the municipal census of inhabitants. For the application of the measures set out in Articles 65 and 66, the single transitional provision of Royal Decree 141/2024 foresees a transitional period until 31 August 2026 for the implementation of the real-time data exchange system for the municipal census. To this end, before that date, the municipalities, the National Statistical Institute and the Ministry of Foreign Affairs, European Union and Cooperation must take the necessary steps to be incorporated into this system. Once the National Statistical Institute has set up the real-time exchange system, the municipalities will gradually join it, depending on their availability, and both systems co-exist. As long as the real-time exchange system has not been put in place, monthly exchanges of information shall be maintained. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of this royal decree and the actual application of the provisions is considered both limited and proportional, notably taking into consideration that the reform requires the implementation of a real-time data exchange system by the National Statistical Institute and the action of all the municipalities to join such system. The implementation of a real-time data exchange system requires a longer development due to the architectural complexity (e.g. in a short time, real-time data needs to go through several steps, including from receiving the data, to its transmission, to the end point) and the difficulties to test type of systems. Additionally, the implementation of this real-data exchange system for the municipal census applies to all existing municipalities in Spain. Based on the latest figures published on the website of the National Institute of Statistics on 1 January 2024, there are 8 132 municipalities in Spain,<sup>6</sup> which are required to gradually join the real-time data exchange system, which further justifies the need for sufficient time to complete this process while addressing any technical issues emerging during its implementation. Moreover, Royal Decree

<sup>6</sup> [https://www.ine.es/daco/daco42/codmun/cod\\_num\\_muni\\_provincia\\_ccaa.htm](https://www.ine.es/daco/daco42/codmun/cod_num_muni_provincia_ccaa.htm)

141/2024 has already entered into force, and it contains a specific timeline for the implementation of the real-time data exchange system for the municipal census, providing certainty of the application of the relevant provisions from 1 September 2026. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Both reforms shall be accompanied by an impact assessment, including fiscal sustainability aspects.**

Spain has provided impact assessments, including fiscal sustainability aspects, for both legal instruments (regulatory impact assessments of Royal Decree-Law 6/2023 and of Royal Decree 141/2024). These documents contain the following elements: i) executive summary; ii) justification for the proposal; iii) analysis of content; iv) legal analysis; v) alignment with the constitutional order of distribution of competences; vi) description of the parliamentary procedure; vii) impact analysis (including economic and budgetary analysis); and viii) ex-post evaluation. In both impact assessments, it is confirmed that the projects are *“fully in line with the objectives of fiscal stability and financial sustainability laid down in Article 135 of the Spanish Constitution, as well as in Organic Law 2/2012, of 27 April, on budgetary stability and financial sustainability, and does not jeopardise the fiscal and financial sustainability of local authorities.”*

Regarding the Third Book of Royal Decree-Law 6/2023 amending Law 7/1985, the impact assessment affirms that the articles and provisions of Law 7/1985, of 2 April, which refer to compliance by local authorities with these principles (*inter alia*, Article 7(4), Article 10(3), and Article 24 bis, subparagraph 3) remain unchanged. Furthermore, the new measures set out in the Third Book of Royal Decree-law 6/2023 have been designed taking into account the principles of budgetary and fiscal sustainability of local authorities. Notably, the introduction of measures aimed at promoting collaborative management systems or at giving special consideration to smaller municipalities, through the new principle of differentiation, also contribute to supporting the budgetary and financial stability of local authorities.

Concerning Royal Decree 141/2024, of 6 February, amending the Regulation on Population and Territorial Demarcation of Local Entities, approved by Royal Decree 1690/1986, of 11 July, the impact assessment states that *“[t]he budgetary impact for local authorities in setting up a real-time municipal register data exchange system is considered to be very limited, while minor changes are made to the current registration systems.”* Additionally, the impact assessment notes that *“in order to ensure the financial sustainability of local authorities by means of Order TER/1235/2023, of 15 November, the Ministry of Territorial Policy launched a call for grants to promote the modernisation and digitalisation of the municipal population management systems. [...] These actions will consist of drawing up the plans to adapt the information systems of the municipal authorities’ registers and carrying out integration tests with the systems developed by the INE.”*

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M148	M148 - C11.R1 - Reform for the modernisation and digitalisation of the administration	
<b>Name of the Milestone:</b> Entry into force of regulatory measures relating to the civil service of the State Administration		
<b>Qualitative Indicator:</b> Provision in the royal decree(s)-law and ministerial order(s) implementing the elements of the reform indicating their entry into force		<b>Time:</b> Q4 2022

**Context:**

The objective of this reform is to modernise and digitalise the public administration through multiple lines of action, including addressing weaknesses in employment policies of the public administrations, strengthening cooperation and coordination among different levels of government, and improving how the central government implements public policies.

Milestone 148 requires the entry into force of regulatory measures relating to the civil service of the State Administration.

Milestone 148 is part of C11.R1 and it follows the completion of milestone 144, related to the entry into force of a legislative act to reduce temporary employment in public administrations. It is accompanied by milestones 145, 146 and 147 in this payment, which focus respectively on inter-territorial cooperation, public policy evaluation and local administrative regimes. It will be followed by milestones 149, 432 and 433, relating respectively to the statutes of the new evaluation public body, law on transparency and integrity in the activities of interest groups, and the update of the National Security Framework, respectively; and target 150, referring to the stabilisation of public employment.

This reform has a final expected date for implementation by 31 December 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Copy and link to the publication in the Official Journal of Royal Decree-Law 6/2023, of 19 December 2023, approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (*Real Decreto-ley 6/2023, de 19 de diciembre, por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*), published on the Official Journal on 20 December 2023 (BOE-A-2023-25758 of 20 December 2023) (hereinafter referred to as “Royal Decree-law 6/2023”).
- iii. Copy and link to the publication in the Official Journal of Ministerial Order 379/2024, of 26 April 2024, for the regulation of specialties of the procedures for filling posts for professional public managerial staff and the tools for managing them under the provisions of Royal Decree-Law 6/2023, of 19 December, approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (*Orden TDF/379/2024, de 26 de abril, para la regulación de especialidades de los procedimientos de provisión de puestos del personal directivo público profesional y las herramientas para su gestión en el marco de lo dispuesto en el Real Decreto-ley 6/2023, de 19 de diciembre, por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*), published in the Official Journal on 30 April 2024 (BOE-A-2024-8609 of 30 April 2024) (hereinafter referred to as “Ministerial Order 379/2024”).
- iv. Copy and link to the publication in the Official Journal of Ministerial Order 380/2024, of 26 April 2024, on strategic planning of the human resources of the State Administration (*Orden TDF/380/2024, de 26 de abril, sobre planificación estratégica de los recursos humanos de la*



*Administración del Estado*), published in the Official Journal on 30 April 2024 (BOE-A-2024-8610 of 30 April 2024) (hereinafter referred to as “Ministerial Order 380/2024”).

- v. Ministerial Order 520/2023, of 25 May 2023, approving the regulatory bases for the award of scholarships to cover the costs incurred in preparing the selection tests for admission to the corps and scales attached to the Ministry of Finance and the Civil Service and managed by the National Institute of Public Administration (*Orden HFP/520/2023, de 25 de mayo por la que se aprueban las bases reguladoras para la concesión de becas para sufragar los gastos ocasionados por la preparación de las pruebas selectivas de ingreso en los cuerpos y escalas adscritos al Ministerio de Hacienda y Función Pública y gestionados por el Instituto Nacional de Administración Pública*), published in the Official Journal on 26 May 2023 (BOE-A-2023-12303 of 26 May 2023) (hereinafter referred to as “Ministerial Order 520/2023”).
- vi. Ministerial Order 266/2023, of 12 March 2023, (*Orden HFP/266/2023, de 12 de marzo, por la que se determina la composición y funcionamiento de la Comisión Permanente de Selección*), published in the Official Journal on 22 March 2023 (BOE-A-2023-7409 of 22 March 2023) (hereinafter referred to as “Ministerial Order 266/2023”).
- vii. Royal Decree 625/2023, of 11 July 2023, approving the offer of public employment for the financial year 2023 (*Real Decreto 625/2023, de 11 de julio, por el que se aprueba la oferta de empleo público correspondiente al ejercicio 2023*), published in the Official Journal on 12 July 2023 (BOE-A-2023-16191 of 12 July 2023) (hereinafter referred to as “Royal Decree 625/2023”).
- viii. Talent Outreach Plan (“*Plan de Captación de Talento*”), published on 20 April 2021, (hereinafter referred to as “Talent Outreach Plan”).
- ix. Copy of the “Guidelines for the elaboration of notices of competition for selection procedures in the General State Administration” (*Pautas para la elaboración de convocatorias de procesos selectivos en el ámbito de la Administración General del Estado*), submitted to the ministerial departments on 27 July 2022.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the milestone.

**Entry into force of regulatory measures relating to the civil service of the State Administration.**

Royal Decree-law 6/2023 (included in point ii) of the evidence provided) regulates, in its Second Book, measures regarding the civil service of the State Administration. It was published in the Official Journal on 20 December 2023 and, according to the Ninth final disposition, it entered into force the day following its publication in the Official Journal.

Ministerial Order 379/2024 (included in point iii) of the evidence provided) regulates specialties of the procedures for filling posts for professional public managerial staff and the tools for managing them under the provisions of Royal Decree-Law 6/2023. It was published in the Official Journal on 30 April 2024 and, according to its sole final disposition, entered into force the day following its publication in the Official Journal.

Ministerial Order 380/2024 (included in point iv) of the evidence provided) regulates strategic planning of the human resources of the State Administration. It was published in the Official Journal on 30 April 2024 and, according to its sole final disposition, entered into force the day following its publication in the Official Journal.

Ministerial Order 520/2023 (included in point v) of the evidence provided) approves the terms and conditions for the award of grants to cover expenditure arising from the preparation of the

recruitment tests for public employment. It was published in the Official Journal on 26 May 2023 and, according to its second final disposition, entered into force the day following its publication in the Official Journal.

Ministerial Order 266/2023 (included in point vi) of the evidence provided) determines the composition and functioning of the Standing Selection Committee. It was published in the Official Journal on 22 March 2023 and, according to its sole final disposition, entered into force on the day of its publication in the Official Journal.

Royal Decree 625/2023 (included in point vii) of the evidence provided) approves the offer of public employment for the financial year 2023. It was published in the Official Journal on 12 July 2023 and, according to its sole final disposition, entered into force the day following its publication in the Official Journal.

**The measures shall reinforce the administration's ability to attract and retain the talent needed to perform its current tasks, including in information and telecommunications areas.**

Article 112 of Royal Decree-Law 6/2023 introduces a selection model based on a competence-based framework as a guiding principle and Article 114 a number of measures to change selection procedures and attract talent needed to perform its current tasks, including a selection model based on a competence-based framework and the territorialisation of public competitions.

In order to retain talent, Article 122 of Royal Decree-Law 6/2023 incorporates for the first time in the State Administration the horizontal career. This concerns the possibility of career progression without the need to change jobs, through accreditation of training and positive job performance assessments. This allows the organisation to retain the best trained people where they are needed, and to ensure that talent and know-how is not lost with excessive turnover and to offer public employees a wide range of options to grow in their organisation.

Additionally, Spain adopted a Talent Outreach Plan (included in point viii) of the evidence provided) whose primary objective is to attract professionals, from all types and levels of training, to develop their career in an environment that serves the public service.

These measures also generally apply to information and telecommunications areas. The efforts to reinforce the administration capacity in these areas are also visible in Royal Decree 625/2023 which allocated 1669 posts to the area of information systems and technologies.

**Revitalization of the instruments for planning, organisation and management of human resources.**

Title I of the Second Book (Articles 106-111) of Royal Decree-law 6/2023 regulates the strategic planning of human resources. Article 106 establishes planning as a principle of human resources organisation. Article 107 defines strategic planning as *"the basis for action in the field of the civil service through which the State administration establishes the multiannual public employment scenario, which provides knowledge of the human resources needed within the framework of the budget forecasts"* and establishes that such planning shall be subject to periodic review.

The strategic planning of human resources is structured through general plans and specific plans of ministerial departments or public bodies, as further specified in Ministerial Order 380/2024. Article 4 of Ministerial Order 380/2024 provides that the State Secretariat for the Civil Service shall approve the general plan annually on the basis of the specific plans. This article also specifies the content of general human resource plans. Article 4(3) provides that the preparation of the public employment

offer will be linked to the diagnosis and measures included in the general plans. Article 5 of Ministerial Order 380/2024 contains provisions on the elaboration and content of specific human resource plans.

The sole transitory provision of Ministerial Order 380/2024 provides that the specific plans and the general plan to be developed in 2024 will have the character of pilot projects and will report on the public job offer for 2025. The plans for 2025 will be used to fully implement the 2026 model and offer of public employment.

In addition to these general and specific plans, Royal Decree-law 6/2023 introduces changes to two other instruments to plan, organise and manage human resources: i) the public employment offer (Article 108 of Royal Decree-law 6/2023), which defines and quantifies staff in line with the needs of the ministerial departments and the government's priority public policies; and ii) '*relación de puestos de trabajo*' (Article 109 of Royal Decree-law 6/2023), a technical planning tool through which the State Administration organises, rationalises and directs its staff for the effective provision of the public service. Article 108 of Royal Decree-Law 6/2023, regulating the public employment offer, links it to strategic planning for the first time. It also establishes that notices of competition must be published in the same calendar year as the publication in the Official Journal of the public employment offer, including those posts. Notices of competition must be executed no later than two years after their publication and the respective stages of the competition within one year, unless justified. Article 109 provides that the jobs included in the '*relación de puestos de trabajo*' will be ordered and standardised, which is expected to revitalise the instrument.

The emphasis on the instruments of planning, organisation and management of human resources in Royal Decree-law 6/2023, as well as the period review and specific provisions laying down rules and responsibilities, are expected to revitalise these instruments.

**Guarantee of the effectiveness of the principles of equality, merit and capacity in access, as well as the transparency and agility of the selection processes.**

Articles 112-115 of Royal Decree-law 6/2023 regulate the access to public employment. Article 112 of Royal Decree-law 6/2023 defines the guiding principles for access to public employment, including equality, merit and capacity in access as well as transparency and agility of the selection processes.

In addition, Spain has introduced several concrete measures to guarantee the effectiveness of these principles.

To ensure equality in selection processes, Article 114(2) of Royal Decree-law 6/2023 establishes that selection systems and processes are carried out on a territorialised basis, taking particular account of non-mainland territories, facilitating equal access to selection procedures for participants located in different parts of the country. Furthermore, Article 5(3) of Ministerial Order 266/2023 promotes a rotation system in the Permanent Selection Commission ('*Comisión Permanente de Selección*' (CPS)), a permanent selection body responsible for managing mass selection procedures within the State Secretariat for the Civil Service to eliminate bias, thereby ensuring equality in the selection process. In addition, in accordance with sub-paragraph (g) of Article 3(2) of Ministerial Order 266/2023, the CPS Presidency is tasked to promote specific training on gender equality and disability, especially in terms of accessibility and supporting resources, to eliminate bias.

Measures aimed at guaranteeing the effectiveness of the principles of merit and capacity include the call for scholarships for preparation, regulated by Ministerial Order 520/2023 approving the regulatory bases for the award of grants to cover the costs incurred in preparing selection tests for certain public posts. As explained in the preamble of Ministerial Order 520/2023, the award of the

scholarships aims to attract talent to posts attached to the Ministry of Finance and the Civil Service and managed by the National Institute of Public Administration removing socio-economic barriers affecting the principles of equality, merit and capacity.

To guarantee transparency, Article 114(11) of Royal Decree-law 6/2023 establishes that selection procedures shall be launched through a public call, including publication of the notices of competition. The latter are binding for selection bodies and must contain, among others, the number of vacancies to be filled, the administrative rank and category, access requirements, the selection system to be used, including types of tests, criteria and rules for assessment, composition of the selection body and the number of places reserved for internal promotions. In accordance with Article 108(2) of Royal Decree-Law 6/2023, these notices of competition must be published in the same calendar year as the publication in the Official Journal of the public employment offer, including those posts and be executed no later than two years after their publication and the respective stages of the competition within one year, unless justified. This guarantees transparency by enabling candidates to compare the public employment offer and notices of competition. Moreover, Article 114(11) also provides for the relevant ministry in the field of public administration to elaborate common guidelines for the elaboration of notices of competition. The State Secretariat of Public Function elaborated these guidelines (so-called “Guidelines for the elaboration of notices of competition for selection procedures in the General State Administration”) and submitted them to the different ministerial departments on 27 July 2022. These guidelines seek to standardise the basic criteria of public competitions and the application and implementation of the new measures relating to selection procedures, including the number of tests and their duration, the content of the tests, or the specific use of oral tests. Additionally, to ensure transparency of the selection processes for senior civil servant posts, Ministerial Order 379/2024 specifies procedural elements, such as establishing the required content of the notices of competition. Article 4 provides that these notices shall be published in the Official Journal and specifies how candidates must apply and shall be assessed. The Annex of Ministerial Order 379/2024 lays down the basic framework of competencies of management staff. By laying down the procedures and requirements for filling senior civil servant posts, as well as requiring publication in the publicly accessible Official Journal, the provisions therefore guarantee transparency of the selection processes.

Spain also introduced several measures to improve the agility of selection processes. As outlined above, Article 108(2) of Royal Decree-Law 6/2023, regulating the public employment offer, establishes that notices of competition must be published in the same calendar year as the publication in the Official Journal of the public employment offer, including those posts. Notices of competition must be executed no later than two years after their publication and the respective stages of the competition within one year, unless justified. It also provides that posts not filled are to be combined in subsequent calls for applications. These provisions are expected to improve the agility of selection processes by speeding up and better matching recruitment to current personnel needs.

**Strengthening of public employment capacities and regulation of assessment and performance according to a competence-based framework, including for new recruitment.**

Article 112(1) of Royal Decree-Law 6/2023 introduces a selection model based on a competence-based framework as a guiding principle. Article 114(3) of Royal Decree-Law 6/2023 provides that selection procedures shall be designed taking into account the connection between the relevant professional competences and the type of objective tests to be passed. The tests shall consist in checking the knowledge, skills and competences of the candidates through theoretical and practical exercises.

Article 116(1) defines performance assessment as “*the procedure by which professional conduct is measured annually and the performance or achievement of results of employees and public employees is measured, with the aim of improving the productivity of different units and the quality of public services*”. Article 117 of Royal Decree-Law 6/2023 establishes that performance assessment procedures are mandatory for all staff in active or similar employment. Article 121 introduces as a novelty the creation of the ‘Performance Evaluation Coordination Committee’, a collegiate body composed of representatives of the ministerial departments and the department responsible for civil service matters, to coordinate the implementation of performance evaluation at the level of the State Administration.

These provisions regulate assessment of performance and new recruitment based on a competence-based framework, which in turn strengthens public employment capacities, as clear rules for a competence-based framework are expected to facilitate recruitment of the most competent candidates.

**Access to senior civil servants posts (namely, *subdirectores generales* and similar positions) based on merit and competition.**

Article 123(3) and (4) of Royal Decree-law 6/2023 provide that the professional public management posts correspond to *subdirectores generales* and similar posts.

To ensure access to senior civil servant posts based on merit, Article 126 of Royal Decree-law 6/2023 lists the criteria for the appointment of professional public managers, namely i) being a career civil servant of the State, the Autonomous Communities or Local Authorities belonging to subgroup A1 (a category of higher civil servants, access to which requires a university degree or equivalent); ii) having sufficient experience and seniority as required; and iii) having appropriate training depending on the job profile. Moreover, Article 125(5) of Royal Decree-law 6/2023 obliges senior and pre-managerial staff to take part in the training activities defined by the State Administration as compulsory, specifically for these staff, to improve, update or learn new skills in the context of the professionalisation of the managerial civil service. This ensures that only experienced, senior civil servants access professional public management posts, while the obligatory training shows the emphasis the new rules put on merit. Additionally, in accordance with Article 127(2) of Royal Decree-law 6/2023, the appointment of public managers is limited to a maximum period of five years, renewable for identical periods, on a proposal from the appointing body, provided that the appointed person maintains the requirements for appointment and does not obtain negative assessments in the performance of his or her duties. Whether such renewal takes place will thus be based on merit.

To ensure access to senior civil servant posts based on competition, Article 127(1) of Royal Decree-law 6/2023 lays down rules for the appointment of professional public management posts, establishing that the appointment of managerial staff will necessarily be carried out in accordance with the open appointment procedure. Ministerial Order 379/2024 specifies procedural elements, such as establishing the required content of the notices of competition for senior civil servant posts. Article 3(2) specifies the information to be provided in the notices of competition, such as the job description and required knowledge and skills of applicants. Article 4 provides that these notices shall be published in the Official Journal and specifies how candidates must apply and shall be assessed. Notably, candidates must submit their application, including the documents specified in Article 3(2), within 10 calendar days of publication of the notice, ensuring a level playing field for the competition. The appointing body shall carry out the assessment of the professional competencies, advised by at least two experts in the specific areas of the post or in selection procedures for public managers, who must be present at the interviews and issue a valuation report, ensuring the competition correctly assesses the required knowledge and skills.

**The regulatory measures shall take the form of a royal decree law for elements ii) and iii); and of ministerial order(s) for elements i) and iv).**

The Council Implementing Decision required that the regulatory measures shall take the form of a royal decree law for elements ii) and iii); and of ministerial order(s) for elements i) and iv). As explained above, the regulatory measures took the form of a royal decree-law (i.e. Royal Decree-law 6/2023) for elements ii) and iii) and of ministerial orders for elements i) and iv) (i.e. Ministerial Order 380/2024 and Ministerial Order 379/2024, respectively). In addition, requirements i) and iv) are also being regulated through the above-mentioned Royal Decree-law. As of this, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M152	M152 - C11.R2 - Reform to boost the rule of law and the efficiency of the justice system	
<b>Name of the Milestone:</b> Entry into force of the Royal Decree-law improving the efficiency of judicial procedures and the Royal Decree-law on digital efficiency		
<b>Qualitative Indicator:</b> Provision(s) in the law(s) indicating their entry into force		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this reform is to boost the rule of law and the efficiency of the justice system.</p> <p>Milestone 152 is part of reform C11.R2 and requires the entry into force of a royal decree-law improving the efficiency of judicial procedures and a royal decree-law on the digital efficiency of the justice system.</p> <p>Milestone 152 is the second milestone of C11.R2 and it follows the completion of milestone 151, consisting of the entry into force of Law 3/2020, of 18 September, on procedural and organisational measures to deal with COVID-19 in the field of justice. Milestone 152 will be followed by milestones 434 and 435, relating to the law on organisational and procedural efficiency and the law on the right to defence, respectively.</p> <p>The reform has a final expected date for implementation by 31 December 2024.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Copy and link to the publication in the Official Journal of Royal Decree-Law 5/2023, of 28 June 2023, adopting and extending certain measures in response to the economic and social consequences of the war of Ukraine, supporting the reconstruction of the island of La Palma and other situations of vulnerability; transposing European Union directives on structural changes to commercial companies and work-life balance for parents and carers; and the implementation and enforcement of European Union law (<i>Real Decreto-ley 5/2023, de 28 de</i></li> </ol>		

*junio, por el que se adoptan y prorrogan determinadas medidas de respuesta a las consecuencias económicas y sociales de la Guerra de Ucrania, de apoyo a la reconstrucción de la isla de La Palma y a otras situaciones de vulnerabilidad; de transposición de Directivas de la Unión Europea en materia de modificaciones estructurales de sociedades mercantiles y conciliación de la vida familiar y la vida profesional de los progenitores y los cuidadores; y de ejecución y cumplimiento del Derecho de la Unión Europea)* (BOE-A-2023-15135, of 29 June 2023).

- iii. Copy and link to the publication in the Official Journal of Royal Decree-Law 6/2023, of 19 December 2023, approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (*Real Decreto-ley 6/2023, de 19 de diciembre, por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*) (BOE-A-2023-25758, of 20 December 2023).

The authorities also provided:

- iv. Link to the publication in the Official Journal accounting for the Parliamentary validation of Royal Decree-Law 5/2023 of 28 June 2023 (*Resolución de 26 de julio de 2023, de la Diputación Permanente del Congreso de los Diputados, por la que se ordena la publicación del Acuerdo de convalidación del Real Decreto-ley 5/2023, de 28 de junio, por el que se adoptan y prorrogan determinadas medidas de respuesta a las consecuencias económicas y sociales de la Guerra de Ucrania, de apoyo a la reconstrucción de la isla de La Palma y a otras situaciones de vulnerabilidad; de transposición de Directivas de la Unión Europea en materia de modificaciones estructurales de sociedades mercantiles y conciliación de la vida familiar y la vida profesional de los progenitores y los cuidadores; y de ejecución y cumplimiento del Derecho de la Unión Europea*), (BOE-A-2023-17381, of 28 July 2023).
- v. Link to the publication in the Official Journal accounting for the Parliamentary validation of Royal Decree-Law 6/2023 of 19 December 2023 (*Resolución de 10 de enero de 2024, del Congreso de los Diputados, por la que se ordena la publicación del Acuerdo de convalidación del Real Decreto-ley 6/2023, de 19 de diciembre, por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*), (BOE-A-2024-665, of 12 January 2024).

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

#### **Entry into force of the royal decree-law improving the efficiency of procedures in the national justice system and royal decree-law on digital efficiency.**

Royal Decree-law 5/2023, of 28 June of 2023, certain measures to increase the speed of procedures specifically in the administrative jurisdiction and amends the appeal procedures to avoid undue delays. It was published in the Official Journal on 29 June 2023 and entered into force on the day following its publication, except for certain provisions, including Title VII of the Fifth Book, regulating efficiency of procedures in the administrative jurisdiction as well as the amendment of appeal procedures, which entered into force on 29 July 2023. Royal Decree-law 5/2023, of 28 June, was ratified by the Spanish Parliament on 26 July 2023 and the ratification resolution was published on the Official Journal on 28 July 2023.

Royal Decree-law 6/2023, of 19 December of 2023, contains, in its First Book, measures both regarding digital efficiency (Titles I-VII) and improving the efficiency of judicial procedures (Title VIII). It was published on the Official Journal on 20 December 2023 and, according to the Ninth final disposition, the First Book entered into force twenty days after its publication on the Official Journal (i.e. 9 January 2024) and Title VIII of the First Book entered into force three months after its publication on the Official Journal (i.e. 20 March 2024).

The Council Implementing Decision required the entry into force of a royal decree-law improving the efficiency of procedures in the national justice system and a royal decree-law on digital efficiency. The Ninth final provision of Royal Decree-law 6/2023 foresees that from the entry into force of the First Book of the Royal Decree-law, the technological services and systems provided for therein or necessary for the full operability of its provisions shall be fully applicable in the autonomous communities that already have them. Those which do not yet have such systems or services, or which, with them, have not yet fully integrated with the common nodes, services or systems of the Ministry of the Presidency, Justice and Relations with the Parliament must, in any event, fully implement and integrate them by 30 November 2025. To this end, they shall develop all the necessary measures to ensure their availability and their full integration, within the deadlines agreed within the framework of the Sectoral Conference on Justice for the distribution and distribution of the appropriations allocated to the Recovery and Resilience Facility. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of this royal decree-law and the actual full application of the provisions is considered both limited and proportional, notably taking into consideration that the measures introduced in the field of digital efficiency require that the autonomous communities develop the necessary measures to ensure the implementation of technological services and systems and their integration with the common nodes services or systems of the Ministry of the Presidency, Justice and Relations with the Parliament. Moreover, Royal Decree-law 6/2023 has already entered into force, and it contains a specific timeline for the implementation and integration of the technological services and systems, providing certainty of the application of the relevant provisions from 1 December 2025. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The royal decree-law shall make a more intensive use of technology to provide an efficient and high-quality public service.**

The First Book of Royal Decree-Law 6/2023, of 19 December, contains measures to make a more intensive use of technology to provide an efficient and high-quality public service of justice. The Preliminary Title (Articles 1-4) contains general dispositions. Title I (Articles 5-7) regulates the digital rights and obligations in the Justice Administration; Title II (Articles 8-30) covers the digital access to the Justice Administration; Title III (Articles 31-58) regulates the electronic management of judicial proceedings; Title IV (Articles 59-68) refers to the non-face-to-face acts and services; Title V (Articles 69-80) regulates the registers of the Justice Administration and electronic archives; Title VI (Articles 81-84) regulates open data; and Title VII (Articles 85-100) refers to the cooperation between administrations responsible for the administration of justice as well as the Judicial Interoperability and Security Framework.

Chapter I of Title II (Articles 8-12) regulates the electronic judicial office (*sede judicial electrónica*), which is that electronic address available to citizens owned and managed by each of the administrations responsible for justice matters. Article 8 improves the concept of electronic judicial office included in Law 18/2011, of 5 July 2010, and Articles 9, 10 and 11 regulate the characteristics of electronic court offices and their typologies, their content and services to be provided, and special rules on liability, respectively. Chapter III of Title II (Articles 19-30) refers to electronic identification and signature systems. These provisions update the identification and authentication systems in



accordance with Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014, including the establishment of a secure videoconferencing identification system, the regulation of Secure Verification Code systems, signature systems for staff serving the Justice Administration, standards on interoperability and the identification and representation of citizens, as well as electronic exchange of data in closed communication environments.

Royal Decree-law 6/2023 also introduces measures concerning digital efficiency in the laws governing the different jurisdictions. For instance, Article 101(2), (3), (5), (6) and (7) provide for reforms of digital nature to the Code of Criminal Procedure. Notably, Article 101(3) adds a new provision regulating the holding of procedural acts electronically. Article 102(3) and (7) provide for these types of reforms to Law 29/1998, of 13 July, governing the administrative jurisdiction; and Article 103(16), (19), (24) and (30) to Law 1/2000, of 7 January, on Civil Procedure. Moreover, the fourth additional provision of Royal Decree-law 6/2023 provides that the provisions contained in the First Book of the Royal Decree-law shall apply to the military jurisdiction without prejudice to the special features of its regulatory provisions.

Furthermore, in line with the description of the measure, Royal Decree-Law 6/2023, of 19 December, contains measures to promote a data-driven architecture to manage information. Chapter II of Title III (Articles 35-38) establishes a data-driven approach to process information in the administration of justice. Notably, Article 35 introduces the general principle of a data-driven approach, establishing that “[a]ll information and communication systems used in the field of the administration of justice, including for governmental support purposes, shall ensure the input, incorporation and processing of information in the form of metadata, in accordance with common schemas, and in common and interoperable data models.” Title VI (Articles 81-84) refers to ‘open data’. Article 81 regulates the ‘Justice Administration Data Portal’, which must provide citizens and professionals with processed and accurate information on the activity, workload and other relevant data of all judicial and tax bodies, services and offices in Spain. Article 83 regulates the automatic processable data and Article 84 the interoperability of open data. Chapter V of Title III (Articles 47-48) regulates the ‘electronic judicial file’, which is a set of structured data with a unique ID number and digital index that contains information, including documents, paperwork, electronic proceedings or audio-visual recordings relating to legal proceedings.

**The royal decree-law shall introduce reforms in procedural laws to increase the speed of procedures in the administrative and social jurisdictions.**

Articles 224(1) and (2) of Royal Decree-Law 5/2023, of 28 June, amend Law 29/1998, of 13 July, governing the administrative jurisdiction, to increase the speed of judicial procedures in this jurisdiction. In particular, Article 224(1) improves the so-called “*mecanismo de pleito testigo*” (processing only one appeal as a pilot case while suspending the others with an identical subject matter) to achieve greater efficiency in the management of mass litigation. Article 224(1) amends Article 37(2) of Law 29/1998, of 13 July, to introduce the possibility for judicial bodies to further group appeals under this mechanism in different group categories with analogic substantive issues. In addition, Article 224(2) allows lower courts to suspend the proceedings at first instance once the Supreme Court has declared an appeal admissible raising the same contentious issue as the first instance pending proceeding until the Supreme Court resolves.

Article 102 of Royal Decree-Law 6/2023, of 19 December, also introduces reforms in Law 29/1998, of 13 July, governing the administrative jurisdiction, to further increase the speed of the judicial procedures. For instance, Article 102(2) introduces a ten-day time limit for the parties to appear before the judicial body in cases of lack of jurisdiction and competence to avoid unnecessary delays. Article 102(22) updates the system of appeals against decisions of the court clerk; and Article 102(31)

allows for administrative acts of the Second Section of the Intellectual Property Commission to be challenged directly before the Administrative Chamber of the “*Audiencia Nacional*”, as is the case for those issued by the First Section of the Commission.

Article 104 of Royal Decree-Law 6/2023, of 19 December, amends Law 36/2011 of 10 October, governing the social jurisdiction, to speed the judicial procedures in this jurisdiction. Notably, Article 104(5) encourages the consolidation of actions and proceedings on the initiative of the parties, or, failing that, by the judicial body. Article 104(18) gives a greater role to court clerks in the admissibility of an application and necessary measures for the preparation of the evidence. Article 104(19) regulates the above-explained “*procedimiento testigo*” in the social jurisdiction; and Article 104(30) the extension of effects of a final judgment to other interested parties who are in the same legal situation. Additionally, Article 104(22) increases the amount of the monitory procedure (a type of judicial procedure which constitutes a quick and expeditious way of claiming debts of a monetary nature arising from the employee’s employment relationship against an employer who is not in bankruptcy) to encourage more cases to be dealt with in this way. Article 104(23) regulates as preferential procedures the oral dismissal where the worker has not been removed from the social security system as well as the termination of the contract due to non-payment or late payment of wages.

**The royal decree-law shall amend the appeal processes (*‘procesos de casación’*) to avoid undue delays.**

Title VII of the Fifth Book (Article 223-226) of Royal Decree-Law 5/2023, of 28 June, introduces amendments to the appeal procedures to avoid undue delays.

Article 223 amends Royal Decree of 14 September 1882 approving the Code of Criminal Procedure, which regulates the appeal procedure in the criminal jurisdiction (i.a. Articles 855, 858, 882 and 889). These amendments introduce filters to avoid undue delays in the appeal procedure, such as: requiring a brief extract of the ground(s) of appeal to be included in the pleading and the provision(s) of the Criminal Code of substantive nature deemed to have been infringed (Article 223(2)); and allowing lower courts (“*Audiencia Provincial*” or “*la Sala de lo Penal de la Audiencia Nacional*”) to deny the appellant’s notice of intention to appeal in the event that the ground(s) put forward are not in line with Article 849(1) of the Code of Criminal Procedure or the provision that is deemed to have been infringed is not cited (Article 223(3)).

Article 224 amends Law 29/1998, of 13 July, governing the administrative jurisdiction, which regulates the appeal procedure in this jurisdiction (i.a. Articles 88-90 and 94). Notably, Article 224(4) and (5) make the appeal procedure more agile, shortening the time limits laid down for certain intermediate stages of the appeal procedure.

Article 225 of Royal Decree-Law 5/2023 modifies Law 1/2000, of 7 January, on Civil Procedure, regulating the appeal procedure in the civil jurisdiction (i.a. Articles 477-487). Article 225(7) simplifies the appeal procedure by providing for a single appeal for annulment to the Supreme Court based solely on the existence of annulment interest (“*interés casacional*”), regardless of the type or value of the proceedings (previously there were two types of appeal and three means of access). Article 225(12) simplifies the admission phase of the appeal procedure in the civil jurisdiction and Article 225(16) provides for the possibility that where there is already case law on the question referred and the contested decision is contrary to that doctrine, the appeal may be decided by order (“*auto*”), to alleviate the workload of the Civil Chamber of the Supreme Court.

Article 226 of Royal Decree-Law 5/2023 amends Law 36/2011 of 10 October, governing the social jurisdiction, which regulates the appeal procedure in this jurisdiction (i.e. Articles 225 and 225(bis)). Notably, Article 226(2) makes the appeal procedure more agile by introducing amendments such as: the removal of the appeal against the inadmissibility order on the ground that the defects have not been remedied when the party has already been warned and required to rectify the case, having let the deadline to expire; and removing the prior hearing of the appellant with regard to certain grounds of inadmissibility on which the appellant must have had the possibility to make observations in two previous stages of the process.

Furthermore, in line with the description of the measure, the above-mentioned provisions shorten the length of procedures while preserving the procedural guarantees of citizens.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M156	M156 - C11.R4 - National public procurement strategy	
<b>Name of the Milestone:</b> National Procurement Strategy		
<b>Qualitative Indicator:</b> Adoption by the Independent Office of Regulation and Supervision of Public Procurement of the National Strategy of Public Procurement		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The objective of this reform is to improve the efficiency and sustainability of public procurement.</p> <p>Milestone 156 requires the adoption of the National procurement Strategy by the Office of the Independent Regulation and Supervision of Public Procurement. The Strategy shall include the following elements:</p> <ul style="list-style-type: none"> <li>• promotion of strategic public procurement;</li> <li>• professionalisation;</li> <li>• facilitating SMEs' access to public procurement;</li> <li>• improvement of available data;</li> <li>• fostering efficiency in public procurement;</li> <li>• Full digital transformation of public procurement;</li> <li>• enhancing legal certainty;</li> <li>• improvement of the supervision and control of public procurement, including corruption prevention on the basis of a map of identified risks.</li> </ul> <p>Milestone 156 is the second and last milestone or target of the reform and it follows the completion of milestone 155 related to the establishment of the National Evaluation Office.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. A summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> </ol>		

- ii. A copy of the minutes of the Independent Office for Regulation and Supervision of Public Procurement including the approval of National Procurement Strategy.
- iii. A copy of the National Procurement Strategy.

The national authorities also provided:

- iv. An executive summary of the Strategy.

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone required.

#### **Adoption by the Independent Office of Regulation and Supervision of Public Procurement.**

The strategy, submitted as piece of evidence, was adopted by the Independent Office of Regulation and Supervision of Public Procurement on 28 December 2022, as it is confirmed by the minutes of the relevant meeting.

#### **The promotion of strategic public procurement.**

The strategy contains the following elements to promote strategic public procurement:

- i) Action F.1 to provide clear information on the use of strategic procurement across the public sector and the impact of its use.
- ii) Action F.2 to promote the professionalisation of the actors involved in public procurement in the field of strategic procurement.
- iii) Action F.3 to provide to provide contracting authorities with criteria covered by the current public procurement rules that facilitate the use of social, environmental, innovation and small and medium-sized enterprises' participation considerations that enable public contracting entities to achieve strategic objectives.
- iv) Action F.4 to promote IT developments and, where appropriate based on an ongoing analysis of the effectiveness of the applicable frameworks, regulatory reforms and developments to encourage strategic procurement, in particular in the field of reserved contracts.

#### **Professionalisation.**

The strategy contains the following elements to promote professionalisation, in line with Article 334 1.e) of Law 9/2017 and the Commission's October 2017 recommendations:

- i) Action C.1 to promote public procurement training for public sector staff, especially in entities lacking specialised staff, and staff from private entities.
- ii) Action C.2 to promote the increase of public procurement skills required for access to public employment through training provision.
- iii) Action C.3 to promote an adequate career for public employees with recruitment skills, through development of career incentives and staffing dedicated public procurement units.

#### **Facilitating SMEs' access to public procurement.**

The strategy contains the following elements to promote SME's access to public procurement:

- i) Action G.1 to take measures to promote the participation of SMEs, especially micro and small enterprises, in public procurement. This includes the development of good practice guidance (in line with Article 334 1.d) of Law 9/2017), information sharing, and training.
- ii) Action G.2 to promote timely payment to subcontractors and suppliers.
- iii) Action G.3 to improve the information available on SME participation in public procurement.

### **Improvement of available data.**

The strategy contains the following elements to promote the availability of data, in line with Article 334 1.a) of Law 9/2017:

- i) Action E.1 to improve the services offered by procurement platforms and other IT applications to contracting authorities; in particular, in relation to the re-use of contractual information.
- ii) Action E.2 to promote and coordinate within the Cooperation Committee a Common Strategy for Public Procurement Data, enabling the continuous review and improvement of information systems, including the dissemination of manuals of good practice (sub-action E.2.g) in line with Article 334 1.d) of Law 9/2017.

### **Fostering efficiency in public procurement, including processes and results.**

The strategy contains the following elements to foster the efficiency of public procurement:

- i) Action B.2 to improve procurement efficiency by implementing a procurement strategy together with risk and cost assessment.
  - ii) Action B.3.2 to promote new tools and a minimum standard of expertise and staff capacity at contracting authorities.
  - iii) Action D.1 to improve the programming and evaluation of public sector contracts.
  - iv) Action D.2 to promote access for bidders by removing bureaucratic hurdles and disproportionate requirements.
  - v) Action D.3 to promote greater speed and efficiency of procurement procedures, in compliance with the principles governing public procurement.
  - vi) Action D.4 to enhance centralised procurement tools and rationalisation of procurement.
  - vii) Action D.5 to promote the improvement of administrative and technical specifications, and the strategic use of award criteria, so as to obtain the best value for money in the performance of the contract.
- Action D.6 to promote improvement in contract implementation to allow for greater efficiency in meeting public needs.

### **Full digital transformation of public procurement.**

The strategy contains the following elements to promote the digital transformation of public procurement:

- i) Action E.2 to promote and coordinate within the Cooperation Committee a Common Strategy for Public Procurement Data, enabling the continuous review and improvement of information systems.

### **Enhancing legal certainty.**

The strategy contains the following elements to enhance legal certainty:

- i) Action H.1 to clarify the existing rules on public procurement and encourage their interpretation in line with the rules governing other disciplines closely linked to public procurement.
- ii) Action H.2 to improve the legal regime applicable to public procurement by promoting necessary legislative and regulatory amendments.

- iii) Action H.3 to study and promote regulatory developments in the Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council of 26 February 2014 with a view to having texts up to date with the legal standard, recasting the regulatory dispersion.

**Improvement of the supervision and control of public procurement, including corruption prevention on the basis of a map of identified risks.**

The strategy contains the following elements to improve supervision and control:

- i) Action A.1 to draw up a risk map to guide the supervisory tasks of all the actors involved and the action lines, following an assessment of risky aspects such as: the availability and reliability of data, compliance with EU and national legislation, the typologies of higher-risk contracts or sectors, and procurement planning.
- ii) Action A.2 to improve the planning and programming of public procurement monitoring activities, including making the selection of criteria and the methodology more transparent in line with Article 334 1.b) of Law 9/2017.
- iii) Action A.3 to coordinate criteria and methodologies used for supervision by different public administrations, based on the risk map in line with Article 334 1.b) of Law 9/2017.
- iv) Action B.1 to implement tools for the fight against fraud and corruption, as well as the prevention and detection of conflicts of interest in line with Article 334 1.c) of Law 9/2017.
- v) Action B.2 to improve procurement efficiency by implementing a procurement strategy together with risk and cost assessment in line with Article 334 1.c) of Law 9/2017.
- vi) Action B.3.1 to promote risk assessments, to develop, update and enforce internal procurement instructions.

**The National Procurement Strategy shall have the objectives of improving the efficiency and sustainability of public procurement, in line with Article 334 of Law 9/2017.**

On the basis of the above, it is confirmed that the National Procurement Strategy has the objectives of improving the efficiency and sustainability of public procurement, in line with the requirements laid down in Article 334 of Law 9/2017.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T164	T164 - C11.I2 - Specific projects to digitalise the central government		
<b>Name of the Target:</b> Judicial proceeding to be carried out electronically			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 2 839	<b>Time:</b> Q4 2022
<b>Context:</b>			
Target 164 is part of investment C11.I2 (Specific projects to digitalise the central government), whose objective is to implement a digital transformation and further develop the offer of digital services across the public administration, including the justice system.			
Target 164 requires that at least an additional 2 839 judicial bodies have the necessary infrastructure to enable the possibility of holding judicial proceedings electronically. This entails carrying out telematic judicial actions in the different jurisdictional bodies with full legal certainty. In order to accomplish this objective, all participants must be able to access the courtrooms by videoconference.			

Moreover, it shall enable the creation of fully virtual courtrooms, which all participants may access by videoconference. An immediacy platform shall be created to establish new models for non-face-to-face relations and processing. This shall improve remote access by citizens to the services provided by the public administration.

Target 164 is the first target of C11.I2 (Specific projects to digitalise the central government). It is linked to targets 163, 165 and 166 relating to the interoperability of platforms to exchange social security and health data, award of projects supporting the digitalisation driver projects of the central public administration, and completion of these projects, respectively. C11.I2 (Specific projects to digitalise the central government) has a final expected date for implementation on 31 December 2025.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target was satisfactorily fulfilled.
- ii. Spreadsheet containing the following information: i) indicators reflecting the number of digitalised judicial bodies, the number of fully virtual courtrooms, and the share of the types of judicial proceedings that can be held electronically, by Autonomous Community; ii) the relevant specifications of all existing judicial bodies that can undertake judicial proceedings electronically, including a reference to each of their associated courtrooms; iii) the relevant specifications of all courtrooms associated to these judicial bodies, detailing whether they hold the minimum necessary IT equipment required to celebrate judicial procedures electronically.

The authorities also provided:

- iii. Copy of best practices manuals for telematic judicial procedures (*Buenas prácticas para las actuaciones judiciales no presenciales*) and copy of the functional definition of the audiovisual recording system for proceedings (*Definición funcional del sistema de grabación audiovisual de actos procesales*).
- iv. Link to the publication in the Official Journal accounting for the Parliamentary validation of Royal Decree-Law 6/2023 of 19 December 2023 (*Resolución de 10 de enero de 2024, del Congreso de los Diputados, por la que se ordena la publicación del Acuerdo de convalidación del Real Decreto-ley 6/2023, de 19 de diciembre, por el que se aprueban medidas urgentes para la ejecución del Plan de Recuperación, Transformación y Resiliencia en materia de servicio público de justicia, función pública, régimen local y mecenazgo*), (BOE-A-2024-665, of 12 January 2024).
- v. Copy of the documentation related to the telematic assistance procedure for virtual courtrooms (*Modelos técnicos y funcionales para las actuaciones judiciales no presenciales*), for all Autonomous Communities. This document contains the procedures to create virtual courtrooms and for participants to access them.
- vi. Copy of the agreement of the Sectorial Conference on the Administration of Justice (*Conferencia Sectorial de Administración de Justicia*) celebrated on 25 March 2022 and formalising the criteria for the distribution of RRF funds within the Ministry of Justice to the Autonomous Communities, attesting to the creation of the "*Carpeta Justicia*".
- vii. Excerpt containing an example of the "*Carpeta Justicia*", the immediacy platform by which citizens can access digital communications. It also contains examples of judicial communications with instructions for the telematic connection to telematic judicial actions.
- viii. Copy of the certificate of adoption of the agreement regarding the equipment of courtrooms (*Acuerdo relativo al equipamiento de Salas de Vista*) by the Plenary Session of the Sectorial

Conference (*Pleno de la Conferencia Sectorial*) celebrated on 25 November 2022, attesting to the minimum IT equipment required for the digitalisation of courtrooms for each Autonomous Community.

- ix. Copy of the list of courtrooms and judicial bodies digitalised before February 2020, as well as the minimum basic IT equipment acquired before February 2020, for those Autonomous Communities which had a digitalisation baseline higher than 0% as of February 2020. The Autonomous Communities not listed had 0% digitalisation as of February 2020.
- x. Documentary evidence for the 60 sampled units, including for each of them: i) a copy of the certificate issued by the Government Secretary of the High Court of Justice (*Secretario de Gobierno del Tribunal Superior de Justicia*) of the corresponding Autonomous Community, confirming for each courtroom its link with the judicial bodies it is associated to and its use of a videoconference system; ii) an Excel inventory detailing the relevant specifications of the sampled courtrooms in each Autonomous Community, detailing whether they hold the minimum necessary IT equipment required to celebrate judicial procedures electronically and relating each piece of equipment to a corresponding ID; iii) documentary evidence attesting to the reception/installation of the minimum necessary IT equipment in each sampled courtroom, which may comprise certificates of installation by a private contractor, third-party certificates attesting to the availability of the IT equipment, and a copy of the certificate issued by the Government Secretary of the High court of Justice of the corresponding Autonomous Community, attesting to the availability/installation of the IT equipment.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**At least an additional 2 839 judicial bodies shall have the necessary infrastructure to enable the possibility of holding at least 30 % of the proceedings electronically.**

The target is further specified in the Operational Arrangements, which establishes that the minimum necessary IT infrastructure for each autonomous community to enable the possibility of holding proceedings electronically shall be agreed in a sectorial conference. This agreement was adopted in the Plenary Session of the Sectorial Conference (*Pleno de la Conferencia Sectorial*) celebrated on 25 November 2022, and its Annex 1 lists the minimum necessary IT infrastructure that enables the possibility of holding proceedings electronically in each autonomous community (point viii) of the evidence above).

Since February 2020, an additional 3 465 judicial bodies have had the necessary infrastructure installed to enable the possibility of holding 100% of their proceedings electronically, for those proceedings which have the legal possibility of being held electronically (points ii) and ix) of the evidence above), significantly overfulfilling the target.

This was verified on the basis of the evidence provided for a sample of 60 units of the population listed in the spreadsheet (point x) of the evidence above), which confirmed that the necessary infrastructure was installed following February 2020. The Spanish authorities provided for each sampled unit certificates of installation by private contractors, third-party certificates, and copies of the certificates issued by the Government Secretary of the High court of Justice of the corresponding Autonomous Community, which attested to the availability of the minimum necessary IT equipment as agreed in the Plenary Section of the Sectorial Conference celebrated on 25 November 2022 (point viii) of the evidence above).



**This entails carrying out telematic judicial actions in the different jurisdictional bodies with full legal certainty. In order to accomplish this objective, all participants must be able to access the courtrooms by videoconference.**

The Spanish authorities provided as evidence a manual of best practices (*Buenas prácticas para las actuaciones judiciales no presenciales*) and the functional definition of the audiovisual recording system (*Definición funcional del sistema de grabación audiovisual de actos procesales*) published and diffused by the State Technical Committee on the Administration of Justice (*Comité Técnico Estatal de la Administración Judicial Electrónica (CTEAJE)*) (point iii) of the evidence above), which establish the necessary guidelines to ensure the interoperability and security of the systems and applications of the administration of justice. The functional definition includes a summary of the previous regulations that ensure the legal certainty of telematic judicial actions and the manual of best practices establishes a set of minimum requirements guaranteeing the access process by videoconference. The functional definition refers in section 2, 'Applicable regulations' (*Normativa aplicable*) to Article 229(3) of Organic Law 6/1985, of 1 July, on the Judiciary (*Ley Orgánica 6/1985, de 1 de julio, del Poder Judicial*), which provides for judicial actions to be conducted by videoconference, or any other similar system that allows telematic interaction given that these ensure the possibility of contradiction between parties and safeguard the right to defense, when so agreed by the corresponding judge or jury; and to Article 147 of Law 1/2000, of 7 January, on the Civil Procedure (*Ley 1/2000, de 7 de enero, de Enjuiciamiento Civil*), which provides for telematic judicial actions to be documented through recording systems, whose authenticity is guaranteed by the Court Clerk. Additionally, the best practices manual establishes the minimum requirements by which the summons of the participants to proceedings can be undertaken by videoconference. These include confidentiality, defence, immediacy and disclosure requirements, as referenced in section 1.7; security requirements, as referenced in section 2 and described in the Judicial Interoperability and Security Scheme (*Esquema Judicial de Interoperabilidad y Seguridad (EJIS)*), which ensures the integrity, authenticity, confidentiality, quality, protection, and preservation of the recorded information and stored documents; and efficiency requirements, as referenced in section 3.

This legal certainty of telematic judicial actions has been further regulated in Royal Decree-law 6/2023 of 19 December, which approved urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (point iv) of the evidence above). In its First Book, Royal Decree-law 6/2023 regulates, inter alia, the telematic involvement of citizens in judicial actions including provisions that ensure the full legal certainty of judicial actions through videoconference and guarantee the access process (Preliminary Title and Titles I-VII), as well as specific amendments to basic legislation ensuring legal certainty in telematic judicial actions in each of the existing jurisdictions (Title VIII). It was published in the Official Journal on 20 December 2023 and, according to its Ninth Final Disposition, the First Book entered into force twenty days after its publication in the Official Journal (i.e., 9 January 2024) and Title VIII of the First Book entered into force three months after its publication on the Official Journal (i.e., 20 March 2024).

Article 1(2) of the Preliminary Title already establishes that information technologies shall be used in the Justice Administration in accordance with the provisions that ensure their full legal certainty, guaranteeing the access, authenticity, confidentiality, integrity, availability, traceability, conservation, portability, and interoperability of the data, information and services managed in the exercise of judicial actions. Chapter III of Title II (Articles 19-30) regulates electronic identification and signature systems, guaranteeing their full legal certainty and participant access through Article 23, which updates the identification and authentication systems in accordance with Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014, including the establishment of a secure videoconferencing identification system; Article 26, which regulates the

Secure Verification Code systems that allow for the verification of the authenticity and truthfulness of electronic procedural documents; Article 27, which establishes secure and valid signature systems for the Justice Administration personnel; Articles 28 and 29, which regulate rules regarding citizenry interoperability and identification and representation; and Article 30, which regulates the electronic exchange of data in closed communication environments, guaranteeing the identity, security and integrity of senders and recipients. Chapter I of Title IV (Articles 59-65) refers to non-face-to-face judicial actions and services, ensuring their legal certainty and participant access. In particular, Article 59(3), (4) and (5) guarantee a secure access point for videoconference participants, the legal certainty of the Administration of Justice's telematic assistance process, and the interoperability and compatibility of the telematic and videoconference systems used in each of the territorial areas that provide public Justice services, respectively.

Title VII (Articles 85-100) regulates cooperation between the administrations with jurisdiction over Justice matters and establishes the Judicial Interoperability and Security Scheme, a set of rules, standards, and practices introduced to ensure the interoperability and security of the digital systems used within the judicial domain. The above-mentioned Judicial Interoperability and Security Scheme (EJIS) establishes a set of measures and protocols that ensure the full legal certainty of these systems and the telematic access of participants to the courtrooms by guaranteeing the security of information and the legal validity of documents and digital processes. This includes aspects such as user authentication, protection of personal data and information integrity. Articles 93-96 relate to cybersecurity, regulating the information security policy of the Justice Administration and cybersecurity surveillance bodies and processes. Articles 99 and 100 regulate and ensure the protection of personal data.

In addition, Articles 101-105 of Chapter VIII introduce specific modifications that establish the above-mentioned provisions in each of the different jurisdictional bodies (criminal, administrative, civil and social).

To implement these operational requirements, as specified in the Operational Arrangements and outlined in the preceding section, the Plenary Session of the Sectorial Conference of 25 November 2022 agreed a definite list of minimal IT equipment required to hold proceedings electronically. As outlined above, this equipment was installed in an additional 3 465 judicial bodies. The evidence provided for the sample of 60 units referred in the analysis of the first requirement (point x) of the evidence above) also confirmed that all courtrooms have videoconference systems from which the connection is possible for all participants. Finally, the Spanish authorities provided excerpts of court communications summoning participants to telematic judicial actions (point vii) of the evidence above), which are examples of the usual procedures to access virtual courtrooms by videoconference.

**It shall enable the creation of fully virtual courtrooms, which all participants may access by videoconference.**

This investment enabled the creation of fully virtual courtrooms. The requirements of a fully virtual courtroom were established in the manuals for the creation and management of fully virtual courtrooms (point v) of the evidence above), published by the competent authority in the administration of justice in each Autonomous Community. Additionally, Article 62 of Royal Decree-law 6/2023 of 19 December, which approved urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (point iv) of the evidence above), establishes that all telematic procedural actions must be undertaken from secure access points and places, which must allow for a safe transmission of information and identification of participants, and comply with a set of minimum integrity, interoperability, confidentiality, and availability requirements established by the State Technical

Committee on the Administration of Justice. To implement these operational requirements, as specified in the Operational Arrangements and outlined in the preceding sections, the Plenary Session of the Sectorial Conference of 25 November 2022 agreed a definite list of minimal IT equipment required to hold proceedings electronically. As outlined above, this equipment was installed in an additional 3 465 judicial bodies.

As outlined in the preceding section, all participants can access the courtrooms by videoconference.

**An immediacy platform shall be created to establish new models for non-face-to-face relations and processing. This shall improve remote access by citizens to the services provided by the public administration.**

In line with the description of the target, an immediacy platform (*Carpeta Justicia*) was created on 12 June 2023 to establish telematic relations and improve citizens' relationship with, and remote access to, the Justice Administration. The Spanish authorities provided as evidence a copy of the agreement of the Sectorial Conference on the Administration of Justice (*Conferencia Sectorial de Administración de Justicia*) celebrated on 25 March 2022, which formalised the criteria for the distribution of RRF funds within the Ministry of Justice to the Autonomous Communities, attesting to the launch of the "*Carpeta Justicia*" project and the distribution of funding towards the creation of the platform (point vi) of the evidence above). The authorities also provided the link to the platform, accessible through the Ministry of the Presidency, Justice and Relations with the Cortes' web site. Additionally, Royal Decree-law 6/2023 of 19 December, which approved urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship (point iv) of the evidence above) develops the legal framework for this immediacy platform. Chapter II of Title II (Articles 12-18) refers to the "*Carpeta Justicia*" and includes provisions that establish the General Access Point of the Justice Administration (*Punto de Acceso General de la Administración de Justicia*) within which this immediacy platform is created, and which regulates its definition, legal certainty, content and citizenry access processes. This immediacy platform constitutes a personal on-line portal where citizens can access their judicial proceedings and virtually attend them if needed. To evidence this, the Spanish authorities provided excerpts of the immediacy platforms for a citizen and a lawyer (point vii) of the evidence above), attesting to their access to a judicial action.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T174	T174 - C11.I5 - Transformation of the administration for the implementation of the Spanish Recovery and Resilience Plan		
<b>Name of the Target:</b> New communication tools and activities			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 0	<b>Target:</b> 4	<b>Time:</b> Q3 2026
<b>Context:</b>			
<p>The measure aims to adapt the functioning of the public administration to face the challenges posed by the implementation and monitoring of the Recovery and Resilience Plan, modernising the information system and channels of communication to share information across levels of government and with citizens, companies, and potential beneficiaries.</p> <p>Target 174 requires the hiring of at least 2 community managers to increase social media presence, enhancing the number of potential participants and beneficiaries of the Plan to become aware of the</p>			

possibilities offered by the Plan. It also requires that 2 web sites become operational to contribute to maximising the absorption of resources.

Target 174 is the second target of the investment, and it follows the completion of milestone 173, related to the implementation of a Recovery and Resilience Facility integrated information system. It will be followed by target 175, related to the training of at least 3 150 employees of the public administration concerning the implementation, control and audit of the Recovery and Resilience Plan. The investment is expected to be completed by 31 August 2026.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.
- ii. Copy of the resolution appointing the two community managers assigned to the Secretariat-General for European Funds.
- iii. Copy of the certificates attesting the performance of the functions and duties of the two community managers assigned to the Secretariat-General for European Funds signed by the hierarchical superior.
- iv. Copy of the resolution appointing the community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit until May 2023.
- v. Copy of the certificate attesting the performance of the functions and duties of the community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit until May 2023 signed by the hierarchical superior.
- vi. Copy of the resolution appointing the community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit since February 2023.
- vii. Copy of the certificate attesting the performance of the functions and duties of the community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit since February 2023 signed by the hierarchical superior.
- viii. Copy of the document duly justifying how the specific project for communication for plan managers ('Project 01') was fulfilled. This document includes the link to, and the relevant technical specifications of the Secretariat-General for European Funds' web site, detailing its contribution to maximising the absorption of resources; and the link to, and the relevant technical specifications of the Secretariat-General for European Funds' social media platforms (LinkedIn and X/Twitter), detailing their contribution to maximising the absorption of resources.
- ix. Copy of the document duly justifying how the specific project for communication for potential beneficiaries of the plan ('Project 03') was fulfilled. This document includes the link to, and the relevant technical specifications of the national Recovery and Resilience Plan's web site, detailing its contribution to maximising the absorption of resources; and the link to, and the relevant technical specifications of the national Recovery and Resilience Plan's social media platforms (LinkedIn, X/Twitter, Instagram and Facebook), detailing their contribution to maximising the absorption of resources.

The authorities also provided:

- x. Copies of the employment history reports (*Informes de vida laboral*) of the three hired community managers. This document issued by Spain's Social Security Treasury details the

- professional experience of a taxpayer, and in this case confirms that the jobholders were employed in their respective positions as of 5 December 2023.
- xi. Copies of the certificates issued by the Central Register of Staff (*Registro Central de Personal*) detailing the employment destination of the three hired community managers.
  - xii. Copies of the relevant education history of the three hired community managers.
  - xiii. Excerpt of the Secretariat-General for European Funds LinkedIn profile, attesting that the two hired community managers have administrator rights on the page (Anexo XIV - editor RRSS y web SGFE).
  - xiv. Excerpt of the Secretariat-General for European Funds internal SharePoint, attesting that the two hired community managers are editors of communication-related documentation.
  - xv. Excerpt of the Secretariat-General for European Funds X/Twitter profile where the two hired community managers figure administrators.
  - xvi. Excerpt of the Secretariat-General for European Funds internal SharePoint, attesting that the two hired community managers are editors of the web portal.
  - xvii. Excerpt of the national Recovery and Resilience Plan website that confirms that the community manager hired since February 2023 is an editor of the website.
  - xviii. Excerpt of the LinkedIn profile of the community manager hired since February 2023, evidencing their administrator rights on the national Recovery and Resilience Plan's LinkedIn profile.
  - xix. Excerpt of the X/Twitter profile of the national Recovery and Resilience Plan where the community manager hired since February 2023 figures as an administrator.
  - xx. Excerpt of the Facebook profile of the national Recovery and Resilience Plan, evidencing that the community manager hired since February 2023 has access to the profile.
  - xxi. Excerpt of the Threads profile of the national Recovery and Resilience Plan, evidencing that the community manager hired since February 2023 has access to the profile.
  - xxii. Excerpt of the Instagram profile of the national Recovery and Resilience Plan, evidencing that the community manager hired since February 2023 has access to the profile.
  - xxiii. Documents compiling the publications in the national Recovery and Resilience Plan's website and social media accounts carried out by the community manager hired since February 2023.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**At least 2 community managers hired in order to increase social media presence, enhancing the number of potential participants and beneficiaries of the Plan to become aware of the possibilities offered by the Plan.**

In line with the description of the target, three community managers were hired to increase social media presence. Two positions have been assigned to the Secretariat-General for European Funds and a third position has been assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit. This latter position has been occupied by one person until May 2023 and by another from February 2023 onwards.

The resolution appointing the two community managers assigned to the Secretariat-General for European Funds was authorised on 10 June 2022 (point ii) of the evidence above). The employment history reports (*Informes de vida laboral*) provided for them (point x) of the evidence above) confirm their employment since 7 July 2022 and 8 July 2022, respectively. The two community managers were assigned to the Secretariat-General for European Funds as detailed in the certificate issued by the Central Register of Staff (*Registro Central de Personal*) on 5 December 2023 (point xi) of the evidence above).

Together with the evidence attesting to the employment of the two community managers assigned to the Secretariat-General for European Funds, the Spanish authorities provided different pieces of evidence which comprehensively justify that their role was to increase social media presence, in line with the requirements of the target description:

- i) A copy of the certificate from the Secretariat-General for European Funds signed by their managers attesting to their functions and duties (point iii) of the evidence above). These duties include the management and update of the Secretariat General for European Funds' web site, the creation of digital content and the strategic plan for the Secretariat-General for European Funds' social media platforms, and the elaboration of press releases, communication manuals and documentation aimed at the managers of the Spanish RRP;
- ii) Copies of their education histories (point xii) of the evidence above), attesting to the alignment of their profiles with the community management functions listed above. One of the office holders has an education history in journalism, digital marketing and social media. The other office holder has an education history in audiovisual management;
- iii) The screenshots of:
  - o the Secretariat-General for European Funds LinkedIn profile, attesting that the two hired community managers have administrator rights on the page (point xiii) of the evidence above),
  - o the Secretariat-General for European Funds X/Twitter profile, attesting that the two hired community managers have administrator rights on the page (point xv) of the evidence above),
  - o the Secretariat-General for European Funds internal SharePoint, attesting that the two hired community managers are editors of communication-related documentation (point xiv) of the evidence above),
  - o the Secretariat-General for European Funds internal SharePoint, attesting that the two hired community managers are editors of the Secretariat-General for European Funds web portal (point xvi) of the evidence above).
- iv) Additionally, the European Commission conducted a virtual "on-the-spot" control as provided by Article 6(4) of the Financing Agreement in order to validate the information contained in the screenshots provided by the Spanish authorities.

The resolution appointing the first community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit became effective on 25 October 2021 (point iv) of the evidence above). This resolution appointed a community manager until May 2023. The resolution appointing the second community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit, became effective on 13 February 2023 (point vi) of the evidence above). This resolution appointed the office holder from February 2023 onwards.

The employment history report provided for the community manager currently assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit (point x) of the evidence above) confirms their employment by the Spanish Ministry of Finance and Civil Service since 13 February 2023. The office holder was appointed as Technical Advisor and assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit as detailed in the certificate issued by the Central Register of Staff on 04 December 2023 (point xi) of the evidence above).

Together with the evidence attesting to the employment of the community manager assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit, the Spanish authorities provided different pieces of evidence which comprehensively justify that their role was to increase social media presence, in line with the requirements of the target description:

- i. Copies of the certificates from the Monitoring Unit for the Recovery and Resilience Plan (*Unidad de Seguimiento del Plan de Recuperación, Transformación y Resiliencia*) signed by their managers attesting to their functions and duties (points v) and vii) of the evidence above). These duties include the management and update of the Spanish RRP’s web site, the creation of digital content and the strategic plan for the Spanish RRP’s social media platforms, the monitoring of RRP content published by ministries and local administrations, and the elaboration of press releases, communication manuals and documentation aimed at the managers of the Spanish RRP;
- ii. Copies of their education history (point xii) of the evidence above), attesting to the alignment of their profile with the community management functions listed above. The office holder has an education history in journalism;
- iii. The screenshots of:
  - the hired community manager’s LinkedIn profile, under which the Spanish RRP’s LinkedIn profile can be found, attesting to their administrator rights on the page (point xviii) of the evidence above),
  - the X/Twitter profile of the Spanish RRP where the hired community manager figures as an administrator (point xix) of the evidence above),
  - the Facebook profile of the Spanish RRP, evidencing that the hired community manager has access to the profile (point xx) of the evidence above),
  - the Threads profile of the Spanish RRP, evidencing that the hired community manager has access to the profile (point xxi) of the evidence above),
  - the Instagram profile of the Spanish RRP, evidencing that the hired community manager has access to the profile (point xxii) of the evidence above),
  - the Spanish RRP’s website, attesting that the hired community manager is an editor of the website’s publications (point xvii) of the evidence above).
- iv. A compilation of the publications carried out by the hired community manager in the Spanish RRP’s website and social media accounts (point xxiii) of the evidence above).
- v. Additionally, the European Commission conducted a virtual “on-the-spot” control as provided by Article 6(4) of the Financing Agreement in order to validate the information contained in the screenshots and compilation provided by the Spanish authorities.

**2 web sites are operational to contribute to maximise the absorption of resources.**

- i) **the Secretariat-General for European Funds’ website.** The Spanish authorities provided a link to the web site and excerpts of the relevant technical specifications that describe the features contributing to maximising the absorption of resources (point viii) of the evidence above). This web site targets the managers of the Spanish RRP and contains implementation management manuals, access to CoFFEE, and a Q&A system. The link to the Spanish RRP web site is also made available.
- ii) **and the Spanish Recovery and Resilience Plan’s web site.** The Spanish authorities provided a link to the web site and excerpts of the relevant technical specifications that describe the features contributing to maximising the absorption of resources (point ix) of the evidence above). This web site targets the beneficiaries of the Spanish RRP and provides access to citizens and enterprises to information on the Spanish RRP and aid opportunities related to NextGenerationEU, including calls, news, frequently asked questions and overarching schemes related to the Spanish RRP. Through the web site’s finder, users can access all calls financed by the Spanish RRP, as the web site compiles in a single database information from the Public Sector Procurement Platform (*Plataforma de Contratación del Sector Público*), the National Subsidies Database (*Base de Datos Nacional de Subvenciones*), and the General Access Point to Public Administrations (*Punto de acceso general a las Administraciones Públicas*).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M178	M178 - C12.R2 - Waste policy and boosting the circular economy
<b>Name of the Milestone:</b> Entry into force of the acts that are part of the Circular economy policy package	
<b>Qualitative Indicator:</b> Provisions in the Royal Decrees indicating the entry into force of the laws	<b>Time:</b> Q4 2022
<b>Context:</b> <p>The objective of this reform is to promote production and consumption models that keep products, materials and natural resources in the economy for as long as possible by reducing the generation of waste to a minimum and by ensuring the full exploitation of waste which may not be avoided. This is achieved through a set of legislative acts.</p> <p>Milestone 178 consists of the approval of several Royal Decrees: i) a Royal Decree on management of end-of-life tyres; ii) a Royal Decree on the disposal of waste by landfill; iii) a Royal Decree on shipment of waste within the territory of the State; iv) a Royal Decree on batteries and accumulators and on management of electrical waste and electronic equipment; v) a Royal Decree on end-of-life vehicles and amending the general vehicle regulation; and vi) the approval of regulatory measures on packaging and packaging waste.</p> <p>Milestone 178 is the second milestone of the reform, and it follows the completion of milestone 177, related to the approval of the Spanish Strategy on Circular Economy. It will be followed by milestone 440 related to the creation of the waste coordination committee and milestone 441 on the entry into force of the second circular economy package and it is accompanied by milestone 179 on the entry into force of the law on waste and contaminated soils in this payment request. The reform has a final expected date for implementation in December 2025.</p>	
<b>Evidence provided:</b> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"><li>i. Summary document) duly justifying how the milestone was satisfactorily fulfilled</li><li>ii. Royal Decree 731/2020 of 4 August amending Royal Decree 1619/2005 of 30 December, concerning the management end-of-life tyres published in the National Official Journal (<i>Boletín Oficial del Estado</i>) <a href="#">No. 213 on 7 August 2020</a>.</li><li>iii. Royal Decree 646/2020 of 7 July regulating the disposal of waste by landfill published in the National Official Journal (<i>Boletín Oficial del Estado</i>) <a href="#">No. 187 on 8 July 2020</a>.</li><li>iv. Royal Decree 553/2020 of 2 June regulating the shipment of waste within the territory of the State published in the National Official Journal (<i>Boletín Oficial del Estado</i>) <a href="#">No. 171 on 19 June 2020</a>.</li><li>v. Royal Decree 27/2021 of 19 January amending Royal Decree 106/2008 of 1 February on batteries and accumulators and the environmental management of their waste and Royal Decree 110/2015 of 20 February on waste electrical and electronic equipment published in the National Official Journal (<i>Boletín Oficial del Estado</i>) <a href="#">No. 17 on 20 January 2021</a>.</li><li>vi. Royal Decree 265/2021 of 13 April on end-of-life vehicles and amending the General Vehicle Regulation, approved by Royal Decree 2822/1998 of 23 December published in the National Official Journal (<i>Boletín Oficial del Estado</i>) <a href="#">No. 89 on 14 April 2021</a>.</li><li>vii. Royal Decree 1055/2022 of 27 December on packaging and packaging waste published in the National Official Journal (<i>Boletín Oficial del Estado</i>) <a href="#">No. 311 on 28 December 2022</a>.</li></ol>	
<b>Analysis:</b>	



The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**The circular economy policy package includes:**

- **Royal Decree 731/2020 of 4 August amending Royal Decree 1619/2005 of 30 December on the management of end-of-life tyres:** Royal Decree 731/2020 (point ii of the evidence provided) of 4 August was published in the National Official Journal (*Boletín Oficial del Estado*) on 7 August 2020. As stated in the single final provision, the Royal Decree entered into force on 8 August 2020, the day after its publication in the Official Journal.  
As stated in its article 1, Royal Decree 731/2020 establishes the legal rules governing their production and management, and encouraging, in this order, their reduction, preparation for re-use, recycling and other forms of recovery, with the aim of protecting the environment.
- **Royal Decree 646/2020 of 7 July regulating the disposal of waste by landfill:** Royal Decree 646/2020 (point iii of the evidence provided) of 7 July was published in the National Official Journal (*Boletín Oficial del Estado*) on 8 July 2020. As stated in the fifth final provision, the Royal Decree entered into force on 9 July 2020, the day after its publication in the Official Journal.  
As stated in its article 1, Royal Decree 646/2020 establishes the appropriate legal and technical framework for waste disposal activities by landfilling, while regulating the characteristics of landfills and their proper management and operation. This is also intended to ensure a progressive reduction in landfilled waste, in particular waste which is suitable for preparing for re-use, recycling and recovery, by laying down stringent technical and operational requirements for both waste and landfills. Finally, the standard lays down measures and procedures to reduce and prevent, as far as possible, negative effects on the environment related to the landfilling of waste, in particular the pollution of surface and groundwater, soil and air pollution and the emission of greenhouse gases, as well as any risks to human health.
- **Royal Decree 553/2020 of 2 June regulating the shipment of waste within the territory of the State:** Royal Decree 553/2020 (point iv of the evidence provided) of 2 June was published in the National Official Journal (*Boletín Oficial del Estado*) on 19 June 2020. As stated in the third final provision, the Royal Decree entered into force on 1 July after its publication in the National Official Journal.  
As stated in its article 1, Royal Decree 553/2020 develops the legal regime for shipments between Autonomous Communities of waste for recovery or disposal, including shipments to facilities carrying out intermediate treatment and storage operations.
- **Royal Decree 27/2021 of 19 January amending Royal Decree 106/2008 of 1 February on batteries and accumulators and the environmental management of their waste and Royal Decree 110/2015 of 20 February on electrical waste and electronic equipment:** Royal Decree 27/2021 (point v of the evidence provided) of 19 January 2021 was published in the National Official Journal (*Boletín Oficial del Estado*) on 20 January 2021. As stated in the fourth final provision, the Royal Decree entered into force on 21 January, the day after its publication in the Official Journal.  
Article 1 of Royal Decree 27/2021 modifies Royal Decree 106/2008 by, among others, introducing the precautionary and prevention principle in the management of waste batteries and accumulators.  
Article 2 of Royal Decree 27/2021 modifies Royal Decree 110/2015 by, among others, including provisions (such as Article 5bis) aimed at improving the management of waste batteries and accumulators by setting clearer rules that increase the level of legal certainty.

- **Royal Decree 265/2021 of 13 April on end-of-life vehicles and amending the general vehicle regulation approved by Royal Decree 2822/1998 of 23 December:** Royal Decree 265/2021 (point vi of the evidence provided) of 13 April 2021 was published in the National Official Journal (*Boletín Oficial del Estado*) on 14 April 2021. As stated in the fifth final provision, the Royal Decree entered into force on 15 April, the day after its publication in the Official Journal. As stated in article 1, Royal Decree 265/2021 establishes measures for the prevention of the generation of waste from vehicles and for the collection, preparation for re-use, recycling and other forms of recovery of end-of-life vehicles, including their components, in order to reduce waste disposal and improve the effectiveness of the protection of human health and the environment throughout the life cycle of vehicles.
- **The forthcoming approval of regulatory measures on packaging and packaging waste by the Council of Ministers during the course of 2022:** Royal Decree 1055/2022 (point vii of the evidence provided) of 27 December on packaging and packaging waste was published in the National Official Journal (*Boletín Oficial del Estado*) on 28 December 2022. The Council Implementing Decision required the Royal Decrees to be approved during 2022. As stated in the fifth final provision, the Royal Decree entered into force on 29 December 2022, the day after its publication in the Official Journal, with the exception of the new market obligations stated in article 13 which shall apply from 1 January 2025. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional, notably, this responds to the request of the sectors affected by article 13 during the period of processing and public participation of the legislation, which highlighted the need to have a period of adaptation for the production of product labels and adapt products already packaged and stored, both in production and distribution. Moreover, the transition period will allow stakeholders to directly adopt the labelling requirements set in the European Commission’s proposal for amending the Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC on Packaging and Packaging Waste without having to further adjust the national regulation accordingly. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

As stated in its article 1, Royal Decree 1055/2022 establishes the legal regime applicable to packaging and packaging waste with the aim of preventing and reducing their impact on the environment throughout their life cycle. To this end, measures are set out, as a first priority, to prevent the production of packaging waste (article 6 and 7) and, taking into account other key principles, reuse of packaging (article 8 and 9), recycling and other forms of recovery of packaging waste and thus reduce the final disposal of such waste, including the presence of packaging waste in litter, in order to contribute to the transition to a circular economy (articles 10 and 11).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M179	M179 - C12.R2 - Entry into force of the Law on Waste and Contaminated Soil	
<b>Name of the Milestone:</b> Entry into force of the Law on Waste and Contaminated Soil		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law		<b>Time:</b> Q4 2022
<b>Context:</b> The objective of this reform is to promote production and consumption models that keep products, materials and natural resources in the economy for as long as possible by reducing the generation of waste		

to a minimum and by ensuring the full exploitation of waste which may not be avoided. This is achieved through a set of legislative acts.

Milestone 179 consists of the entry into force of the Law on Waste and Contaminated Soil. This law includes: i) The implementation of the waste framework directive and the directive for plastics of single use, and updates the Spanish regulations in the light of the experience of the last ten years; ii) The introduction of EU objectives regarding waste, and obligations on separate collection going beyond requirements established by Union law; iii) The review of the regulation of extended producer responsibility; and iv) The introduction of state taxation on waste.

Milestone 179 is the third milestone of the reform, and it follows the completion of milestone 177, related to the approval of the Spanish Strategy on Circular Economy. It will be followed by milestone 440 related to the creation of the waste coordination committee and milestone 441 on the entry into force of the second circular economy package and it is accompanied by milestone 178 in this payment request. The reform has a final expected date for implementation in December 2025.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled
- ii. Copy of the Law 7/2022 of 8 April on Waste and Contaminated Soil published in the National Official Journal (*Boletín Oficial del Estado*) [No. 85 on 9 April 2022](#).

The authorities also provided:

- iii. Report on the regulatory impact analysis of the draft law on waste and contaminated soil (Link included in the summary document)  
[https://www.congreso.es/docu/docum/ddocum/dosieres/sleg/legislatura\\_14/spl\\_21/pdfs/2.pdf](https://www.congreso.es/docu/docum/ddocum/dosieres/sleg/legislatura_14/spl_21/pdfs/2.pdf)

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Law 7/2022** (point ii of the evidence provided) of 8 April on Waste and Contaminated Soil was published in the National Official Journal (*Boletín Oficial del Estado*) on 9 April 2022. As stated in the thirteenth final provision, Law 7/2022 entered into force the day after its publication in the National Official Journal, with the exception of the provisions of Title VII, which apply from 1 January 2023.

**The Law includes:**

- i. **The implementation of the Waste Framework Directive and the Directive for plastics of single use:** as stated in the twelfth final provision, Law 7/2022 incorporates Directive (EU) 2018/851 of the European Parliament and of the Council of 30 May 2018 amending Directive 2008/98/EC on waste; and Directive (EU) 2019/904 of the European Parliament and of the Council of 5 June 2019 on the reduction of the impact of certain plastic products on the environment. The directives are transposed as follows:
  - Directive (EU) 2019/904 is transposed through the chapter under Title V of Law 7/2022. For example, articles 55 and 65.5 of Law 7/2022 transpose article 4.1 of Directive (EU) 2019/904 on the targets for the reduction of the consumption of specific single-use plastic products and its reporting requirements. Article 56 of the Law 7/2022 transposes article 5 of the directive on the prohibition of certain plastic products and Article 57 transposes Article 6 of the law on the requirements for the design of plastic recipients for drinks. Article 58 transposes article 7 of the

directive on the marking requirements for certain single-use plastic products and article 59 transposes article 9 on the requirements for separate collection of plastic bottles.

- The Waste Framework Directive is transposed throughout the whole legislative text. For example, article 37, 39, 40, 41, 42, 43, 46, 47, 48, 53, 54 of Law 7/2022 transpose the extended producer responsibility schemes included in article 8 and 8bis of Directive (EU) 2018/851. Articles 18.1, 18.4, 14.3 and 26.3 transpose article 9 of Directive (EU) 2018/851 on prevention of waste

Finally, Spain has provided a detailed table of the correspondence between the provisions of the two Directives and the articles of the Law 7/2022 as part of the Regulatory Impact Report carried out during the legislative process (point iii of the evidence provided).

- ii. **Updates the Spanish regulations in the light of the experience of the last ten years:** as stated in the preamble (section IV), Law 7/2022 provides for an update of the Spanish legislation in the light of the experience of more than 10 years of application. In particular, it clarifies and revises several aspects of the previous circular economy law (Law 22/2011). The update of the Spanish legislation is materialized by the first repeal provision. This provision states that “All provisions which conflict with, contradict or are incompatible with the provisions of this Law are repealed, and in particular:
  - Law 22/2011 of 28 July on contaminated waste and soil
  - Royal Decree 833/1988 of 20 July approving the Regulation implementing Law 20/1986, Basic Law on Toxic and Hazardous Waste.
  - Order MAM/304/2002 of 8 February publishing waste recovery and disposal losses and the European list of waste.
  - The Order of 13 October 1989 determining the methods of characterisation of toxic and hazardous waste”.
- iii. **The introduction of the EU objectives regarding waste:** the Community waste management objectives are set out in Law 7/2022 in Section 2 on “Measures and objective in waste management” of Title III on “Production, possession and management of waste” and in Title V on “Reduction of the impact of certain plastic products on the environment” including provisions on single-use plastic products. Specifically:
  - Article 26.1 (a), (c), (d) and (e) sets out the targets for preparing for re-use and recycling of municipal waste.
  - Article 26.1 (b) sets out the targets for preparing for re-use, recycling and other material recovery of non-hazardous construction and demolition waste.
  - Article 55 sets out consumption reduction targets for certain single-use plastic products.
  - Article 57 sets out the minimum recycled plastic content targets for PET bottles and other plastic bottles.
  - Article 59 sets out the targets for separate collection of plastic bottles.
- iv. **The introduction of the obligations on separate collection deriving from EU regulations, anticipating their implementation in bio-waste in municipalities with more than 5 000 inhabitants:** Article 25 of Law 7/2022 on “Separate collection of waste for recovery” provides the requirements for separate collection for the following fractions and within the following deadlines:
  - Paper, metals, plastic and glass (already into force).
  - Bio-waste of domestic origin before 30 June 2022 for local authorities with a legal population of more than 5 000 inhabitants, and before 31 December 2023 for the rest (including sorting and recycling at source by means of domestic or community composting). This timetable anticipates for municipalities with a population of more than 5 000 inhabitants the obligation to implement separate collection of bio-waste, as laid down in Article 22 of Directive (EU) 2018/851 by 31 December 2023.
  - Textile waste by 31 December 2024.

- Used cooking oils before 31 December 2024.
- Hazardous domestic waste before 31 December 2024.
- Bulky waste (furniture and furnishings) by 31 December 2024.

The Council Implementing Decision required **the introduction of the obligations on separate collection deriving from EU regulations, anticipating their implementation in bio-waste in municipalities with more than 5 000 inhabitants by end of 2022**. As stated in article 25 of Law 7/2022, for bio-waste it was an obligation by 31 December 2023. For textile waste, used cooking oils, hazardous domestic waste and bulky waste, this obligation will apply from 31 December 2024. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of this law and the actual application of the provisions is considered both limited and proportional, notably taking into consideration need of infrastructure to collect and process separately the above-mentioned types of waste. Moreover, the Royal Decree has already entered into force, and it contains a specific timeline for the implementation of the separate collection requirements by 31 December 2024. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The measure shall introduce separate collection obligations that go beyond requirements established by Union law:** First, Article 25 of Law 7/2022 states the obligation to separate collection of bio-waste of domestic origin before 30 June 2022, a year and a half earlier than required by Union law. Secondly, commercial and industrial bio-waste, both managed by local authorities or directly by authorised managers, must be separated at source without mixing with other waste for proper recycling, before 30 June 2022, going beyond Union requirements to separate bio-waste by end of 2023.

- v. **The review of the regulation of extended producer responsibility, establishing new ones that go beyond what is required by Union law:** Title IV (Article 37 and subsequent) of Law 7/2022 incorporates, on the one hand, general provisions, including the possible obligations of the producer to which he may be subject by implementing the law approved by Royal Decree, and the models for compliance with those obligations. On the other hand, the applicable minimum requirements to be set out in all rules governing extended responsibility, which include the obligations associated with extended liability schemes, the extent of the financial contribution, if any, the reporting obligations, the instruments for articulating the involvement of public authorities in the organisation of waste management (by means of agreements) or other operators (through agreements), and other provisions relating to self-monitoring, transparency, or models for setting up extended producer responsibility schemes.

Title IV also transposes the provisions of the Waste Framework Directive, relating to the minimum requirements for extended producer responsibility schemes, laid down in Article 8, as described in the correlation table in the regulatory impact report of the legislation, thus complying with the regulatory framework established at Community level, since all the rules governing extended producer responsibility that are developed must comply with the provisions of the Law; Title IV lays down requirements relating to the forms of such extended liability schemes, the instruments they may use, and the mechanisms for their authorisation and control which specify at State level the provisions of the Directive (Articles 44, 45, 48-54). Thus, with the common basis established in this Law, provision is made for the development or adaptation of extended producer responsibility schemes in Spain, transposing existing European legislation (such as packaging and packaging waste, among others) and other legislation regulated at national level, without any Community legislation (e.g. end-of-life tyres, or future regulation for non-packaging agricultural plastics or bulky waste), thus implementing the extended producer responsibility beyond the EU regulation.

- vi. **The introduction of state taxation on waste (including on landfilling, incinerating and co-incinerating, and on single-use plastic containers):** Law 7/2022 establishes two specific tax measures to incentivise the circular economy at State level as provided under its Title VII. This Title

sets two economic instruments in the framework of waste aimed at reducing the generation of waste and improving the management of waste whose generation cannot be avoided. Both taxes entered into force on 1 January 2023.

**vii.**

- The special tax on non-reusable plastic packaging, laid down in Chapter I of Title VII, is intended to prevent waste and is structured as an indirect tax on the use on Spanish territory of packaging which, containing plastic, is not reusable.
- The tax on landfilling, incineration and co-incineration of waste, regulated in Chapter II of Title VII, is a key mechanism for advancing the circular economy and the achievement of the waste preparation for re-use and recycling targets; it discourages less favourable options in line with the waste hierarchy principle, favouring the diversion of waste towards more environmentally friendly options that can help reintroduce the materials contained in waste into the economy, such as recycling.

- **Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M182	M182 - C12.I2 - Programme to boost competitiveness and industrial sustainability	
<b>Name of the Milestone:</b> PERTE in the area of electric vehicles		
<b>Qualitative Indicator:</b> Approval by Council of Ministers		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>Milestone 182 is part of investment C12.I2, which aims at promoting the transformation of key strategic sectors for the industrial transition of Spain, such as the automotive and electric vehicles, the agrifood, health, the aeronautical and naval sectors, industrial sectors linked to renewable energies and in capabilities for the design and production of processors and semiconductor technologies. The measure foresees that at least three major strategic projects shall be supported under this action (so called “PERTEs”), encompassing the whole value chain in the relevant sector, and including support for SMEs. Beyond PERTEs, the investment measure shall also finance projects of a smaller scale, such as industrial simulation, advanced materials, virtual reality and collaborative and cognitive robotics. The measure shall further support sustainable industrial infrastructures, such as industrial parks or logistics areas.</p> <p>Milestone 182 requires specifically the approval by the Council of Ministers of a PERTE in the strategic area of electric and connected vehicles, and an allocation of at least EUR 400 000 000 of budget in aid. The PERTE approval decision shall contain detailed selection criteria to ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.</p> <p>Milestone 182 is the second milestone or target of the investment. It follows the completion of Milestone 181 related to the approval by the Council of Ministers of the Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility. Milestone 182 is accompanied by milestone 183 and target 184 in this payment request. Milestone 183 is related to the creation of other (at least two) PERTEs than the one in the area of electric and connected vehicles. Milestone 184 is related to the budget award of at least EUR 1 200 000 000 to a least 78 innovative projects including those linked to approved PERTEs (at least three), that involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation. Milestone 182, together with milestone 183 and target 184, will be followed by target 185, related</p>		

to the budget execution of at least EUR 2 531 500 000 mobilised in at least 210 innovative projects, including those linked to approved PERTEs (at least three), that involve a real transformation of industry in terms of energy efficiency, sustainability and digital transformation, in compliance with the 'Do no significant harm' Technical Guidance, and by target 186, which relates to the completion of at least 210 innovative projects. The investment has a final expected date for implementation by 30 June 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision Annex) was satisfactorily fulfilled
- ii. Order PCM/756/2021, of 16 July, that publishes the Agreement by the Council of Ministers on 13 July 2021, which declares a strategic project for the recovery and economic transformation the development of an ecosystem for the manufacturing of the electric and connected vehicle (which was published in the Spanish Official Gazette no. 170 of 17 July 2021)  
Link: <https://www.boe.es/eli/es/o/2021/07/16/pcm756> )
- iii. Descriptive memory of the strategic project for the development of the electric and connected vehicle  
Link: <https://www.mincotur.gob.es/es-ES/gabinetepress/notasprensa/2021/documents/memory%20descriptive%20perte%20vec.pdf>

The authorities also provided in point i) of evidence a reference to different regulatory basis for the subsequent calls that have been published under the PERTE VEC. These regulatory basis have been submitted as evidence by Spain in the framework of target 184 and they may also need to be taken into account under this milestone 182 when assessing, for instance, the compliance with the “do no significant harm” (DNSH) technical guidance and with the climate labelling requirements in the investment measure.

- iv. Order ICT/1466/2021, of 23 December, establishing the regulatory bases for granting aid for integral actions in the electric vehicle industrial chain and connected within the PERTE VEC, within the framework of the RRP (which was published in the Spanish Official Gazette 311, of 28 December 2021)  
Link: <https://www.boe.es/eli/es/o/2021/12/23/ict1466>.
- v. Order ICT/209/2022, of 17 March, launching the call for applications for 2022, and amending Order ICT/1466/2021, of 23 December, establishing the regulatory bases for granting aid for integral actions in the electric and connected vehicle industrial chain as part of the PERTE (which was published in the Spanish Official Gazette 66, of 18 March 2022).  
Link: <https://www.boe.es/eli/es/o/2022/03/17/ict209>
- vi. A reference in the summary assessment to the website of the Ministry of Industry, Commerce and Tourism for this PERTE.  
Link: [Ministerio de Industria, Comercio y Turismo - PERTE VEC \(mincotur.gob.es\)](https://www.mincotur.gob.es)

The Spanish authorities have also provided as evidence under milestone 182 the following document, which will be assessed in the context of target 184:

- vii. State aid decision by the European Commission of support granted by the strategic project of 9 December 2021 – Spain RRF - Integrated aid measures to support the electric and connected vehicle value chain (hereafter, Strategic Project for the Recovery and Economic Transformation for the development of the Electric and Connected Vehicle or “PERTE VEC”, in this State Aid decision referred to in English as “EVC PERTE”), (State Aid SA.64685 (2021/N). Link: [https://ec.europa.eu/competition/state\\_aid/cases1/202151/SA\\_64685\\_A080B97D-0100-C341-9649](https://ec.europa.eu/competition/state_aid/cases1/202151/SA_64685_A080B97D-0100-C341-9649).

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

#### **Approval by the Council of Ministers of a Strategic Project for the Economic Recovery and Transformation (PERTE) in the strategic area of electric vehicles:**

The **Council of Ministers Decision approving the first Strategic Project for Economic Recovery and Transformation (PERTE)**, which is devoted to the electric and connected vehicle, was adopted on 13 July 2021 (point ii) of the evidence provided). It was published in the Spanish Official Gazette no. 170 of 17 July 2021 (point ii) of the evidence provided). The Council of Ministers Decision approving the PERTE for the electric vehicle explains the importance of the automotive sector for the Spanish economy. The sector has a tractor effect due to its weight on GDP and direct and indirect employment, its contribution to the trade balance and to investment in innovation.

In line with the description of the measure, the descriptive memory for this PERTE (point iii) of the evidence provided) outlines the way this PERTE **contributes to the transformation of one of the strategic sectors that are key for the industrial transition of Spain, such as the automotive and electric vehicles** [...]. Pages 31 to 33 of the descriptive memory in point iii) of the evidence set out in more detail the importance of the sector in the economy. Page 37 of point iii) of the evidence explains that the aim of the PERTE is to create an ecosystem for the production and development of electric and connected vehicles in Spain. In its pages 53 to 60, point iii) of the evidence gives details about each of the measures contained in the PERTE, which can be grouped into (i) support measures for transformative projects in the electric and connected vehicle value chain and (ii) enabling measures that can contribute both to the creation of new mobility and to the development of electric vehicles.

**The description of the measure adds that the strategic projects shall encompass the whole value chain in the relevant sector, and including support for SMEs.** Pages 4 of point ii) of the evidence provided and point 41 of point iii) of the evidence provided explains the way in which the strategic project will encompass the whole value chain for electric and connected vehicles. In addition, pages 62 and 80 of point iii) of the evidence provided refer to the participation of SMEs in the calls, pointing to a minimum share of 40% for the main line of the PERTE.

#### **Allocation of at least EUR 400 000 000 of budget in aid (to the Strategic Project)**

The Council of Ministers Decision approving the PERTE (point ii) of the evidence provided) refers to a total investment of EUR 24 billion for this PERTE, with a public sector contribution of EUR 4.295 billion and a private sector contribution of EUR 19.71 billion. Along the same lines, the descriptive memory for the PERTE (point iii) of the evidence provided) gives proof of the allocation of at least EUR 400 million in aid to this PERTE, as page 13 refers to a total investment of EUR 24 billion in 2021-2023, with a public sector contribution of EUR 4.29 billion and private investment of EUR 19.71 billion.



Pages 62 to 78 of the descriptive memory in point iii) of evidence add detail on the specific budget that is to be allocated to each of the different lines of the PERTE, including enabling measures.

**The PERTE approval decision shall contain detailed selection criteria to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation:**

Page 90 to 95 of the descriptive memory of the PERTE (point iii) of the evidence submitted) contain detailed selection criteria to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

Section 12.5 of the descriptive memory in point iii) of the evidence recalls that the RRF can only support those actions and investments that respect the 'do no significant harm'(DNSH) principle. It also recalls that the DNSH principle is regulated in the Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/208839), and that the principle is subject to a Commission guide for its correct assessment within the RRF.

Section 12.5 of the descriptive memory in point iii) of evidence acknowledges that the assessment of compliance with the DNSH principle will differ for each of the investment lines under the PERTE. A brief analysis of compliance with this principle is included below for the two investment lines:

- For actions that relate to comprehensive action on the value chain, the orders launching the different calls for support shall specify in detail the criteria that will determine compliance with DNSH in each case, and the way in which evidence of compliance with that principle has to be submitted. Individual applications for support shall include a substantive assessment of all the environmental objectives of the Taxonomy Regulation. An evaluation is to be carried out by the public body granting support to the project. Notably, the managing body shall ensure that the aid is not used for the manufacture of vehicles using fossil fuels and not finance investment in carbon intensive assets that may remain trapped, preventing the decarbonisation of the automotive or other sectors.
- For actions falling within the Sustainable Automotive Technology Plan (PTAS), activities under the DNSH exclusion list will be excluded from eligibility.

Additionally, as indicated in the descriptive memory for the PERTE in point iii) of the evidence, the **regulatory bases** launching calls for support under the PERTE following its approval shall specify the DNSH criteria. The examples below provide proof that this has been done in the following provisions of point iv) and v) of evidence:

- Article 9 (5) of Order ICT/1466/2021 of 23 December 2021 establishing the regulatory bases for granting aid for integral actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector (PERTE VEC), as part of the Recovery and Resilience Plan of Spain, includes the DNSH exclusion list fully spelled out and the requirement of compliance with the relevant EU and national environmental legislation (point iv) of the evidence provided).
- Article 8 (7) and Article 23 (3) of Order ICT/209/2022 of 17 March 2022 launching the call for applications for 2022, and amending Order ICT/1466/2021 of 23 December establishing the regulatory bases for granting aid for comprehensive actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and

Transformation in the Electricity and Connected Vehicle Sector (PERTE VEC), as part of the Recovery and Resilience Plan of Spain, includes the DNSH exclusion list fully spelled out and the requirement of compliance with the relevant EU and national environmental legislation (point v) of the evidence provided).

- Article 9 (6) of Order ICT/1466/2021 of 23 December 2021 specifies the DNSH criteria for R&D actions, indicating that: *'Without prejudice to the above, primary projects of the research, development and innovation line shall be deemed to comply with the provisions of the Technical Guide on the application of the Do No Significant Harm Principle (OJ C 58, 18.2.2021, p. 1) if they are projects exclusively dedicated to substantially increasing the environmental sustainability of companies (such as decarbonisation, pollution reduction and circular economy) if the primary objective of the research, development or innovation actions under this primary project is to develop or adapt alternatives with the lowest possible environmental impact in the sector, and which shall go beyond replicating products/business processes already available from/to other companies or organisations in the sector, with very few further changes by the supported entity.'*(point iv) of the evidence provided).

Finally, the Council Implementing Decision states in footnote 36 that activities related to fossil fuels, including downstream use are excluded except for (a) projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

Point (b) of footnote 36 has not been included in the descriptive memory of the PERTES neither in the different calls for projects under this milestone, as the documents were issued prior to the approval of the revision of the Annex to the Council Implementing Decision for Spain on 17 October 2023.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, point (b) in footnote 36 was included in the amending implementing decision to clarify the alternative use of fossil fuels by ETS installations (point ii of the DNSH exclusion list). The evidence provided by the authorities demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. In particular, the Spanish Authorities have reviewed the projects against the requirements included in point (b) of footnote 36 as per the guidance on the application of the DNSH principle (case 3 and case 4 of point xxxvii of the evidence provided under milestone 184).

This is in line with the measure description requirements that:

- The Council of Ministers decision approving the PERTE shall contain detailed selection criteria to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01). In order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use<sup>7</sup>; (ii) activities under the EU Emission Trading System (ETS)

<sup>7</sup> Except for (a) projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set

achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks<sup>8</sup>; (iii) indirect ETS costs compensation; (iv) activities related to waste landfills, incinerators<sup>9</sup> and mechanical biological treatment plants<sup>10</sup>; and (v) activities where the long-term disposal of waste may cause harm to the environment.

The terms of reference additionally require that only activities that comply with relevant EU and national environmental legislation may be selected, and;

- The following R&D&I actions under this investment shall be considered compliant with the 'Do no significant harm' Technical Guidance (2021/C58/01): R&D&I actions under this investment devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector.

**The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility:**

Pages 87 and 88 of the descriptive memory of the PERTE (point iii) of the evidence provided) explain compliance of selection criteria with climate labelling, in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. The descriptive memory specifies that the proposals to be developed in the PERTE include measures that will have the effect of mitigating climate change by reducing emissions of air pollutants, increasing energy efficiency, as well as increasing renewable sources of energy. In particular, page 87 of point iii) of evidence highlights that measures financed in the context of the PERTE could include research and innovation processes, technology transfer and cooperation between companies, with a particular focus on low carbon and other pollutants economy resilience and adaptation to climate change and circular economy (energy efficiency and demonstration projects).

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out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

<sup>8</sup> Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

<sup>9</sup> This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level

<sup>10</sup> This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

The subsequent **regulatory bases** that have been published for the different aid lines implementing the PERTE VEC have specified the requirements that are part of the selection criteria in the different calls, in order to ensure the contribution to climate objectives, as shown in points iv) and v) of the evidence provided. In the evaluation process of the projects, they are labelled in accordance with the methodology laid down in Annex IV to the RRF Regulation, and the aid is allocated on the basis of the assessment obtained. This can be seen for instance in Article 14 (5) of Order ICT/1466/2021, of 23 December, establishing the regulatory bases for granting aid for integral actions in the electric vehicle industrial chain and connected within the PERTE VEC, within the framework of the RRP (point iv) of the evidence provided). That provision contains the following labels:

22) research and innovation processes, technology transfer and cooperation between undertakings, with a particular focus on the low carbon economy, resilience and adaptation to climate change (coefficient for the calculation of aid for climate objectives of 100 % and coefficient for the calculation of aid for environmental objectives of 40 %)

23) research and innovation processes, technology transfer and cooperation between undertakings, with a particular focus on the circular economy (coefficient for the calculation of aid for 40 % climate objectives and coefficient for the calculation of aid for environmental objectives of 100 %)

24) energy efficiency and demonstration projects in SMEs and support measures (coefficient for the calculation of aid for 40 % climate objectives and coefficient for the calculation of aid for environmental objectives of 40%)

24 bis) energy efficiency and demonstration projects in large enterprises and support measures (coefficient for the calculation of aid for the climate objectives of 100 % and coefficient for the calculation of aid for environmental objectives of 40 %)

Section E of point iv) of the evidence provided lists the impact and contribution to the industrial transition as criteria for assessing applications. The alignment of the project activity with the activities included in Annex VI of the Recovery and Resilience Facility Regulation shall be taken into account for the assessment.

These criteria are also taken into account in Section E of Annex VI to Order ICT/209/2022, of 17 March, launching the call for applications for 2022 and amending Order ICT/1466/2021, of 23 December, establishing the regulatory bases for granting aid for integral actions in the electric and connected vehicle industrial chain as part of the PERTE (point v) of the evidence submitted).

The description of the measure contains **additional requirements**. The measure description indicates that after the approval of a PERTE by the Council of Ministers, **a competitive call shall be launched by the relevant Ministry with the aim of receiving specific proposals to be developed under the approved PERTE**. The Spanish authorities have provided a reference to the webpage where the competitive calls launched by the Ministry of Industry, Commerce and Tourism after the approval of the PERTE are gathered (point vi) of the evidence provided), as well as references to the specific calls published in the framework of the PERTE VEC (points iv) and v) of the evidence provided). The measure description also indicates that that implementation of support measures that may constitute State aid in line with Article 107 TFEU and that may require prior notification to the Commission shall not take place before Spain has obtained State aid approval from the Commission. These requirements of the measure description are assessed under target 184 related to budget awards in this payment request.

<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled
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<b>Number:</b> M183
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<b>Name of the Milestone:</b> PERTEs in strategic areas defined in the Plan
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<b>Qualitative Indicator:</b> Approval by Council of Ministers
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<b>Context:</b>
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Milestone 183 is part of investment C12.I2, which aims at promoting the transformation of key strategic sectors for the industrial transition of Spain, such as the automotive and electric vehicles, the agrifood, health, the aeronautical and naval sectors, industrial sectors linked to renewable energies and in capabilities for the design and production of processors and semiconductor technologies. The measure foresees that at least three major strategic projects shall be supported under this action (so called "PERTEs"), encompassing the whole value chain in the relevant sector, and including support for SMEs. Beyond PERTEs, the measure shall also finance projects of a smaller scale, such as industrial simulation, advanced materials, virtual reality and collaborative and cognitive robotics. The measure shall further support sustainable industrial infrastructures, such as industrial parks or logistics areas.

Milestone 183 requires the approval of at least two PERTEs by the Council of Ministers in strategic areas other than electric and connected vehicles, such as agri-food, health, the aeronautical and naval sectors, and industrial sectors linked to renewable energies, and in capabilities for the design and production of processors and semiconductor technologies. The approval shall foresee a total allocation of at least EUR 800 000 000 of budget in aid. The PERTE approval decisions shall contain detailed selection criteria to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

Milestone 183 is the third milestone or target of the investment. It follows the completion of milestone 181 related to the approval by the Council of Ministers of the Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility. Milestone 183 is accompanied by milestone 182 and target 184 in this payment request. Milestone 182 relates to the approval by the Council of Ministers of a PERTE in the strategic area of electric and connected vehicles, and an allocation of at least EUR 400 000 000 of budget in aid. Target 184 is related to the budget award following the launch of a competitive call and after the State aid approval by the Commission of at least EUR 1 200 000 000 to at least 78 innovative projects including those linked to approved PERTEs (at least three), that involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation. Milestones 182 and 183 and target 184 will be followed by target 185, which is related to the budget execution of at least EUR 2 531 500 000 mobilised in at least 210 innovative projects, including those linked to approved PERTEs (at least 3), that involve a real transformation of industry in terms of energy efficiency, sustainability and digital transformation, in compliance with the 'Do no significant harm' Technical Guidance, and by target 186, which relates to the completion of at least 210 innovative projects. The investment has a final expected date for implementation by 30 June 2026.

### Evidence provided:

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision Annex) was satisfactorily fulfilled

### HEALTH PERTE

- ii) Council of Ministers Decision of 30 November 2021 approving a Strategic project for economic recovery and transformation (hereafter “the Health PERTE”), as certified by the Minister of Presidency (subpart 1 of point ii) of evidence). The Ministry of Science, Innovation and Universities also published a press note on the approval, which can be found under the following link
- iii) [El Gobierno aprueba el PERTE de Salud de Vanguardia, que prevé movilizar 1.469 millones de euros \(ciencia.gob.es\)](https://ciencia.gob.es/) (subpart 2 of point ii) of evidence).
- iv) Descriptive memory for the Health PERTE (Annex 2 in the list in the summary fiche showing compliance with milestone 183 and an Annex to point ii) of evidence):  
Link: [https://www.lamoncloa.gob.es/presidente/actividades/Documents/2021/151121\\_PERTE-Memoria-explicativa.pdf](https://www.lamoncloa.gob.es/presidente/actividades/Documents/2021/151121_PERTE-Memoria-explicativa.pdf)
- v) Order of the Ministry of Industry, Trade and Commerce of 6 May 2022, with a call for aid for strategic projects for the industrial transition of the pharmaceutical sector and the health products sector under the Health PERTE in 2022 (an extract of which was published in the Spanish Official Gazette 109 of 7 May 2023). BDNS: 625152 (Annex 3 in the list in the summary fiche showing compliance with milestone 183) Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2022-14280](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2022-14280)
- vi) Extract from the order of 22 May 2023, with a call to grant aid to strategic projects for the industrial transition of the pharmaceutical sector and the health products sector in the year 2023 (Annex 17 in the list of the summary fiche showing compliance with milestone 183). Link: [BOE-B-2023-15516 Extracto de la orden de 22 de mayo de 2023, por la que se efectúa la convocatoria de concesión de ayuda a proyectos estratégicos para la transición industrial del sector farmacéutico y del sector de productos sanitarios en el año 2023.](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2023-15516)

### AGRIFOOD PERTE

- vii) Order PCM/81/2022, of 9 February 2022, which was published in the Spanish Official Gazette 35 of 10 February 2022, with the Council of Ministers Decision of 8 February 2022, approving the Strategic project for the economic recovery and transformation of the agrifood sector (hereafter, the “Agri-Food PERTE”) (Annex 4 in the list in the summary fiche showing compliance with milestone 183)  
Link: <https://www.boe.es/boe/dias/2022/02/10/pdfs/BOE-A-2022-2168.pdf>
- viii) Descriptive memory of the Agri-food PERTE (Annex 5 in the list in the summary fiche showing compliance with milestone 183)  
Link: [https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/perte/MEMORIA\\_PERTE\\_AGRO.pdf](https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/perte/MEMORIA_PERTE_AGRO.pdf)
- ix) Order ICT ICT/738/2022, of 28 July, establishing the regulatory bases for the granting of aid for measures to strengthen industry in the agri-food sector within the Strategic Project for Agri-Food Economic Recovery and Transformation, in the framework of the Recovery and Resilience Plan of Spain (which was published in the Spanish Official Gazette 183, of 1

August 2022) (Annex 6 in the list in the summary fiche showing compliance with milestone 183)

Link: <https://www.boe.es/eli/es/o/2022/07/28/ict738>

- x) Order ICT/1307/2022, of 22 December, which modifies Order ICT/738/2022, of 28 July 2022, which establishes the regulatory bases for the granting of aid for industrial strengthening actions in the sector agri-food in the context of the Agri-Food PERTE, and with the call corresponding to the year 2023 (which was published in the Spanish Gazette Journal 312 of 29 December 2022) (Annex 7 in the list in the summary fiche showing compliance with milestone 183)

Link: <https://www.boe.es/boe/dias/2022/12/29/pdfs/BOE-A-2022-23727.pdf>

#### **NAVAL PERTE**

- xi) Council of Ministers Decision of 15 March 2022 approving the Strategic project for the economic recovery and transformation of the Spanish naval ecosystem through its modernisation and diversification (hereafter, “the Naval PERTE”), as certified by the Minister of Presidency (Annex 8 in the list in the summary fiche showing compliance with milestone 183)

Link:

<https://www.lamoncloa.gob.es/consejodeministros/referencias/documents/2022/refc20220315.pdf>

- xii) Descriptive memory of the Naval PERTE (Annex 9 in the list in the summary fiche showing compliance with milestone 183)

Link: <https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/Documents/Memoria-descriptiva.pdf>

- xiii) Order ICT/1306/2022, of 21 December, which modifies Order ICT/739/2022, of 28 July, which establishes the regulatory bases for the granting of aid for actions of integration and transformation of the industrial value chain of the naval sector, within the Naval PERTE, and with the call corresponding to the year 2023 (which was published in the Spanish Official Gazette 312 of 29 December 2022) (Annex 10 in the list in the summary fiche showing compliance with milestone 183)

Link: <https://www.boe.es/boe/dias/2022/12/29/pdfs/BOE-A-2022-23726.pdf>

- xiv) Order ICT/739/2022, of 28 July, establishing the regulatory bases for the award of support measures to integrate and transform the industrial value chain in the sector naval, as part of the Strategic Project for Economic Recovery and Transformation for the modernisation and diversification of the Spanish naval ecosystem (PERTE NAVAL), as part of the Plan of the Recovery and Resilience Plan of Spain (which was published in the Spanish Official Gazette 183, of 1 August 2022) (Annex 11 in the list in the summary fiche showing compliance with milestone 183).

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-12898](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-12898)

#### **DECARBONISATION PERTE**

- xv) Council of Ministers Decision of 27 December 2022 approving the industrial decarbonisation of the manufacturing industry as a Strategic project for economic recovery and transformation (hereafter, “the DECARB PERTE”), as certified by the Minister of Presidency (Annex 12 in the list in the summary fiche showing compliance with milestone 183). Point xv) of the evidence provided is also included as an Annex to point xiv).

Link:

<https://www.lamoncloa.gob.es/consejodeministros/referencias/documents/2022/refc20221227.pdf>

- xvi) Descriptive memory of the DECARB PERTE (Annex 13 in the list in the summary fiche showing compliance with milestone 183)  
Link: [https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/Documents/Memoria\\_PERTE\\_Descarbonizacion.pdf](https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/Documents/Memoria_PERTE_Descarbonizacion.pdf)

#### **CHIP PERTE**

- xvii) Council of Ministers Decision of 24 May 2022 approving the Strategic project for the recovery and economic transformation of microelectronics and semiconductors (hereafter, “the CHIP PERTE”), as certified by the Minister of Presidency (Annex 15 in the list in the summary fiche showing compliance with milestone 183). Point xviii) of the evidence provided is also included as an Annex to point xvii).  
Link: <https://www.lamoncloa.gob.es/consejodeministros/referencias/documents/2022/refc20220524.pdf>
- xviii) Descriptive memory of the CHIP PERTE (microelectronics and semiconductors) (Annex 16 in the list in the summary fiche showing compliance with milestone 183)  
Link: [https://planderecuperacion.gob.es/sites/default/files/2022-05/PERTE\\_Chip\\_memoria\\_24052022.pdf](https://planderecuperacion.gob.es/sites/default/files/2022-05/PERTE_Chip_memoria_24052022.pdf)
- xix) Order ITU/1374/2023, of 22 December 2023, which establishes the regulatory bases for the granting of aid to direct participants and associates in the Important Project of Common European Interest in Microelectronics and Communication Technologies and the call for 2024 (IPCEI ME/CT) (Annex 18 in the list in the summary fiche showing compliance with milestone 183)  
Link: <https://www.boe.es/eli/es/o/2023/12/22/itu1374>

The authorities have also submitted as evidence in the framework of this milestone:

- xx) Order ICT/789/2021, of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, which was published in the Spanish Official Gazette of 23 July 2021.  
Link: <https://www.boe.es/buscar/doc.php?id=BOE-A-2021-12379>
- xxi) Order ICT/309/2022, of 31 March, amending Order ICT/789/2021, of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, as part of the Recovery and Resilience Plan of Spain, which was published in the Spanish Official Gazette 87, of 12 April 2022:  
Link: <https://www.boe.es/eli/es/o/2022/03/31/ict309>
- xxii) Extract from the order of 22 May 2023 launching the call for the award of aid for strategic projects for the industrial transition of the pharmaceutical sector and the medical devices sector in 2023.  
Link: <https://www.boe.es/buscar/doc.php?id=BOE-B-2023-15516>

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.



**Approval by the Council of Ministers of at least two PERTEs [...], in [...] strategic areas, such as agri-food, health, the aeronautical and naval sectors, and industrial sectors linked to renewable energies, and in capabilities for the design and production of processors and semiconductor technologies.**

The Spanish authorities have adopted five Council of Ministers Decisions approving, respectively, PERTEs in agri-food, health, naval sectors, microelectronics and semiconductor technologies and the industrial decarbonisation of the manufacturing industry. Evidence of the approvals by the Council of Ministers of these PERTEs are in the following referred to as HEALTH, AGRIFOOD, NAVAL, DECARB and CHIP PERTEs, and can be found in points ii), vi), x), xiv) and xvii) of the evidence provided, respectively.

#### 1. HEALTH PERTE:

The Council of Ministers Decision approving the Health PERTE was adopted on 30 November 2021, as shown in point ii) of the evidence provided by Spain. The decision was not published in the Spanish Official Gazette, but the Spanish authorities have provided a certification of its adoption by the Minister of Presidency in point ii), subpart 1, of evidence and its adoption was announced on a government website (point ii), subpart 2) of evidence.

As explained in page 4 of point ii) of evidence, the Health PERTE seeks to enhance the promotion of health, by building on the development and incorporation of products, innovative processes and digital solutions of added value for the prevention, diagnosis, treatment or rehabilitation of patients. The main objectives of the PERTE are also described in page 30 of its descriptive memory in point iii) of evidence. It has four main objectives: (i) to promote the implementation of precision personalised medicine in an equitable manner, encouraging the development and creation of competitive companies to boost this field of medicine; (ii) innovation and the development of advanced therapies for diseases, such as diabetes, neurodegenerative diseases and amyotrophic lateral sclerosis; (iii) to develop a National Digital Health System, with an integrated database with data originating from various sources to improve prevention, diagnosis, treatment, rehabilitation and research; (iv) to enhance primary health care through digital transformation, with the application of advanced technology for all activities involving citizenship and resource management anywhere in the country and in all areas of care.

#### 2. AGRIFOOD PERTE:

The Council of Ministers Decision approving this PERTE was adopted on 8 February 2022. The Order with the Council of Ministers Decision was published in the Spanish Official Gazette 35, of 10 February 2022 (point vi) of the evidence provided).

The objectives of this PERTE are detailed in page 3 of point vi) of the evidence. As explained in more detail in page 34 and following of point vii) of the evidence provided, this PERTE seeks to strengthen the agri-food chain by providing it with the tools needed to address environmental, digital, social and economic challenges. There are three main lines of action in the PERTE: (i) a package for the agri-food industry to strengthen its competitiveness, sustainability and traceability of food production; (ii) measures to support the digitisation of all actors in its value chain (farmers and their cooperatives, small and medium-sized enterprises producing, processing and marketing), and (iii) measures to support innovation and research to enhance competitiveness.

#### 3. NAVAL PERTE:

The Council of Ministers Decision approving this PERTE was adopted on 15 March 2022. The Council of Ministers Decision was not published on the Spanish Official Gazette, but the document has been made public in the government websites and the Spanish authorities have provided a certification of its adoption by the Minister of Presidency in point x) of the evidence.

As explained in page 4 of point x) of the evidence provided, the NAVAL PERTE aims to boost application technologies in the naval sector in order to improve its competitiveness and to reinforce strategic autonomy. This is done through diversification towards renewables, digitisation, and environmental sustainability, as well as through the through upskilling of those working in the sector. Pages 24 and 25 of the descriptive report in point xi) of the evidence provided also details out the objectives of the PERTE.

#### 4. INDUSTRIAL DECARBONISATION PERTE

The Council of Ministers Decision approving this PERTE was adopted on 27 December 2022. The Council of Ministers Decision was not published in the Spanish Official Gazette, but the document has been made available in the government websites and the Spanish authorities have provided a certification of its adoption by the Minister of Presidency in point xiv) of the evidence.

This PERTE aims to support the decarbonisation of industrial processes. The DECARB PERTE includes transformative and enabling measures. Page 4 of point xiv) of the evidence and pages 45 and 46 of the descriptive memory in point xv) of the evidence explain the objectives of this PERTE. Pages 81 to 86 of the descriptive memory in point xv) of evidence set out the four main measures aiming at transforming the industry:

- A. Comprehensive policy aid line for the decarbonisation of the manufacturing.
- B. Aid line authorised by the European Commission to undertakings manufacturers participating in the Important Project of Common Interest European (hereinafter IPCEI), on the hydrogen industrial chain of renewable origin, under the Guidelines on climate, environmental protection and energy 2022.
- C. Study and evaluation of the development of a Contract Support Fund due to carbon differences and implementation of a pilot project.
- D. Support for the development of new highly energy efficient and decarbonised manufacturing facilities.

#### 5. PERTE on MICROELECTRONICS AND SEMICONDUCTORS (PERTE CHIP):

This PERTE for semiconductors was approved by the Council of Ministers on 24 May 2022. The Council of Ministers Decision was not published in the Spanish Official Gazette, but the document has been made available in the government websites and the Spanish authorities have provided a certification of its adoption by the Minister of Presidency in point xvi) of the evidence provided.

Pages 17 and following of the descriptive memory in point xvii) of the evidence provided describes the four main lines of action of this PERTE:

- i. strengthening scientific capacity, with actions to strengthen R&D&I on cutting-edge microprocessors and alternative architectures and integrated photonics, develop quantum chips and participate in Important Projects of Common European Interest in Microelectronics and Communication Technologies (IPCEI ME-TC).

- ii. enhancing Spanish capacity in the design of cutting-edge microprocessors through the creation of fabless companies, test pilot lines and semiconductor skills networks.
- iii. the construction of manufacturing plants in Spain with capacity for both more and less than 5 nanometers.
- iv. fostering the ICT manufacturing industry through an incentive scheme and the creation of a chip fund.

Furthermore, in line with the description of the measure, the descriptive memories for all these five PERTEs in points iii), vii), xi), xvi), xvii) of the evidence provided show how each of them **encompasses the whole value chain in the relevant sector, and including support for SMEs**. For the HEALTH PERTE, this information is found in Section 6 and 8 of point iii) of evidence, where details can be found on the role of SMEs in the sector and how investment lines benefit them. For the AGRIFOOD PERTE, Section 3 and 5 of point vii) of the evidence contain evidence on the role of SMEs in the sector and the way in which investment measures can benefit them, including the minimum share of SMEs that should take part in applications under the main investment line. For the Naval PERTE, in Sections 6, 7, 8 and 9 of point xi) of evidence. For the DECARB PERTE, Sections 7, 8 and 9 of point xv) of the evidence provide details on the role of SMEs in this sector and how investment lines can benefit them. For the CHIP PERTE, details on how the different investment lines benefit SMEs can be found in Sections 1, 2 and 3 of point xvii) of the evidence.

**Total allocation of at least EUR 800 000 000 of budget in aid (to the Strategic Projects).**

The total budget allocated in the Council of Ministers Decisions approving these five PERTEs outlined above amounts to EUR 1 030 000 000, meaning that the requirement in the milestone of at least EUR 800 000 00 in aid is met.

The **Health PERTE** includes many different sub-measures, which are described in pages 56 and following of the descriptive memory (point iii) of the evidence provided). Page 6 of the Council of Ministers Decision in point ii) of the evidence specifies that a public contribution of EUR 982.44 million will be assigned to this PERTE. Pages 4 and 7 of the summary document in point i) of the evidence provided clarifies that the budget allocated to this PERTE that Spain has taken into account for the purpose of compliance with milestone 183 is the one related to the sub-measure that supports the transformation of the industrial sector managed by the Ministry of Industry, Commerce and Tourism (MINCOTUR). Page 46 of the descriptive memory in point iii) of the evidence provided explains that EUR 100 000 000 have been allocated to the MINCOTUR call “to support industrial innovation and sustainability projects in processes and products in the pharmaceutical and health products sector.” Of these EUR 100 000 000 allocation, EUR 50 000 000 are in the form of a subsidy, as indicated on page 73 of the descriptive memory, point 8.5.1 in point iii) of the evidence provided.

The **Agri-food PERTE** includes many different sub-measures. Page 7 of the Council of Ministers Decision in point vi) of evidence specifies the total budget assigned to this PERTE (EUR 1 002 910 000) and to each of the main three lines. The Spanish authorities have clarified in page 7 of the summary document in point i) of the evidence that the only budget allocated to this PERTE that is taken into account for the purpose of compliance with milestone 183 is the one related to sub-measures related to the transformation of the industrial sector managed by the Ministry of Industry, Commerce and Tourism (MINCOTUR). Page 69 of the descriptive report in point vii) of the evidence indicates that EUR 150 000 000 would be devoted to this line.

Page 6 of the Council of Ministers Decision in point ix) of the evidence provided specifies that a public contribution of EUR 310 000 000 will be devoted to the **Naval PERTE**. The Naval PERTE includes many

different sub-measures, many of which are unrelated to this milestone. Pages 5 and 7 of the summary document explaining compliance with this milestone in point i) of evidence specify that, for that purpose, the budget allocated to this PERTE that is taken into account is the one related to sub-measures related to the transformation of the naval industrial sector managed by the Ministry of Industry, Commerce and Tourism (MINCOTUR). Page 53 of the descriptive memory provided as point x) indicates that EUR 75 000 000 in grants would be allocated to this measure.

As regards the **DECARB PERTE**, page 6 of the Council of Ministers Decision in point xiv) of evidence lays down that the public investment in this PERTE will amount to EUR 3 100 000 000. Page 68 of the descriptive memory in point xv) of the evidence provided specified to which milestones and targets each of these sub-measures were initially considered to contribute. Page 19 and 20 of point xv) of the evidence specifies the initial budget initially foreseen for each sub-measure. Page 84 of the descriptive memory in point xv) of evidence specifies that line 2, which grants support to Hydrogen IPCEI participants whose projects are assessed under the Guidelines on State aid for climate, environmental protection and energy 2022 (CEEAG guidelines), has a budget of EUR 450 000 000 in grants. Pages 6 and 7 of point i) of the evidence specify that the only sub-measure in this PERTE relevant for Component 12 is line 2 as the other lines fall into the REPowerEU component under Component 31 of the Plan.

As regards the **PERTE CHIP**, page 8 of the Council of Ministers Decision in point xvi) of the evidence provided specifies that the budget devoted to the CHIP PERTE would amount to EUR 12 250 000 000 until 2027. It also specifies that the main source of funding will come from the revised Recovery and Resilience Plan of Spain and that the details were subject to discussions that would take place therein. The implementation of this PERTE would be done through different management tools, such as grants, capital injections, contracts, assignments and other forms of public-private partnerships.

The CHIP PERTE includes many different sub-measures, some of which are not related to this milestone. Page 7 of the summary document in point i) of the evidence specifies that the budget allocated to this PERTE that is taken into account for that purpose is the one related to sub-measures related to the transformation of the industrial sector. Component 12, Investment 2 will finance the Important Project of Common European Interest (IPCEI) on Microelectronics and Communication Technologies, one of the main tools to boost semiconductors in the EU. Page 21 of the descriptive memory in point xvii) of the evidence provided specifies that the PERTE includes support in the form of grants for EUR 125 000 000 for lines on industry that are part of investment 2 in Component 12 of the Plan. The PERTE aims to strengthen the design and production capacities of the microelectronics and semiconductors industry in Spain from a comprehensive perspective and to foster EU and national strategic autonomy in this sector.

Strategic Project	Sub-measure	Budget allocated for support in the form of grants (in EUR million)
Health	Descriptive report for PERTE (point iii) of evidence)	50 000 000
Agrifood	Descriptive report of AGRIFOOD PERTE (point vii) of evidence)	150 000 000
Naval	Descriptive memory of the NAVAL PERTE (point xi) of evidence)	75 000 000
Decarbonisation	Descriptive memory of the DECARB PERTE (point xv) of evidence)	450 000 000

Semiconductors/Chip	Descriptive memory of the CHIP PERTE (point xvii of evidence)	125 000 000
<b>Total budget allocated in Council of Ministers decisions and descriptive memories</b>		1 030 000 000

**The PERTE approval decision shall contain detailed selection criteria to ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. Furthermore, the description of the measure specifies the Council of Ministers decision approving the PERTE shall contain detailed selection criteria to ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01). In order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use<sup>11</sup> (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks<sup>12</sup>; (iii) indirect ETS costs compensation; (iv) activities related to waste landfills, incinerators<sup>13</sup> and mechanical biological treatment plants<sup>14</sup>; and (v) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected. The following R&D&I actions under this investment shall be considered compliant with the ‘Do no significant harm’ Technical Guidance (2021/C58/01): R&D&I actions under this investment devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector.**

All the Council of Ministers Decisions approving a PERTE or the descriptive reports of the Annexes contain detailed selection criteria to ensure that measures therein comply with the Technical Guidance on the application of the ‘do no significant harm’ principle’ (OJ C 58, 18.2.2021, p. 1), through the use of an exclusion list and the requirement to comply with relevant EU and national environmental legislation, as shown in points ii), iii), v), vi), vii), ix), x), xi), xii), xiv), xvi), xvii) and xviii) of the evidence provided.

<sup>11</sup> Except for (a) projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation

<sup>12</sup> Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

<sup>13</sup> This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level

<sup>14</sup> This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

In particular, the eligibility criteria contained in terms of reference for upcoming calls for projects excludes the following list of activities: (i) activities related to fossil fuels, including downstream use<sup>15</sup> (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks [17 and mechanical biological treatment plants<sup>18</sup>; and \(v\) activities where the long-term disposal of waste may cause harm to the environment:](https://euc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-US&rs=en-IE&wopisrc=https%3A%2F%2Fceuropa.eu.sharepoint.com%2Fteams%2FGRP-RRFSpainEuropeanCommission-RECOVERandECFINsharedworkspace%2F_vti_bin%2Fwopi.ashx%2Ffiles%2Fd03254ebb2e84261996c1d6c644f6e31&wdorigin=BrowserReload&wdexp=TEAMS-TREATMENT&wdhostclicktime=1714983870030&wdenableroaming=1&mssc=1&hid=D3FE25A1-C0BC-8000-BB9F-A862F103F340.0&uih=sharepointcom&wdlcid=en-US&jsapi=1&jsapiver=v2&corrid=ace09200-8001-fa12-8f1d-fc15c3f78345&usid=ace09200-8001-fa12-8f1d-fc15c3f78345&newsession=1&sftc=1&uihit=docaspx&muv=1&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc={\)

HEALTH PERTE: Page 7 of the Council of Ministers Decision approving the PERTE in point ii) of the evidence provided and Section 10.3 of its descriptive memory in point iii) of the evidence provided indicate that all the calls and tenders in the PERTE shall comply with the DNSH principle, as defined in the Recovery and Resilience Plan of Spain, Regulation (EU) 2021/241 of 12 February 2021 and its implementing rules, in particular the Communication from the Commission Technical guidance on the application of the ‘do no one’ principle significant harm’ principle, as well as the Council Implementing Decision on the approval of the assessment of the recovery and resilience plan of Spain and its annexes. The documents further specify that all the measures adopted in the framework of the PERTE and specified in Section 3 of the original description of Component 18 (as published by the Spanish authorities) shall comply with DNSH, in accordance with the assessment made in Section 8 of that original description. These instruments shall also provide for specific verification mechanisms to address DNSH risks specific to each investment. They also impose an obligation of the beneficiary to submit accreditation of compliance, or to make it available to the administration for a sufficient period of time. Additionally, article 3 of Order of the Ministry of Industry, Trade and Commerce of 6 May

<sup>15</sup> Except for (a) projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation

<sup>16</sup> Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

<sup>17</sup> This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level

<sup>18</sup> This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

2022 (point iii of the evidence provided) refers to Order ICT/789/2021 of 16 July (point xix of the evidence provided), laying down the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry. As stated in the Spanish law 38/2023, the regulatory basis have all the common requirements for the calls they regulate. Therefore, Order ICT/789/2021 in point xix of the evidence regulates all subsequent calls linked to the PERTE such as point iii of the evidence provided. Consequently, the call is subject to the requirements in the regulatory basis included in Order ICT/789/2021, including the DNSH requirements included in section 8(4), being the DNSH exclusion list.

- AGRIFOOD PERTE: Section III of the Council of Ministers Decision approving the Agrifood PERTE included in point vi) specifies that all the actions within the PERTE shall respect the DNSH principle, in line with the criteria detailed in the descriptive memory accompanying the Decision. Accordingly, Section 10.5 of its descriptive memory in point vii) of the evidence provided explains that non-compliant actions with the DNSH principle are excluded, and in particular, actions falling under the exclusion list of activities in line with the CID Annex are excluded. In addition, the Order ICT/738/2022, of 28 July 2022 (point viii) of the evidence provided by the Spanish authorities), specifies in Article 15(1) that the activities falling under the DNSH exclusion list are excluded from eligibility. Complementarily, Order ICT/1307/2022, of 22 December 2022 amending Order ICT/738/2022, of 28 July 2022 (point ix of evidence) establishes in Article 19(a) the DNSH principle as an eligibility criteria. This is further shown in section A.3 of Annex VI, where it is clearly stated that compliance with the DNSH principle is an excluding criteria for primary projects. Additionally, Article 18(c)(5) and 21(3) require the accreditation of compliance with the DNSH principle through the submission of a report issued by an accredited certification entity for primary projects.
- NAVAL PERTE: Section IV of the Council of Ministers Decision approving the Naval PERTE in point x) of the evidence provided specifies that all the actions within the PERTE shall respect the DNSH principle, in line with the criteria detailed in the descriptive memory accompanying the Decision included as point xi) of the evidence. Accordingly, Section 12.5 of the descriptive memory of the Naval PERTE in point xi) of the evidence provided explains that that non-compliant actions with the DNSH principle are excluded, and in particular, actions falling under the exclusion list of activities in line with the CID Annex are excluded, and pages 83 to 89 detail how the principle is to be applied to the industrial sector transformation lines. Page 81 of the descriptive memory in point xi) also provides details of DNSH specifications for lines of action not falling within Component 12, investment 2 of the RRP, and which are thus not relevant for the purpose of compliance with milestone 183. In addition, page 89 and Subsection 12.5.2 of the descriptive memory of the Naval PERTE in point xi) of the evidence explain that for actions related to the naval industry, applicants shall be obliged to carry out and submit a substantive DNSH compliance assessment for each of the projects applying for industrial support measures, including R&D&I. The accreditation of such compliance through the submission of a report issued by an accredited certification entity shall be required before the aid is granted. The managing authority may require additional evidence from external accredited experts in order to verify this compliance. The DNSH compliance assessment shall be carried out following the guidelines and templates set out in the Communication of the European Commission (2021/C 58/01) concerning the Technical Guide to the application of the 'do no significant harm' principle under the Regulation on the Recovery and Resilience Facility, and in the form to be specified in the corresponding calls. To illustrate this, Order ICT/739/2022, of 28 July 2022 (point xiii) of the evidence provided by the Spanish authorities), specifies in article 12(4) that the activities falling under the DNSH exclusion list are excluded from eligibility. Complementarily, Order ICT/1307/2022, of 22 December 2022 amending Order ICT/739/2022, of 28 July 2022, in point xii) of evidence, establishes in Article 16(5) the DNSH principle as an eligibility criteria. Additionally, Article 18(2) requires the accreditation

of compliance with the DNSH principle through the submission of a report issued by an accredited certification entity for primary projects.

- DECARB PERTE: Section IV in page 5 of the Council of Ministers Decision approving the DECARB PERTE included in point xiv) of the evidence specifies that all the actions within the PERTE shall respect the DNSH principle, in line with the criteria detailed in the descriptive memory accompanying the Decision. Section 12.5 in page 111 and following of the descriptive memory of the DECARB PERTE included in point xv) of the evidence explains that that non-compliant actions with the DNSH principle are excluded, and in particular, actions falling under the exclusion list of activities in line with the CID Annex are excluded. The article also details how the principle is to be applied to the industrial sector transformation lines, including R&D&I. Applicants to the different lines of action shall be obliged to carry out and submit a substantive DNSH compliance assessment for each of the projects applying for industrial support measures, including R&D&I. The accreditation of such compliance through the submission of a report issued by an accredited certification entity shall be required before the aid is granted.
- CHIP PERTE: Section V, page 7, of the Council of Ministers Decision approving the CHIP PERTE included in point xvi) of the evidence specifies that all the actions within the PERTE respect the DNSH principle. In addition, Section 7.1.1 of the descriptive memory of the CHIP PERTE included in point xvii) of the evidence details the specific reasons why measures adopted within the CHIP PERTE shall comply with DNSH. The requirements to comply with the DNSH principle as per the CID annex are included in the calls. For example, Article 6 (2) of Order ITU/1374/2023, of 22 December 2023 (point xviii) of the evidence provided) states that the activities falling under the exclusion list as per the CID annex are not eligible.

Finally, for all PERTEs mentioned above, the Council Implementing Decision states in footnote 36 that activities related to fossil fuels, including downstream use are excluded except for (a) projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

Point (b) of footnote 36 has not been included in the descriptive memory of the PERTES neither in the different calls for projects mentioned above, as the documents were issued prior to the approval of the revision of the Annex to the Council Implementing Decision for Spain on 17 October 2023.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, point (b) in footnote 36 was included in the amending implementing decision to clarify the alternative use of fossil fuels by ETS installations (point ii of the DNSH exclusion list). The evidence provided by the authorities demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. In particular, the Spanish Authorities have reviewed the projects against the requirements included in point (b) of footnote 36 as per the guidance on the application of the DNSH principle (case 3 and case 4 of evidence xxxvi under milestone 184).

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that this milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.**



- PERTE HEALTH: page 7 of point ii) of the evidence provided and Section 10.3) of point iii) of the evidence provided specify that all the measures adopted in the context of the PERTE shall comply with the relevant EU and national environmental legislation, as also set out in the original description of Component 18 published by the Spanish authorities (Section 6) and in the Annex to the CID. Additionally, Article 8(4) of Order ICT/789/2021 (point xix of the evidence provided) also requires that only activities compliant with the EU and national environmental legislation can be eligible.
- AGRIFOOD PERTE: Section 10.5 of its descriptive memory in point vi) of the evidence provided requires that only activities compliant with the EU and national environmental legislation are eligible. In addition, Order ICT/738/2022, of 28 July 2022 (point viii) of the evidence provided by the Spanish authorities), specifies in Article 15(1) that only those activities complying with the national and EU environmental legislation can be selected.
- NAVAL PERTE: Section 12.5 of the descriptive memory of the Naval PERTE in point x) of the evidence provided requires that only activities compliant with the EU and national environmental legislation are eligible. To illustrate this, Order ICT/739/2022, of 28 July 2022 (point xii) of the evidence provided by the Spanish authorities), specifies in article 12(4) that only those activities complying with the national and EU environmental legislation can be selected.
- DECARB PERTE: Section 12.5 in page 111 and following of the descriptive memory of the DECARB PERTE included in point xv) of the evidence explains that only activities compliant with the EU and national environmental legislation are eligible.
- CHIP PERTE: Section 7.1.1 of the descriptive memory of the CHIP PERTE included in point xvii) of the evidence requires that only those activities compliant with EU and national environmental legislation are eligible. Additionally, Article 6 (2) of Order ITU/1374/2023, of 22 December 2023 (in point xviii) states that only those activities complying with the national and EU environmental legislation can be selected.

**The following R&D&I actions under this investment shall be considered compliant with the ‘Do no significant harm’ Technical Guidance (2021/C58/01): R&D&I actions under this investment devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector.**

- HEALTH PERTE: Article 6(1) of Order ICT/789/2021 (point xix of the evidence provided) also states that R&D&I projects are compliant with the DNSH Technical Guidance only if they are investments devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector.
- AGRIFOOD PERTE: Order ICT/738/2022, of 28 July 2022 (point vii) of the evidence provided by the Spanish authorities), specifies in Article 15(2) explains that for those primary projects under the R&D&I line are compliant with the DNSH Technical Guidance only if they are investments devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector.
- NAVAL PERTE: Order ICT/739/2022, of 28 July 2022 (point xii) of the evidence provided by the Spanish authorities), specifies Article 12(5) that for R&D&I projects are compliant with the DNSH Technical Guidance only if they are investments devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution

and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector, in line with the measure description.

- DECARB PERTE: Section 12.5 in page 111 and following of the descriptive memory of the DECARB PERTE included in point xv) of the evidence details how the principle is to be applied to the industrial sector transformation lines, including R&D&I. Applicants to the different lines of action shall be obliged to carry out and submit a substantive DNSH compliance assessment for each of the projects applying for industrial support measures, including R&D&I.
- CHIP PERTE: Article 6 (2) of Order ITU/1374/2023, of 22 December 2023 (point xviii of the evidence provided) states that only R&D&I projects are compliant with the DNSH Technical Guidance only if they are investments devoted to substantially increasing the environmental sustainability of companies (such as decarbonisation, reduction of pollution and the circular economy) if the primary focus of the R&D&I actions under this investment is on developing or adapting alternatives with the lowest possible environmental impacts in the sector, in line with the measure description.

**The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.**

The selection criteria contained in the Council of Ministers Decisions approving the abovementioned PERTEs and their descriptive memories further reflect the requirements of the intervention areas applicable to climate change objectives, in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. In addition, these criteria are also set out in the regulatory bases and calls for applications for the various PERTEs. The references provided therein show compliance with this requirement of the milestone.

- i. Health PERTE: Page 91 in Section 10.3 of the descriptive memory of the Health PERTE (contribution to the objectives of the RRP and compliance with the principles of the RRF) included in point iii) of the evidence provided. The contribution to the climate tagging is further specified in Order ICT/309/2022 of 31 March (point xx of the evidence provided) amending Order ICT/789/2021 of 16 July 2021 (point xix of the evidence provided). Order ICT/309/2022 specifies that the investments under this PERTE fall under intervention fields 022, 023 and 024 of Annex VI of the RRF regulation.
- ii. AGRI-FOOD PERTE: Section III of the Council Decision approving the PERTE included in point vi) of the evidence and Sections 10.1 and 10.5 of the descriptive memory of the Agri-Food PERTE (Requirements of the Recovery and Resilience Facility) in point vii) of the evidence provided refer to green and climate labelling requirements and to compliance with the DNSH. In addition, article 20.3 of Order ICT/738/2022 of 28 July establishes that primary projects should contribute to the climate transition with at least 40%, through compliance with at least one of the following intervention fields: 022, 023, 024 or 024bis, as defined in Annex VI of the RRF Regulation.
- iii. NAVAL PERTE: Section IV of the Council Decision approving the PERTE included in point x) of the evidence and Sections 12.1, 12.2 and 12.5 of the descriptive memory of the Naval PERTE included in point xi) of the evidence refer to green and climate and digital labelling requirements and to compliance with the DNSH, respectively. Furthermore, Section 9 of point xi) of the evidence sets out the requirements that have to be met by entities interested in taking part in the Naval PERTE, with detailed

	<p>selection criteria. Additionally, Order ICT/1306/2022 of 21 December (point xi of the evidence provided), states in Article 4 that during the evaluation phase, projects will be assessed according to their alignment with one of the following intervention fields 022, 023, 024 or 024bis, as defined in Annex VI of the RRF Regulation.</p> <p>iv. DECARB PERTE: Section IV of the Council Decision approving the PERTE included in point xiv) of the evidence provided and Sections 12.1 and 12.5 of the descriptive memory of the Industrial Decarbonisation PERTE included in point xv) of the evidence provided refer to green and climate labelling requirements. In particular, it states that projects financed under PERTE Decarb should be aligned with at least one of the following intervention fields 022, 023, 024 or 024bis, as defined in Annex VI of the RRF Regulation.</p>
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled	

<b>Number:</b> T184	T184 - C12.I2 - Programme to boost competitiveness and industrial sustainability		
<b>Name of the Target:</b> Innovative projects for the transformation of industry in terms of energy efficiency, sustainability and digitalisation			
<b>Quantitative Indicator:</b> 78	<b>Baseline:</b> 0	<b>Target:</b> 184	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>Target 184 is part of investment C12.I2, which aims at promoting the transformation of key strategic sectors for the industrial transition of Spain, such as the automotive and electric vehicles, the agrifood, health, the aeronautical and naval sectors, industrial sectors linked to renewable energies and in capabilities for the design and production of processors and semiconductor technologies. The measure foresees that at least three major strategic projects shall be supported under this action (so called “PERTEs”), encompassing the whole value chain in the relevant sector, and including support for SMEs. Beyond PERTEs, the investment measure shall also finance projects of a smaller scale, such as industrial simulation, advanced materials, virtual reality and collaborative and cognitive robotics. The measure shall further support sustainable industrial infrastructures, such as industrial parks or logistics areas.</p> <p>Target 184 requires the award of at least EUR 1 200 000 000 by the Minister of Industry to at least 78 innovative projects, including those linked to approved PERTEs (at least 3), that involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation. Target 184 requires that the selection of projects further to a call published in OJ and based on selection criteria for compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI of the Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.</p> <p>Target 184 is the fourth step of the implementation of the investment C12.I2. It follows milestone 181, which related to the approval by the Council of Ministers of the Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility by Q2 2020 and was positively assessed in the context of the first RRF payment request by Spain. It is accompanied by milestones 182 and 183 in this payment request, which jointly relate to the approval of at least three strategic PERTE</p>			

by the Council of Ministers. The approval of a PERTE under milestone 182 relates to the strategic area of the value chain of electric and connected vehicles. The other PERTEs under milestone 183 relate to two other key strategic areas such as agri-food, health, the aeronautical and naval sectors, and industrial sectors linked to renewable energies, and in capabilities for the design and production of processors and semiconductor technologies. There are three targets related to this measure. Target 184 will be followed by target 185, which is related to the budget execution of at least EUR 2 531 500 000 mobilised in at least 210 innovative projects, including those linked to approved PERTEs (at least three), that involve a real transformation of industry in terms of energy efficiency, sustainability and digital transformation, in compliance with the 'Do no significant harm' Technical Guidance, and by target 186, which relates to the completion of at least 210 innovative projects. The investment has a final expected date for implementation by 30 June 2026.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

**ELECTRIC AND CONNECTED VEHICLES PERTE (PERTE VEC)**

- i. Summary fiche justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision Annex) was satisfactorily fulfilled
- ii. Order ICT/1466/2021, of 23 December, establishing the regulatory basis for granting aid for comprehensive actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector (PERTE VEC), as part of the Recovery and Resilience Plan of Spain, which was published in the Spanish Official Gazette 311, of 28 December 2021:  
Link: <https://www.boe.es/eli/es/o/2021/12/23/ict1466>
- iii. Order ICT/209/2022, of 17 March, launching the call for applications for 2022 and amending Order ICT/1466/2021 of 23 December laying down the regulatory bases for granting aid for comprehensive actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and Transformation in the Electrical and Connected Vehicle Sector (PERTE VEC), as part of the Recovery, Transformation and Resilience Plan, which was published in the Spanish Official Gazette 66, of 18 March 2022:  
Link: <https://www.boe.es/eli/es/o/2022/03/17/ict209>
- iv. Order ICT/359/2022, of 25 April, amending Order ICT/1466/2021, of 23 December, establishing the regulatory bases for granting aid for integral actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and Transformation in the Electrical and Connected Vehicle Sector (PERTE VEC), as part of the Recovery and Resilience Plan of Spain; and Order ICT/209/2022 of 17 March launching its call for applications for 2022, which was published in the Spanish Official Gazette 100, of 29 April 2022:  
Link: <https://www.boe.es/eli/es/o/2022/04/25/ict359>
- v. Award resolution for the integrated electric vehicle chain PERTE – 2022  
Link: <https://www.mincotur.gob.es/PortalAyudas/PERTE-VEC/Concesion/2022/Documents/Ratio%20global%20firma.pdf>

As specified in the document summarizing compliance of 12 January 2024, the Spanish authorities clarified that, as part of the inspection procedures carried out by the Secretary of

State for Industry, a possible document fraud was detected and a recovery procedure of EUR 19 990 444,5, or 90 % of the amount granted, EUR 22 211 605, was initiated for alleged fraud by the company QEV TECHNOLOGIES SL. In accordance with the Anti-Fraud Measures Plan of the Ministry of Industry and Tourism, an Anti-Fraud Committee was held to deal with the matter and the corresponding steps have been taken to establish whether or not such fraud exists. However, without prejudice to the absence at this stage of a definitive administrative act annulling the concession, as a preventive measure, the amount corresponding to the total grant awarded is deducted from the total amount attributable to the objective. In addition, the number of innovative projects has been amended. For the number of projects only three of the projects were counted as one project is training and is therefore not considered innovative. These projects are deducted from the calculation in point xxxviii) of the evidence provided (Anexo 30).

- vi. Change of name and replacement in Award by Stellantis (Anexo 5)
- vii. Order ICT/736/2023, of 5 July, establishing the regulatory basis for granting aid for projects to boost the value chain of electric and connected vehicles as part of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector, as part of the Recovery and Resilience Plan of Spain, and the 2023 call for support to electric vehicle battery production projects, which was published in the Spanish Official Gazette 161, of 7 July 2023:  
Link: <https://www.boe.es/eli/es/o/2023/07/05/ict736>
- viii. Extract from Order ICT/736/2023 of 5 July establishing the regulatory bases for granting aid for projects in the value chain of electric and connected vehicles as part of the Strategic Project for Economic Recovery and Transformation in the electric and connected vehicle sector, as part of the Recovery, Transformation and Resilience Plan in point vii) above, and the call for aid for 2023 electric vehicle battery production projects.  
Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2023-21534](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2023-21534)
- ix. Order ICT/791/2023, of 13 July, amending and correcting errors in Order ICT/736/2023 of 5 July establishing the regulatory basis for granting aid for projects to boost the value chain of electric and connected vehicles as part of the Strategic Project for Economic Recovery and Transformation in the Electrical and Connected Vehicle Sector, as part of the Recovery, Transformation and Resilience Plan, and the call for aid for 2023 electric vehicle battery production projects, which was published in the Spanish Official Journal 168 of 15 July 2023:  
Link: <https://www.boe.es/eli/es/o/2023/07/13/ict791>
- x. Publication of the decision granting aid for electric vehicle battery production projects (PERTE VEC – SECTION A) under the Recovery and Resilience Plan of Spain in 2023, call for applications of 5 July 2023.  
Link: [Resolución Concesión Estimadas Baterías Envío 4 \(mintur.gob.es\)](https://www.mintur.gob.es/Resolucion-Concesion-Estimadas-Baterias-Envio-4)

#### HEALTH PERTE

- xi. Order ICT/789/2021, of 16 July, laying down the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, which was published in the Spanish Official Gazette 175, of 23 July 2021, which was published in the Spanish Official Gazette 175, of 23 July 2021:  
Link: <https://www.boe.es/eli/es/o/2021/07/16/ict789/con>
- xii. Order ICT/309/2022, of 31 March, amending Order ICT/789/2021 of 16 July laying down the regulatory bases for granting aid for innovation and sustainability plans in manufacturing

industry, as part of the Recovery, Transformation and Resilience Plan, which was published in the Spanish Official Gazette 87, of 12 April 2021.

Link: <https://www.boe.es/eli/es/o/2022/03/31/ict309>

- xiii. Extract from the Order of 6 May 2022, launching the call for aid for strategic projects for the industrial transition of the pharmaceutical sector and the medical devices sector, under the Health PERTE, as part of the Recovery and Resilience Plan of Spain in 2022

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2022-14280](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2022-14280)

- xiv. Decision to award grants under the call for support to strategic projects for the industrial transition of the pharmaceutical sector and the medical devices sector, under the Health PERTE, as part of the Recovery and Resilience Plan of Spain in 2022 – governed by the Order of the Ministry of Industry, Trade and Tourism of 6 May 2022

Link: [https://www.mincotur.gob.es/PortalAyudas/IDI-Farma/Concesion/2022/Documents/Resolucion\\_general\\_concesion\\_FAR%202022\\_f.pdf](https://www.mincotur.gob.es/PortalAyudas/IDI-Farma/Concesion/2022/Documents/Resolucion_general_concesion_FAR%202022_f.pdf)

- xv. Withdrawal of support application further to the award by FARMA

- xvi. Extract from the order of 22 May 2023 launching the call for the award of aid for strategic projects for the industrial transition of the pharmaceutical sector and the medical devices sector in 2023.

Link: <https://www.boe.es/buscar/doc.php?id=BOE-B-2023-15516>

- xvii. Award resolution to grant aid for strategic projects for the industrial transition of the pharmaceutical sector and the medical devices sector under the Health PERTE (IDI FARMA)-2023 Call

Link: [Resolution Conv FAR 2023 V2 \(mincotur.gob.es\)](https://www.mincotur.gob.es/PortalAyudas/IDI-Farma/Concesion/2023/Documents/Resolucion_Conv_FAR_2023_V2.pdf)

#### **ACTIVA FINANCIACIÓN**

- xviii. Order ICT/713/2021 of 29 June laying down the regulatory bases for granting aid for R&D&I projects in connected industry 4.0. (Activa\_Financiacion), which was published in the Spanish Official Gazette 160, of 6 July 2021:

Link: <https://www.boe.es/eli/es/o/2021/06/29/ict713>

- xix. Order ICT/235/2022, of 23 March, amending Order ICT/713/2021 of 29 June establishing the regulatory bases for granting aid to R&D&I projects in connected industry 4.0 (Activa\_Financiacion), which was published in the Spanish Official Gazette 74, of 28 March 2022:

Link: <https://www.boe.es/eli/es/o/2022/03/23/ict235>

- xx. Extract from the Order of 31 July 2021 launching the call for the award of aid for research, development and innovation projects in the field of connected industry 4.0. (Activa\_Financiacion) in 2021.

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2021-34982](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2021-34982)

- xxi. Rectification of errors in the decision to grant aid 'call for projects for R&D&I Connected Industry 4.0 (ACTIVA Financiacion) – 2021

Link:

[https://www.mincotur.gob.es/PortalAyudas/IndustriaConectada/Concesion/2021/Documents/Rectificacion\\_Errores\\_Resolution%20Concesion\\_IC4-2021\\_mas\\_Anexos.pdf](https://www.mincotur.gob.es/PortalAyudas/IndustriaConectada/Concesion/2021/Documents/Rectificacion_Errores_Resolution%20Concesion_IC4-2021_mas_Anexos.pdf)

- xxii. Extract from the Order of 12 April 2022 launching the call for the award of aid for research, development and innovation projects in the field of connected industry 4.0. (Activa\_Financiacion) under the Recovery, Transformation and Resilience Plan in 2022.

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2022-11768](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2022-11768)

- xxiii. Award resolution for call for projects in R&D&I 4.0 (ACTIVA-Financiacion) – 2022

Link:

[https://www.mincotur.gob.es/PortalAyudas/IndustriaConectada/Concesion/2022/Documents/Resolucion\\_concesion\\_global\\_firma.pdf](https://www.mincotur.gob.es/PortalAyudas/IndustriaConectada/Concesion/2022/Documents/Resolucion_concesion_global_firma.pdf)

xxiv. Extract from the Order of 16 May 2023 launching the call for the award of aid for research, development and innovation projects in the field of connected industry 4.0.

(Activa\_Financiacion) under the Recovery and Resilience Plan of Spain in 2023

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2023-14654](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2023-14654)

xxv. Award resolution for the call INDUSTRY 4.0 (ACTIVA\_Financiacion) – 2023.

Link: [Resolution IC4 2023-FIRMADA \(mincotur.gob.es\)](https://www.mincotur.gob.es/PortalAyudas/ayudas-IDI/concesion/2023/Documents/Resolucion_IC4_2023-FIRMADA)

#### **IDI MANUFACTURERA**

xxvi. Order ICT/309/2022, of 31 March, amending Order ICT/789/2021, of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, as part of the Recovery and Resilience Plan of Spain, which was published in the Spanish Official Gazette 87, of 12 April 2022

Link: <https://www.boe.es/eli/es/o/2022/03/31/ict309>

xxvii. Extract from the Order of 28 April 2022 launching the call for the award of aid for innovation and sustainability schemes in the field of manufacturing industry under the Recovery, Transformation and Resilience Plan in 2022

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2022-13208](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2022-13208)

xxviii. Award decision for innovation and sustainability schemes in the field of the manufacturing industry under the Recovery and Resilience Plan of Spain in 2022

Link: [https://www.mincotur.gob.es/PortalAyudas/ayudas-IDI/concesion/2022/Documents/Resolucion\\_conesion\\_IDI\\_2022.firmada.pdf](https://www.mincotur.gob.es/PortalAyudas/ayudas-IDI/concesion/2022/Documents/Resolucion_conesion_IDI_2022.firmada.pdf)

xxix. Withdrawal of support application further to the award by ATLANTIC Copper SL (project number 41 in point xxviii of evidence).

xxx. Extract from Order of 18 May 2023, which publishes a call for grants for innovation and sustainability plans in the manufacturing industry under the Recovery and Resilience Plan in 2023,

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-B-2023-14653](https://www.boe.es/diario_boe/txt.php?id=BOE-B-2023-14653) (Anexo 41 under Spanish numbering)

xxxi. Award resolution for innovation and sustainability plans for manufacturing industry in 2023, call 18 May 2023 (Anexo 42 under Spanish numbering):

Link: [https://www.mintur.gob.es/PortalAyudas/ayudas-IDI/concesion/2023/Documents/Resolucion\\_Conv\\_IDI%202023-sin\\_ERUM\\_V2.pdf](https://www.mintur.gob.es/PortalAyudas/ayudas-IDI/concesion/2023/Documents/Resolucion_Conv_IDI%202023-sin_ERUM_V2.pdf)

#### **PERTE AGRIFOOD**

xxxii. Order ICT/738/2022, of 28 July, establishing the basis regulations for the granting of aid for strengthening measures agri-food industry as part of the Strategic Project for the Agri-food Economic Recovery and Transformation, in the framework of the Recovery, Transformation and Resilience Plan (Annex 32 for Spain), which was published in the Spanish Official Gazette 183, of 1 August 2022:

<https://www.boe.es/eli/es/o/2022/07/28/ict738>

xxxiii. Order ICT/1307/2022, of 22 December, amending the Order ICT/738/2022, of 28 July, laying down the regulatory bases for the granting of aid for measures to strengthen the industrial development of agri-food sector within the Strategic Recovery Project and Agri-food Economic Transformation, as part of the Plan for Recovery, Transformation and Resilience,

and the call for the year 2023 (Annex 33 for Spain), which was published in the Spanish Official Gazette 312, of 29 December 2022.

<https://www.boe.es/eli/es/o/2022/12/22/ict1307>

- xxxiv. Order ICT/148/2023, of 16 February, amending and correcting errors in Order ICT/1307/2022 of 22 December amending Order ICT/738/2022, of 28 July, establishing the regulatory bases for the granting of aid for actions industrial strengthening of the agri-food sector within the project Strategic for Economic Recovery and Transformation Agri-food, as part of the Recovery and Resilience Plan of Spain, and the call for applications for the year 2023 (Annex 34 for Spain), which was published in the Spanish Official Gazette 45, of 22 February 2023.

<https://www.boe.es/eli/es/o/2023/02/16/ict148>

- xxxv. Award of support for actions strengthening the agrifood sector under the Recovery and Resilience Plan, PERTE AGRIFOOD (Anexo 35 under Spanish numbering) Link:

[https://www.mintur.gob.es/PortalAyudas/PERTE-AGRO/Concesion/Documents/RESOLUCION%20GLOBAL%20PERTE%20AGRO\\_F.pdf](https://www.mintur.gob.es/PortalAyudas/PERTE-AGRO/Concesion/Documents/RESOLUCION%20GLOBAL%20PERTE%20AGRO_F.pdf)

#### **FOR ALL CALLS**

- xxxvi. Guide for the assessment of the Do No Significant Harm (DNSH) under C12.I2 in the Recovery and Resilience Plan of Spain (Anexo 29 under Spanish numbering)

Link: [https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/Documents/DNSH\\_Analisis\\_sectoros\\_industriales\\_v15.pdf](https://www.mincotur.gob.es/es-es/recuperacion-transformacion-resiliencia/Documents/DNSH_Analisis_sectoros_industriales_v15.pdf)

#### **DOCUMENTS SUMMARISING THE AWARDS AND THE CALLS**

- xxxvii. List of awards relevant for the target (Anexo 30 under Spanish numbering)

- xxxviii. Summary table showing how the selection criteria in the different calls ensure that the projects for which money has been awarded meet the CID requirements (Anexo 31 under Spanish numbering)

The authorities also provided these clarifications:

- xxxix. Note: Anexo\_22\_184\_C12\_I2\_MINCOTUR\_PROYECTOS\_CID-OA\_SP4, which was used to justify the award of EUR 551 575 733,44 in 420 innovative projects at the end of November 2023. Anexo 22\_184\_C12\_I2\_MINCOTUR\_PROYECTOS\_CID-OA\_SP4 for traceability purposes is maintained in the COFFEE application as justification for the progress of indicators.

#### **DOCUMENTS RELATED TO STATE AID COMPLIANCE**

- xl. State aid decision by the European Commission of support granted by the strategic project of 9 December 2021 – Spain RRF - Integrated aid measures to support the electric and connected vehicle value chain (hereafter, Strategic Project for the Recovery and Economic Transformation for the development of the Electric and Connected Vehicle or “PERTE VEC”, in this State Aid decision referred to in English as “EVC PERTE”), (State Aid SA.64685 (2021/N)Link: [https://ec.europa.eu/competition/state\\_aid/cases1/202151/SA\\_64685\\_A080B97D-0100-C341-9649](https://ec.europa.eu/competition/state_aid/cases1/202151/SA_64685_A080B97D-0100-C341-9649).
- xli. State aid Decision SA.107094 (2023/N) – Spain RRF - TCTF: Integrated action line on the industrial value chain – Batteries of 11 May 2023. Link: SA\_107094\_90587688-0100-C6D7-ACB4-CA1BAA6A45F1\_63\_1.pdf (europa.eu).

Spain also provided the following documents related to the Naval PERTE: -

- xlii. Order ICT/1306/2022, of 21 December, which modifies Order ICT/739/2022, of 28 July, which establishes the regulatory bases for the granting of aid for actions of integration and



transformation of the industrial value chain of the naval sector, within the Naval PERTE, and with the call corresponding to the year 2023 (which was published in the Spanish Official Gazette 312 of 29 December 2022) (Anexo 10

Link: <https://www.boe.es/boe/dias/2022/12/29/pdfs/BOE-A-2022-23726.pdf>

xliii. Order ICT/739/2022, of 28 July, establishing the regulatory bases for the award of support measures to integrate and transform the industrial value chain in the sector naval, as part of the Strategic Project for Economic Recovery and Transformation for the modernisation and diversification of the Spanish naval ecosystem (PERTE NAVAL), as part of the Plan of the Recovery and Resilience Plan of Spain (which was published in the Spanish Official Gazette 183, of 1 August 2022) (Anexo 11).

Link: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-12898](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-12898)

xliv. Withdrawal of support application to PERTE VEC 2023 (batteries) by Optimized Battery Systems S.L. (VEB-010200-2023-18) (Anexo 43 under Spanish numbering)

#### Analysis:

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Award of at least EUR 1 200 000 000 by the Minister of Industry to at least 78 innovative projects, including those linked to approved PERTEs (at least 3), that involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation.**

#### **(a) award of at least EUR 1 200 000 000 by the Minister of Industry**

According to the table summarising the number of awards granted so far by the Minister of Industry that are relevant for this target (in point xxxviii of the evidence provided and in the summary document on the fulfilment of the target provided by Spain in point i) of the evidence) a total figure of EUR 1197 827 852,91 has been awarded. In agreement with the Commission, the Spanish authorities requested not to consider the project with code VEB-010100-2023-0001 which was awarded EUR 37 602 350. as per the decision award in point x) of evidence, in the preliminary assessment, following the company's announcement of its rejection of the awarded support

The Council Implementing Decision required that at least EUR 1 200 000 000 be awarded to at least 78 innovative projects. Spain has awarded EUR 1 197 827 852,91 to at least 78 innovative projects. Whilst this constitutes a minimal numerical deviation of 0.28% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

According to the table provided in page 12 and 13 of point i) of the evidence, the following calls for applications and award decisions contribute to reach the budget award target required by the CID Annex. The evidence provided in the second column below demonstrates that the budget awards in the table are correct.

Call	Evidence of award	Amount awarded in that call (in EUR)
PERTE VEC 2022	Point v) of evidence	525 978 681

Adjustment due to reimbursement procedure	Explained in point i) of evidence	- 22 211 605
<b>PERTE for Electric and Connected Vehicles or VEC (main line) - 2022</b>		<b>503 767 076,0</b>
<b>PERTE VEC Section A (line for the production of batteries) and B (chain value) - 2023</b>	<b>Point x) and xlv) of evidence</b>	<b>471 246 255,38</b>
Health PERTE 2022	Point xiv) of evidence (and withdrawal in point xv)	3 092 867
Health PERTE 2023	Point xvii) of evidence	5 268 212,3
<b>PERTE Health total</b>		<b>8 361 079,30</b>
Activa Financiación 2021	Point xxi) of evidence	1 959 441,75
Activa Financiación 2022	Point xxiii) of evidence	4 973 215
Activa Financiación 2023	Point xxv) of evidence	8 797 030,06
<b>Activa Financiación Total</b>		<b>15 729 686,81</b>
IDI 2022 call	Point xxviii) of evidence and xxix) of evidence	15 571 528,69
IDI 2023 call	Point xxxi) of evidence	21 539 312,34
<b>IDI Total</b>		<b>37 110 841,03</b>
<b>AGRIFOOD PERTE</b>	<b>Point xxxv) of evidence</b>	<b>161 612 914,39</b>
<b>Total amount awarded by 14 March 2024 (in EUR)</b>		<b>1197 827 852,91</b>

**(b) To at least 78 (innovative) projects**

The evidence provided in points i), v, x, xiv, xvii, xxi, xxiii, xxv, xxviii, xxxi and xxxv, as well as in the table provided in point xxxviii, demonstrate that more than 78 projects have already been awarded grants. In agreement with the Commission, the Spanish authorities requested not to consider the project with code VEB-010100-2023-0001 which was awarded grants in point x) of evidence, in the preliminary assessment, following the company's announcement of its rejection of the awarded support. Following dialogue with the Commission, and in light of the publicly available information on Ford's intention with regard to the PERTE VEC award, that project is not taken into consideration for the fulfilment of target 184. Budget awards have supported so far a total of 925 innovative projects.

- ✓ This figure includes 267 innovative projects from the PERTE VEC in points v) and x) of evidence, 33 projects under the HEALTH PERTE in points xiv), xv) and xvii) and 285 from the AGRIFOOD PERTE in point xxxv) of evidence.
- ✓ Projects from other investment lines are taken into account for meeting this target, such as the support line for innovation and sustainability schemes (IDI) where support has been approved for 168 innovative projects or for Activa Financing 173 projects.

Call for applications	Evidence for awards	Number of projects
PERTE VEC	Points v) and x) and xlv) of evidence	269
<b>Adjustment by recovery procedure</b>	<b>Explained in point i) of evidence</b>	— 3
<b>Total PERTE VEC after adjustment</b>		266
Health PERTE	Points xiv, xv) and xvii) of evidence	33
Agrifood PERTE	Point xxxv) of evidence	285
Activa Financiación	Points xxi, xxiii) and xv) of evidence	173
IDI	Points xxviii), xxix and xxxi)	168
<b>Total</b>		<b>925</b>

The Spanish authorities in page 4 of point i) of the evidence have explained that, although the total number of projects has been higher (1511), a number of projects have been excluded when counting compliance with “at least 78 innovative projects, including those related to approved PERTEs (at least 3), involving a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation”:

- Training projects that are necessary for the fulfilment of the project are not counted, as they are not considered to involve a substantial transformation (see point e) below).
- Certain projects which are in collaboration, even if carried out by different undertakings, in different locations are considered to be one.

**(c) Including those projects linked to approved PERTEs (at least 3)**

Evidence provided by the Spanish authorities in points v, x, xiv, xvii, xxxv, as well as in the table provided in point xxxviii, show that awards that have taken place will relate to the PERTE VEC, to the Health PERTE and to the Agrifood PERTE.

PERTEs	Evidence for award	Number of projects related to PERTEs
PERTE VEC	Points v) and x) of evidence	269
Adjustment by recovery procedure	Explained in point i) of evidence	— 3
Total PERTE VEC after adjustment		266
Health PERTE	Points xiv, xv) and xvii) of evidence	33
Agrifood PERTE	Point xxxv) of evidence	285
<b>Total of PERTEs: 3</b>		<b>584</b>

**(d) innovative projects**

The Spanish authorities have provided evidence of how the selection criteria in the different calls taken into account for the budget award target ensure that projects meet the requirement to be innovative, as shown in the summary table provided in point xxxix) of the evidence. A specific reference to each of the provisions of the calls ensures compliance with the requirement. On the basis of the evidence referred to in the second column of the table below, the selection criteria in the different calls under which budget was awarded ensure that the requirement of innovative projects is complied with.

Call	Evidence provided for call	Specific clause in the call referring to innovation
PERTE VEC - 2022	Point ii), iii), iv) of evidence	Articles 1, 8, 9 and 10 of Order ICT/1466/2021 of 23 December establishing the regulatory bases for granting aid for integral actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector (PERTE VEC), as part of the Recovery and Resilience Plan and its subsequent amendments (point ii of evidence). Article 1 of Order ICT/1466/2021 of 23 December refers to the objective of the call, namely to projects extending to the value chain of electric and connected vehicles, thus contributing by its nature to innovative ways of mobility. The other provisions in point ii) of the evidence explain the objective of both “tractor projects” (Article 8) and primary projects in the field of research and innovation or innovation in sustainability and energy efficiency (Article 9) that may be financed under the call.
PERTE VEC Section A (production of batteries for electric vehicles) and B (value chain)- 2023	Point vii), viii) and ix) of evidence	Articles 1, 8 and 11 of Order ICT/736/2023 of 5 July establishing the regulatory basis for granting aid to projects to boost the value chain of electric and connected vehicles as part of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector, in the context of the Recovery, Transformation and Resilience Plan, and the call for applications for support for projects for the production of electric vehicle batteries and for the value chain n 2023. Article 1 of Order ICT/736/2023, of 5 July, in point vii) of the evidence details the objective of the call, which is to support the production of batteries for electric vehicles and to develop the value

			chain for electric and connected vehicles, thus contributing by its nature to innovative ways of mobility. The other provisions in point vii) of evidence explain the type of projects that may be covered under each of the lines, many of which relate to new establishments or new manufacturing capacity and industrial research, development and innovation in processes, as well as innovation in sustainability and energy efficiency.
Health PERTE 2022	Point xi), xii), xiii) of evidence	Article 1, 6 and 7 of Order ICT/789/2021 of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the manufacturing industry and subsequent amendments thereto (point xi of the evidence). Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the objective of the call. Articles 6 and 7 of point xi) of evidence that may be covered, which includes research and innovation and innovation in energy efficiency and sustainability, as well as the thematic priorities of the call.	
Health PERTE 2023	Point xi and xvi) of evidence	Articles 1, 6 and 7 of Order ICT/789/2021 of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the manufacturing industry and subsequent amendments thereto, as referred to in extract from the order of 22 May 2023 launching the call for the award of aid for strategic projects for the industrial transition of the pharmaceutical sector and the medical devices sector in 2023 (points xi) and xvi) of the evidence). Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the object of the call. Articles 6 and 7 of point xi) of evidence explain the type of projects that may be covered, which includes research and innovation and innovation in energy efficiency and sustainability, as well as the thematic priorities of the call.	

	Activa Financiación 2021	Point xviii), xix) and xx) of evidence	Articles 1, 6, 7 and 8 of Order ICT/713/2021 of 29 June laying down the regulatory bases for granting aid for R & D & I projects in connected industry 4.0. (Activa_Financiacion), which was published in the Spanish Official Gazette 160, of 6 July 2021 (points xviii and xx) of evidence). Article 1 of point xviii) of evidence refers to research and innovation and innovation in processes leading to digitalisation and environmental sustainability being the objective of the call. Articles 6 and 8 of point xviii) of the evidence refer to the type of projects that may be covered and which include research and development, innovation, organisational innovation, innovation in processes and preliminary validation. Thematic areas in Article 7 of point xviii) of the evidence include artificial intelligence, interconnecting platforms, advanced data, virtual reality or robotics amongst others, which are innovative by nature.	
	Activa Financiación 2022	Point xviii), xix) and xxii) of evidence	Articles 1, 6, 7 and 8 of Order ICT/713/2021 of 29 June, as modified by Order ICT/235/2022, of 23 March, Activa_Financiacion), which was published in the Spanish Official Gazette 74, of 28 March 2022, as referred to in extract from the Order of 12 April 2022 launching the call for the award of aid for research, development and innovation projects in the field of connected industry 4.0. (Activa_Financiacion) under the Recovery, Transformation and Resilience Plan in 2022(points xviii and xxii of evidence). Article 1 of point xviii) of evidence refers to research and innovation and innovation in processes leading to digitalisation and environmental sustainability being the objective of the call. Articles 6 and 8 of point xviii) of the evidence refer to the type of projects that may be covered and which include research and development, innovation,	

			organisational innovation, innovation in processes and preliminary validation. Thematic areas in Article 7 of point xviii) of the evidence include artificial intelligence, interconnecting platforms, advanced data, virtual reality or robotics amongst others, which are innovative by nature.
Activa 2023	Financiación	Point xviii), xix) and xxiv) of evidence	Articles 1, 6, 7 and 8 of Order ICT/713/2021 of 29 June laying down the regulatory bases for granting aid for R&D&I projects in connected industry 4.0. (Activa_Financiacion), as referred to in extract from the Order of 16 May 2023 launching the call for the award of aid for research, development and innovation projects in the field of connected industry 4.0. (Activa_Financiacion) under the Recovery and Resilience Plan of Spain in 2023 (points xviii) and xxiv) of evidence). Article 1 of point xviii) of evidence refers to research and innovation and innovation in processes leading to digitalisation and environmental sustainability being the objective of the call. Articles 6 and 8 of point xviii) of the evidence refer to the type of projects that may be covered and which include research and development, innovation, organisational innovation, innovation in processes and preliminary validation. Thematic areas in Article 7 of point xviii) of the evidence include artificial intelligence, interconnecting platforms, advanced data, virtual reality or robotics amongst others, which are innovative by nature.
IDI 2022		Points xi, xxvi) and xxvii) of evidence	Article 1, 6 and 7 of Order ICT/789/2021, of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, as part of the Recovery and Resilience Plan of Spain, as amended by Order ICT/309/2022, of 31 March, (point xxvi) and xxvii) of evidence). Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the

			objective of the call. Articles 6 and 7 of point xi) of evidence explain the thematic priorities of the call and the type of projects that may be covered, which include research and development and innovation in sustainability and energy efficiency. Thematic priorities include research and innovation in circular economy and eco-innovation, innovation in decarbonisation, energy efficiency and renewables, advanced materials and innovation in quality and security
IDI 2023	Points xi, xxvi) and xxx) of evidence	Articles 1, 6 and 7 of Order ICT/789/2021, of 16 July, establishing the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, as part of the Recovery and Resilience Plan of Spain, as amended by Order ICT/309/2022, of 31 March and as referred to in extract from Order of 18 May 2023, which publishes a call for grants for innovation and sustainability plans in the manufacturing industry under the Recovery and Resilience Plan in 2023 (points xxvi and xxx of evidence) . Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the object of the call. Articles 6 and 7 of point xi) of evidence explain the thematic priorities of the call and the type of projects that may be covered, which include research and development and innovation in sustainability and energy efficiency. Thematic priorities which include research and innovation in circular economy and eco-innovation, innovation in decarbonisation, energy efficiency and renewables, advanced materials and innovation in quality and security.	
Agrifood PERTE	Points xxxii) xxxiii) and xxxiv) of evidence	Articles 1, 10, 11,12, 13 and 14 of Order ICT/738/2022 of 28 July establishing the regulatory basis for the granting of aid for measures to strengthen industry in the agri-food sector as part of the Strategic Project	



			for Agri-Food Economic Recovery and Transformation, as part of the Recovery, Transformation and Resilience Plan in point xxxii) of evidence. Article 1 of point xxxii) of the evidence refers to the objective of the call, i.e. the strengthening of the agrifood sector through its modernisation and diversification, hence by its nature requiring innovative approaches. The other provisions in point xxxii) of the evidence refer to the type of projects that may be covered and which relate to competitiveness (including artificial vision and intelligence, automatised processes and massive data collection, robotics), sustainability (including energy efficiency, resource efficiency, renewables, water reuse) and food security.
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**(e) that involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation**

The selection criteria in the different calls taken into account for the budget award target ensure that the total of projects for which budget is awarded under these calls meet the requirement to involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation, as mentioned in the table below.

<b>Call</b>	<b>Evidence provided for call</b>	<b>Specific clause in the call referring to substantial transformation</b>
PERTE VEC - 2022	Point ii), iii), iv) of evidence	Article 1 of Order ICT/1466/2021 of 23 December refers to the object of the call, projects extending to the value chain of the electric and connected vehicle. Articles 5, 8, 9 and 10 of Order ICT/1466/2021 of 23 December establishing the regulatory bases for granting aid for integral actions in the electric and connected vehicle industrial chain as part of the Strategic Project for Economic Recovery and

			Transformation in the Electric and Connected Vehicle Sector (PERTE VEC), as part of the Recovery and Resilience Plan and its subsequent amendments (point ii) of evidence. These provisions refer to the beneficiaries and type of projects covered by the call, which include research, development and innovation and innovation in environmental sustainability and in energy efficiency.
	PERTE VEC Section A (production of batteries) and B (chain value)- 2023	Point vii, viii and ix) of evidence	Article 1 of Order ICT/736/2023, of 5 July, in point vii) of evidence details the object of the call, which is to support the production of batteries for electric vehicles and to develop the value chain for electric and connected vehicles. Articles 6, 8, 9 and 11 in point vii) of evidence establishing the regulatory basis for granting aid for projects to boost the value chain of electric and connected vehicles as part of the Strategic Project for Economic Recovery and Transformation in the Electric and Connected Vehicle Sector, as part of the Recovery and Resilience Plan of Spain, and the 2023 call for support to electric vehicle battery production projects, which was published in the Spanish Official Gazette 161, of 7 July 2023 (point vii) of evidence). These provisions refer to the type of projects covered by the call, which include new facilities or additional production capacity and industrial research, development and

			innovation in processes, as well as innovation in sustainability and energy efficiency.
Health PERTE 2022	Point xi), xii), xiii) of evidence		Preamble, Article 1, 6 and 7 of Order 789/2021 in point xi) of evidence and which applies to this call as per point xii) and xiii) of evidence. Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the object of the call. Articles 6 and 7 of point xi) of evidence that may be covered and the thematic priorities of the call. The transformative effect is derived from the joint effect of many individual projects.
Health PERTE 2023	Points xi) and xvi) of evidence		Preamble, Article 1, 6 and 7 of Order 789/2021 in point xi) of evidence and which applies to these calls. Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the object of the call. Articles 6 and 7 of point xi) of evidence that may be covered and the thematic priorities of the call. The transformative effect is derived from the joint effect of many individual projects.
Activa Financiación 2021	Point xviii) and xx) of evidence		Articles 1, 6, 7 and 8 of Order ICT/713/2021 of 29 June laying down the regulatory bases for granting aid for R&D&I projects in connected industry 4.0. (Activa_Financiacion), (points xviii) and xx) of

			evidence) Article 1 of point xviii) of evidence refers to research and innovation and innovation in processes leading to digitalisation and environmental sustainability being the object of the call. Articles 6, 7 and 8 of point xviii) of evidence refer to the type of projects that may be covered.
	Activa Financiación 2022	Point xviii), xix) and xxii) of evidence	Articles 1, 6,7 and 8 of Order ICT/713/2021 of 29 June laying down the regulatory bases for granting aid for R&D&I projects in connected industry 4.0.,(Activa_Financiacion) in point xviii), which applies to this call as per point xxii) of evidence). Article 1 of point xviii) of evidence refers to research and innovation and innovation in processes leading to digitalisation and environmental sustainability being the object of the call. Articles 6, 7 and 8 of point xviii) of evidence refer to the type of projects that may be covered.
	Activa Financiación 2023	Point xviii). xix) and xxiv) of evidence	Articles 1, 6, 7 and 8 of Order ICT/713/2021 of 29 June laying down the regulatory bases for granting aid for R&D&I projects in connected industry 4.0. (Activa_Financiacion) in point xviii) of evidence, which applies to this call as per point xxiv) of evidence
	IDI 2022	Points xi), xxvi) and xxvii) of evidence	Preamble, Article 1, 6 and 7 of Order 789/2021 in point xi) of evidence and which applies to this call as per points xxvi) and xxvii) of evidence. The transformative effect is derived from the joint effect

			of many individual projects. Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the object of the call. Articles 6 and 7 of point xi) of evidence that may be covered and the thematic priorities of the call. The transformative effect is derived from the joint effect of many individual projects.
IDI 2023	Points xi) and xxx) of evidence	Preamble, Article 1, 6 and 7 of Order 789/2021 in point xi) of evidence and which applies to this call as per point xxx) of evidence. The transformative effect is derived from the joint effect of many individual projects. Article 1 of point xi) of evidence refers to innovation and sustainability in the manufacturing industry being the object of the call. Articles 6 and 7 of point xi) of evidence that may be covered and the thematic priorities of the call. The transformative effect is derived from the joint effect of many individual projects.	
Agrifood PERTE	Points xxxii) xxxiii) and xxxiv) of evidence	Articles 1, as well as Articles 10, 11, 12, 13 and 14 of Order 738/2022, in point xxxii) of evidence, which applies to this call as amended per point xxxiii) and xxxiv) of evidence. Article 1 of point xxxii) of the evidence refers to the objective of the call, the strengthening of the agrifood sector through its modernisation and diversification. The other provisions in point xxxii) of the evidence refer to the	

		type of projects that may be covered and which relate to competitiveness (including artificial vision and intelligence, automatised processes and massive data collection, robotics), sustainability (including energy efficiency, resource efficiency, renewables, water reuse) and food security.
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**Selection of projects further to a call published in OJ and based on selection criteria for compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

**(a) Selection of projects further to a call published in Official Gazette**

The Spanish authorities have provided evidence of the calls published in the Official Gazette under which the budget awards have taken place as indicated in the table below, which cross-refers to the relevant evidence. The links to the publication in the Official Gazette can be found in those cross-references.

<b>Call published in the Official Gazette</b>	<b>Evidence provided for call</b>	<b>Evidence of award further to the call</b>
PERTE VEC	Point ii), iii) and iv) of evidence	Point v) of evidence
PERTE VEC Section A	Point vii), viii) and ix) of evidence	Point x) of evidence
Health PERTE 2022	Point xi), xii), xiii) of evidence	Point xiv) of evidence (and withdrawal in point xv)
Health PERTE 2023	Point xi) and xvi) of evidence	Point xvii) of evidence
Activa Financiación 2021	Point xviii) and xx) of evidence	Point xxi) of evidence
Activa Financiación 2022	Point xix) and xxii) of evidence	Point xxiii) of evidence
Activa Financiación 2023	Point xxiv) of evidence	Point xxv) of evidence
IDI 2022	Points xxvi) and xxvii) of evidence	Point xxviii) of evidence
IDI 2023	Point xxx) of evidence	Point xxxi) of evidence
Agrifood PERTE	Points xxxii) xxxiii) and xxxiv) of evidence	Point xxxv) of evidence

**(b) Selection of projects based on selection criteria for compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

- PERTE VEC: Order ICT/1466/2021, of 23 December (point ii of the evidence provided) established the regulatory basis for granting aid under the PERTE VEC. The regulatory basis establishes in article 9(5) that projects that are not compliant with the DNSH principle and the exclusion list as per the CID annex are not eligible. The same article also requires that only those projects compliant with the EU and national environmental legislation are eligible under PERTE VEC. This regulatory basis applies to the subsequent calls published under this PERTE.
- PERTE HEALTH and IDI MANUFACTURERA: Order ICT/789/2021 of 16 July (point xi of the evidence provided), amended by ICT/309/2022, of 31 March (points xii and xxvi of the evidence provided) lay down the regulatory bases for granting aid for innovation and sustainability plans in the field of manufacturing industry, establishes in article 8(4) that projects that are not compliant with the DNSH principle and the exclusion list as per the CID annex are not eligible. The same article also requires that only those projects compliant with the EU and national environmental legislation are eligible under PERTE HEALTH and IDI Manufacturera. This regulatory basis applies to the subsequent calls published under this PERTE HEALTH and IDI Manufacturera.
- ACTIVA FINANCIACIÓN: Order ICT/713/2021 of 29 June (point xviii of the evidence provided) amended by Order ICT/235/2022 of 23 March, lay down the regulatory bases for granting aid for R & D & I projects in connected industry 4.0. (Activa\_Financiacion) establishes in Article 9(4) that projects that are not compliant with the DNSH principle and the exclusion list as per the CID annex are not eligible. The same article also requires that only those projects compliant with the EU and national environmental legislation are eligible under Activa Financiación. This regulatory basis applies to the subsequent calls published under Activa Financiación.
- PERTE AGRIFOOD: Order ICT/738/2022 of 28 July (point xxxii of the evidence provided) amended by Order ICT/1307/2022 of 22 December, establishing the regulatory basis for the granting of aid for strengthening measures agri-food industry as part of the Strategic Project for the Agri-food Economic Recovery and Transformation, includes in Article 15(1) that projects that are not compliant with the DNSH principle and the exclusion list as per the CID annex are not eligible. The same article also requires that only those projects compliant with the EU and national environmental legislation are eligible under PERTE AGRIFOOD. This regulatory basis applies to the subsequent calls published under this PERTE AGRIFOOD.

Finally, for all PERTEs and financing lines mentioned above, the Council Implementing Decision states in footnote 36 that activities related to fossil fuels, including downstream use must be excluded except for (a) projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01) and (b) activities and assets under point (ii) for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

Point (b) of footnote 36 has not been included in the descriptive memory of the PERTES neither in the different calls for projects under this milestone, as the documents were issued prior to the approval of the revision of the Annex to the Council Implementing Decision for Spain on 17 October 2023.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, point (b) in footnote 36 was included in the amending implementing decision to clarify the alternative use of fossil fuels by ETS installations (point ii of the DNSH exclusion list). The evidence provided by the authorities demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. In particular, the Spanish Authorities have reviewed the projects against the requirements included in point (b) of footnote 36 as per the guidance on the application of the DNSH principle (case 3 and case 4 of point xxvii of the evidence provided),

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that this milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI of the Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.**

The regulations which govern the calls contributing to the achievement of target 184 indicate that investment should be in line with the intervention fields in accordance with Annex VI of the Regulation (EU) 2021/24 in the following way:

- Article 14 (5 and 6) of Order ICT/1466/2021 of 23 December (PERTE-VEC) in point ii) of evidence, amended by Order ICT/209/2022, of March 17 (PERTE-VEC) in point iii) of evidence, establishes that projects should contribute to the climate transition with at least 40%, through compliance with at least one of the following intervention fields: 022, 023, 024 or 024bis, as defined in Annex VI of the RRF Regulation. In addition, Annex VII of Order ICT/1466/2021, of December 23, in point ii) of evidence, amended by Order ICT/209/2022, of March 17 (PERTE-VEC) in point iii) of evidence, includes climate tagging as one of the criteria for assessing the projects.
  - Article 4(4) of Order ICT/789/2021 in point xi) of evidence modified by Order ICT/309/2022, of March 31, in point xii) and xxvi) of evidence, states that during the evaluation phase, primary projects will be assessed according to their climate contribution. In particular with their alignment with one of the following intervention fields: 022, 023, 024 or 024bis as established in Annex VI of the RRF regulation.
  - Article 20 of Order ICT/738/2022 of 1 August (PERTE AGRIFOOD), in point xxxii) of evidence, establishes that primary projects should contribute to the climate transition with at least 40%, through compliance with at least one of the following intervention fields: 022, 023, 024 or 024bis, as defined in Annex VI of the RRF Regulation. In addition, Annex VI(1.2) of Order ICT/738/2022, of 1 August, includes climate tagging as one of the criteria for assessing the projects.
- Furthermore, the measure description indicates that after approval of a PERTE by the Council of Ministers, a competitive call shall be launched by the relevant Ministry with the aim of receiving specific proposals to be developed under the approved PERTE.
  - The measure description also indicates that implementation of support **measures that may constitute State aid in line with Article 107 TFEU and that may require prior notification to the Commission shall not take place before Spain has obtained State aid approval from the Commission.**

The Spanish authorities have provided in points xli) and xlii) of the evidence proof of the State aid approval required for measures contained in the PERTE that may constitute State aid and



require prior notification. By the Commission State aid Decision of 9 December 2021 (point xli) of the evidence provided), the European Commission approved a EUR 3 000 000 000 Spanish scheme to support research, development and innovation (R&D&I), as well as environmental protection and energy efficiency measures of companies in the value chain for electric and connected vehicles. The State aid decision specified that the scheme will be partly funded by the RRF.

In that State aid Decision, the European Commission assessed the measure under EU State aid rules, in particular the 2014 Guidelines on State aid for environmental protection and energy ('EEAG') and the 2014 Framework for State aid for research and development and innovation ('RDIF'). In particular, the Commission found that:

- the scheme is necessary to facilitate RD&I investments as well as the environmental protection investment efforts of companies, such as energy efficiency measures, in the supply chain for electric and connected vehicles. It also has an incentive effect, as the projects would not take place in the absence of public support (point 154 of the State aid Decision in point xli) of the evidence submitted);
- the aid is proportionate and limited to the minimum necessary. In particular, the eligible projects, eligible costs and maximum aid intensities are defined in line with the RDIF and EEAG (point 191 of the State aid Decision in point xli) of the evidence submitted);
- necessary safeguards to limit any undue negative effects are in place. In particular, (i) the maximum amount of aid for a single beneficiary will be limited; (ii) appropriate participation of SMEs in the scheme will be guaranteed; and (iii) participating companies have to demonstrate that the aid amounts requested are limited to the minimum necessary (point 211 of the State aid Decision in point xli) of the evidence submitted); and
- the positive effects of the measure, in particular on the environment, the integrity of the European Research Area for the value chain and the recovery of the Spanish economy, outweigh any negative effects in terms of possible distortions of competition. Indeed, the scheme will help Spain meet its environmental targets, set at European and national level, and supports the digital transition, as it fosters investments into the connectivity of electric vehicles (point 146 and 210 of the State aid Decision in point xli) of the evidence submitted);

The Research, Development and Innovation Aid Framework ("RDIF") and the Environmental and Energy Aid Guidelines ("EEAG") require the ex-post evaluation of notified aid schemes where the potential for distortions is particularly high, that is to say in particular for (1) large aid schemes that, because of their high budget, risk to significantly distort competition and trade, and (2) schemes with novel characteristics, for which it is appropriate to corroborate the positive balancing in the initial Commission decision authorising the scheme, by an ex-post evaluation. In line with this criteria, as indicated in paragraph 87 of the State aid Decision provided in point xli) of the evidence submitted, Spain committed to carry out an ex-post evaluation to assess the effects of the notified aid scheme.

On this basis, the Commission concluded in point 220 of the State aid Decision in point xli) of the evidence provided that the Spanish scheme is in line with the EU State aid rules and is in line with EU policy objectives, including those set out in the European Green Deal, without unduly distorting competition in the Single Market.

The notified aid scheme is complemented by regional aid and training aid measures, which will be implemented by Spain under the General Block Exemption Regulation, and thus do not require Commission approval.

On 11 May 2023, the European Commission has also approved a EUR 837 million Spanish scheme to support the production of batteries for the industrial chain of electric and connected vehicles to foster the transition to a net-zero economy (point xlii) of the evidence provided), in line with the Green Deal Industrial Plan. The scheme was approved under the State aid Temporary Crisis and Transition Framework, adopted by the Commission on 9 March 2023 to support measures in sectors which are key to accelerate the green transition and reduce fuel dependencies. The new Framework amends and prolongs in part the Temporary Crisis Framework, adopted on 23 March 2022 to enable Member States to support the economy in the context of the current geopolitical crisis, already amended on 20 July 2022 and on 28 October 2022.

Under this scheme, which will be partially funded through the Recovery and Resilience Facility, the aid will take the form of direct grants and loans. In line with point 17 of the State aid decision in point xlii) of the evidence provided, the measure is open to companies producing batteries, their essential components and related raw materials. The maximum aid amount per beneficiary will (i) range between EUR 100 000 000 and EUR 300 000 000 for investment in the field of batteries, depending on whether it takes place in an assisted area or not; (ii) not exceed EUR 100 000 000 for investments in essential components; and (iii) not exceed EUR 25 000 000 for investment in raw materials.

in points 41(a), (c) and (d) of the State aid decision in point xlii) of the evidence provided, the Commission found that the Spanish scheme is in line with the conditions set out in the Temporary Crisis and Transition Framework. In particular, the aid (i) will incentivise the production of relevant equipment for the transition towards a net-zero economy; and (ii) will be granted no later than 31 December 2025.

The Commission concluded in point 41 of the State aid decision in point xlii) of the evidence provided that the Spanish scheme is necessary, appropriate and proportionate to accelerate the green transition and facilitate the development of certain economic activities, which are of importance for the implementation of the Green Deal Industrial Plan, in line with Article 107(3)(c) TFEU and the conditions set out in the Temporary Crisis and Transition Framework.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M191	M191 - C13.R1 - Improving business regulation and climate	
<b>Name of the Milestone:</b> Entry into force of the Law on Business Creation and Growth		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law		<b>Time:</b> Q4 2022
<b>Context:</b>		
The measure aims to improve the business framework by ensuring a better regulation that facilitates the creation and growth of businesses, as well as their restructuring if necessary.		
Milestone 191 is part of reform C13.R1 and consists of the entry into force of a law on business creation and growth to simplify procedures for setting up a business, promote diversified sources of finance for business growth, foster an early payment culture, facilitate the implementation of the law on market unity, and set up a new sectoral conference for regulatory improvement and business to ensure an optimal coordination of the various administrations.		

Milestone 191 follows the completion of milestone 189 streamlining the access system to the professions of lawyers and *procuradores*, while milestone 190 amending the insolvency law to facilitate business restructuring if necessary.

Reform C13.R1 will be completed by milestone 449 amending the competition law and its regulations to streamline procedures and enhance the sanctioning system.

The reform has a final expected date for implementation by 31 December 2025.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Copy and the link to the publication in the Official Journal of the Law 18/2022 of 28 September 2022, of business creation and growth (*Ley 18/2022, de 28 de septiembre, de creación y crecimiento de empresas*) (BOE-A-2022-15818, of 29 September 2022).

The authorities also provided:

- i. Copy and the link to the publication in the Official Journal of the Law 11/2023, including the transposition of the Directive 2019/1151 on the use of digital tools and processes in company law (*Ley 11/2023, de 8 de mayo, de trasposición de Directivas de la Unión Europea en materia de accesibilidad de determinados productos y servicios, migración de personas altamente cualificadas, tributaria y digitalización de actuaciones notariales y registrales; y por la que se modifica la Ley 12/2011, de 27 de mayo, sobre responsabilidad civil por daños nucleares o producidos por materiales radiactivos*) (BOE-A-2023-11022, of 9 May 2023).
- ii. Copy of the registration certificate of the new Sectoral Conference for Regulatory Improvement and Business Climate at the state register of cooperation bodies and instruments (*Registro Estatal de Órganos e Instrumentos de Cooperación*, REOICO), 22 July 2021.
- iii. Copy of the rules governing the organisation and internal functioning of the new Sectoral Conference for Regulatory Improvement and Business Climate, approved by the Ministry of Economic Affairs on 29 November 2021.
- iv. Copy and the link to the publication in the Official Journal of the Royal Decree 439/2024 amending legislation related to the SMEs state council and regulating the new observatory on late payments in the private sector (*Real Decreto 439/2024, de 30 de abril, por el que se modifica el Real Decreto 962/2013, de 5 de diciembre, por el que se crea y regula el Consejo Estatal de la pequeña y la mediana empresa, y se regula el Observatorio Estatal de la Morosidad Privada*) (BOE-A-2024-8711, of 1 May 2024).
- v. Copy and the link to the publication in the Official Journal of the Law 13/2021 on the sanctioning system for the road transport sector (*Ley 13/2021, de 1 de octubre, por la que se modifica la Ley 16/1987, de 30 de julio, de Ordenación de los Transportes Terrestres en materia de infracciones relativas al arrendamiento de vehículos con conductor y para luchar contra la morosidad en el ámbito del transporte de mercancías por carretera, así como otras normas para mejorar la gestión en el ámbito del transporte y las infraestructuras*) (BOE-A-2021-16029, of 2 October 2021).
- vi. Copy and the link to the Law 22/2021 on the general budget for 2022, including a new mechanism to support payment to suppliers by local authorities (*Ley 22/2021, de 28 de diciembre, de Presupuestos Generales del Estado para el año 2022*) (BOE-A-2021-21653, of 29 December 2021).

- vii. Copy and the link to the Royal Decree Law 20/2022 on measures responding to the consequences of the war in Ukraine, including the financial sustainability of regional and local governments (*Real Decreto-ley 20/2022, de 27 de diciembre, de medidas de respuesta a las consecuencias económicas y sociales de la Guerra de Ucrania y de apoyo a la reconstrucción de la isla de La Palma y a otras situaciones de vulnerabilidad*) (BOE-A-2022-22685, of 28 December 2022).
- viii. Copy of the agreement of the government delegated commission for economic affairs of 24 April 2023 adopting the basis and criteria for agreeing on a commitment to certain municipalities with loans formalised with the Local Authority Funding Fund guaranteeing their financial stability.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the Law on Business Creation and Growth.**

The Law 18/2022 (*Ley 18/2022, de 28 de septiembre, de creación y crecimiento de empresas*) entered into force on 19 October 2022, twenty days after its publication in the Official Journal (BOE-A-2022-15818, of 29 September 2022), according to its eight final provision. As for the same provision, Articles 14 and 15 of the law entered into force on 10 November 2022. The entry into force of Article 12 on the obligations for electronic billing, which is outside the scope of this milestone as set out in the Council Implementing Decision and explained further below, is subject to both the approval of secondary legislation and the grant of an EU exception on Articles 218 and 232 of VAT directive 2006/112 and will have effects one year after the adoption of secondary legislation for companies and professionals with a turnover above EUR 8 million and two years for those below this threshold.

**Simplify procedures for setting up a business.**

The Law 18/2022 includes provisions to foster the use of the digital one-stop-shop (*Documento Único Electrónico, DUE*) provided by the centre for information and business creation network (*Centro de Información y Red de Creación de Empresas, CIRCE*). Articles 3 and 4 set the obligation for public notaries and intermediaries to inform the founders of a limited liability company of the advantages of using the digital one-stop-shop and services provided by information desks for entrepreneurs (*Punto de Atención al Emprendedor, PAE*), as well as the obligation for public notaries to be available at the digital registry (*Agenda Electrónica Notarial*) for the creation of a company through CIRCE. Article 5 amends the Law 14/2013 on support for entrepreneurs and their internationalisation (*Ley 14/2013, de 27 de septiembre, de apoyo a los emprendedores y su internacionalización*) to streamline the registration process of notarised deeds for the creation of companies, including the use of standardized documents and electronic means. The third and fourth additional provisions establish transparency requirements including the publication of quarterly reports on the use of CIRCE and the time used for the creation of companies. The sixth additional provision regulates that public notaries procedures will be fully integrated in the digital one-stop-shop within CIRCE, which has been completed by the Law 11/2023 transposing the Directive 2019/1151 on the use of digital tools and processes in company law.

Moreover, in line with the description of the measure, which requires **the reduction of minimum capital requirement to set up a firm**, Article 2 of the Law 18/2022 amends the consolidated law on capital firms approved by the Royal Decree 1/2010 (*Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*) for the reduction of minimum capital requirement to set up a firm. The amended law sets the minimum capital requirement for setting up a limited liability company to one euro (previously 3,000 euros).

Furthermore, in line with the description of the measure, which establishes that the objective of the reform is to **improve the framework in which economic activity takes place by ensuring a better regulation and business climate that facilitates the creation and growth of businesses**, Article 1 of the Law 18/2022, sets that the aim of the Law is to improve the business climate to foster business creation and growth including by taking measures to speed up business creation, improving regulation and removing obstacles to the development of economic activities, reducing late payments in commercial transactions and improving access to finance.

**Promote diversified sources of finance for business growth.**

Articles 14 and 15 of the Law 18/2022 amend the Law 5/2015 fostering business financing (*Ley 5/2015, de 27 de abril, de fomento de la financiación empresarial*) to adapt the legal framework for crowdfunding platforms to EU Regulation 2020/1503. Both Article 16 amending the Law 35/2003 on mutual funds (*Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva*) and Article 17 amending the Law 22/2014 regulating venture capital funds (*Ley 22/2014, de 12 de noviembre, por la que se regulan las entidades de capital-riesgo, otras entidades de inversión colectiva de tipo cerrado y las sociedades gestoras de entidades de inversión colectiva de tipo cerrado, y por la que se modifica la Ley 35/2003, de 4 de noviembre, de Instituciones de Inversión Colectiva*) add provisions regulating European long-term investment funds (ELTIFs) which provides finance of lasting duration to listed or unlisted small and medium-sized enterprises (SMEs) as for EU Regulation 2015/760. These measures improving the regulatory framework for collective investment are also in line with the description of the reform, which requires **strengthening of the crowdfunding platforms and other public funding instruments**, such as those deployed by ICO (*Instituto de Crédito Oficial*).

**Measures to foster an early payment culture, notably to provide liquidity to SMEs and the self-employed by avoiding late payments, including guidelines on publicity and transparency of payment periods, best business practices and mechanisms for better enforcement such as an out-of-court dispute resolution system.**

Articles 9, 10, 11 and 13 of the Law 18/2022, as well as the sixth final provision, include measures to foster an early payment culture. As stated in the preamble of the Law 18/2022, SMEs are the most affected by late payments in commercial transactions, and hence these measures are expected to contribute to providing liquidity to SMEs, including self-employed.

These measures include **guidelines on publicity and transparency of payment periods**, in particular Article 9 of the Law 18/2022 amends the Law 15/2010 on measures to combat late payment in commercial transactions (*Ley 15/2010, de 5 de julio, de modificación de la Ley 3/2004, de 29 de diciembre, por la que se establecen medidas de lucha contra la morosidad en las operaciones comerciales*) strengthening monitoring through an annual report produced by the new Observatory on Late Payments in the private sector, including the assessment of the measures adopted by this law, and also setting the obligation for firms to include in the annual accounts reporting the absolute and relative amounts of invoices in late payment. Article 12 of the Law 18/2022 amends the Law 56/2007 on measures to foster information society (*Ley 56/2007, de 28 de diciembre, de Medidas de Impulso de la Sociedad de la Información*) setting the obligation for firms and self-employed to use electronic billing in their commercial transactions. While this measure, which was not in force by the time of the assessment as for the conditions set in the eight final provision of the of the Law 18/2022, would contribute to the objective of providing publicity and transparency of payment periods, the Commission considers that the measures contained in Article 9 of the Law 18/2022 are sufficient to fulfil with this requirement of the Council Implementing Decision and therefore this measure is outside the scope of this milestone.

As for the objective to provide **best business practices**, the sixth final provision of the Law 18/2022 establishes the creation of the new Observatory on Late Payments in the private sector within six

months after the entry into force of the law. The observatory shall strengthen monitoring, elaborate best business practices, and increase transparency. In line with these provisions, the single article of Royal Decree 439/2024 of 30 April 2024 amended the Royal Decree 962/2013 to establish and regulate the new observatory, as well as to increase the representatives of associations specialised in the field of late payments in the State Council for Small and Medium-sized Enterprises.

The description of the milestone in the Council Implementing Decision also requires that the measures to foster an early payment culture include **mechanisms for better enforcement such as an out-of-court dispute resolution system**. However, the Recovery and Resilience Plans notes that fostering an early payment culture could be based on, among other measures, mechanisms for better enforcement such as an out-of-court resolutions system, proving that the out-of-court dispute resolution system is an example and not a requirement of the Council Implementing Decision. Spain has introduced measures to foster an early payment culture based on a mechanism for better enforcement. In particular, Article 10 of the Law 18/2022 amends the Law 9/2017 on public sector contracts (*Ley 9/2017, de 8 de noviembre, de Contratos del Sector Público, por la que se transponen al ordenamiento jurídico español las Directivas del Parlamento Europeo y del Consejo 2014/23/UE y 2014/24/UE, de 26 de febrero de 2014*) strengthening mechanisms for due payment on companies accessing public procurement, including guarantee retention and strengthened penalties following a judicial sentence or an out-of-court resolution.

Spain has also included other measures based on incentives, financial penalties and sanctions to **foster an early payment culture**. In particular, Article 11 of the Law 18/2022 amends the Law 38/2003 on public subsidies (*Ley 38/2003, de 17 de noviembre, General de Subvenciones*) restricting the access to public subsidies to those firms in late payment following proof of due payment in annual accounts or auditing report. Spain has included in the summary fiche an impact assessment on the macroeconomic relevance of measures introduced by Articles 10 and 11 in the Law 18/2022 based on the full dataset of firms involved in RRF-related subsidies and public procurement since the approval of the law. The assessment provided by Spain shows that large firms, which record on average a higher payment period, are largely represented in the sample, including in sectors with a higher incidence of late payments, such as construction activities. The Commission considers that the evidence provided by Spain shows that the measures introduced by Articles 10 and 11 in the Law 18/2022 have macroeconomic relevance. Also, Article 13 of the Law 18/2022 amends the Law 3/1991 on unfair competition (*Ley 56/2007, de 28 de diciembre, de Medidas de Impulso de la Sociedad de la Información*) to consider the repeated infringement of the law to combat late payment as an unfair competition practice. Beyond the measures included in the Law 18/2022, Spain has also adopted mechanisms for due payment in the road transport sector. In particular, the Law 13/2021, which entered into force on 3 October 2021 in line with its ninth final provision, reinforced the sanctioning system related to the road transport sector, including by considering late payments as serious or very serious infringements.

In line with the description of the reform, which requires to **improve the effectiveness of the implementation of Directive (EU) 2011/7 on combating late payment in commercial transactions and expects to reduce the average payment periods in commercial transactions**, Spain has also adopted in recent years further measures to reduce late payments by public administrations, particularly targeted at local entities. In particular, the ninety-fourth additional provision of Law 22/2021 of 28 December on the General State Budget for 2022, established a mechanism for payment to suppliers of local authorities to meet their outstanding obligations from the Local Government Financing Fund, while Article 108 of the Royal Decree-Law 20/2022 of 27 December 2022 introduced as for 2023 a mandatory procedure for local authorities with a repeated excessive average payment period and another one of voluntary nature for those local authorities wishing to improve their average payment period to suppliers. Also, the delegated government commission for economic

affairs of 24 April 2023 established the criteria and procedure for financial stability commitment of local authorities that have operations with the Local Government Financing Fund.

For the purpose of assessing the improvement of the effectiveness of the implementation of Directive (EU) 2011/7 on combating late payment in commercial transactions, the Commission has not conducted a transposition check of that Directive by Spain. For this reason, the current assessment does not prejudice the evaluation by the Commission of the transposition of the directive by Spain in any other legal proceedings, in particular in the proceedings launched on the basis of Article 258 TFEU, including INFR(2015)2049.

**Amendments to the ‘Law on Market Unity’ to facilitate its implementation and to strengthen the mechanisms available to market operators affected by market barriers.**

Article 6 of the Law 18/2022 amends the Law 20/2013 ensuring market unity (*Ley 20/2013, de 9 de diciembre, de garantía de la unidad de mercado*, hereinafter “the market unity law”) to facilitate its implementation and to strengthen the mechanisms available to market operators affected by market barriers. In view of implementation ambiguity and related to case law, the amendment of Articles 4, 5, 17 and 18 of the market unity law provides further clarity on the principle of cooperation and mutual trust, the principle of necessity and proportionality of the actions of the competent authorities, and actions restricting freedom of establishment and freedom of movement. The amendment of Articles 26 to 28 and the fifth additional provision of the market unity law streamlines legislation on procedures for market operators to submit complaints on the freedom of business mobility and establishment, and on any other obstacle and barrier related to the market unit law; the amendment also strengthens the capacity of citizens, consumers and users to submit such complaints, and for the Secretariat for the Market Unit to open ex officio procedures, including for potential market barriers identified in regulatory projects.

In line with the description of the reform, which requires to **remove unnecessary, disproportionate or discriminatory barriers to access to and pursuit of economic activities and to freedom of establishment throughout the territory**, Article 8 of the Law 18/2022 amends the Law 12/2012 on measures to liberalise trade and other services (*Ley 12/2012, de 26 de diciembre, de medidas urgentes de liberalización del comercio y de determinados servicios*) to extend the catalogue of service activities exempted from licence.

These measures are also in line with the description of the reform, which requires that **the reform enhances the efficiency and transparency of the mechanisms provided for in the Law on Market Unity**.

**A new Sectoral Conference for Regulatory Improvement and Business Climate shall be set up to facilitate the correct application of the principles of good regulation by all public administrations and to ensure an optimal coordination of the various administrations.**

The sixth transitory provision of the Law 18/2022 establishes that the new Sectoral Conference for Regulatory Improvement and Business Climate takes over the functions of the Council for Market Unity, which hereby ceases to exist, and so it is understood for other existing legislation according to the seventh additional provision. As for the evidence provided by the authorities, the new sectoral conference was registered on 22 July 2021 at the state register of cooperation bodies and instruments (*Registro Estatal de Órganos e Instrumentos de Cooperación, REOICO*) and the rules governing its organisation and internal functioning were approved by the Ministry of Economic Affairs on 29 November 2021.

Also in line with the description of the reform, which requires that the objectives **of the new sectoral conference are to strengthen cooperation in order to promote better regulation throughout the**

**country, and to follow up work within other sectoral conferences, allowing for enhanced coordination, monitoring and promotion of better regulation, with both a horizontal and sectoral focus,** Article 6 of the Law 18/2022 amending the market unity law defines the functions of the new sectoral conference, enhances the coordination, cooperation and evaluation framework of the market unity law, and creates the Observatory of Good Regulatory Practices, contributing to facilitate the correct application of the principles of good regulation by all public administrations and to ensure an optimal coordination of the various administrations. The establishment of the observatory and its regulation were approved by the new sectoral conference on 12 December 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M192	M192 - C13.R2 - Strategy Spain Entrepreneurial Nation	
<b>Name of the Milestone:</b> Entry into force of the Start-ups Law		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The measure aims to promote the Spanish Entrepreneurship Strategy, including by creating a favourable framework for highly innovative start-ups and reviewing the migration regime to attract foreign talent.</p> <p>Milestone 192 consists of the adoption of a start-up law that shall create a favourable framework for the creation and growth of highly innovative start-ups. The law shall provide a legal definition of start-ups, identify tax incentives to foster their creation, set out measures to facilitate the attraction of foreign investors and entrepreneurs, and facilitate its relationship with the digital entrepreneur ecosystem.</p> <p>The other milestones in reform C13.R2 (milestones 450 and 451) concern the review of the migration regime. The reform has a final expected date for implementation by 31 December 2023.</p> <p>Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Spain will set up a public-private fund to scale up start-ups in disruptive technologies. This step is linked to milestone L35 of the investment C13.I7 in the Council Implementing Decision.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Copy and the link to the publication in the Official Journal of the Law 28/2022 of 21 December 2022, fostering the start-up ecosystem (<i>Ley 28/2022, de 21 de diciembre, de fomento del ecosistema de las empresas emergentes</i>) (BOE-A-2022-21739, of 22 December 2022), herein after referred to as Law 28/2022.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>i. Copy and the link to the publication of the regulatory impact assessment accompanying the draft start-ups law.</li> </ol>		



- ii. Copy and the link to the publication in the Official Journal of the Ministerial Order PCM/825/2023 regulating the criteria and the certification procedure for start-ups giving access to benefits and specifics recognised by Law 28/2022 (*Orden PCM/825/2023, de 20 de julio, por la que se regulan los criterios y el procedimiento de certificación de empresas emergentes que dan acceso a los beneficios y especialidades reconocidas en la Ley 28/2022, de 21 de diciembre, de fomento del ecosistema de las empresas emergentes*) (BOE-A-2023-16817, of 21 July 2023).

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the Start-ups Law.**

The Law 28/2022 (*Ley 28/2022, de 21 de diciembre, de fomento del ecosistema de las empresas emergentes*) entered into force on 23 December 2022, one day after its publication in the Official Journal (BOE-A-2022-21739, of 22 December 2022), according to its thirteenth final provision.

In line with the description of the measure, the preamble of the Law 28/2022 refers to its contribution to promote the Spanish Entrepreneurship Strategy as part of a comprehensive package of reforms and investments to foster the creation and growth of start-ups.

**The 'Start-ups Law' creates a favourable framework for the creation and growth of highly innovative start-ups.**

Article 1 of the Law 28/2022 provides that its aim is to create a favourable framework for the creation and growth of emerging innovative firms or start-ups. The general objectives are defined in Article 2, including to promote the creation, growth and relocation of start-ups, set the conditions for their internationalisation capacity, attract talent and international capital for the development of the start-up ecosystem, boost public and private investment in start-ups, foster the links of businesses with investors, the education system and research institutions, support the development of business clusters, boost public procurement with start-ups, and ensure the effectiveness and coherence of the state aid system for innovation-based entrepreneurship. Article 4 establishes that entrepreneurs applying for access to benefits defined by this law shall request an evaluation to the state-owned national innovation company ENISA (*Empresa Nacional de Innovación, S.M.E., SA*) based on the criteria regulated by the ministerial order PCM/825/2023, including the degree of innovation and scalability of entrepreneurship. The selection criteria used by ENISA will observe the requirement to provide a favourable framework for the creation and growth of 'highly' innovative start-ups.

Other articles of the Law 28/2022 include measures which contribute to creating a favourable framework for the creation and growth of start-ups. In particular, Article 14 of the Law 28/2022 facilitates the access of start-ups to public procurement; Articles 15 and 16 define the conditions for regulatory sandboxes; Articles 17 and 18 and the fourth additional provision include measures to foster the links of businesses with investors, the education system and research institutions; Articles 19 to 23 and the second additional provision ensure the effectiveness and coherence of the state aid system for innovation-based entrepreneurship, including an initial evaluation by the Independent Authority for Fiscal Responsibility (AIReF); and Articles 25 and 26 and the third additional provision define the monitoring of public policies fostering start-ups businesses.

Furthermore, in line with the description of the reform, which requires to provide a **legal definition of start-ups**, Article 3 of the Law 28/2022 provides this definition, including the requirements to be fulfilled by a legal entity for this purpose. In turn, Article 6 defines the circumstances in which a legal entity ceases meeting the eligibility criteria to be considered a start-up.

**Adopt mechanisms to facilitate the implementation of the law and its relationship with the measures related to the digital entrepreneur ecosystem.**

Articles 4 and 5 and the sole transitory provision of the Law 28/2022 set the process for a firm to be accredited as a start-up, while Articles 11 to 13 provide specific regulation for start-ups established as limited liability companies. As a mechanism also to facilitate its relationship with the measures related to the digital entrepreneur ecosystem, Article 24 and the fifth additional provision commit to provide information related to business clusters and investors, as well as administrative procedures, including the creation of a web portal (the National Entrepreneurship Office, ONE Platform).

**The Start-Ups Law shall introduce tax contributions reforms in the form of incentives to encourage and facilitate the set-up and development of start-ups, as well as the attraction of talents, foreign entrepreneurs and investors, in line with the objectives of fiscal consolidation.**

The law 28/2022 provides tax incentives to encourage and facilitate the development of start-ups, as well as the attraction of foreign entrepreneurs and investors. Tax incentives defined in Articles 7 and 8 and the second and the third final provisions of the Law 28/2022 include a flat rate and deferrals in the corporate income tax and the personal income tax for non-residents obtaining income from start-up business. Also, in the personal income tax, the Law 28/2022 provides higher deductions for investment in start-ups, higher reductions in the tax base for private fund's investment profits and higher exemptions for in-kind income in the form of shares for employees of start-ups, as well as an easier access to the special tax regime for foreign displaced workers. In addition, the fourth final provision of the Law 28/2022 provides a reduction in the Social Security contributions for self-employed in start-up business working simultaneously elsewhere as employee.

Spain argues in the summary document that the tax incentives introduced by the Law 28/2022 are in line with the objectives of fiscal consolidation. Even though these incentives could entail in the short term a reduction in tax revenues as reflected in the regulatory impact assessment accompanying the draft law, they are also expected to foster economic activity and employment, contributing in the long term to the generation of additional tax revenues and fiscal consolidation. The Commission considers this scenario to be reasonable and compatible with the objectives of fiscal consolidation.

**Set out measures to facilitate the attraction of foreign entrepreneurs and investors.**

In addition to the tax incentives described above, Article 9 of the Law 28/2022 eases the identification procedures for non-resident investors. Also, the fifth final provision amends the Law 14/2013 on support for entrepreneurs and their internationalisation (*Ley 14/2013, de 27 de septiembre, de apoyo a los emprendedores y su internacionalización*) to facilitate the entry and residence for highly qualified professionals, entrepreneurs, and investors, including the consideration of international teleworkers, while the sixth additional provision states that the competent authorities will provide one-stop-shop forms to ease these administrative procedures. In addition, Article 10 of the Law 28/2022 allows start-ups to build treasury shares up to 20% of the total capital to facilitate in-kind remuneration to employees, providing incentives to attract foreign talent.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M450	M450 - C13.R2 - Strategy Spain Entrepreneurial Nation
<b>Name of the Milestone:</b> Entry into force of Royal Decree 629/2022 of 26 July amending the regulation of Organic Law 4/2000 on the rights and freedoms of foreigners in Spain and their social integration	
<b>Qualitative Indicator:</b> Provision of the Royal Decree indicating the entry into force of the relevant provisions	<b>Time:</b> Q3 2022

**Context:**

The measure aims to promote the Spanish Entrepreneurship Strategy, including by creating a favourable framework for highly innovative start-ups and reviewing the migration regime to attract foreign talent.

Milestone 450 consists of the simplification of administrative procedures related to migration including by reducing the number of authorisations and extending their validity, speeding up procedures, facilitating access to the labour market for third-country nationals, and improving the system of hiring at source.

Milestone 450 is the first milestone of the reform reviewing the migration regime. It will be followed by milestone 451 facilitating the recruitment of foreign nationals with very specific skills and competences. It is accompanied by milestone 192 of reform C13.R2 which concerns the adoption of a start-up law. The reform has a final expected date for implementation by 31 December 2023.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii. Copy and the link to the publication in the Official Journal of the Royal Decree 629/2022 of 26 July 2022, amending the regulation of the Organic Law 4/2000 on the rights and freedoms of foreigners in Spain and their social integration (*Real Decreto 629/2022, de 26 de julio, por el que se modifica el Reglamento de la Ley Orgánica 4/2000, sobre derechos y libertades de los extranjeros en España y su integración social, tras su reforma por Ley Orgánica 2/2009, aprobado por el Real Decreto 557/2011, de 20 de abril*) (BOE-A-2022-12504, of 27 July 2022).

The authorities also provided:

- iii. Copy and the link to the publication in the Official Journal of the management entrustment agreement for the new administrative unit supporting the processing of foreign nationals' files by existing immigration offices (*Resolución de 29 de enero de 2024, de la Subsecretaría, por la que se publica el Acuerdo de encomienda de gestión de la Secretaría de Estado de Política Territorial a la Secretaría de Estado de Migraciones, para la gestión de expedientes de extranjería*) (BOE-A-2024-1749, of 30 January 2024).
- iv. Copy and the link to the publication in the Official Journal of the Ministerial Order ISM/1417/2023 of 29 December 2023 (*Orden ISM/1417/2023, de 29 de diciembre, por la que se regula la gestión colectiva de contrataciones en origen para 2024*) (BOE-A-2023-26742, of 30 December 2023).

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the Royal Decree 629/2022 amending the regulation of Organic Law 4/2000 on the rights and freedoms of foreigners in Spain and their social integration.**

The Royal Decree 629/2022 (*Real Decreto 629/2022, de 26 de julio, por el que se modifica el Reglamento de la Ley Orgánica 4/2000, sobre derechos y libertades de los extranjeros en España y su integración social, tras su reforma por Ley Orgánica 2/2009, aprobado por el Real Decreto 557/2011, de 20 de abril*) entered into force on 15 August 2022, twenty days after its publication in the Official

Journal (BOE-A-2022-12504, of 27 July 2022), according to its single final provision. As for the same provision, section eight of the single article of the Royal Decree entered into force on 15 August 2023, one year after its publication in the Official Journal.

The single article of the Royal Decree 629/2022 amends the regulation of the Organic Law 4/2000 on the rights and freedoms of foreigners in Spain and their social integration (*Real Decreto 557/2011, de 20 de abril, por el que se aprueba el Reglamento de la Ley Orgánica 4/2000, sobre derechos y libertades de los extranjeros en España y su integración social, tras su reforma por Ley Orgánica 2/2009*) (hereinafter “the regulation”).

Furthermore, in line with the requirement of the measure, **the amendment of the regulation shall simplify administrative procedures related to migration, including by reducing the number of authorisations and extending their validity, and speeding up procedures.**

Section six of the Royal Decree 629/2022, amending Article 71 of the regulation, reduces from six to three months the annual working period required for the extension of the work and residence permit for an employee in case a new contract relationship has started or is actively searching for a job following the involuntary extinction of the relationship at the origin of the permit. Section seven, amending Article 72 of the regulation, increases from two to four years the period of extension of a work and residence permit, allowing for labour relationships both as employee and self-employed.

Section eleven of the Royal Decree 629/2022 amending Article 124 of the regulation increases the flexibility for temporary residence permits based on labour, social and family ties. This amendment also introduces the residence permit based on training purposes over twelve months extendable for a similar period, after which a two-year work permit could be granted providing a training certificate and a labour contract.

Moreover, in line with the requirement of the measure, **the amendment of the regulation shall introduce more flexible access for students to the labour market.** Sections one and nineteen of the Royal Decree 629/2022 amend Articles 42 and 199 of the regulation to provide a more flexible access for students to the labour market. The amended Article 42 allows for simultaneous upper education enrolment and a job contract or self-employment up to 30 hours per week, while the amended Article 199 eases the requirements to apply for a work and residence permit after the completion of studies.

Moreover, in line with the requirement of the measure, **the amendment of the regulation shall introduce a multiannual circular migration scheme for seasonal workers.** Sections fifteen to eighteen of the Royal Decree 629/2022, amending Articles 167 to 170 of the regulation, review the multiannual circular migration scheme for seasonal workers hired at source, for which work permits will now be valid over four years (previously to be renovated on a yearly basis). After this permit, seasonal workers can apply for a two-year residence permit (also extendable for a similar period) allowing for a job contract or self-employment. The ministerial order ISM 1417/2023 of 29 December 2023 regulates for 2024 the collective hiring at source, including for seasonal workers. These measures are also in line with the description of the reform, which requires that the reform **improves the system of hiring at source.**

Moreover, in line with the requirement of the measure, **the amendment of the regulation shall introduce new rules for the assessment of the national employment situation.** Section five of the Royal Decree 629/2022, amending Article 65 of the regulation, sets new rules for the assessment of the national employment situation, including a higher degree of flexibility to update the catalogue of occupations in short labour supply and streamlined procedures for companies to prove domestic labour shortages for occupations in demand.

Moreover, in line with the requirement of the measure, **the amendment of the regulation shall establish a new administrative unit (*Unidad de Tramitación de Expedientes de Extranjería, UTEX*) to improve the processing of foreign nationals' files.** The single additional provision of the Royal Decree 629/2022, commands the establishment of a new administrative unit (*Unidad de Tramitación de Expedientes de Extranjería, UTEX*) within six months after the entry into force of the law to improve the processing of foreign nationals' files including by providing support to existing immigration offices. Spain has provided evidence on the creation of this new administrative unit through the management entrustment agreement adopted on 29 December 2023.

In line with the description of the reform, the measures described above included in the Royal Decree 629/2022 **facilitate access to the labour market for third-country nationals.**

This assessment does not prejudice the evaluation by the Commission of the transposition and implementation of the legal migration acquis, notably Directive (EU) 2014/36 on seasonal workers by Spain in any legal proceeding, in particular in the proceeding launched on the basis of Article 258 TFEU, including INFR(2024)2004.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T200	T200 - C13.I3 - Digitalisation and Innovation		
<b>Name of the Target:</b> Budget committed to the Digital Toolkit Programme			
<b>Quantitative Indicator:</b> %	<b>Baseline:</b> 0%	<b>Target:</b> 30%	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this investment is to equip SMEs with the skills and tools to contribute to the digital transition and to address the challenges resulting from it. It is aligned with the Spain Digital Agenda 2025 and is complemented by actions in Component 15 on connectivity and in Component 19 on digital skills. The investment consists of 5 Programmes contributing to these goals (the 'Digital Toolkit' Programme, the 'Agents of Change' Programme, the 'SME 2.0 accelerators' Programme, the 'Innovative Business Clusters' Programme, and the 'Digital Innovation Hubs' Programme).</p> <p>Target 200 concerns the commitment of at least 30% of budget EUR 3 067 000 000, devoted to actions to digitize SMEs via the 'Digital Toolkit' Programme.</p> <p>Target 200 is the first target related to the 'Digital Toolkit' Programme of the third investment of C13. It is accompanied by targets 201, 202 and 203 in this payment request, which respectively concern the 'Agents of Change', the 'Innovative Business Clusters' and the 'Digital Innovation Hubs' Programmes.</p> <p>Target 200 follows the completion of milestone 199, related to the approval by the Council of Ministers of the Digitalisation of SMEs Plan 2021-2025, which provides for a set of instruments to incorporate into micro and autonomous enterprises the digital tools already available, boost the digitisation of small businesses and promote technological innovation.</p> <p>Target 200 is followed by target 204 providing that at least 500 000 SMEs and self-employed have received support from the 'Digital Toolkit' Programme' by 31 December 2024, as well as targets 205, 206 and 207 which respectively concern follow-up measures on the 'Agents of Change', the 'Innovative Business Clusters' and the 'Digital Innovation Hubs' Programmes. It is also followed by final target 208, providing that at least 676 000 SMEs or self-employed have received support from</p>			

the 'Digital Toolkit' Programme by 31 December 2025, as well as by final target 209 concerning the 'Agents of Change', the 'SME 2.0 accelerators', the 'Innovative Business Clusters Support' Programmes and the 'Digital Innovation Hubs Support' Programme.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document submitted on 7 May 2024, duly justifying how the target of 30% of budget EUR 3 067 000 000 (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
- ii. A copy of the Order ETD/1498/2021 approving the Regulatory Bases for Granting Aid for the digitalisation of small enterprises, micro-enterprises and self-employed persons, published in the Official Journal (Boletín Oficial del Estado) No. 313 of 30 December 2021 (hereinafter mentioned as "Order ETD/1498/2021").
- iii. A copy of the Order ETD/734/2022, amending Order ETD/1498/2021 approving the Regulatory Bases for granting aid for the digitalisation of small enterprises, micro-enterprises and self-employed persons, published in the Official Journal (Boletín Oficial del Estado) No. 181 of 29 July 2022 (hereinafter mentioned as "Order ETD/734/2022").
- iv. A copy of the Decision of the Director General of the Public Business Entity Red.es, calling for aid for the digitisation of Segment I enterprises (between 10 and less than 50 employees), under the 2025 Digital Spain Agenda, the 2021-2025 SME Digitalisation Plan and the Recovery, Transformation and Resilience Plan (C005/22-SI).
- v. A copy of the Decision of the Director General of the Public Business Entity Red.es of 31 May 2023 extending the amount initially set out in the call for aid for the digitisation of Segment I companies (between 10 and less than 50 employees) under the 2025 Digital Spain Agenda, the 2021-2025 SME Digitalisation Plan and the Recovery, Transformation and Resilience Plan (C005/22-SI).
- vi. A copy of the Decision of the Director General of the Public Business Entity Red.es, calling for aid for the digitisation of Segment II enterprises (between 3 and less than 10 employees), under the 2025 Digital Spain Agenda, the 2021-2025 SME Digitalisation Plan and the Recovery, Transformation and Resilience Plan (C015/22-SI).
- vii. A copy of the Decision of the Director General of the Public Business Entity Red.es, calling for aid for the digitisation of Segment III enterprises (between 0 and less than 3 employees), under the 2025 Digital Spain Agenda, the 2021-2025 SME Digitalisation Plan and the Recovery, Transformation and Resilience Plan (C022/22-SI).
- viii. A copy of the 'Do No Significant Harm' Control Procedure for the Digital Toolkit Program, included in Order ETD/1498/2021, which contains the selection criteria ensuring compliance with the DNSH principle.
- ix. A copy of the Credit Reserve Certificate signed by the Director of Administration and Finance of the Public Business entity Red.es, certifying that appropriations are made available in the working budgets and capital of the entity, to cover the financial obligations arising from the implementation of Call C005/22-SI.
- x. A copy of the Credit Reserve Certificate signed by the Director of Administration and Finance of the Public Business entity Red.es, certifying that appropriations are made available in the working budgets and capital of the entity, to cover the financial obligations arising from the implementation of Call C022/22-SI.
- xi. An excel table including three lists of concessions until 31/10/2023, for Calls C005/22-SI , C015/22-SI and C022/22-SI , including for each concession, the reference number of the concession, the date, and the amount of the concession.
- xii. A Component Management Report outlining the state of play for Targets 200 and 201 of the 4th Payment Request.

- xiii. A Certificate of Compliance for T200, with a link to the web page of the Information System of the Ministry of Finance.
- xiv. Copies of 352 Final Resolutions signed by the Director General of the competent implementing authority (Red.es), referring to the decision to grant aid to final beneficiaries. These Final Resolutions include tables of beneficiaries with the following information: the reference number of the project, the reference number of the final beneficiary, and the amounts received per beneficiary.
- xv. An excel table including information on beneficiary companies in different sectors of activity, having received digitalisation services from Digitizing Agents. For each category of digitalisation service, the excel contains 3 examples of beneficiary companies including the name of the company, the sector of activity, the reference number of the project, the number of the invoice and the amount of the digital voucher agreed with the Digitising Agent for the service provided.
- xvi. Copies of 36 invoices corresponding to digital services provided by Digitising Agents to beneficiary companies in different sectors of activity (3 invoices by the same Digitizing Agent to different companies, for each one of the 12 digitising services)
- xvii. An explanatory note provided by the Public Business Entity Red.es, referring to the conclusions of a study carried out to identify the possible impact of the sector of activity of the beneficiary company on the cost of digitising services.
- xviii. An explanatory note provided by the Public Business Entity Red.es, referring to the notification process used to notify beneficiaries on the content of a decision or administrative act of Red.es.
- xix. Copies of 60 notifications sent to beneficiary companies included in the sample used to check that all beneficiaries have been duly notified on award decisions by Red.es
- xx. Copies of 60 notification certificates corresponding to beneficiary companies included in the sample used to check that all beneficiaries have been duly notified on award decisions by Red.es

The authorities also provided:

- xxi. An excel table containing three excel sheets, each corresponding to one of the three calls for proposals (C005/22-SI referring to segment I beneficiary companies, C015/22-SI referring to segment II beneficiary companies, and C022/22-SI referring to segment III beneficiary companies) including the following information: the reference number of the application, the tax identification number of the applicant, the date of the awarding and the amount awarded.

#### **Analysis:**

The justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the target.

**At least 30 % of budget EUR 3 067 000 000 committed, devoted to actions to digitize SMEs, micro-enterprises and self-employed via the Digital Toolkit Programme.**

On 29 December 2021, Spain published the Order ETD/1498/2021, laying down the regulatory bases for granting aid for the digitalisation of small businesses, micro-enterprises and self-employed people, within the framework of the Digital Spain 2025 Agenda, the SME Digitalisation Plan 2021-2025 and the Recovery, Transformation and Resilience Plan for Spain. According to the Order ETD/1498/2021, the Public Business Entity Red.es, attached to the Ministry of Economic Affairs and Digital Transformation, is responsible to carry out the action for the digitalisation of said beneficiaries. Consequently, the Final Resolutions granting aid to eligible beneficiaries are signed by the Secretary General of the Public Business Red.es. Moreover, Red.es is also responsible to notify final beneficiaries on the decision to award aid.

According to Article 7 of the Order ETD/1498/2021, the beneficiaries of the Programme are small enterprises, micro-enterprises and self-employed persons. The following segments of beneficiaries are established according to the number of employees, which include people who are self-employed:

(a) Segment I: Small enterprises with between 10 and less than 50 employees.

(b) Segment II: Small or micro-enterprises with between 3 and less than 10 employees.

(c) Segment III: Small or micro enterprises with between 0 and less than 3 employees.

Spain has provided Final Resolutions, signed by the Secretary General of the Public Business Red.es, by which aid is granted and devoted to eligible beneficiaries, in line with three calls for proposals awarded under the framework of the Order ETD/1498/2021 (C005/22-SI corresponding to segment I beneficiary companies, C015/22-SI corresponding segment II beneficiary companies, and C022/22-SI corresponding to segment III beneficiary companies).

As an Annex to each one of these Final Resolutions, the documents include tables referring to the applications that have been granted the status of beneficiary. These tables include the following information: the reference number of the application, the date of submission of the application, the amount awarded to the beneficiary.

In order to facilitate the calculation of the total amount awarded to beneficiaries corresponding to these three calls for proposals, Spain provided an excel table including the following information for all three calls: the reference number of the application, the tax identification number of the applicant, the date of the awarding and the amount awarded. This excel table, and the afore-mentioned Final Resolutions have been used to calculate the total amount awarded to final beneficiaries, in order to assess the fulfillment of the requirement that at least 30% of budget EUR 3 067 000 000 committed is devoted to actions to digitize SMEs, micro enterprises and self-employed.

Based on the evidence provided, the total amount awarded to final beneficiaries for calls C005/22-SI, C015/22-SI and C022/22-SI until 31.12.2023 adds up to EUR 1 363 268 000 (EUR 570 384 000 for call C005/22/SI, EUR 441 168 000 for call C015/22-SI and EUR 351 716 000 for call C022/22-SI). This amount corresponds to 44.45% of the total budget of EUR 3 067 000 000 committed, thus fulfilling the CID requirement to commit at least 30% of total budget.

The Final Resolutions only have legal effects and lead to the commitment of the funds once they have been notified to the beneficiaries. In this case, the implementing authority, Red.es notified the beneficiaries individually. In order to verify that such notifications have been sent to all beneficiaries, a sampling exercise was conducted. The evidence included a copy of the Final Resolution including the decision to award aid to selected beneficiaries, identified by the reference number of their application, as well as a copy of the official notification sent to said beneficiaries including the reference number of their application.

The evidence provided for a sample of 60 units confirmed that the awarded beneficiaries included in the corresponding Final Resolutions have been officially notified on the decision to be granted aid, by the competent implementing authority Red.es.

Furthermore, in line with the description of the measure, **the programme shall boost the digitalisation of small and medium enterprises (ten to less than 250 employees), micro-enterprises (one to nine employees), and self-employed, in any sector of economic activity, raising their level of digital maturity.**

Article 5 of the Order ETD/1498/2021 provides that the purpose of the Programme is to improve the competitiveness and level of digital maturity of small enterprises, micro-enterprises and self-employed persons, through the adoption of digitalisation solutions in the following categories, also described in Annex IV of the Order ETD/1498/2021: Website and Internet presence, e-commerce, social media management, customer management, business intelligence and analytics, process management, e-invoicing, virtual office services and tool, secure communications and cybersecurity.



The Order ETD/1498/2021 does not establish any restriction as regards the sector of economic activity.

As regards the beneficiaries, the Order ETD/1498/2021, targets small and medium enterprises, specifically those which have less than 50 employees, in line with the requirement of the measure to boost digitalization of enterprises with ten to less than 250 employees. Furthermore, in line with the description of the measure, **the programme shall partially subsidise the costs of adopting packages of basic digital solutions such as internet presence, e-selling, cloud office, digital job, digitalisation basic processes, customer management, digital marketing, cybersecurity, among others. Each DTK digitisation package shall be allocated a fixed grant amount, which shall be determined in each call according to the size of the company and the sector of activity.**

According to Article 18 of the Order ETD/1498/2021, the aid will consist of monetary support intended to finance the adoption of commercially available digitalisation solutions whose references are included in the Catalogue of Digitalisation Solutions of the Programme regulated in Article 12 of the Order ETD/1498/2021. Also, Article 18 of the Order ETD/734/2022, of 26 July, amending the Order ETD/1498/2021 provides the list of categories of the digitalisation solutions, as well as the maximum fixed grant amount for each solution category, determined according to the size of the company (companies belonging to Segment I, Segment II or Segment III, as outlined above). The list of solutions includes: website and basic internet presence, e-commerce, social media management, client management, business intelligence and analytics, process management, electronic invoicing, virtual office services and tools, secure communications, cybersecurity, advanced presence on the internet, marketplace. The Spanish Authorities also provided evidence that the cost of digital solutions is similar across sectors of activity, as the services refer to cross-cutting market solutions. Accordingly, Order ETD/1498/2021 determines the same fixed grant amount for all sectors. Finally, Article 17(3) of the Order ETD/1498/2021 provides that under no circumstances can the subsidies be of such an amount that, alone or in conjunction with other income or resources, exceeds the cost of the subsidised activity. Finally, Article 19(3) provides that in no case may the cost of acquiring the services or products exceed the market value.

**The funding shall be granted in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Furthermore, in line with the description of the measure, **in order to ensure that the measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), the eligibility criteria contained in the terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.** According to Article 11 of the Order ETD/1498/2021, which forms a part of the eligibility criteria of the terms of reference, the beneficiary and the Adhering Digitising Agent shall ensure full compliance with the Do No Significant Harm (DNSH) principle, as set out in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, at all stages of the design and implementation of each action in accordance with the provisions of the Recovery Plan, Transformation and Resilience, approved by the Council of Ministers on 27 April 2021 and by Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. In any case, the environmental assessment procedures will be respected, where applicable, in accordance with the legislation in force, as well as other impact assessments that may be applicable

under environmental legislation. Actions that do not fully respect the European Union's climate and environmental standards and priorities and the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 shall not be eligible. According to Article 11 of the Order ETD/1498/2021, which forms a part of the eligibility criteria of the terms of reference the beneficiary and the Adhering Digitising Agent shall ensure full compliance with the Do No Significant Harm (DNSH) principle, as set out in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, at all stages of the design and implementation of each action in accordance with the provisions of the Recovery Plan, Transformation and Resilience, approved by the Council of Ministers on 27 April 2021 and by Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. In any case, according to Article 11 of the Order ETD/1498/2021, the environmental assessment procedures will be respected, where applicable, in accordance with the legislation in force, as well as other impact assessments that may be applicable under environmental legislation. Actions that do not fully respect the European Union's climate and environmental standards and priorities and the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 shall not be eligible.

The following are excluded from the financing to the extent that they are applicable to the items in which the expenditure for which this aid is intended:

a) Fossil fuel-related activities, except in duly justified cases in accordance with European Commission Communication 2021/C 58/01.

(b) Activities covered by the EU Emissions Trading System (ETS) where CO<sub>2</sub> equivalent emissions are expected to be not substantially lower than the benchmarks established for the free allocation of allowances.

(c) Offsetting of indirect costs of the emissions trading system.

(d) Activities related to waste landfills, incinerators and mechanical biological treatment plants that involve an increase in their capacity or useful life.

(e) Activities in which waste disposal may cause long-term damage to the environment.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T202	T202 - C13.I3 - Digitalisation and Innovation		
<b>Name of the Target:</b> Budget committed to Innovative Business Cluster Support Program			
<b>Quantitative Indicator:</b> %	<b>Baseline:</b> 0%	<b>Target:</b> 30%	<b>Time:</b> Q4 2022
<b>Context:</b>			
The objective of this investment is to equip SMEs with the skills and tools to contribute to the digital transition and to address the challenges resulting from it. It is aligned with the Span Digital Agenda 2025 and is complemented by actions in Component 15 on connectivity and in Component 19 on digital skills. The investment consists of 5 Programmes contributing to these goals (the 'Digital Toolkit' Programme, the 'Agents of Change' Programme, the 'SME 2.0 accelerators' Programme, the 'Innovative Business Clusters' Programme, and the 'Digital Innovation Hubs' Programme).			

Target 202 refers to the 'Innovative Business Clusters Support' Program and provides for the commitment of at least 30% of the budget (EUR 115 000 000) in the 'Innovative Business Cluster Support Programme'.

Target 202 is the first target related to the 'Innovative Business Clusters' Programme of the third investment of C13. It is accompanied by targets 200, 201 and 203 in this payment request, which respectively concern the 'Digital Toolkit', the 'Agents of Change' and the 'Digital Innovation Hubs' Programmes.

Target 202 follows the completion of milestone 199, related to the approval by the Council of Ministers of the Digitalisation of SMEs Plan 2021-2025, which provides for a set of instruments to incorporate into micro and autonomous enterprises the digital tools already available, boost the digitisation of small businesses and promote technological innovation.

Target 202 is followed by Target 206, providing that 100% of the budget EUR 115 000 000 is committed in the 'Innovative Business Cluster Programme' by 31 December 2023, as well as targets 204, 205, 207 and 208 which respectively concern follow-up measures on the 'Digital Toolkit', the 'Agents of Change' and the 'Digital Innovation Hubs' Programmes. It is also followed by final target 209 providing at least 169 747 SMEs having completed actions aiming at increasing their use of digital technologies, supported by the 'Agents of Change', the 'SME 2.0 accelerators' and the 'Innovative Business Clusters Programmes, as well as completion of actions and/or work packages funded by the 'Digital Innovation Hubs Support' Programme corresponding to award decisions for at least EUR 37 590 000, by 31 December 2025.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target of 30% of budget EUR 115 000 000 (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
- ii. A copy of the Order ICT/1117/2021, laying down the Regulatory Bases for aid to support innovative business groups with a view to improving the competitiveness of small and medium-sized enterprises and launching the call for applications for 2021 as part of the Recovery, Transformation and Resilience Plan, published in the Official Journal (BOE No. 247 of 15 October 2021 (hereinafter mentioned as "Order ICT/1117/2021").
- iii. A copy of the Order ICT/474/2022, amending Order ICT/1117/2021, establishing the regulatory bases for aid to support Innovative Business Groups in order to improve the competitiveness of small and medium-sized enterprises and proceeding to the call for applications for the year 2021, within the framework of the Recovery, Transformation and Resilience Plan.
- iv. A copy of the Order of 25 June 2022 launching the 2022 call for applications for aid for innovation clusters to improve the competitiveness of small and medium-sized enterprises under the Recovery, Transformation and Resilience Plan (*Orden por la que se efectúa la convocatoria correspondiente a 2022 de las ayudas establecidas para el apoyo a agrupaciones empresariales innovadoras con objeto de mejorar la competitividad de las pequeñas y medianas empresas en el marco del plan de recuperación, transformación y resiliencia*).
- v. An extract from Order of 25 June 2022 launching the 2022 call for applications for aid for innovation clusters to improve the competitiveness of small and medium-sized enterprises under the Recovery, Transformation and Resilience Plan (*Extracto de la Orden de 25 de junio por la que se efectúa la convocatoria correspondiente a 2022 de las ayudas establecidas para el apoyo a agrupaciones empresariales innovadoras con objeto de mejorar la competitividad de las pequeñas y medianas empresas en el marco del plan de recuperación, transformación y resiliencia*), published in the Official Journal (BOE-B-2022-21121 of 28 June 2022).

- vi. A copy of the Order IET/1444/2014 of 30 July 2014 (BOE no. 186, 1 August 2014), which regulates the Registry of Innovative Business Groups of the Ministry of Industry, Energy and Tourism.
- vii. A copy of the Final Resolution to grant aid for an amount of EUR 19 608 960.00, in line with Order ICT/1117/2021 of 9 October including an Annex with the list of the beneficiaries of the grants, the reference number, the name of the beneficiary company and the amount granted. The decision is signed by the Secretary General of the Ministry for Industry, Trade and Tourism, in charge of Industry and SMEs.
- viii. A copy of the Final Resolution to grant aid for an amount of EUR 48 184 100.00, in line with Order ICT/1117/2021 of 9 October, as amended by Order ICT/474/2022 of 20 May and the twelfth paragraph of the Call Order of 25 June 2022, including an Annex with the list of the beneficiaries of the grants, the reference number, the name of the beneficiary company and the amount granted. The decision is signed by the Secretary General of the Ministry for Industry, Trade and Tourism, in charge of Industry and SMEs.
- ix. A copy of the Final Resolution signed on 10 January 2023 by the Secretary General for Industry and Small and Medium Enterprises declaring the loss of effectiveness for EUR 12662 753,00, of the grant awarded to the beneficiary entity, CATALANA ASOCIACION FOR INNOVATION AND INNOVATION OF THE AGUA SECTOR, by Concession Decision of 23 November 2022.
- x. A copy of the Final Resolution signed by the Secretary General for Industry and Small and Medium Enterprises declaring the loss of effectiveness for EUR 170 927,00, of the grant awarded to the beneficiary entity, ASOCIATION CLUSTER AGROALIMENTARIO DE NAVARRA, by Concession Decision of 23 November 2022.
- xi. A copy of the Final Resolution signed by the Secretary General for Industry and Small and Medium Size enterprises, modifying the Concession Decision issued on 17 March 2022 of file AEI-010500-2021b-28 to the beneficiary SOUTHERN EUROPEAN CLUSTER IN Photonics -Optics (SECPHo).
- xii. An excel table, including the following information for the 2021 call for proposals: the project code, the beneficiary identification code, the beneficiary name, the business category to which the beneficiary belongs, the justification of how non-SME beneficiaries contribute to the project devoted to SMEs, the amount awarded per beneficiary, the funding Line under which the project was funded, as described in Order ICT/1117/2021, the project title.
- xiii. An excel table, including the following information for the 2022 call for proposals: the project code, the beneficiary identification code, the beneficiary name, the business category to which the beneficiary belongs, the justification of how non-SME beneficiaries contribute to the project devoted to SMEs, the amount awarded per beneficiary, the funding Line under which the project was funded, as described in Order ICT/1117/2021, the project title.
- xiv. An excel table including the following information on the beneficiary companies selected as a sample to check that all projects which have been granted aid under the Programme were funded under an eligible budget line, according to the CID requirement: beneficiary name, beneficiary identification number, date of granting the award to the beneficiary, project code.
- xv. Copies of the official applications submitted by Innovative Business Clusters included in the sample of beneficiaries, which was used to check that all projects which have been granted aid under the Programme were funded under an eligible budget line, according to the CID requirement.
- xvi. Copies of the Final Resolutions granting aid to the beneficiary Innovative Business Clusters included in the sample selected to check that all projects which have been granted aid under the Programme were funded under an eligible budget line, according to the CID requirement.
- xvii. A Component Management Report outlining the state of play for Targets 202 and 203 of the 4<sup>th</sup> Payment Request.
- xviii. A Certificate of Compliance for T202, with a link to the web page of the Information System of the Ministry of Finance.

- xix. A copy of the "Strategic Policy Framework for SMEs 2030" of the Ministry of Industry and Tourism, Directorate General o SME Support Policy.

The authorities also provided:

- i. An excel table containing a list of 147 companies granted aid under the first call of the 'Innovative Business Cluster Program', as well as the corresponding amounts received by each company in line with Order ICT/1117/2021. Total grants awarded under this call amounts to EUR 19 601 202.
- ii. An excel table containing a list of 258 companies granted aid under the second call of the 'Innovative Business Cluster Program', as well as the corresponding amounts received by each company in line with Order ICT/1117/2021. Total grants awarded under this call amounts to EUR 47 886 420.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the target.

**At least 30 % of the budget EUR 115 000 000 committed in the 'Innovative Business Clusters Support' Programme.**

On 9 October 2021, Spain published Order ICT/1117/2021 laying down the Regulatory Bases for aid to support Innovative Business Clusters with a view to improving the competitiveness of small and medium-sized enterprises and launched the call for applications for 2021 as part of the Recovery, Transformation and Resilience Plan.

Also, on 20 May 2022, Spain published Order ICT/474/2022, amending Order ICT/1117/2021, of 9 October 2021, establishing the regulatory bases for aid to support Innovative Business Groups in order to improve the competitiveness of small and medium-sized enterprises and proceeding to the call for applications for the year 2021, within the framework of the Recovery, Transformation and Resilience Plan.

Also, on 28 June 2022, Spain published in the Official Journal an extract of the order of 25 June 2022 implementing the call for support for Innovative Business Clusters to improve the competitiveness of small and medium-sized enterprises under the Recovery, Transformation and Resilience Plan, according to the provisions of the Order ICT/1117/2021, as amended by the Order ICT/474/2022.

Compliance with the requirement that at least 30% of the budget EUR 115 000 000 committed in the 'Innovative Business Clusters Support' Program is ensured through the below documents provided by Spain:

A Final Resolution signed on 17 March 2022 by the Secretary General for Industry and small and medium enterprises awarded a total amount of EUR 19 608 960 to 147 projects within the framework of the call for proposals launched in 2021 under the Order ICT/1117/2021 of 9 October. These projects have been listed in the Annex I of the aforementioned Resolution together with the corresponding amounts awarded to each project.

A Final Resolution signed on 23 November 2022 by the Secretary General for Industry and small and medium enterprises awarded a total of EUR 48 184 100 to 258 projects within the framework of the call for proposals launched in 2022 under the Order of 25 June 2022. These projects have been listed in Annex I of the aforementioned Resolution with the corresponding amounts awarded to each project.

The total grants awarded under these two calls amount to EUR 67 793 060, corresponding to 59% of EUR 115 000 000, which is beyond the 30% requirement. Furthermore, in line with the description of the measure, **the 'Innovative Business Cluster Support' Programme shall support projects to digitise the value chain of the various economic sectors, carried out by Innovative Business Clusters and their associated entities, as part of the Ministry of Industry and Tourism SME support policy.**

Article 9 of the Order ICT/1117/2021, provides that the beneficiaries of this aid may be Innovative Business Clusters and their associated entities, whose registrations in the Register of Innovative Business Groups of the Ministry of Industry, Trade and Tourism are in force on the date of publication of each call. In the recitals of the Order ICT/1117/2021, section I, it is mentioned that the 'Innovative Business Clusters Support' Programme has been the most representative instrument of the cluster policy of the Ministry of Industry, Trade and Tourism. As a cross reference, the strategy paper on the SMEs support policy of the Ministry of Industry and Tourism provided as evidence, mentions on page 16 that the 'Innovative Business Clusters' Support Programme is an instrument to improve SME access to R&D, offering support to clusters and the development of innovative activities. To this end, the Programme grants subsidies annually on a competitive basis for the financing of structural expenses and innovation projects by Innovative Business Clusters registered in the General Secretariat of Industry and SMEs.

Articles 5, 6, 7 and 8 of the Order ICT/1117/2021 outline the budget lines and the projects eligible for aid under the Programme, which are further specified in the call for proposals.

Namely, actions and projects funded under Line 1, as defined in Article 6 of the Order ICT/1117/2021, include the costs of technical staff, administrative staff costs, external collaborations, the costs of renting, maintaining or repairing equipment, instruments and consumables necessary for the operation of the Innovative Business Cluster, the costs of intercity travel and accommodation, as well as other costs that are specified at the call level. Such actions and projects are not aligned with the Council Implementing Decision requirement to digitize the value chain of various economic sectors, and hence were not considered for the fulfillment of this target.

Actions and projects funded under Line 2, as defined in Article 7 of the Order ICT/1117/2021, include technical feasibility studies focused on the definition of projects to be submitted to future calls for the following programs: a) The Support Program for Innovative Business Groups regulated by this Order, through Line 3 of "Digital Technology Projects" defined in Article 8, and b) The EU Framework Program for Research and Innovation for the period 2021-2027, 'Horizon Europe'. Actions and projects under line 2 (a) are aligned with the requirement of the Council Implementing Decision to digitize the value chain of various economic sectors. However, actions under line 2 (b) are not necessarily aligned with this requirement and therefore are not considered for the fulfillment of this target.

Actions and projects funded under Line 3, as defined in Article 8 of the Order ICT/1117/2021, support the implementation of digital technologies projects and therefore contribute to the requirement of digitalising the value chain of various economic sectors, and hence are considered for the fulfillment of this target.

In conclusion, based on the aforementioned descriptions, only actions and projects under lines 2a and 3 can be confirmed as contributing to the digitalization of the value chain of various economic sectors. Consequently, only the amounts committed to these actions and projects are considered for the fulfilment of this target.

In order to verify the amount committed to these projects and actions, Spain provided two excel tables, corresponding to the 2021 and 2022 calls for proposals. These excel tables include the following information: the project code, the beneficiary identification code, the beneficiary name, the business category to which the beneficiary belongs, the justification of how non-SME beneficiaries contribute to the project devoted to SMEs, the amount awarded per beneficiary, the funding line under which the project was funded, the project title.

The evidence provided for a sample of 60 units confirmed that all the projects are funded under an eligible budget line.

**The terms and conditions orders (ordenes de bases) and calls for proposals shall include eligibility criteria that ensure that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Furthermore, in line with the description of the measure, **in order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in the terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators<sup>83</sup> and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.**

Compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) is ensured as per Article 11(4) of the Order ICT/1117/2021 that forms a part of the eligibility criteria of the terms of reference. Article 11(4) provides that Projects that do not fully respect the European Union's climate and environmental standards, that do not contribute to the objectives set out in the Recovery Plan with regard to digital labelling that are financed under the Recovery Plan, and do not comply with the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088, shall not be eligible. The following are excluded from the financing to the extent that they are applicable to the items in which the expenditure for which this aid is intended is made: (a) Investments related to fossil fuels (including downstream use), (b) Activities under the Emissions Trading System (ETS) with projected greenhouse gas emissions that are not substantially below the benchmarks set for free allocation, (c) Investments in landfill facilities, mechanical biological treatment (MBT) plants and incinerators for waste treatment, (d) Activities where long-term disposal of wastes may cause long-term damage to the environment (e.g. nuclear waste). The Article also provides that only those activities that comply with the relevant national and European environmental legislation can be selected.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T203	T203 - C13.I3 - Digitalisation and Innovation		
<b>Name of the Target:</b> Budget committed to DIHs Program			
<b>Quantitative Indicator:</b> %	<b>Baseline:</b> 0%	<b>Target:</b> 30%	<b>Time:</b> Q4 2022
<b>Context:</b>			

The objective of this investment is to equip SMEs with the skills and tools to contribute to the digital transition and to address the challenges resulting from it. It is aligned with the Spain Digital Agenda 2025 and is complemented by actions in Component 15 on connectivity and in Component 19 on digital skills. The investment consists of 5 Programmes contributing to these goals (the 'Digital Toolkit' Programme, the 'Agents of Change' Programme, the 'SME 2.0 accelerators' Programme, the 'Innovative Business Clusters' Programme, and the 'Digital Innovation Hubs' Programme).

Target 203 refers to the 'Digital Innovation Hubs' Programme and provides for the commitment of at least 30% of the budget (EUR 37 590 000) in the 'Digital Innovation Hubs Support' Programme.

Target 203 is the first target related to the 'Digital Innovation Hubs' Programme, of the third investment of C13. It is accompanied by targets 200, 201 and 202 in this payment, which respectively concern the 'Digital Toolkit', the 'Agents of Change' and the 'Innovative Business Clusters Support' Programmes.

Target 203 follows the completion of milestone 199, related to the approval by the Council of Ministers of the Digitalisation of SMEs Plan 2021-2025, which provides for a set of instruments to incorporate into micro and autonomous enterprises the digital tools already available, boost the digitisation of small businesses and promote technological innovation.

Target 203 is followed by Target 207 providing that 100% of the budget EUR 37 590 000 is committed in the 'Digital Innovation Hubs' Programme by 31 December 2024, as well as targets 204, 205, 206 and 208 which respectively concern follow-up measures on the 'Digital Toolkit', the 'Agents of Change' and the 'Innovative Business Clusters' Programmes. It is also followed by final Target 209, providing that at least EUR 37 590 000 is implemented in the 'Digital Innovation Hubs' Program to support RRF-supported work packages, as well as that at least 169 747 SMEs having completed actions aiming at increasing their use of digital technologies, supported by the 'Agents of Change', the 'SME 2.0 accelerators' and the 'Innovative Business Clusters' Programmes, by 31 December 2025.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the target of 30% of budget EUR 37 590 000 (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled.
- ii. A copy of the Order ICT/1296/2022, laying down the Regulatory Bases for granting aid to small and medium-sized enterprises under the 'Digital Innovation Hubs Support' Programme, as part of the Recovery, Transformation and Resilience Plan, and launching the first call for applications, published in the Official Journal (BOE No. 311 of 28 December 2022 (hereinafter mentioned as "ICT/1296/2022")).
- iii. An extract from the Order ICT/1296/2022 of 22 December 2015 establishing the Regulatory Bases for granting aid to small and medium-sized enterprises under the 'Digital Innovation Hubs Support' Programme (PADIH), as part of the Recovery, Transformation and Resilience Plan
- iv. A copy of the Royal Decree 174/2023 (BOE no.63, of 15 March 2023), which regulates the direct granting of subsidies to digital innovation centers within the 'Digital Innovation Hubs Support' Programme (PADIH), within the framework of the RRP.
- v. A copy of the 'Do No Significant Harm' Control Procedure for the 'Digital Innovation Hubs Support' Program, included in Order ICT/1296/2022, which contains the selection criteria ensuring compliance with the DNSH principle.



- vi. A Component Management Report outlining the state of play for Targets 202 and 203 of the 4<sup>th</sup> Payment Request.
- vii. A Certificate of Compliance with date of effect 24 October 2023.
- viii. A Final Resolution signed by the Secretary of State for Industry awarding grants to 10 beneficiaries for a total amount of EUR 964 891,52, awarded under the Royal Decree 174/2023 of 15 March.
- ix. A Final Resolution signed by the Secretary of State for Industry awarding grants to 12 beneficiaries for a total amount of EUR 1 714 416,62, awarded under the Royal Decree 174/2023 of 15 March.
- x. A Final Resolution signed by the Secretary of State for Industry awarding grants to 30 beneficiaries for a total amount of EUR 1 181 032,98, awarded under the Royal Decree 174/2023 of 15 March.
- xi. A Final Resolution signed by the Secretary of State for Industry awarding grants to 9 beneficiaries for a total amount of EUR 941 417,78, awarded under the Royal Decree 174/2023 of 15 March.
- xii. A Final Resolution signed by the Secretary of State for Industry awarding grants to 17 beneficiaries for a total amount of EUR 1 065 0361.45, awarded under the Royal Decree 174/2023 of 15 March.
- xiii. A Final Resolution signed by the Secretary of State for Industry awarding grants to 9 beneficiaries for a total amount of EUR 1 157 070.71, awarded under the Royal Decree 174/2023 of 15 March.
- xiv. A Final Resolution signed by the Secretary of State for Industry awarding grants to 15 beneficiaries for a total amount of EUR 1 694 796.69, awarded under the Royal Decree 174/2023 of 15 March.
- xv. A Final Resolution signed by the Secretary of State for Industry awarding grants to 10 beneficiaries for a total amount of EUR 431 333.06, awarded under the Royal Decree 174/2023 of 15 March.
- xvi. A Final Resolution signed by the Secretary of State for Industry awarding grants to 7 beneficiaries for a total amount of EUR 1 304 856.98, awarded under the Royal Decree 174/2023 of 15 March.
- xvii. A Final Resolution signed by the Secretary of State for Industry awarding grants to 7 beneficiaries for a total amount of EUR 1 149 295.28, awarded under the Royal Decree 174/2023 of 15 March.
- xviii. A Final Resolution signed by the Secretary of State for Industry awarding grants to 22 beneficiaries for a total amount of EUR 1 474 356.59, awarded under the Royal Decree 174/2023 of 15 March.
- xix. A Final Resolution signed by the Director-General of the EOI Foundation awarding grants to 295 beneficiaries for a cumulative amount of EUR 6 320 618.78, awarded under Order ICT/1296/2022 of 22 December.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities cover all constitutive elements of the target.

**At least 30 % of the budget EUR 37 590 000 committed, in the ‘Digital Innovation Hubs’ Programme.**

On 28 December 2022, Spain published Order ICT/1296/2022 (BOE no.311, of 28 December 2022), laying down the Regulatory Bases for granting aid to SMEs within the framework of the ‘Digital Innovation Hubs’ Programme (PADIH), and launching the first call for applications within the framework of the ES RRP.

Article 3 of the Order ICT/1296/2022 provides that the purpose of the aid is to promote innovation in SMEs through the European Digital Innovation Hubs Programme. To this end, the Order ICT/1296/2022

provides that innovation and the adoption of disruptive digital technologies by SMEs in any productive sector will be promoted, financing the provision of services to the SMEs benefiting from the aid, by entities belonging to the EDIH network.

Chapter II of the Order ICT/1296/2022, regulates the first call for applications for the PADIH. According to Article 31, beneficiaries will be financed through grants announced, on a non-competitive basis, to promote the digitalisation of SMEs, under the terms established in the regulatory bases included in chapters I and II of the Order ICT/1296/2022.

Also, on 15 March Spain published Royal Decree 174/2023 (BOE no.63, of 15 March 2023), which regulates the direct granting of subsidies (EUR 15 000 000) to digital innovation centers within the 'Digital Innovation Hubs Support' Programme (PADIH), within the framework of the RRP.

Article 1, paragraph 1, of the Royal Decree 174/2023 provides that the purpose of the Royal Decree is to regulate the direct granting of subsidies to national Digital Innovation Hubs selected by the European Commission to be part of the European Digital Innovation Hubs ('EDIH') through the call 'DIGITAL-2021-EDIH-01, European Digital Innovation Hubs', carried out within the framework of the Digital Europe Programme. Article 1, paragraph 2 explains that the grants under the Royal Decree are provided with two objectives: 1) take advantage of the capacity of digital innovation centers to provide SMEs with the necessary tools to face the challenges that arise from the digital transition and 2) enhance the synergies and complementarities between national and European funds.

Compliance with the requirement that at least 30% of the budget EUR 37 590 000 committed in the 'Digital Innovation Hubs Support' Programme is ensured through the below documents provided by Spain:

- Eleven Final Resolutions signed by the Secretary of State for Industry, awarding grants to final beneficiaries under the Royal Decree 174/2023 of 15 March, for a total amount of EUR 13 078 829.66. The table of final beneficiaries can also be found on the webpage of the National System of Subsidies with reference number 686244: <https://www.infosubvenciones.es/bdnstrans/GE/es/convocatorias/686244>.
- A Final Resolution signed by the Director-General of the "Escuela de Organizacion Industrial" (EOI) Foundation, awarding grants to 295 beneficiaries for a cumulative amount of EUR 6 320 618.78, under the Order ICT/1296/2022 of 22 December. According to recital III of the Order ICT/1296/2022, the EOI Foundation is the executing entity for the 'Digital Innovation Hubs Support' Programme, under the criteria and guidelines of the decision-making entity, which is the Ministry of Industry, Trade and Tourism. The Final Resolution has been published on the website of the Ministry of Industry, Trade and Tourism with reference number No 2024/0000000006, on 15 January 2024. The table of final beneficiaries can also be found on the webpage of the National System of Subsidies with reference number 666990: [www.infosubvenciones.es/bdnstrans/GE/es/convocatorias/666990](http://www.infosubvenciones.es/bdnstrans/GE/es/convocatorias/666990).

The final amount awarded to beneficiaries under Royal Decree 174/2023, of 15 March and Order ICT/1296/2022, of 22 December corresponds to EUR 19 399 448.44. This amount corresponds to 51.6% of the total budget of EUR 37 590 000.

**The terms and conditions orders (*ordenes de bases*) and calls for proposals shall include eligibility criteria that ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

Furthermore, in line with the description of the measure, **in order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in the terms of reference for upcoming calls for projects shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; (iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and (iv) activities where the long-term disposal of waste may cause harm to the environment. The terms of reference shall additionally require that only activities that comply with relevant EU and national environmental legislation may be selected.**

Compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), in line with the requirement of the CID Annex, is ensured as per Article 7 of the Order ICT/1296/2022 that forms a part of the eligibility criteria of the terms of reference. Article 7 provides that beneficiaries and collaborating entities shall ensure full compliance with the Do No Significant Harm (DNSH) principle, as set out in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, at all stages of the design and implementation of each action in accordance with the provisions of the Recovery Plan and Regulation (EU) 2021/241 of the European Parliament, and of 12 February 2021 establishing the Recovery and Resilience Facility. In any case, the environmental assessment procedures will be respected, where applicable, in accordance with the legislation in force, as well as other impact assessments that may be applicable under environmental legislation.

It also provides that actions that do not fully respect the European Union's climate and environmental standards and priorities and the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 shall not be eligible. In order to ensure that the measure complies with the Technical Guide on the application of the 'do no significant harm' principle (OJ C 58, 18 February 2021, p. 1), the following list of activities and assets shall be excluded from eligibility:

(a) Fossil fuel-related activities, including the downstream use of fossil fuels; except for projects under this measure related to the generation of electricity or heat using natural gas, as well as related transmission and distribution infrastructure, which meet the conditions set out in Annex III to the Technical Guide on the application of the 'do no significant harm' principle (OJ C 58 of 18 February 2021, p. 1).

(b) Activities under the EU Emissions Trading System (ETS) for which the greenhouse gas emissions they will cause are expected not to fall below the relevant benchmarks. Where it is expected that the greenhouse gas emissions caused by the subsidised activity will not be significantly lower than the relevant benchmarks, a reasoned explanation shall be provided. Benchmarks established for the free allocation of allowances in relation to activities falling within the scope of the Emissions Trading System as set out in Commission Implementing Regulation (EU) 2021/447 of 12 March 2021 determining the revised benchmarks for the free allocation of allowances in the period from 2021 to 2025 in accordance with Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council.

(c) Activities related to waste landfills, incinerators and mechanical-biological treatment plants. The exclusion on incinerators does not apply to actions undertaken in plants dedicated exclusively to the treatment of non-recyclable hazardous waste, or to existing plants, where such actions are aimed at increasing energy efficiency, capturing exhaust gases for storage or use, or recovering materials from incineration ash, provided that such actions do not lead to an increase in the waste treatment capacity of the plants or plants. to an extension of its useful life. In addition, the exclusion does not apply to existing mechanical-biological treatment plants, where such actions are intended to increase their energy efficiency or to refurbish them for separate waste recycling operations, such as composting

and anaerobic digestion of bio-waste, provided that such actions do not lead to an increase in the waste treatment capacity of the plants or an extension of their useful life. All these details must be explained in a reasoned and documented manner on each floor.

(d) Activities where the long-term disposal of waste is likely to cause damage to the environment.

Article 7 also provides that only those activities that comply with the relevant national and European environmental legislation may be selected.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T218	T218 - C14.I1 - Transformation of the tourism model towards sustainability		
<b>Name of the Target:</b> Budget award of plans promoting the sustainability of Tourism at their destination			
<b>Quantitative Indicator:</b> EUR (million)	<b>Baseline:</b> 561	<b>Target:</b> 1173	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>Target 218 is part of investment C.14.I1 which aims at strengthening the environmental, socio-economic and territorial sustainability of tourism and targets tourist destinations, social partners and private operators in the sector.</p> <p>Target 218 concerns the award to regional and local authorities financial resources to implement 'Territorial Plans for Tourism Sustainability at Destination', for at least EUR 1 173 000 000 by end 2022, with a baseline of 561 000 000 from Q4 2021. Within the nationwide framework of the Tourism Sustainability Strategy for Destination, the Territorial Plans are intended to enable each territory and destination to respond to the challenges of tourism sustainability. The lines of actions considered in the Plans include green transition, energy efficiency, digital transformation and competitiveness transformation.</p> <p>Target 218 is the second target of the investment and it follows the completion of target 217, related to the first tranche of awards. It will be followed by target 219, covering the third and final tranche of awards. In addition, future milestones monitor the completion of the plans and projects with milestones 220 and 221, respectively. The investment has a final expected date for implementation in Q4 2026.</p>			
<b>Evidence Provided:</b>			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> <li>ii. Tourism Sectoral Conference agreement for 2022 and link to its publication in the <a href="#">Official Journal No. 310 on 27 December 2022</a></li> <li>iii. Extract of the official documents containing the selection criteria that ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01), as specified in the Council Implementing Decision Annex.</li> </ol>			

- iv. Extract of the official documents containing the selection criteria used to ensure that the amounts contributing to climate change objectives specified in the description of the measure, in line with Annex VI to the Recovery and Resilience Facility Regulation (EU) 2021/241 - (Strategy of sustainable tourism at destination) containing the investment minimum thresholds per axis-
- v. Extract of the official documents containing the selection criteria that ensure that 35 % of the funds account for measures addressing green transition, sustainability and energy efficiency/electro mobility at destinations.
- vi. Calculations containing the climate contribution for the overall investment, each programme and target per yearly sectorial agreement.
- vii. Ad-hoc Report from the Ministry in relation to documentation provided on each target.

The authorities also provided:

- viii. Copy of the Tourism Sustainability Strategy in Destinations.
- ix. Previous Tourism Sectoral Conference agreement for 2021 and link to its publication in the [Official Journal No. 312 on 29 December 2021](#)
- x. Certificate of completion issued by relevant authority in relation to the target.
- xi. Management report issues by the responsible authority in relation to the target.
- xii. Tourism Sectoral Conference agreement for 2023 and link to its publication in the [Official Journal No. 219 on 22 May 2023](#)

#### Analysis:

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

#### **The publication in the Official Journal of the award to local authorities of support to implement 'Territorial Plans for Tourism Sustainability at Destination', for at least EUR 1 173 000 000 (baseline EUR 561 000 000 as of 31 December 2021)**

The resolution from 19 December 2022 publishing the Tourism Sectoral Conference Agreement (included in point ii) of the evidence provided) reached on 14 December 2022 on the award to regional authorities grant allocation support to implement 'Territorial Plans for Tourism Sustainability at Destination' was published in the [Official Journal No. 310 on 27 December 2022](#).

The Agreement was published through the Resolution of the Secretary of State for Tourism and includes awards of support given to regional authorities to deliver to local authorities to implement Territorial Plans for Tourism Sustainability at Destination for 2022, amounting to EUR 719 770 000 million (excluding VAT), reaching a cumulated target of EUR 1 334 770 000, above the required EUR 1 173 000 000 target in the Council Implementing Decision. This is the case since the relative value required for this target would be EUR 612 million, which is the increase in the award value from the baseline (as of 31 December 2021, EUR 561 million).

The Resolution publishing the Agreement of the Sectoral Tourism Conference includes a table detailing the amount awarded to each Autonomous Community (page 185 608, Table 1 included in point ii) of the evidence provided). It also publishes a table setting out the amounts corresponding to the Tourism Sustainability Models in Destinations submitted by the local authorities and selected as beneficiaries of the aid (page 185 608, Table 2, as shown in point ii) of the evidence provided), in accordance with the requirements laid down in the call for applications for the 2022 financial year of the Extraordinary Tourism Sustainability Programme for Destinations 2021-2023 (as shown in point ii) of the evidence provided).

**35 % of the funds to account for measures addressing green transition, sustainability and energy efficiency/electromobility at destinations.**

The Resolution publishing the Agreement of the Sectoral Tourism Conference states in its annex (page 185618 and 185619 as shown in point ii) and v) of the evidence provided) that sections 6 and section 8.2.2. of the Tourism Sustainability Strategy for Destination indicated the axis and investment thresholds devoted to reaching 35% of the funds accounting for measure addressing green transition, sustainability and energy efficiency/electromobility at destinations. This percentage is reached by adding 7.5% of budget allocated to actions under axis 1 with a 100% climate contribution; 7.5% of budget allocation to actions under axis 1 with a 40% climate contribution; and 20% of budget allocated to actions under axis 2 with a 100% climate contribution. In absolute terms, the overall budget figures devoted to green are above this percentage.

**The selection criteria shall ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.**

The Resolution publishing the Agreement of the Sectoral Tourism Conference includes the selection criteria ensuring compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of the specified and concrete exclusion list and the requirement of compliance with the relevant EU and national environmental legislation (pages 185 619 to 185 621 as shown in point ii) and iii) of the evidence provided).

**Selection criteria shall ensure that, out of the final total budget awarded for the measure, at least EUR 359 000 000 of the measure contribute to the climate change objectives with a 100 % climate coefficient and at least EUR 519 000 000 with a 40 % climate coefficient, in accordance with Annex VI to the Recovery and Resilience Facility Regulation (EU) 2021/241. Alternatively, the selection criteria shall ensure that at least EUR 1 788.6 million contribute to climate change objectives with an average climate coefficient of at least 31.7 % in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council. This average contribution rate may be achieved on the basis of the intervention fields set out in Annex VI to Regulation (EU) 2021/241.**

The Resolution publishing the Agreement of the Sectoral Tourism Conference contains the selection criteria used to ensure the required amounts contributing to climate change objectives in accordance with Annex VI to the Regulation (EU) 2021/24 (pages 185 618 and 185 619 as shown in point ii) and iv) of the evidence provided), with further criteria laid out in the Strategy for Tourism Sustainability in Destinations (Annexes III and V of the Tourism Sustainability Strategy for Destination: compliance with climate labels).The resolution published in the OJ (as shown in point ii) and iv) of the evidence provided) contains the requirements for the selection criteria that must be followed for all calls launched on the basis of the Agreement of the Sectoral Tourism Conference.

Summing up (1) the amounts included therein as provided by the authorities for all calls, as well as (2) the amounts awarded on the basis of the previous Agreement of the Sectoral Tourism Conference (point ix) of the evidence provided) and (3) the amounts included in the selection criteria under the subsequent Agreement of the Sectoral Tourism Conference (as shown in point xii) of the evidence provided), the overall selection criteria requirement to ensure that at least EUR 1 788.6 million contribute to climate change objectives with an average climate coefficient of at least 31.7 % in accordance with Annex VI to Regulation (EU) 2021/241 of the European Parliament and of the Council will be met. To that end, calculations provided (as demonstrated per point vi) and vii) of the evidence provided) to all relevant targets confirm climate tagging compliance for the total budget amount.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number:** M234

M234 - C15.R2 - Roadmap 5G: Spectrum management and assignment, deployment burden reduction, Cybersecurity Act 5G and Support to Local Authorities

**Name of the Milestone:** Assignment of the 26 GHz spectrum band

**Qualitative Indicator:** Publication in the Official Journal

**Time:** Q4 2022

**Context:**

The objective of the reform is to support and accelerate the shift to 5G mobile communication with the implementation of measures on spectrum management and assignment, spectrum taxation, 5G cybersecurity, and the dissemination of good practices to local public administrations on telecommunications and urban planning.

Milestone 234 concerns the assignment of the 26 GHz spectrum band.

Milestone 234 is the fifth milestone of the reform. It follows the completion of milestones 230, 231, 232 and 233, related to the adoption of the 2025 Digital Spain Plan and strategy for the promotion of 5G technology, the release and assignment of the 700MHz frequency band and the entry into force of the legal act on the reduction of 5G spectrum taxation, respectively. It is accompanied by milestone 235 in this payment request, related to the entry into force of the law on 5G and cybersecurity, which is the last milestone in the reform. The final date for implementation of the reform was 31 December 2022.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Order ETD/114/2023 of 6 February 2024, resolving the auction announced by Order ETD/1059/2022 of 3 November for the granting of concessions for private use of public radio in the 26 GHz band, published in the Official Journal (*Boletín Oficial del Estado*) No 34 on 9 February 2023 ([Disposición 3490 del BOE num. 34 de 2023](#) “the Order ETD/114/2023 of 6 February”).

The authorities also provided:

- iii. Order ETD/1059/2022 of 3 November 2022 approving the special administrative conditions and technical requirements for the award by auction of concessions for private use of public radio in the 26 GHz band and convening the corresponding auction, within the framework of the Recovery, Transformation and Resilience Plan ([Disposición 18181 de BOE num 266 de 2022](#) “the Order ETD/1059/2022 of 3 November”). Published in the Official Journal No. 266 of 5 November 2022.
- iv. Minutes of the meeting of the awarding board on 21 December 2022
- v. Notification to Orange of the final auction result
- vi. Notification to Telefónica Móviles España of the final auction result

- vii. Notification to Vodafone of the final auction result
- viii. Notification to Globe Telecom Operator, S.L. of the final auction result
- ix. Minutes of the meeting of the awarding board on 20 January 2023 requiring Orange and Vodafone to rectify documentation.
- x. Minutes of the meeting of the awarding board on 25 January 2023 requiring Vodafone to rectify documentation.
- xi. Minutes of the meeting of the awarding board on 27 January 2023, submitting the proposal for the award to the Minister for Economic Affairs and Digital Transformation.
- xii. Record on delivery of courses on telecommunications and urban planning to public administrations in 2021: Report of the meeting of 16 December 2021 of the Committee for the Follow-up to the commissioning agreement of the Ministry of Economic Affairs and Digital Transformation and Tecnologías y Servicios Agrarios, S.A., S.M.E., M.P. (TRAGSATEC) for the implementation of support activities to the local authorities included in Component 15 – Reform 2 of the recovery and resilience plan.
- xiii. Record on delivery of courses on telecommunications and urban planning to public administrations in the period 2022-2023 : Report of the meeting of 6 October 2022 of the Committee for the follow-up to the commissioning agreement of the State Secretariat for Telecommunications and Digital Infrastructure and Tecnologías y Servicios Agrarios SA, S.M.E., M.P. (TRAGSATEC) for the implementation of support activities to the local authorities included in Component 15 – Reform 2 of the recovery and resilience plan.
- xiv. Certificate of fulfilment of milestone 234.
- xv. Report of management of milestone 234.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Publication in the Official Journal of the award of the 26 GHz spectrum band as a result of the auction.**

The Order ETD/114/2023 of 6 February 2023, awarding the auction announced by Order ETD/1059/2022 of 3 November for the granting of concessions for private use of public radio in the 26 GHz band, was published in the Official Journal on 9 February 2023 (point ii) of the evidence provided).

The auction was launched on 3 November 2022 as outlined in the Order ETD/1059/2022 of 3 November 2022 (point iii) of the evidence provided). It made available bands in the 26GHz spectrum. More concretely, the auction included 50 concessions: 12 national concessions in the 25,10-27,50 GHz band and 38 regional concessions in the 24,70-25,10 band (as evidenced in page 3 of the Order ETD/1059/2022 of 3 November 2022 included in point iii) of the evidence).

In line with the requirement of the description of the measure to “**complete [...] the auction procedure for [...] the 26GHz frequency band**” and to implement the “**call for tender for the 26GHz band**, Order ETD/114/2023 of 6 February 2023, in its annex, indicates that nine out of the 12 national concessions in the 25,10-27,50 GHz band and one out of the 38 regional concessions in the 24,70-25,10 band were awarded, while all other auctioned concessions remained vacant. The Spanish authorities have explained in the summary document (point i) of the evidence provided) that these concessions remained vacant in view of the lack of demand.

Despite part of the concessions remaining vacant, the auction procedure has been completed in line with the measure description of C15.R2. The measure description indicates that one of the objectives is to “1) complete the “*Second Digital Dividen*” and the auction procedure for the 700 MHz frequency band and 26 GHz frequency band”.



In addition, the objective set in the Article 54 of the electronic communications code to award at least 1 GHz in the 24,25 – 27,5 GHz has been met.

Order ETD/114/2023 of 6 February 2023 also indicates the awarded entities. In addition, the authorities have submitted copies of the notifications as sent to such awarded entities (documents included in points v), vi), vii) and viii) of the evidence provided).

The milestone is further specified in the Operational Arrangements, which clarifies that an approval signed by the competent authority or publication in the relevant official website are considered as a qualitative indicator of the entry into force. The Order ETD/114/2023 of 6 February 2023, published on 9 February, containing the award decision is signed by the Minister for Economic Affairs and Digital Transformation.

Furthermore, in line with the requirement in the description of the measure to **disseminate good practices to local public administrations on telecommunications and urban planning**, the authorities have also submitted evidence that courses on telecommunications and urban planning were completed in 2021 and in the period 2022-2023 as shown in the reports included in points xii) and xiii) of the evidence. These reports include the record on the delivery and conclusion of online and physical courses on telecommunications and urban planning. In addition, the 998 municipalities that showed interest have access to an online platform with the course materials.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M235	M235 - C15.R2 - Roadmap 5G: Spectrum management and assignment, deployment burden reduction, Cybersecurity Act 5G and Support to Local Authorities	
<b>Name of the Milestone:</b> Entry into force of Law on 5G Cybersecurity		
<b>Qualitative Indicator:</b> Provision in the Law on 5G Cybersecurity on entry into force		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of the reform is to support and accelerate the shift to 5G mobile communication with the implementation of measures on spectrum management and assignment, spectrum taxation, 5G cybersecurity, and the dissemination of good practices to local public administrations on telecommunications and urban planning.</p> <p>Milestone 235 concerns the entry into force of the law on 5G cybersecurity, which aims at incorporating and implementing the recommendation on the EU toolbox on 5G cybersecurity.</p> <p>Milestone 235 is the sixth and last milestone of the reform and is accompanied by Milestone 234 related to the assignment of the 26 GHz spectrum band in this payment request. It follows the completion of milestones 230, 231, 232, and 233 related to the adoption of the 2025 Digital Spain Plan and strategy for the promotion of 5G technology, the release and assignment of the 700MHz frequency band, and the entry into force of the legal act on the reduction of 5G spectrum taxation. The final date for implementation of the reform was 31 December 2022.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>		

- i. Summary document justifying how the milestone was satisfactorily fulfilled, including a reference to the entry into force and to the provisions which fulfil the relevant elements of the milestone, as updated on 7 May at 16h51.
- ii. Copy of Royal Decree Law 7/2022, of 29 March 2022, on requirements to guarantee the security of networks and fifth generation telecommunication services, published in the Official Journal (Boletín Oficial del Estado) No. 76 of 30 March 2022 (Disposición 4973 de BOE num 76 de 2022, the “Royal Decree Law 7/2022”).
- iii. Copy of Royal Decree Law 6/2023, of 19 December 2023, approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice, civil service, local regime and sponsorship, published in the Official Journal No. 303 of 20 December 2023 (Disposición 25758 de BOE num 303 de 2023, “the Royal Decree Law 6/2023”).

The authorities also provided:

- iv. Copy of Royal Decree 443/2024 of 30 April 2024, approving the National Security Scheme, published in the Official Journal No. 106 of 30 April 2024 (Disposición 8715 del BOE núm. 106 de 2024, “the Royal Decree 443/2024”).
- v. Summary table matching the provisions of the EU toolbox for 5G cybersecurity with the provisions in the Royal Decree 7/2022.
- vi. Updated summary document justifying how the milestone was satisfactorily fulfilled, including a reference to the entry into force and to the provisions which fulfil the relevant elements of the milestone.
- vii. Copy of the Resolution of the Parliament of 28 April 2022 confirming the Royal Decree 7/2022, published in the Official Journal No. 107 of 28 April 2022 (Disposición 7313 de BOE num 107 de 2022).
- viii. Copy of Resolution of the Parliament of 10 January 2024 confirming the Royal Decree 6/2023, published in the Official Journal No. 11 of 12 January 2024 (Disposición 665 de BOE num 11 de 2024).
- ix. Evidence of reply to request for information from Spain on cybersecurity of the network - Telefónica
- x. Evidence of reply to request for information from Spain on cybersecurity of the network - Vodafone
- xi. Evidence of reply to request for information from Spain on cybersecurity of the network – Orange
- xii. Evidence of reply to request for information from Spain on cybersecurity of the network – Xfera
- xiii. Submission of diversification strategy – Vodafone
- xiv. Submission of diversification strategy – Telefónica
- xv. Submission of diversification strategy – Orange
- xvi. Submission of diversification strategy – Xfera
- xvii. Submission of diversification strategy – Digi
- xviii. Submission of updated diversification strategy – Vodafone
- xix. Submission of updated diversification strategy – Telefónica
- xx. Submission of updated diversification strategy – Orange
- xxi. Submission of updated diversification strategy – Xfera
- ii. Certificate of the Council of ministers of adoption of Royal Decree Law 6/2022 of 19 December 2023
- xxii. Letter from Minister for Digital Transformation José Luis Escrivá to Céline Gauer – 26 March 2024 [SENSITIVE].
- xxiii. Preliminary report on the risk assessment of suppliers [SENSITIVE].
- xxiv. Draft Royal Decree including the National Security Scheme.

- xvi. Updated note with additional explanations provided during the assessment period.
- xxv. Reply to questions sent to Spain – 13 February 2024
- xxvi. Reply to questions sent to Spain – 28 February 2024
  - i. Updated summary document of 7 May 2024 at 13h26
- xxvii. Certificate of fulfilment of milestone 235
- xxviii. Report of management of milestone 235

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of Law on 5G Cybersecurity**

Royal Decree Law 7/2022 on requirements to guarantee the security of networks and fifth generation telecommunication services (provided in point ii) of the evidence) was published in the Official Journal on 30 March 2022. As shown in the Parliament resolution 7313 of BOE 107 of 2022 in point vii) of the evidence provided, the Royal Decree Law was confirmed in the Parliament on 28 April 2022, following the procedure established in Article 86 of the Spanish Constitution. As provided in the fourth final provision (*Disposición final cuarta*) of this Royal Decree Law, most of its provisions entered into force on the day after publication, 31 March 2022, except articles 12, 13, 15, 16 and 17, which entered into force a month after publication, on 30 April 2022 (as mentioned in the same fourth final provision).

Royal Decree Law 7/2022 was amended by the fifth final provision (*Disposición final quinta*) of Royal Decree Law 6/2023 (provided in point iii) of the evidence). Royal Decree Law 6/2023 was adopted on 19 December 2023 and confirmed in Parliament on 10 January 2024 as provided in the Parliament resolution 665 of BOE 11 of 2024 included in point viii) of the evidence. It entered into force on the day following its publication in the Official Journal as provided in the ninth final provision (*Disposición final novena*). It was published in the Official Journal on 20 December 2023 and therefore entered into force on 21 December 2023.

For completion of the milestone all necessary secondary legislation foreseen in Royal Decree Law 7/2022 should have entered into force as well. This concerns the adoption and entry into force of a National Security Scheme, as provided by Article 21 of Royal Decree Law 7/2022. Royal Decree 443/2024 (provided in point iv) of the evidence) established the National Security Scheme. Royal Decree 443/2024 was adopted on 30 April 2024 and entered into force on 1 May 2024 in accordance with final disposition four (*disposición final cuarta*) therein. This was the only additional secondary legislative act, whose adoption was foreseen by Royal Decree Law 7/2022, therefore all necessary legislative developments are complete for the full implementation of Royal Decree Law 7/2022.

**The law on 5G Cybersecurity incorporates and implements the recommendation on the EU toolbox for 5G cybersecurity.**

The Spanish authorities have incorporated and implemented the recommendation on the EU toolbox for 5G cybersecurity through the adoption of the Royal Decree Law 7/2022 on requirements to guarantee the security of networks and fifth generation telecommunication services (provided in point ii) of the evidence), as amended by the fifth final provision (*Disposición final quinta*) of Royal Decree Law 6/2023 (provided in point iii) of the evidence). Furthermore, Royal Decree 443/2024 (provided in point iv) of the evidence) established the National Security Scheme, as provided by Article 21 of Royal Decree Law 7/2022. The EU toolbox for 5G cybersecurity includes three types of measures: eight strategic measures, 11 technical measures and 10 supporting actions. All of these measures have been incorporated throughout the Royal Decree Law 7/2023, Royal Decree Law 6/2023 and Royal Decree 443/2024. This is also duly reflected in more detail in the summary table included in

point v) of the evidence provided. The implementation of the three most sensitive strategic measures, as identified and explicitly required by the milestone description in the Annex of the Council Implementing Decision, is further explained below.

**The law shall contain at least the following features:**

**- Security risk assessment and management obligations for telecom operators;**

Chapter II of Royal Decree Law 7/2022, provided in point ii) of the evidence, focuses on **security risk assessment** and Article 6 therein imposes the obligation on telecom operators to carry out a security risk assessment on vulnerabilities in their infrastructure and supply chain, as provided in strategic measure 03 of the 5G cybersecurity toolbox. In turn, Article 12, as amended by the fifth final provision (*Disposición final quinta*) of Royal Decree Law 6/2023 (provided in point iii) of the evidence), establishes the obligations for operators to manage and mitigate the risks identified in their risk assessment. The first additional provision (*Disposición adicional primera*) of Royal Decree Law 7/2022 provides that the information on the risk assessment and management as established in Articles 6 and 12 should be sent to the Ministry of Economy and Digital Transition (currently the Ministry of Digital Transformation) within six months after the entry into force of the Royal Decree Law. The authorities have provided evidence that telecom operators have submitted such information to the ministry, included in points xiii, xiv, xv, xvi, xvii of the evidence provided.

**- Supply-chain diversification obligations in order to avoid technological dependence;**

Article 12 of the Royal Decree Law 7/2022 provided in point ii) of the evidence, as amended by the fifth final provision of Royal Decree Law 6/2023 provided in point iii) of the evidence, includes obligations for telecom operators to manage their supply chain and diversification strategy. More concretely, Article 12.3.a, as amended by the fifth final provision of Royal Decree Law 6/2023, establishes that telecom operators should have at least two different suppliers for 5G technologies and infrastructures, except for the core network, control and management and support systems. Article 12.3.b, as amended by the fifth final provision of Royal Decree Law 6/2023, specifies that suppliers identified as high risk cannot be used on critical elements of the network, thereby implementing the 5G toolbox requirement on diversification (strategic measure 05) to ensure that there are no high-risk suppliers in key assets of the network. Article 12.3.d, as amended by the same fifth final provision of Royal Decree Law 6/2023, provides that telecom operators should obtain prior authorisation to install stations providing network to locations identified as critical. By letter of 26 March 2024 (included in point xxviii of the evidence), the Minister for Digital Transformation informed that the list of critical locations was adopted by the Council of Ministers on 14 March 2024, and registered as classified for reasons of national security. The authorities will thus assess the suitability of suppliers to access such locations in each case.

The second additional provision (*Disposición adicional segunda*) of Royal Decree Law 7/2022 provides that telecom operators should submit their diversification strategies to the authorities within 6 months after entry into force of the Royal Decree Law. The authorities have provided evidence that telecom operators have submitted such information to the ministry, included in points xiii, xiv, xv, xvi, xvii of the evidence provided.

Chapter IV of Royal Decree Law 7/2022 provides for the adoption by Royal Decree of a National Security Scheme including a risk assessment and risk management strategy of the entire national network to ensure resilience, as provided by strategic measure 06 of the 5G toolbox. Such National Security Scheme was adopted by Royal Decree 443/2024 and includes the risk assessment of the network in Annex II and risk mitigation measures in Annex III. Royal Decree 443/2024 is included in point iv) of the evidence.

**- Means for the identification of high risk and medium-risk vendors and possible limitations on their use.**

Article 7.3 of Royal Decree Law 7/2022 included in point ii) of the evidence imposes the obligation for high-risk suppliers to submit a risk assessment to the authorities within six months of being identified as high risk.

Article 14 of Royal Decree Law 7/2022 provides that the government may carry out a risk assessment of suppliers' profile and identify high-risk suppliers, in line with the 5G toolbox requirements under strategic measures 03 to assess suppliers' risk profiles. Article 14 further elaborates on the requirements and procedure for the identification of high-risk suppliers. On that basis, the authorities have provided a preliminary report included in point xxix) of the evidence on the ongoing risk assessment and have indicated that the final report will be ready by 15 July 2024 (point I of the evidence provided).

As per Article 12.3.c of Royal Decree Law 7/2022, high risk suppliers are not permitted in critical locations, in line with the 5G toolbox requirements to apply restrictions to high-risk suppliers as per strategic measure 04 and avoid dependencies under strategic measure 05. Such critical locations were identified by the Council of Ministers on 14 March, as communicated by letter signed by the Minister for Digital Transformation (point xxviii of the evidence).

With the Royal Decree Law 7/2022 (as amended by Royal Decree Law 6/2023) on 5G cybersecurity, the Royal Decree 443/2024 containing the National Security Scheme, the list of critical locations and the preliminary report on the risk assessment of operators, all means to identify high risk suppliers if deemed necessary are in place. The final report on risk assessment of operators is expected by 15 July 2024. This is without prejudice of the risk assessment being an ongoing exercise that may be updated on a regular basis.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M245	M245 - C15.I7 - Cybersecurity: Strengthening the capacities of citizens, SMEs and professionals; improving the sector's ecosystem	
<b>Name of the Milestone:</b> Launch of the National Cybersecurity Industry Support program, the Global Security Innovation Programme and related actions		
<b>Qualitative Indicator:</b> Publication of the programmes		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>Milestone 245 is part of Investment C15.I7, which aims at developing the cybersecurity capacities of businesses and citizens by equipping them with the skills to identify risks, as well as boosting the cybersecurity sector in Spain by supporting R&amp;D, supporting the emergence and growth of new businesses, training professionals in the area and the development of a cybersecurity demonstration centre. Finally, this measure will also aim at boosting the sector in Europe through the creation of an international hub on cybersecurity, which shall include the launch of the mirror centre of the European Competence Centre (ERCC).</p> <p>Milestone 245 consists of: i) the Launch of the National Cybersecurity Industry Support program and of the Global Security Innovation Programme, and (ii) other related actions with a budget awarded of EUR 311 million. These related actions should reflect key industry aspects, such as:</p> <ul style="list-style-type: none"> <li>• boosting the national cybersecurity industry for the emergence, growth and development of businesses in this sector;</li> <li>• developing high value-added solutions and services in the field of cybersecurity;</li> </ul>		

- train and develop talents specialised in the cybersecurity field;
- internationalization actions in the cybersecurity field;
- setting up of a demonstration centre for cybersecurity infrastructure development and creation of new cybersecurity services including test laboratories and cybersecurity attack simulators;
- development of cybersecurity label certifications.

Milestone 245 is the first step of the implementation of the investment C15.I7, accompanied by target 247 on the strengthening of the cybersecurity capacities by improving the cybersecurity help line of the National Institute of Cybersecurity (INCIBE) in the same payment request. It is followed by (i) milestone 453 consisting of the continuation of the type of projects initiated under milestone 245, (ii) target 246 related to the improvement of cybersecurity capacities by the delivery of at least 100 resources for awareness and communication actions, and finally (iii) milestone 248 consisting of the completion of the projects awarded under milestones 245 and 453.

The investment has a final expected date for implementation on 30 June 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- Summary document justifying how the milestone was satisfactorily fulfilled.
- Copy of the relevant published and adopted document outlining the National Cybersecurity Industry Support programme, and link: <https://www.incibe.es/sites/default/files/paginas/programas/Programa%20de%20Impulso%20a%20la%20Industria%20de%20la%20Ciberseguridad%20Nacional.pdf> .
- Copy of the relevant published and adopted document outlining the Global Security Innovation Programme, and link: <https://www.incibe.es/sites/default/files/paginas/programas/Programa%20Global%20de%20Innovaci%C3%B3n%20en%20Seguridad.pdf> .
- A list of the publication of the awards indicating for each of the awards: a) the reference and link of the platform where the award has been published; b) the tender specifications; c) the beneficiaries, the amount being awarded (excluding VAT); and d) evidence on the compliance with any of the six identified project areas.
- Summary notes for 60 units including links to terms of reference and budget awards where available.
- Copies of the terms of reference or contracts and of the corresponding assessment for sampling units when links not available;

The authorities also provided:

- Link to the website of the programme on entrepreneurship for the cybersecurity industry, including reference to the label identifying participating entities: <https://www.incibe.es/emprendimiento>
- Link to the rules on the use of the label identifying entities participating in the National Cybersecurity Industry Support Programme: [https://www.incibe.es/sites/default/files/paginas/perfil-contratante-y-transparencia/invitacion-publica/AVISO\\_LEGAL\\_sello\\_INCIBE\\_Emprende.pdf](https://www.incibe.es/sites/default/files/paginas/perfil-contratante-y-transparencia/invitacion-publica/AVISO_LEGAL_sello_INCIBE_Emprende.pdf)
- Updated list of the publication of the awards with additional information, indicating for each of the awards: a) the reference and link of the platform where the award has been published; b)

the tender specifications; c) the beneficiaries, the amount being awarded (excluding VAT); and d) evidence on the compliance with any of the six identified project areas.

x. Certificate of fulfilment of milestone 245.

xi. Report of management of milestone 245.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Launch of the National Cybersecurity Industry Support program and the Global Security Innovation Programme**

The National Cybersecurity Industry Support Programme (document ii) of the evidence provided) and the Global Security Innovation Programme (point iii) of the evidence provided) were published and launched in 2021 (see Annex of both documents). The official presentations of the programmes are understood as the dates of launch. Official presentation took place at the GSMA Mobile World congress from 28 June to 1 July 2021 for the Global Security Innovation Program and at the Startup Olé conference from 6 to 10 September 2021 for the National Cybersecurity Industry Support Program, as also indicated in the Annex to the Programmes.

The objectives are indicated under section 2 of both programmes. They are in line with the key industry aspects identified in the target description: boosting companies and entrepreneurship in the cybersecurity sector, contribute to scaling up and internationalisation of cybersecurity business and products, increase and improve R&D in cybersecurity, invest in talent and skills, develop new and competitive cybersecurity solutions.

**Other related actions (with a budget awarded of EUR 311 million) on key industry aspects, such as:**

- **boosting the national cybersecurity industry for the emergence, growth and development of businesses in this sector;**
- **developing high value-added solutions and services in the field of cybersecurity;**
- **train and develop talents specialised in the cybersecurity field;**
- **internationalization actions in the cybersecurity field;**
- **setting up of a demonstration centre for cybersecurity infrastructure development and creation of new cybersecurity services including test laboratories and cybersecurity attack simulators;**
- **development of cybersecurity label certifications.**

Related actions consist in 234 projects in key industry aspects of cybersecurity. The details of all 234 awards are included in the table in points iv) and ix) of the evidence provided. The total awarded budget is reflected in cell D8 of the table and amounts to EUR 319,7 million, thereby surpassing the required amount of EUR 311 million. Beneficiaries are identified in column F.

In addition, column G of the table indicates which of the six key areas identified in the milestone description is covered in by each of the actions. Some actions cover more than one key industry aspect. Each key industry aspect has been covered as follows:

- boosting the national cybersecurity industry for the emergence, growth and development of businesses in this sector: 82 actions cover this key area.
- developing high value-added solutions and services in the field of cybersecurity: 187 actions cover this key area.
- train and develop talents specialised in the cybersecurity field: 55 actions cover this key area.
- internationalization actions in the cybersecurity field: seven actions cover this key area.
- setting up of a demonstration centre for cybersecurity infrastructure development and creation of new cybersecurity services including test laboratories and cybersecurity attack simulators: four actions cover this key area.

- development of cybersecurity label certifications: one action covers this key area.

The evidence provided for a sample of 60 units (points v and vi of the evidence provided) confirmed the data provided in the table (points iv and ix of the evidence) that as of 18 December 2023, the Spanish authorities had awarded a total budget of EUR 319,7 million, beyond the EUR 311 million required by the CID Annex, through the award of these 234 projects. In addition, all projects awarded fall within the cybersecurity field, and, relate to at least one of the six key industry aspects listed above, as apparent from the object of the calls and contracts.

Furthermore, the description of the measure requires specific actions to **boost the cybersecurity industrial ecosystem** focusing on (i) the national cybersecurity industry for the emergence, growth and development of new businesses in this sector; (ii) cybersecurity R&D&I, enabling the development of high value-added solutions and services; (iii) training and developing talents to meet the unmet demand for professionals in the sector; (iv) providing for the set-up of a demonstration centre for cybersecurity infrastructure development and the creation of new cybersecurity services including test laboratories and cybersecurity attack simulators, (v) and for the development of cybersecurity label certifications. The table included in points iv) and ix) of the evidence provided identifies which of these areas are covered in each action in columns J and K. As reflected in the table, these areas are covered as follows:

- the national cybersecurity industry for the emergence, growth and development of new businesses in this sector: 82 actions cover this key area (corresponding to the category *boosting the national cybersecurity industry for the emergence, growth and development of businesses in this sector*)
- Cybersecurity R&D&I, enabling the development of high value-added solutions and services: 187 actions (corresponding to the category *Developing high value-added solutions and services in the field of cybersecurity*)
- Training and developing talents to meet the unmet demand for professionals in the sector: 55 actions (corresponding to the category *Train and develop talents specialised in the cybersecurity field*)
- Providing for the set-up of a demonstration centre for cybersecurity infrastructure development and the creation of new cybersecurity services including test laboratories and cybersecurity attack simulators: 4 actions (corresponding to the category *Setting up of a demonstration centre for cybersecurity infrastructure development and creation of new cybersecurity services including test laboratories and cybersecurity attack simulators*)
- The development of cybersecurity label certifications: one action (corresponding to *Development of cybersecurity label certifications*)

The evidence provided for a sample of 60 units consisting of the terms of reference and awards where possible, or alternatively, contracts, (in points v and vi) confirmed that these key industry aspects have been addressed.

The milestone is further specified in the Operational Arrangements, which requires that the cybersecurity label will recognize National Industry Support program participants (entrepreneurs' activities), but which is not a certification or standardization process. The Spanish authorities have explained in the summary document included in point i) of the evidence provided that a label has been developed, which is not a certification, but only a label to identify participants in the National Cybersecurity Industry Support Programme. The label is advertised and explained on the website of the relevant programme, INCIBE Emprende, as included in point vii) of the evidence provided. The use of the label is further described on the website of the programme, as provided in point iix) of the evidence. The objective of the label is clearly stated to be the identification of the entities that have taken part in the programme, and a certification.

**Commission Preliminary Assessment:** Satisfactorily fulfilled



<b>Number:</b> T247	T247 - C15.I7 - Cybersecurity: Strengthening the capacities of citizens, SMEs and professionals; improving the sector's ecosystem		
<b>Name of the Target:</b> Strengthen and improvement of Cybersecurity Capacities: Cybersecurity Help Line			
<b>Quantitative Indicator:</b> Strengthen and improvement of Cybersecurity capacities: Cybersecurity Help Line	<b>Baseline:</b> 5 000	<b>Target:</b> 20 000	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Target 247 is part of Investment C15.I7, which aims at developing the cybersecurity capacities of businesses and citizens by equipping them with the skills to identify risks, as well as boosting the cybersecurity ecosystem in Spain by supporting R&amp;D, supporting the emergence and growth of new businesses, training professionals in the area and the development of a cybersecurity demonstration centre. Finally, this measure will also aim at boosting the sector in Europe through the creation of an international hub on cybersecurity, which shall include the launch of the mirror centre of the European Competence Centre (ERCC).</p> <p>Target 247 concerns the strengthening of the cybersecurity capacities by improving the cybersecurity help line of the National Institute of Cybersecurity (INCIBE). The capacity of the help line should be increased to process at least 20 000 calls per month. In addition, the helpline should also support the removal of child sexual abuse material for web resources (CSAM).</p> <p>Target 247 is the first step of the implementation of the investment C15.I7, accompanied by milestone 245 regarding the launch of the National Cybersecurity Industry Support program, the Global Security Innovation Programme and related actions in the same payment request. It is followed by (i) milestone 453 consisting of the continuation of the type of projects initiated under milestone 245, (ii) target 246 related to the improvement of cybersecurity capacities by the delivery of at least 100 resources for awareness and communication, and finally (iii) milestone 248 consisting of the completion of the projects awarded under milestones 245 and 453.</p> <p>The investment has a final expected date for implementation on 30 June 2026.</p>			
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i. Summary document justifying how the target was satisfactorily fulfilled, including the relevant elements of the target.</li> </ul> <p>Periodic reports of the use of the Helpline service:</p> <ul style="list-style-type: none"> <li>ii. Overview of consultations 017 2022</li> <li>iii. Use of the helpline form</li> <li>iv. Report on activity of help line 2022</li> </ul>			

- v. Report on yearly activity 2022
- vi. Report on monthly activity - January 2022
- vii. Report on monthly activity - February 2022
- viii. Report on monthly activity – March 2022
- ix. Report on monthly activity – April 2022
- x. Report on monthly activity - May 2022
- xi. Report on monthly activity - June 2022
- xii. Report on monthly activity - July 2022
- xiii. Report on monthly activity - August 2022
- xiv. Report on monthly activity - September 2022
- xv. Report on monthly activity October 2022
- xvi. Report on monthly activity - November 2022
- xvii. Report on monthly activity - December 2022
- xviii. Indicators of monthly activity 2022

Publication of notices and alerts on INCIBE channels:

- xix. <https://www.incibe.es/incibe-cert/alerta-temprana/avisos> (submitted in the report included below in point xxx):
- xx. <https://www.incibe.es/incibe-cert/alerta-temprana/avisos-sci> (submitted in the report included below in point xxx):
- xxi. <https://www.incibe.es/incibe-cert/alerta-temprana/vulnerabilidades> (submitted in the report included below in point xxx):

Annual impact reports of awareness campaigns:

- xxii. Report on efficiency evaluation of awareness raising campaign INCIBE *tu ayuda en ciberseguridad*
- xxiii. Impact report on awareness raising campaign *Ciberprotégete* in services 2022
- xxiv. Impact report on awareness raising campaign *Ciberprotégete* in population 2022
- xxv. Impact report on awareness raising campaign *Hoyesunanuncio* 2021
- xxvi. Impact report on awareness raising campaign *LdA* in services 21nov-31dic 2022

The authorities also provided:

Reports on the delivery of expansion capacity to more than 20 000 calls processed per month and awareness raising campaigns:

- xxvii. Completion report on contracting procedure 019/21: 247O C15 I7 MINECO exp.019/21 completion report
- xxviii. Completion report on contracting procedure 040/20: 247O C15 I7 MINECO exp.040/20 completion report
- xxix. Completion report on contracting procedure 098/22: 247O C15 I7 MINECO exp.098/22 completion report
- xxx. Contracting procedures on increasing capabilities for INCIBE-CERT (excel)

Evidence on supporting removal of child sexual abuse material online:

- xxxi. Procedure concerning child sexual abuse material (CSAM)
- xxxii. Participation agreement of accession of INCIBE to the INHOPE network

**Other:**

- xxxiii. Submission with additional explanations on the implementation of the measures to expand the capacity of the cybersecurity helpline.
- xxxiv. Note with clarification information on T247
- xxxv. Note with additional clarification and supporting evidence on T247
- xxxvi. Copy of the publication notice in the national procurement website of contracting procedure 019/21
- xxxvii. Copy of the publication notice in the national procurement website of contracting procedure 019/21 including the links to the amended terms of reference
- xxxviii. Copy of amended terms of reference of contracting procedure 019/21
- xxxix. Copy of amended technical specifications of first batch of contracting procedure 019/21
  - xl. Copy of amended technical specifications of second batch of contracting procedure 019/21
  - xli. Copy of award resolution of the first batch of contracting procedure 019/21 (contract)
  - xl. Copy of award resolution of the second batch of contracting procedure 019/21 (contract)
- xl. Copy of award resolution of the first batch of contracting procedure 019/21 (contract)
- xli. Copy of award resolution of the second batch of contracting procedure 019/21 (contract)
- xl. Copy of the publication notice in the national procurement website of contracting procedure 040/20
- xliv. Copy of terms of reference of contracting procedure 040/20
- xl. Copy of technical specifications of contracting procedure 040/20
- xlvi. Copy of award resolution of contracting procedure 040/20
- xl. Copy of the publication notice in the national procurement website of contracting procedure 098/22
- xl. Copy of terms of reference of contracting procedure 098/22
- xl. Copy of technical specifications of contracting procedure 098/22
  - l. Copy of award resolution of contracting procedure 098/22 (contract)
  - li. Implementation report of contracting procedure 019/21 from December 2022.
  - lii. Table (Excel sheet) on billing data December 2022
  - liii. Staff bill December 2022
  - liv. Submission on assessment of specific staff hiring profile I
  - lv. Submission on assessment of specific staff hiring profile II
  - lvi. Submission on assessment of specific staff hiring profile III
  - lvii. Clarification note on the relation between target 247 and target 246.
- lviii. Amendment of terms of reference for contracting procedure 019/21.
  - lix. Amendment of terms of reference for contracting procedure 019/21 – second batch.
  - lx. Amended contract awarded resulting from contracting procedure 019/21 first batch.
  - lxi. Amended contract awarded resulting from contracting procedure 019/21 second batch.
  - lxii. Amended contract awarded resulting from contracting procedure 040/20.
- lxiii. Ministry certification recognising INCIBE as Spanish representative in the INHOPE network.
- lxiv. Contracting procedures on increasing capabilities for INCIBE-CERT (PDF)
- lxv. Certificate of fulfilment of milestone 247
- lxvi. Report of management of milestone 247

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Strengthen of Cybersecurity Capacities by the improvement of the National Institute of Cybersecurity (INCIBE) Cybersecurity Help Line, with a monthly capacity of at least 20 000 calls processed per month.**

The capacity of the Cybersecurity Help Line has been improved through three contracting procedures increasing the capacity of INCIBE Cybersecurity helpline:

- Contracting procedure number 019/21, published on 12 May 2021 (see copy of publication notice included in point xxxvi) of the evidence) and developed in the completion report included in point xxvii of the evidence provided. It was awarded on 8 April 2022 (as per the copies of the award resolutions included in points xli and xlii of the evidence) and aimed at improving the capacities of the helpline by hiring new staff, increasing the available hours and improving technical capacities.
- Contracting procedure number 040/20, published on 31 July 2020 (see copy of publication notice included in point xlili) and developed in the completion report included in point xxviii of the evidence provided. It was awarded on 30 October 2020 (as per the copy of the award resolution included in point xlvi of the evidence) and aimed at contracting the phone line and network services to support the help line number 017.
- Contracting procedure number 098/22, published on 3 December 2022 (see copy of publication notice included in point xlvi) and developed in the completion report included in point xxix of the evidence provided. It was awarded on 3 June 2023 (as per the copy of the award resolution included in point I of the evidence) and aimed at providing continuity to the network services included in contracting procedure number 040/20.

In line with the technical specifications (point xxxix of the evidence), contracting procedure 019/21 improved the capacity of the helpline to process at least 20 000 calls per month by:

- Increasing the available hours from 12 hours per day to 15 hours or even to 24/7 in case of emergency, as evidenced in the technical specifications of contracting procedure 019/21 (point xxxix of the evidence, p.11).
- Hiring additional specialised staff able to process the calls and address the consultations: The technical specifications of contracting procedure 019/21 (point xxxix of the evidence, p.8) include the demand for additional staff to handle the calls. They explain that hired staff is responsible to manage the calls and to further process the cybersecurity request, giving further input to solve the incident if needed. The implementation report of contracting procedure 019/21 included in point li closed on 31 December 2022 and published on 18 January 2023 shows 36 profiles have been hired under such contracting procedure. This is consistent with the salaries data also submitted in points lii and liii of the evidence.
- Improving the technical capabilities to access, process and distribute an increased number of calls: this includes, among others, the setup of an interactive voice response system to filter the calls (technical specifications of contracting procedure 019/21 (point xxxix of the evidence, p.11), the set-up of a platform to manage consultations, and hardware equipment (technical specifications of contracting procedure 019/21 (point xxxix of the evidence, p.14 and following).

In addition, technical capabilities were improved through contracting procedures 040/20 and 098/22 on smart network management, to adjust them in order to enable the technical processing of additional calls, as laid out in the completion report submitted in points xxviii) and xxix) respectively.

**This helpline shall also support the removal of child sexual abuse material for web resources (CSAM).**

INCIBE has been appointed as Hot line in the INHOPE network (International Hotline Operators of Europe). The accession agreement by which INCIBE integrates the INHOPE network is included in point xxxii of the evidence. INCIBE serves for the detection of child sexual abuse material online and

reporting it to the police and security institutions. The report in point xxvii) of the evidence explains that the contracting procedure 019/21 contains a procedure for the treatment of such content. The procedure to follow in itself is reflected in point xxxi) of the evidence provided. A form has been made available by INCIBE for reporting sensitive content of child sexual abuse material. The link to the form is also provided both in points xxvii) and xxxi) of the evidence.

The target is further specified in the Operational Arrangements, which requires:

- i. **Periodic reports of the use of the Helpline service:** the report included in point v) of the evidence provided consists of a yearly overview report of the use of the helpline for the year 2022 overall. It is accompanied by more detailed monthly reports of the use of the help line (reports in points vi) to xvii) of the evidence provided).
- ii. **Publication of notices and alerts on INCIBE channels:** INCIBE includes a section on its website that features alerts and notices of cybersecurity incidents, which is updated regularly. Examples are provided under points xix), xx) and xxi) of the evidence.
- iii. **Annual impact reports of awareness campaigns:** the Spanish authorities have provided documents on the delivery and impact of two awareness-raising campaigns. The Campaign *Hoy es un anuncio* took place from June to October 2021, with actions specifically in June-July and then September-October 2021 and resulted in an increase in calls from 4 930 in May 2021 to 7 539 in June and 9 054 in July 2021, and 6 202 in September 2021, as appears from the impact report in point xxii) of the evidence provided. The campaign *Ciberprotégete* took place in November and December 2022 and resulted in an increase of calls to the cybersecurity helpline of 56% as compared to the previous month, as shown in point xxvi) of the evidence. More concretely, the impact report in point xxiii) of the evidence provides that during the period of the *Ciberprotégete* campaign, 7 350 calls took place, against 4 678 in the period between 11 October and 20 November 2022.

Furthermore, in line with the description of the measure, **the investment consists of a number of actions, aimed at [...] boosting the Spanish cybersecurity ecosystem. [...] The programmes in this area include an awareness raising campaign that is expected to reach as many people as possible, through communication campaigns, proximity actions, and the development of specific resources for these purposes. This also includes an increase in the response mechanisms through coordinated response services and actions such as the Cybersecurity Helpline that shall increase its capacity to 20 000 calls per month.** As explained above, communication campaigns have been carried out and the cybersecurity helpline has increased its capacity to more than 20 000 calls per month.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T259	T259 - C17.I2 - Strengthening the capacity, infrastructure and equipment of State System for Science, Technology and Innovation		
<b>Name of the Target:</b> Awards for projects enhancing national scientific infrastructures and capacity of the Spanish Science Technology and Innovation System, and bilateral agreements signed with international entities and other instruments to finance projects European and International infrastructure			
<b>Quantitative Indicator:</b> EUR (million)	<b>Baseline:</b> 0	<b>Target:</b> 300,2	<b>Time:</b> Q4 2022
<b>Context:</b>			
The objective of this investment is to provide, improve and update the technical scientific equipment and infrastructure of the Research and Development and Innovation (R&D&I) system, in order to			

facilitate excellent research and improve the competitiveness of the system. The investment includes a series of calls for proposals to support the infrastructure and equipment of the science, technology and innovation sector. The investment also supports European and international infrastructures such as CERN and the Deep Underground Neutrino Experiment (DUNE).

Target 259 is the first target of investment C17.I2 and consists of two points: i) the publication in the national subsidy database of at least EUR 255 155 000 awarded to projects enhancing national scientific infrastructures and the capacity of the Spanish Science Technology and Innovation System; and ii) agreements signed with international entities and other instruments to finance projects of at least EUR 45 000 000 in European and International Infrastructure (CERN, DUNE, HKK, ESS-lund, Harmony and SKA).

Target 259 is the first step of the implementation of investment C17.I2 and it will be followed by target 260 related to the completion of 100 % of R&I projects (for at least EUR 676 000 000), aimed at enhancing scientific infrastructures and the capacity of the Spanish Science Technology and Innovation System, including projects on European and international infrastructure. The investment has a final expected date for implementation by 31 August 2026.

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. A summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.
- ii. A spreadsheet with a list of projects awarded and a list of the projects to support European and international infrastructure, with for each of them a) the name of the project and a unique identifier; b) the total budget of the project (excluding VAT); c) a brief description of the project and its type; d) for awards, a list of the publication of the awards in the Official Journal or in the Spanish National Grant Database and the appropriate links to the Official Journal or Spanish National Grant Database; and e) an extract of the relevant specifications of the call, agreement or other instruments providing alignment with the description of the target and investment in the CID and the amount of support provided and f) for the international infrastructure projects, a copy of the agreements signed with international entities and other instruments to finance projects in European and International Infrastructure.

The authorities also provided:

In relation to the Call for Europe Excellence 2020:

- iii. A copy of the publication in the Official Journal of the Ministerial Order (CNU/320/2019) of 13 March 2019, approving the regulatory bases for the granting of public aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System and within the framework of the State Programme for R&D&I oriented to the Challenges of the Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge-dissemination bodies <https://www.boe.es/boe/dias/2019/03/21/pdfs/BOE-A-2019-4147.pdf>.
- iv. A copy of the publication in the National Database on Subsidies and Public Grants (Sistema Nacional de Subvenciones y Ayudas Públicas) of the Decision of the Presidency of the State Research Agency of 13 May 2020, published on 27 May 2020, approving the call

for applications for the year 2020 for the procedure for granting aid under the ‘Europe Excellence’ actions of the State Programme for the Generation of Scientific and Technological Knowledge and Training of the R&D&I System, State Subprogramme for Knowledge Generation, under the State Plan for Scientific and Technical Research and Innovation 2017-2020.

- v. A link to the National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/507169>.
- vi. A link to the website of the State Research Agency (Agencia Estatal de Investigación) where the call had been published  
<https://www.aei.gob.es/en/announcements/announcements-finder/acciones-dinamizacion-europa-excelencia-2020>.
- vii. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 9 October 2020.
- viii. A copy of the publication in the National Database on Subsidies and Public Grants of a note explaining that the call is financed by the RRF, setting out the conditions of the RRF.
- ix. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the Call for Europe Excellence 2022:

- x. A copy of the publication in the Official Journal of the Ministerial Order (CIN/552/2022) of 18 June 2022, approving the regulatory bases for granting public aid to ‘Europe Excellence’ projects under the State Plan for Scientific, Technical and Innovation Research for the period 2021-2023, as part of the Recovery, Transformation and Resilience Plan.  
<https://www.boe.es/boe/dias/2022/06/18/pdfs/BOE-A-2022-10126.pdf>.
- xi. A copy of the publication in the National Database on Subsidies and Public Grants of the Decision of the Presidency of the State Research Agency of 21 June 2022, published on 23 June 2022, approving the call for applications for 2022 for the procedure for awarding aid for ‘Europe of Excellence’ projects, the State Plan for Scientific, Technical and Innovation Research for the period 2021-2023, as part of the Recovery, Transformation and Resilience Plan.
- xii. A link to the National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/626452>.
- xiii. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-europa-excelencia-2022>.
- xiv. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 15 December 2022, published on 16 December 2022.
- xv. A copy of the corrigendum to the call for applications of 28 June 2022.
- xvi. A document describing the procedure for the verification of compliance with the DNSH principle.
- xvii. A copy of a decision to recover (part of) the funds for awarded projects.

In relation to the Call Europe Networks and Managers – European Project Management 2020:

- xviii. A copy of the publication in the Official Journal of the Ministerial Order (CNU/320/2019) of 13 March 2019, approving the regulatory bases for the granting of public aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System and within the framework of the State Programme

- for R&D&I oriented to the Challenges of the Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge-dissemination bodies. <https://www.boe.es/boe/dias/2019/03/21/pdfs/BOE-A-2019-4147.pdf>.
- xix. A copy of the publication in the National Database on Subsidies and Public Grants of Decision of the Presidency of the State Research Agency of 11 May 2020, published on 18 May 2020, approving the call for applications Europe Networks and Operators – Europe Technology Centres for 2020 for the granting of aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System, under the State Plan for Scientific and Technical Research and Innovation, 2017-2020.
- xx. A link to the National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/504637>.
- xxi. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/europa-redes-gestores-europa-centros-tecnologicos-2020>.
- xxii. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 25 November 2020.
- xxiii. A copy of the publication in the National Database on Subsidies and Public Grants of a note explaining that the call is financed by the RRF, setting out the conditions of the RRF.
- xxiv. A document describing the procedure for the verification of compliance with the DNSH principle.
- xxv. Copies of 16 decisions to waive or recover (part of) the funds for awarded projects:
- (Anexo\_3.6\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000657\_SP4.pdf).
  - (Anexo\_3.7\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000669\_SP4.pdf).
  - (Anexo\_3.8\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000709\_SP4.pdf).
  - (Anexo\_3.9\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000717\_SP4.pdf).
  - (Anexo\_3.10\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000724\_SP4.pdf).
  - (Anexo\_3.11\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000736\_SP4.pdf).
  - (Anexo\_3.12\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000746\_SP4.pdf).
  - (Anexo\_3.13\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000770\_SP4.pdf).
  - (Anexo\_3.14\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000786\_SP4.pdf).
  - (Anexo\_3.15\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000793\_SP4.pdf).
  - (Anexo\_3.16\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000809\_SP4.pdf).
  - (Anexo\_3.17\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000814\_SP4.pdf).
  - (Anexo\_3.18\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000850\_SP4.pdf).
  - (Anexo\_3.19\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000854\_SP4.pdf).
  - (Anexo\_3.20\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000870\_SP4.pdf).
  - (Anexo\_3.21\_259O\_I02\_MCIN\_AEI\_ECT2020\_Reintegro\_000871\_SP4.pdf).

In relation to the Scientific and Technical Equipment Call 2021:

- xxvi. A copy of the publication in the Official Journal of the Ministerial Order (CNU/384/2019) of 2 April 2019, approving the regulatory bases for the granting of public aid under the State Subprogramme for Research Infrastructures and Science-Technical Equipment of the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System of the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge dissemination bodies and research Infrastructures <https://www.boe.es/boe/dias/2019/04/03/pdfs/BOE-A-2019-4944.pdf>.



- xxvii. A copy of the publication in the National Database on Subsidies and Public Grants of the Decision of the Presidency of the State Research Agency of 4 June 2021, published on 10 June 2021, approving the call for applications for 2021 of the procedure for granting aid for the purchase of scientific and technical equipment, corresponding to the State Subprogramme for Research Infrastructures and Science-Technical Equipment of the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System, as part of the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- xxviii. A link to the National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/566417>.
- xxix. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/equipamiento-cientifico-tecnico-2021>.
- xxx. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 15 December 2021.
- xxxi. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the Europe Research 2020 Call:

- xxxii. A copy of the publication in the Official Journal of the Ministerial Order (CNU/320/2019) of 13 March 2019, approving the regulatory bases for the granting of public aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System and within the framework of the State Programme for R&D&I oriented to the Challenges of the Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge-dissemination bodies. <https://www.boe.es/boe/dias/2019/03/21/pdfs/BOE-A-2019-4147.pdf>.
- xxxiii. A copy of the publication in the National Database on Subsidies and Public Grants of the Decision of the presidency of the State Research Agency, of 21 May 2020, published on 29 May 2020, approving the call for applications for 2020 for the procedure for granting aid for the 'Europe Research' actions under the State Programme for R&D&I geared to the Challenges of Society, as part of the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- xxxiv. A link to the National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/506190>.
- xxxv. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/acciones-dinamizacion-europa-investigacion-2020>.
- xxxvi. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 30 October 2020.
- xxxvii. A copy of the resolution of the Presidency of the State Research Agency reaffirming the structure for the payment of aid for "Europe Research" actions for the year 2020.
- xxxviii. A copy of the publication in the National Database on Subsidies and Public Grants of a note explaining that the call is financed by the RRF, setting out the conditions of the RRF.
- xxxix. A document describing the procedure for the verification of compliance with the DNSH principle.
- xl. Copies of 15 decisions to waive or recover (part of) the funds for awarded projects:
  - (Anexo\_5.7\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112476\_TOTAL\_SP4[1].pdf).

- (Anexo\_5.8\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112472\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.9\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112451\_TOTAL\_SP4[2].pdf).
- (Anexo\_5.10\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112396\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.11\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112256\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.12\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112368\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.13\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112363\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.14\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112278\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.15\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112478\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.16\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112429\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.17\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112417\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.18\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112336\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.19\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112374\_TOTAL\_SP4[1].pdf).
- (Anexo\_5.20\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112359\_SP4.pdf).
- (Anexo\_5.21\_259O\_C17\_I02\_MCIN\_AEI\_EIN2020\_Renuncia\_112158\_SP4.pdf).

In relation to the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call:

- xli. A copy of the publication in the Official Journal of the Ministerial Order (CIN/538/2021) of 29 May 2021, published on 1 June 2021, approving the regulatory bases for the granting of public aid for the Singular Scientific and Technical Infrastructure and approving the call for applications for 2021 as part of the Recovery and Resilience Plan.  
<https://www.boe.es/boe/dias/2021/06/01/pdfs/BOE-A-2021-9167.pdf>
- xlii. A copy of the publication in the Official Journal of the corrigendum to the call for applications of 14 June 2021  
<https://www.boe.es/eli/es/o/2021/05/29/cin538/corrigendum/20210614/dof/spa/pdf>.
- xlili. A link to the website of the Ministry of Science and Innovation (Ministerio de Ciencia, Innovación y Universidades) where the call had been published  
<https://www.ciencia.gob.es/Convocatorias/2021/Infraestructuras-Cientificas-y-Tecnicas-Singulares-ICTS-2021.html>
- xliv. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 22 December 2021.
- xlv. A copy of the Order of the Minister for Science and Innovation complementary to the Order of 21 December 2021 on the procedure for granting public aid for 2021 for the Unique Scientific and Technical Infrastructure (ICTS) under the Recovery and Resilience Plan of 29 December 2021.

- xlvi. A document describing the procedure for the verification of compliance with the DNSH principle.
- xlvii. A copy of a decision to recover (part of the) the funds for awarded projects.

In relation to the Singular Scientific and Technical Infrastructures (ICTS) 2022 Call:

- xlviii. A copy of the publication in the National Database on Subsidies and Public Grants of the Order of 17 May 2022, published on 19 May 2022 approving the call for public aid for 2022 for scientific and technical infrastructure in the framework of the Recovery, Transformation and Resilience plan.
- xliv. A link to the National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/612812>.
- i. A link to the website of the Ministry of Science and Innovation where the call had been published <https://www.ciencia.gob.es/Convocatorias/2022/ICTS2022.html>.
  - ii. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 20 December 2022, published on 23 December 2022.
  - iii. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the DUNE projects:

- liii. A copy of the signed agreement between FERMI Research Alliance and the Centre for Energy, Environmental and Technological Research (CIEMAT) to carry out cooperative activities for the Deep Underground Neutrino Experiment (DUNE) of 21 December 2022.
- liv. A copy of the Order of the Minister of Science and Innovation, dated 29 October 2021, transferring to CIEMAT the amount of EUR 2 100 000 from budget implementation 28.50.000x.711 (Recovery and Resilience Facility) for participation in DUNE and setting out the conditions for the transfer.
- lv. A copy of the Order of the Minister of Science and Innovation, dated 28 April 2022, transferring to CIEMAT the amount of EUR 2 200 000 from budget implementation 28.50.000x.711 (Recovery and Resilience Facility) for participation in DUNE and setting out the conditions for the transfer.
- lvi. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the CERN projects:

- lvii. A copy of the signed agreement between CERN and MCIN for the Spanish Contribution to the Upgrade of the ATLAS, CMS, and LHCb Experiments and the new Projects for ISOLDE and n\_TOF of 30 December 2021.
- lviii. A copy of the signed agreement between CERN and MCIN to terminate the agreement for the Spanish Contribution to the Upgrade of the ATLAS, CMS, and LHCb Experiments and the new Projects for ISOLDE and n\_TOF of 23 March 2023.
- lix. A copy of the Order of the Minister of Science and Innovation, dated 19 April 2023, transferring to CIEMAT the amount of EUR 6 340 000 from budget implementation 28.50.000x.712 (Recovery and Resilience Facility) for participation in CERN projects and setting out the conditions for the transfer.
- lx. A document describing the procedure for the verification of compliance with the DNSH principle.

- lxi. A copy of the Memorandum of Understanding of 28 December 2022 between CERN and CIEMAT on the Spanish participation to projects on experimental particle and nuclear physics hosted by CERN.
- lxii. A copy of the Order of the Minister of Science and Innovation, dated 30 December 2022, transferring to CIEMAT the amount of EUR 6 580 000 from budget implementation 28.50.000x.712 (Recovery and Resilience Facility) for participation in CERN projects and setting out the conditions for the transfer.
- lxiii. A document describing the procedure for the verification of compliance with the DNSH principle.
- lxiv. A copy of the publication in the Official Journal of an agreement between the Centre for Energy Research, Environmental and Technology, O.A., M.P.; the State Agency for the National Research Council Scientists, M.P.; the Institut de Física d'Altes Energies; the University of Seville; the Universitat Politècnica de Catalunya; the University of Huelva; the Universitat de València; Complutense University of Madrid and the Consortium for the Construction, Equipment and Exploitation of the Spanish Headquarters of the Source European Scaling Neutrons for the development of projects in the field nuclear and particulate physics experiment associated with large experiments at CERN of 7 July 2023.

In relation to the HKK neutrino detector projects:

- lxv. A copy of the Memorandum of Understanding of between The University of Tokyo, The High Energy Accelerator Research Organization and the Spanish Ministry of Science and Innovation of 25 August 2022 on the Spanish Participation in the Hyper-Kamiokande Experiment.
- lxvi. A copy of the signed agreement between The University of Tokyo, The Institute for Cosmic Ray Research and The Laboratorio Subterráneo de Canfranc of 8 August 2022 on the Spanish contributions corresponding to the 2021 and 2022 funding of the Construction of the Hyper-Kamiokande Experiment.
- lxvii. A copy of the Order of the Minister of Science and Innovation, dated 28 October 2021, transferring to the Consortium for the Equipment and Operation of the Canfranc Underground Laboratory (LSC) the amount of EUR 3 500 000 from budget implementation 28.50.460d.749.15 (Recovery and Resilience Facility) for the Spanish participation in the construction of the Hyperkamiokande neutrino detector (HKK) and setting out the conditions for the transfer.
- lxviii. A copy of the Order of the Minister of Science and Innovation, dated 8 July 2022, granting the Consortium for the Design, Construction, Equipment and Operation of the Canfranc Underground Laboratory (LSC), as a subsidy nominally foreseen in the general state budget for 2022, the sum of EUR 3 800 000 from the 28.50.46qb.749.15 budget implementation (Recovery and Resilience Facility) for the Spanish participation in the construction of the Hyperkamiokande neutron detector (HKK) and setting out the conditions for the concession.
- lxix. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the HARMONI projects:

- lxx. A copy of the agreement between the European Organisation for Astronomical Research in the Southern Hemisphere of 30 December 2021 for the Spanish participation in the first light instrument HARMONI (High Spatial Resolution Integral Field Infrared/Optical Spectrograph) of the Extremely Large Telescope (ELT) of the European Southern Observatory (ESO).

- lxxi. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the ESS Lund projects:

- lxxii. A copy of the agreement between the European Spallation Source ERIC and the Ministry of Science and Innovation of 30 December 2021 concerning the funding of equipment and services for the completion of construction, testing and commissioning of the ESS accelerator, target and instruments.
- lxxiii. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the SKA projects:

- lxxiv. A copy of a certificate, dated 29 December 2021, to demonstrate that that the Agreement authorising Spain's voluntary contribution, within the Ministry of Science and Innovation, to the project to construct the sub-reflectors of the satellite dishes of the organisation 'Square Kilometre Array Observatory' (SKAO), to be installed in the Republic of South Africa, amounting to EUR 4 400 000 under the Recovery and Resilience Facility (RRF), has been approved at the meeting of the Council of Ministers, the text of which is set out in the document.
- lxxv. A copy of a request by SKA, dated 28 October 2021, for the transfer of the amount of EUR 4 400 000 for the contribution from the Spanish Ministry of Science and Innovation to the Square Kilometer Array Organisation in 2021, from the Recovery, Transformation and Resilience Plan funds, of 21 October 2021, for the construction of the SKA medium frequency band subreflectors.
- lxxvi. A copy of a certificate, dated 24 May 2022, to demonstrate that the Agreement authorising Spain's voluntary contribution, within the Ministry of Science and Innovation, to the project for the construction of the sub-reflectors of the satellite dishes of the SKA Organisation, to be installed in the Republic of South Africa, for an amount of EUR 700 000, under the Recovery and Resilience Facility (RRF), has been approved at the meeting of the Council of Ministers.
- lxxvii. A copy of a request by SKA, dated 27 June 2022, for the transfer of the amount of EUR 700 000 for the contribution of the Spanish Ministry of Science and Innovation to the Square Kilometre Array Organisation in 2022 for the construction of the SKA mid-frequency band sub-reflectors within the framework of the Recovery, Transformation and Resilience Plan.
- lxxviii. A document describing the procedure for the verification of compliance with the DNSH principle.
- lxxix. A copy of the legal opinion issued by the International Legal Advice of the Ministry of Foreign Affairs on 16 November 2021 on the 2021 contribution of MCIN to the Square Kilometre Array Observatory (SKAO) sub-reflectors project in South Africa.
- lxxx. A copy of the legal opinion issued by the International Legal Advice of the Ministry of Foreign Affairs on 4 April 2022 on the 2022 contribution of MCIN to the Square Kilometre Array Observatory (SKAO) sub-reflectors project in South Africa.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Publication in the national subsidy database of at least EUR 255 155 000 awarded for projects enhancing national scientific infrastructures, capacity of the Spanish Science Technology and Innovation System.**

The State Research Agency (AEI) and the General Secretariat for Research (SGI) awarded a total of EUR 267 446 595 in grants to 511 projects as evidenced by the publication in the National Database on Subsidies and Public Grants (Sistema Nacional de Subvenciones y Ayudas Públicas) of the resolutions of final project awards under the seven calls listed below. Of this amount, EUR 266 055 563 is earmarked to budget lines dedicated to funding from the RRF, whereas the remaining EUR 1 391 032 is earmarked to budget lines dedicated to the national budget. EUR 3 217 340 of the awarded grants was subsequently waived, bringing the total amount that is awarded and requested to be financed by the RRF to EUR 262 838 223. This is above EUR 255 155 000, as required in the target description. The awards are as follows:

- The award of EUR 1 200 000 in grants to 20 projects under the Call for Europe Excellence 2020, with the publication of the award resolution in the National Database on Subsidies and Public Grants on 9 October 2020 (point vii of the evidence provided). Pursuant to Article 1(3) of the call for proposals, published on 27 May 2020 in the same database (point iv of the evidence provided), the aid provided contributes towards enhancing the capacity of the Spanish Science, Technology and Innovation System by boosting the internationalization of R&D&I activities and contributing to the advancement of knowledge in order to meet the challenges that Spanish research faces in the context of the European Research Area.
- The award of EUR 2 500 000 in grants to 28 projects under the Call for Europe Excellence 2022, with the publication of the award resolution in the National Database on Subsidies and Public Grants on 16 December 2022 (point xiv of the evidence provided). Pursuant to Article 1(3) of the call for proposals, published on 23 June 2022 in the same database (point xi of the evidence provided), the aid provided contributes towards enhancing the capacity of the Spanish Science, Technology and Innovation System by boosting the internationalization of R&D&I activities and contributing to the advancement of knowledge in order to meet the challenges that Spanish research faces in the context of the European Research Area. Spain also provided a copy of the decision to waive the funds for one of the awarded projects amounting to EUR 89 646 (point xvii of the evidence provided). This brings the total amount awarded to projects under the Call for Europe Excellence 2022 that are requested to be financed by the RRF, taking into account waived funds, to EUR 2 410 354.
- The award of EUR 7 000 000 in grants to 37 projects under the Call Europe Networks and Managers – European Project Management 2020, with the publication of the award resolution in the National Database on Subsidies and Public Grants on 25 November 2020 (point xxii of the evidence provided). Pursuant to Article 1(2) of the call for proposals, published on 18 May 2020 in the same database (point xix of the evidence provided), the aid provided contributes towards enhancing the capacity of the Spanish Science, Technology and Innovation System by strengthening the structures to support Spanish participation in European and international science and technology initiatives. Spain also provided a copy of the decisions to waive part of the funds for 16 of the awarded projects amounting to EUR 329 203 (point xxv of the evidence provided). This brings the total amount awarded to projects under the Call Europe Networks and Managers – European Project Management 2020 that are requested to be financed by the RRF, taking into account waived funds, to EUR 6 670 797.
- The award of EUR 180 000 000 in grants to 217 projects under the Scientific and Technical Equipment Call 2021, with the publication of the award resolution in the National Database on Subsidies and Public Grants on 15 December 2021 (point xxx of the evidence provided). Pursuant to Article 1(2) of the call for proposals, published on 10 June 2021 in the same database (point xxvii of the evidence provided), the aid provided contributes towards

enhancing national scientific infrastructures by providing scientific and technical equipment to joint research services of the applicant entities by equipping them with state-of-the-art equipment.

- The award of EUR 1 987 194 to 165 projects under the Europe Research 2020 Call, with the publication of the award resolution in the National Database on Subsidies and Public Grants on 30 October 2020 (point xxxvi of the evidence provided). The RRF contribution is requested to be limited to funds awarded for the financial year 2020 to the 165 projects, amounting to EUR 596 162. Pursuant to Article 1(2) of the call for proposals, published on 29 May 2020 in the same database (point xxxiii of the evidence provided), the aid provided contributes towards enhancing the capacity of the Spanish Science Technology and Innovation System by promoting and improving the Spanish participation in European science and technology initiatives. Spain also provided a copy of the decisions to waive (part of) the funds for 15 of the awarded projects amounting to EUR 48 491 (point xl of the evidence provided). This brings the total amount awarded to projects under the Europe Research 2020 Call that are requested to be financed by the RRF, taking into account waived funds, to EUR 547 671.
- The award of EUR 37 625 761 in grants to 24 projects under the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call, with the publication of the award resolution in the National Database on Subsidies and Public Grants on 22 December 2021 (point xliv of the evidence provided). Pursuant to Article 3(1) of the regulatory bases of the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call, published on 1 June 2021 in the Official Journal (point xli of the evidence provided), the aid provided contributes towards enhancing national scientific infrastructures by facilitating the implementation of the ICTS Strategic Plans. Spain also provided a copy of the decision to waive the funds for one of the awarded projects amounting to EUR 2 750 000 (point xlvii of the evidence provided). This brings the total amount awarded to projects under the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call that are requested to be financed by the RRF, taking into account waived funds, to EUR 34 875 761.
- The award of EUR 37 133 640 in grants to 20 projects under the Singular Scientific and Technical Infrastructures (ICTS) 2022 Call, with the publication of the award decision in the National Database on Subsidies and Public Grants on 23 December 2022 (point li of the evidence provided). Pursuant to Article 1(1) of the call for proposals, published on 19 May 2022 in the same database (point xlviii of the evidence provided), the aid provided contributes towards enhancing national scientific infrastructures by facilitating the implementation of the ICTS Strategic Plans.

In line with the description of the measure, **the investment supports the infrastructure and equipment of the science, technology and innovation sector through calls for proposals.**

- Pursuant to Article 1(2) of the call for proposals of the Scientific and Technical Equipment Call 2021, published on 10 June 2021 in the National Database on Subsidies and Public Grants (point xxvii of the evidence provided), the purpose of the aid is to provide scientific and technical equipment to joint research services of the applicant entities by equipping them with state-of-the-art equipment.
- Pursuant to Article 1 of the regulatory bases of the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call, published on 1 June 2021 in the Official Journal (point xli of the evidence provided), the purpose of this Ministerial Order is to lay down the regulatory bases for the granting of public aid for scientific and technical infrastructures (ICTS) and to launch a call for applications for the award of this public aid in 2021.
- The call for proposals of the Singular Scientific and Technical Infrastructures (ICTS) 2022 Call, published on 19 May 2022 in the National Database on Subsidies and Public Grants (point xlviii

of the evidence provided) approves the call for public aid for 2022 for scientific and technical infrastructure in the framework of the Recovery, Transformation and Resilience Plan.

In line with the description of the measure, **specific actions under the investment to be supported include Large Scientific Infrastructures based in Spain, in particular those included in the ‘Map of Unique Scientific and Technical Infrastructures’ (ICTS) (Mapa de Infraestructuras Científicas y Técnicas Singulares).**

- As per Article 3(1) of the regulatory bases of the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call, published on 1 June 2021 in the Official Journal (point xli of the evidence provided), which also approves the call for proposals for 2021, the purpose of the aid is to facilitate the implementation of the Strategic Plans of Singular Scientific and Technical Infrastructures (hereinafter ICTS), meaning those belonging to the ICTS National Map in force, that, at the date of publication of each call for applications, have been declared a high priority by the Advisory Committee on Singulares Infrastructure (CAIS). The same Article further specifies that in all cases, investment lines are associated with the construction, development, implementation, equipment and improvement of the scientific and technical capabilities of ICTS. The Annex of the same document provides a list of the Singular Scientific and Technical Infrastructures (ICTS) that were included in the ICTS National Map in force at the time that were eligible to receive funding. This list includes Large Scientific Infrastructures based in Spain, such as the Large Telescope Canary Islands, the Yebes Observatory, the CANFRANC Underground Laboratory and the IRAM 30M Radiotelescope.
- The same purpose is defined in Article 1(1) of the call for proposals of the Singular Scientific and Technical Infrastructures (ICTS) 2022 Call, published on 19 May 2022 in the National Database on Subsidies and Public Grants (point xlvi of the evidence provided), whereas Article 4(8) of the same document specifies the acquisition, construction, assembly and entry into operation of scientific and technical infrastructure as elements eligible for aid. The Annex of the same document provides a list of the Singular Scientific and Technical Infrastructures (ICTS) that were included in the ICTS National Map in force at the time that were eligible to receive funding. This list includes Large Scientific Infrastructures based in Spain, including the examples listed above.

In line with the description of the measure, the calls for proposals of the Scientific and Technical Equipment Call 2021, the Singular Scientific and Technical Infrastructures (ICTS) 2021 Call and the Singular Scientific and Technical Infrastructures (ICTS) 2022 Call demonstrate that **the investment focuses on the provision, improvement and updating of the technical scientific equipment and infrastructure of the R&D&I system, in order to facilitate excellent research and improve the competitiveness of the system.** The provision, improvement and updating of the technical scientific equipment and infrastructure of the R&D&I system through both calls by definition facilitates research excellence and improves the competitiveness of the Spanish R&D&I system by offering researchers within the system better opportunities to carry out their research activities, in comparison to researchers outside of the system.

Furthermore, in line with the description of the measure, **the investment includes a series of calls for grants to enhance the internationalization capacity of the Spanish R&D&I system, including: call for European Project Management, call for Europe Research 2020, call for Europe Excellence 2020 and 2022.**

- Ministerial Order (CNU/320/2019) of 13 March 2019 (point iii of the evidence provided) approves the regulatory bases for the granting of public aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I



System and within the framework of the State Programme for R&D&I oriented to the Challenges of the Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge-dissemination bodies. In that capacity the Order approves the regulatory bases of the Europe Research 2020 Call, the Call for Europe Excellence 2020 and the Call Europe Networks and Managers – European Project Management 2020. As per Article 2(1) of the Ministerial Order, the aid is intended to promote R&D&I activities in order to increase the competitiveness and international leadership of Spanish science and technology, including by enhancing the aggregation, integration, internationalisation and openness of the Spanish Science, Technology and Innovation system and its institutions, including its contribution to strengthening the European Research Area as one of the actions to achieve this goal. The objective of boosting the internationalization of Spanish R&D&I activities is also enshrined in:

- Article 1(3) of the call for proposals of the Call for Europe Excellence 2020, published on 27 May 2020 in the National Database on Subsidies and Public Grants (point iv of the evidence provided);
  - Article 1(2) of the call for proposals of the Call Europe Networks and Managers – European Project Management 2020, published on 18 May 2020 in the National Database on Subsidies and Public Grants (point xix of the evidence provided); and
  - Article 1(2) of the call for proposals of the Europe Research 2020 Call, published on 29 May 2020 in the National Database on Subsidies and Public Grants (point xxxiii of the evidence provided).
- As per Article 2(2) of the regulatory bases of the Call for Europe Excellence 2022, published in the Official Journal in the Official Journal on 18 June 2022 (point x of the evidence provided) the purpose of the aid is to boost the internationalisation of R & D & I activities and contribute to the advancement of knowledge in order to address the challenges that Spanish research faces in the context of the European Research Area by encouraging the participation of research staff with promising scientific paths. As per Article 2(3) of the same document, the aid also aims to incentivise Spain’s participation and leadership in the European Research Area, contributing to the fulfilment of specific objective 1 (SO1) of the State Plan for Scientific, Technical and Innovation Research for the period 2021-2023.

**Agreements signed with international entities and other instruments to finance projects of at least EUR 45 000 000 in European and International Infrastructure (CERN, DUNE, HKK, ESS-lund, Harmony and SKA).**

The Ministry of Science and Innovation (MCIN) and other implementing bodies signed agreements or put in place other instruments to finance projects supporting European and International Infrastructure for total amount of EUR 45 913 000, including:

EUR 12 920 000 for **CERN** projects, as reflected in:

- The signed transfer order of 19 April 2023, transferring the sum of EUR 6 340 000 from MCIN to CIEMAT to finance the update of the ATLAS, CMS and LHCb experiments and to the new Isolde Y N-TOF projects (point lix of the evidence provided). The transfer order recognises CIEMAT as the entity coordinating the participation of the Spanish entities in the projects to update the ATLAS, CMS and LHCb experiments and the new Isolde and n-TOF projects, as regards the implementation of RRF funds, assuming the receipt of these funds, their distribution and transfer to the other entities concerned, as well as the role of entity responsible for the Subproject “CERN: Development of projects in the field of particle and nuclear physics associated with large experiments in CERN” funded by RRF funds.

- The signed transfer order of 30 December 2022, transferring the sum of EUR 6 580 000 from MCIN to CIEMAT for the Spanish contribution to the update of the ATLAS, CMS and LHCb experiments and to the new Isolde Y N-TOF projects (point lxii of the evidence provided).
- The signed Memorandum of Understanding between CIEMAT and CERN of 28 December 2022 (point lxi of the evidence provided), serving as an umbrella for defining the Spanish participation in projects hosted by CERN.
- The signed agreement between CIEMAT and the Spanish entities participating in updating the ATLAS, CMS and LHCb experiments and the new Isolde and n-TOF projects of 7 July 2023 (point lxiv of the evidence provided).

EUR 4 300 000 for **DUNE project**, as reflected in:

- The signed International Cooperative Research and Development Agreement (CRADA) between the Center for Energy, Environmental and Technological Research (Centro De Investigaciones Energeticas, Medioambientales Y Technologicas) (CIEMAT), an autonomous body attached to MCIN Signed and Fermi Research Alliance, LLC (Fermilab) of 21 December 2022 to carry out cooperative activities for the Deep Underground Neutrino Experiment (DUNE) that are set forth in Annex A of the agreement (point liii of the evidence provided). In particular, Annex A stipulates that the Government of Spain, through funds from the Recovery and Resilience Plan, has foreseen a contribution of EUR 4 300 000 to the DUNE project.
- The signed transfer order of 29 October 2021, transferring from MCIN to CIEMAT the sum of EUR 2 100 000 for the Spanish participation in the DUNE project (point liv of the evidence provided).
- The signed transfer order of 28 April 2022, transferring from MCIN to CIEMAT the sum of EUR 2 200 000 for the Spanish participation in the DUNE project (point lv of the evidence provided).

EUR 7 300 000 for **HKK projects**, as reflected in:

- The signed agreement between Laboratorio Subterraneo Canfranc (LSC) and the University of Tokyo of 8 August 2022, on the Spanish contributions corresponding to the 2021 and 2022 funding in the Construction of the Hyper-Kamiokande Experiment (HKK) (point lxvi of the evidence provided), stipulating that:
  - the MCIN General Budget has a specific line (28.50.460D.790.15) with EUR 3 500 000 in 2021 and a specific line (28.50.46QB.749.15) with EUR 3 800 000 in 2022 allocated to LSC for the Spanish participation in the construction of the Hyper-Kamiokande detector;
  - these funds respectively come from the European Union Recovery and Resilience Fund scheme, assigned to the Kingdom of Spain; and
  - LSC will transfer to the University of Tokyo in-kind contributions in the value of EUR 3 500 000 and of EUR 3 800 000.
- The signed Memorandum of Understanding between MCIN and the University of Tokyo of 25 August 2022 on the Spanish Participation in the Hyper-Kamiokande Experiment (HKK) (point lxv of the evidence provided), serving as an umbrella for defining the Spanish collaboration in the HKK project, without including financial obligations.
- The signed transfer order of 28 October 2021, transferring from MCIN to LSC the sum of EUR 3 500 000 for the Spanish participation in the HKK project (point lxvii of the evidence provided).
- The signed grant order of 8 July 2022, transferring from MCIN to LSC the sum of EUR 3 800 000 for the Spanish participation in the HKK project (point lxviii of the evidence provided).

EUR 14 293 000 for **ESS-lund projects**, as reflected in:

- The signed agreement between MCIN and the European Spallation Source ERIC of 30 December 2021 concerning the funding of equipment and services for the completion of the construction, testing and commissioning of the ESS accelerator, target and instruments (point lxxii of the evidence provided), stipulating that:
  - the MCIN General Budget 2021 has a specific line (28.50.460D.79005), with a total of EUR 14 293 000 allocated to the provision of equipment and services for the completion of the construction, testing and commissioning of the ESS accelerator, target and instruments by Spanish research institutions, groups and companies;
  - these funds come from the European Union Recovery and Resilience Facility (“RRF”) assigned to the Kingdom of Spain; and
  - MCIN will transfer to ESS the funds, amounting to EUR 14 293 000 in a single instalment to an ESS bank account.

EUR 2 000 000 for **HARMONI** projects, as reflected in:

- The signed agreement between MCIN and the European Southern Observatory (ESO) of 30 December 2021 concerning the use of the ESO Deposit Facility (point lxx of the evidence provided), stipulating that:
  - the MCIN General Budget 2021 has a specific line (28.50.460D.79001), with EUR 1 000 000 in 2021 and EUR 1 000 000 in 2022, allocated to the HARMONI Instrument by Spanish groups and companies;
  - these additional funds come from the European Union Recovery and Resilience Fund scheme, hereinafter referred to as "RRF", assigned to the Kingdom of Spain;
  - the additional funds shall be used to cover the staff efforts and certain testing equipment and tools of the Spanish research institutions and companies engaged in the HARMONI Consortium in order to carry out the activities described in Annex 1 to the agreement;
  - MCIN will transfer to ESO a total amount of EUR 2 000 000, in two instalments of EUR 1 000 000 each to the ESO bank account; and
  - the first instalment will be paid before the end of 2021, following the application of this Agreement, while the second one will be released during the second half of 2022.

EUR 5 100 000 for **SKA** projects, as reflected in:

- The authorisation by the Council of Ministers on 29 December 2021 of the payment of a voluntary contribution amounting to EUR 4 400 000 to SKA (point lxxiv of the evidence provided).
- The receipt of a letter of payment from SKA by MCIN for a total amount of EUR 4 400 000 on 28 October 2021 (point lxxv of the evidence provided).
- The authorisation by the Council of Ministers on 24 May 2022, of the payment of a voluntary contribution amounting to EUR 700 000 to SKA (point lxxvi of the evidence provided).
- The receipt of a letter of payment from SKA by MCIN for a total amount of EUR 700 000 on 27 June 2022 (point lxxvii of the evidence provided).

In line with the description of the measure, the signed agreements with international entities and other instruments to finance projects in European and International Infrastructure listed above demonstrate that **the investment supports European and international infrastructures such as CERN and Deep Underground Neutrino Experiment, among others.**

Furthermore, in line with the description of the measure, the calls for proposals listed above demonstrate that **actions under this investment take place with calls for proposals**, whereas the agreements signed with international entities and other instruments to finance projects in European

and International Infrastructure listed above demonstrate that **the actions under this investment take place with calls for proposals and direct public investment.**

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T261	T261 - C17.I3 - New private, interdisciplinary, public R&D&I projects, concept tests and the award of aid as a result of international competitive calls. Cutting-edge R&D geared to societal challenges. Pre-commercial public procurement		
<b>Name of the Target:</b> Award of new private, interdisciplinary, public R&D&I projects, concept tests, international competitive calls, and cutting-edge R&D geared to social challenges			
<b>Quantitative Indicator:</b> EUR (million)	<b>Baseline:</b> 0	<b>Target:</b> 897	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of this investment is to strengthen knowledge generation, knowledge transfer and public-private partnerships in R&amp;D&amp;I. Through the actions under this investment, the research and innovation activity in the private sector shall be stepped up, and the collaboration between public research organizations and the private sector shall be reinforced. The measure also seeks to increase R&amp;D&amp;I activity in strategic areas, such as green and digital transition, as well as to increase the internationalization of Spanish research groups.</p> <p>Target 261 is the first target of investment C17.I3 and consists of the publication in the Official Journal of at least EUR 897 000 000 awarded to projects under six calls: call for proof of concept projects (EUR 80 000 000), call for interdisciplinary projects in strategic lines (EUR 73 000 000), call for R&amp;D projects linked to the green and digital transition (EUR 296 000 000), call for public-private collaboration projects (EUR 140 000 000), call for R&amp;D to target societal challenges (EUR 230 000 000) and call for international collaboration projects (EUR 78 000 000). The evaluation of projects under this investment shall ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) as set out in the description of the measure.</p> <p>Target 261 is the first step of the implementation of investment C17.I3 and it will be followed by Target 262 related to the approval of at least 3 110 R&amp;I projects with at least 35 % linked to the green and digital transition, including 110 projects linked to PERTE Chip. The investment has a final expected date for implementation by 31 August 2026.</p>			
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. A summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> <li>ii. A spreadsheet with a list of projects awarded, with for each of them a) the name of the project and a unique identifier; b) the name/type of the call; c) the total budget awarded (excluding VAT); d) a list of the publication of the awards in the Official Journal or in the Spanish National Grant Database with the appropriate links to the Official Journal or Spanish National Grant Database, e) an extract of the relevant specifications of the call providing alignment with the description of the target and investment in the CID annex; f) a brief description of the project and its type (based on the categories listed in the description of the target); and g) an extract of the official documents containing the</li> </ol>			

evaluation criteria that ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01), as specified in the CID Annex.

The authorities also provided:

In relation to the Proof of Concept 2021 Call:

- iii. A copy of the publication in the Official Journal of the Ministerial Order (CNU/320/2019) of 13 March 2019, approving the regulatory bases for the granting of public aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System and within the framework of the State Programme for R&D&I oriented to the Challenges of the Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge-dissemination bodies. <https://www.boe.es/boe/dias/2019/03/21/pdfs/BOE-A-2019-4147.pdf>.
- iv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants (Sistema Nacional de Subvenciones y Ayudas Públicas) of the Decision of the Presidency of the State Research Agency of 21 April 2021, published on 27 April 2021, approving the call for applications for 2021 for the procedure for granting aid for R&D&I projects to carry out 'Evidence of Concept' under the State Programme for R&D&I oriented to the Challenges of Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- v. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published <https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/556969>.
- vi. A link to the website of the State Research Agency (Agencia Estatal de Investigación) where the call had been published <https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-idi-pruebas-concepto-2021>.
- vii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 23 November 2021, published on 24 November 2021.
- viii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of a modification of the call for applications of 27 April 2021.
- ix. A document describing the procedure for the verification of compliance with the DNSH principle.
- x. Copies of four decisions to waive or recover (part of) the funds for awarded projects:
  - (Anexo\_1.1.6\_261O\_C17\_I03\_MCIN\_AEI\_PDC2021\_Renuncia\_121404-I00\_SP4[1].pdf).
  - (Anexo\_1.1.7\_261O\_C17\_I03\_MCIN\_AEI\_PDC2021\_Renuncia\_121671-I00\_SP4[1].pdf).
  - (Anexo\_1.1.8\_261O\_C17\_I03\_MCIN\_AEI\_PDC2021\_Renuncia\_120845-C52\_SP4[1].pdf).
  - (Anexo\_1.1.9\_261º\_C17\_I03\_MCIN\_AEI\_PDC\_2021\_Renuncia\_120938-I00\_SP4.pdf).

In relation to the Proof of Concept 2022 Call:

- xi. A copy of the publication in the Official Journal of the Ministerial Order (CIN/417/2022) of 4 May 2022, approving the regulatory bases for granting public aid for proof of concept projects, the State Plan for Scientific, Technical and Innovation Research for the period 2021-2023, as part of the Recovery, Transformation and Resilience Plan, and approving the call for applications for 2022. <https://www.boe.es/boe/dias/2022/05/12/pdfs/BOE-A-2022-7763.pdf>.

- xii. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/625205>.
- xiii. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-prueba-concepto-2022>.
- xiv. A copy of the publication in the National Database on Subsidies and Public Grants of the resolution of the final awards of 21 December 2022.
- xv. A document describing the procedure for the verification of compliance with the DNSH principle.
- xvi. Copies of two decisions to waive or recover (part of) the funds for awarded projects:
  - (Anexo\_1.2.5\_261O\_C17\_I03\_MCIN\_AEI\_PDC\_2022\_Renuncia\_133495-I00\_SP4.pdf).
  - (Anexo\_1.2.6\_261O\_C17\_I03\_MCIN\_AEI\_PDC\_2022\_Renuncia\_133199-I00\_SP4.pdf).

In relation to the Projects in Strategic Lines 2021 Call:

- xvii. A copy of the publication in the Official Journal of the Ministerial Order (ECC/1780/2013) of 30 September 2013, approving the regulatory bases for the granting of public aid under the State Programme for Research, Development and Innovation oriented to the Challenges of Society, as part of the State Plan for Scientific and Technical Research and Innovation 2013-2016. <https://www.boe.es/boe/dias/2013/10/02/pdfs/BOE-A-2013-10259.pdf>.
- xviii. A copy of the publication in the Official Journal of the Ministerial Order (ECC/1780/2013) of 23 December 2014, amending Order ECC/1402/2013 of 22 July approving the regulatory bases for the granting of aid under the State Programme for the Promotion of Talent and its Employability, the State Plan for Scientific and Technical Research and Innovation 2013-2016, and Order ECC/1780/2013 of 30 September approving the regulatory bases for granting public aid under the State Programme for Research, Development and Innovation Oriented to the Challenges of Society, as part of the State Plan for Scientific and Technical Research and Innovation 2013-2016  
<https://www.boe.es/boe/dias/2014/12/30/pdfs/BOE-A-2014-13664.pdf>.
- xix. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Order of 19 April 2021, published on 24 April 2021, approving the call for applications for 2021 for the procedure for granting aid for R&D&I projects on strategic lines, in public-private partnerships, of the State Programme for R&D&I oriented to the Challenges of Society, as part of the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- xx. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.infosubvenciones.es/bdnstrans/GE/es/convocatoria/556877>.
- xxi. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-idi-lineas-estrategicas-colaboracion-publico-privada>.
- xxii. A link to the communication to the Commission of the notification of State Aid with reference SA.63028 <https://competition-cases.ec.europa.eu/cases/SA.63028>.
- xxiii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 2 December 2021.
- xxiv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of a modification of the call for applications of 26 April 2021.
- xxv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the corrigendum to the modification of the call for applications of 26 April 2021.

- xxvi. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the Projects in Strategic Lines 2022 Call:

- xxvii. A copy of the publication in the Official Journal of the Ministerial Order (CIN/533/2022) of 6 June 2022, approving the regulatory bases for granting public aid to projects on strategic lines, of the State Plan for Scientific, Technical and Innovation Research 2021-2023, as part of the Recovery, Transformation and Resilience Plan, and approving the call for applications for 2022 <https://www.boe.es/boe/dias/2022/06/10/pdfs/BOE-A-2022-9581.pdf>.
- xxviii. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published.  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/632932>.
- xxix. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-idi-lineas-estrategicas-2022>.
- xxx. A link to the Spanish National Database on Subsidies and Public Grants for aid considered as State aid under REG (EU) 651/2014  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/625814>.
- xxxi. A link to the communication to the Commission of the notification of State Aid with reference SA.103471 <https://competition-cases.ec.europa.eu/cases/SA.103471>.
- xxxii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 23 December 2022.
- xxxiii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the modification of the final award decision of 7 March 2023.
- xxxiv. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the Green and Digital Transition Projects 2021 Call:

- xxxv. A copy of the publication in the Official Journal of the Ministerial Order (CIN/1360/2021) of 3 December 2021, approving the regulatory bases for granting public aid for strategic projects aimed at the green transition and the digital transition, of the State Plan for Scientific, Technical and Innovation Research for the period 2021-2023, as part of the Recovery, Transformation and Resilience Plan, and approving the call for advance processing for 2021 of this aid  
<https://www.boe.es/eli/es/o/2021/12/03/cin1360/dof/spa/pdf>.
- xxxvi. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/598843>.
- xxxvii. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-estrategicos-orientados-transicion-ecologica>.
- xxxviii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 19 December 2022.
- xxxix. A document describing the procedure for the verification of compliance with the DNSH principle.
- xl. Copies of three decisions to waive or recover (part of) the funds for awarded projects:  
– (Anexo\_3.1.4\_261O\_C17\_I03\_MCIN\_AEI\_TED2021\_Renuncia\_132068A-I00-TOTAL\_SP4.pdf).

- (Anexo\_3.1.5\_261O\_C17\_I03\_MCIN\_AEI\_TED2021\_Renuncia\_130022B-100-TOTAL\_SP4.pdf).
- (Anexo\_3.1.6\_261O\_C17\_I03\_MCIN\_AEI\_TED2021\_Renuncia\_121893B-100-TOTAL\_SP4.pdf).

In relation to the Public-private Partnership Projects 2021 Call:

- xli. A copy of the publication in the Official Journal of the Ministerial Order (CIN/1502/2021) of 27 December 2021, approving the regulatory bases for the granting of public aid for public-private partnership projects, the State Programme for Boosting Science-Technical Research and its Transfer, the State Plan for Scientific, Technical and Innovation Research 2021-2023, as part of the Recovery, Transformation and Resilience Plan, and approving the call for advance processing for 2021  
<https://www.boe.es/boe/dias/2021/12/31/pdfs/BOE-A-2021-21967.pdf>.
- xlii. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/598843>.
- xliii. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-estrategicos-orientados-transicion-ecologica>.
- xliv. A link to the Spanish National Database on Subsidies and Public Grants for aid considered as State aid under ERW (EU)  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/602450>.
- xlv. A link to the communication to the Commission of the notification of State Aid with reference SA.101393 <https://competition-cases.ec.europa.eu/cases/SA.101393>.
- xlvi. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 23 December 2022.
- xlvii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the modification of the final award decision of 7 March 2023.
- xlviii. A document describing the procedure for the verification of compliance with the DNSH principle.
- xlix. Copies of four decisions to waive or recover (part of) the funds for awarded projects:
  - (Anexo\_4.1.5\_261O\_C17\_I03\_MCIN\_AEI\_CPP2021\_Renuncia\_008371-TOTAL\_SP4.pdf).
  - (Anexo\_4.1.6\_261O\_C17\_I03\_MCIN\_AEI\_CPP2021\_Renuncia\_008927-TOTAL\_SP4.pdf).
  - (Anexo\_4.1.7\_261O\_C17\_I03\_MCIN\_AEI\_CPP2021\_Renuncia\_008417-TOTAL\_SP4.pdf).
  - (Anexo\_4.1.8\_261O\_C17\_I03\_MCIN\_AEI\_CPP2021\_Renuncia\_008663-TOTAL\_SP4.pdf).

In relation to the Cutting-edge R&D Addressing Societal Challenges 2021 Call:

- i. A copy of the publication in the Official Journal of the Ministerial Order (CIN/1360/2021) of 28 November 2018, approving the regulatory bases for the grant by the Centre for Industrial Technological Development, E.P.E., of public aid under the State Subprogramme for business R&D&I of the State Plan for Scientific and Technical Research and Innovation 2017-2020 for companies <https://www.boe.es/boe/dias/2021/12/06/pdfs/BOE-A-2021-20178.pdf>.
- ii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Resolution of 20 July 2021 of the Presidency of the Centre for the Development of



Industrial Technology E.P.E. (CDTI) approving the call for applications for 2021 for the procedure for granting aid for scientific missions and innovation under the Recovery, Transformation and Resilience Plan and the State Programme to Catalyse Innovation and Entrepreneurship under the State Plan for Scientific, Technical and Innovation Research 2021-2023.

- lii. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/576042>.
- liii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 28 December 2021.
- liv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the correction of the final award decision of 1 June 2022.
- lv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the correction of the final award decision of 26 September 2022.
- lvi. A copy of the minutes of the Evaluation Committee of the call for applications for the year 2021 of the procedure for granting aid for missions business science and innovation of 25 November 2021.
- lvii. A copy of the Annex I to the minutes of the Evaluation Committee.
- lviii. A copy of the Annex II to the minutes of the Evaluation Committee.
- lix. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the Cutting-edge R&D Addressing Societal Challenges 2022 Call:

- lx. A copy of the publication in the Official Journal of the Ministerial Order (CIN/373/2022) of 26 April 2022, approving the regulatory bases for the granting of public aid by the Centre for Industrial Technological Development, E.P.E., to R&D projects and new business projects under the State Plan for Scientific and Technical Research and Innovation 2021-2023, as part of the Recovery, Transformation and Resilience Plan  
<https://www.boe.es/buscar/doc.php?id=BOE-A-2022-6991>.
- lxi. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of Resolution of 16 June 2022 of the Presidency of the Centre for the Development of Industrial Technology E.P.E. (CDTI) approving the call for applications for 2022 for the procedure for granting aid for the 'Science and Innovation Missions Programme', of the State Programme to Catalyse Business Innovation and Leadership under the State Plan for Scientific and Technical Research and Innovation 2021-2023, in the framework of the Recovery, Transformation and Resilience.
- lxii. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.infosubvenciones.es/bdnstrans/GE/es/convocatorias/634303>.
- lxiii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 30 December 2022.
- lxiv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the corrigendum to the resolution of the final awards of 22 May 2023.

In relation to the International Collaboration Projects I (ISP-I) 2020 Call:

- lxv. A copy of the publication in the Official Journal of the Ministerial Order (CNU/320/2019) of 13 March 2019, approving the regulatory bases for the granting of public aid under the State Programme for the Generation of Scientific and Technological Knowledge and Strengthening of the R&D&I System and within the framework of the State Programme

- for R&D&I oriented to the Challenges of the Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020 for research and knowledge-dissemination bodies <https://www.boe.es/boe/dias/2019/03/21/pdfs/BOE-A-2019-4147.pdf>.
- lxvi. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Decision of the Presidency of the State Research Agency of 6 May 2020, published on 13 May 2020, approving the call for applications for the year 2020 of the procedure for granting aid for R&D&I projects “International Joint Programming” under the State Programme for R&D&I oriented to the Challenges of Society, as part of the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- lxvii. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/504639>.
- lxviii. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-idi-programacion-conjunta-internacional-2020>.
- lxix. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 2 December 2020.
- lxx. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of a note explaining that the call is financed by the RRF, setting out the conditions of the RRF, dated 28 September 2021.
- lxxi. A document describing the procedure for the verification of compliance with the DNSH principle.
- lxxii. Copies of self-declarations of DNSH-compliance for all projects awarded:
- PCI2020-112110 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112113 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112125 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112126 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112131 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112143 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112145 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112151 Declaracion Resonsable PCI2020\_signed.pdf.
  - PCI2020-112174 Declaracion NextGen PCI2020\_signed.pdf.
  - PCI2020-112185 Declaracion NextGen PCI2020\_signed.pdf.
  - PCI2020-112195 Declaracion\_DNSH\_PCI2020.pdf.
  - PCI2020-112198 Declaracion\_DNSH\_PCI2020.pdf.
  - PCI2020-112204 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112207 PCI2020-112207 Notificacion firmada.pdf.
  - PCI2020-112215 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112218 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112240 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112241 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112243 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112249 Declaracion\_Responsable\_DNSH.pdf.
  - PCI2020-112270 Declaracion\_DNSH\_PCI2020.pdf.
  - PCI2020-112273 Declaracion\_DNSH\_PCI2020.pdf.
  - PCI2020-112285 Declaracion\_DNSH\_PCI2020.pdf.
  - PCI2020-112297 Declaracion\_DNSH\_PCI2020.pdf.
  - PCI2020-111959 PCI\_FIRMADO\_SIGNED.pdf.

- PCI2020-111960 DeclaraciOn DNSH\_firma.pdf.
- PCI2020-111966 DeclaraciOn DNSH\_firma.pdf.
- PCI2020-111967 DeclaraciOn DNSH\_firma.pdf.
- PCI2020-111968 Declaración Responsable SNSH firmada.pdf.
- PCI2020-111974 Declaracion Responsable DNSH PCI2020-1.pdf.
- PCI2020-111977 Declaracion Responsable DNSH PCI2020-1.pdf.
- PCI2020-111978 Declaracion Responsable DNSH PCI2020-1.pdf.
- PCI2020-111979 Declaracion\_Responsable\_DNSH\_PCI2020\_1.pdf.
- PCI2020-111990 Declaracion\_Responsable\_DNSH\_PCI2020\_1.pdf.
- PCI2020-111992 Declaracion\_Responsable\_DNSH\_PCI2020\_1.pdf.
- PCI2020-111993 Declaracion\_Responsable\_DNSH\_PCI2020\_1.pdf.
- PCI2020-111994 Declaracion\_Responsable\_DNSH\_PCI2020\_1.pdf.
- PCI2020-111998 Declaracion\_Responsable\_DNSH\_PCI2020\_1.pdf.
- PCI2020-112000 DNSH firmado.pdf.
- PCI2020-112001 Declaracion\_Responsable\_DNSH.pdf.
- PCI2020-112005 Declaracion\_Responsable\_DNSH.pdf.
- PCI2020-112008 Declaracion\_Responsable\_DNSH.pdf.
- PCI2020-112010 Declaracion\_Responsable\_DNSH.pdf.
- PCI2020-112013 Declaracion\_Responsable\_DNSH\_PCI2020.pdf.
- PCI2020-112015 Declaracion\_Responsable\_DNSH\_PCI2020.pdf.
- PCI2020-112020 Declaracion\_Responsable\_DNSH.pdf.
- PCI2020-112026 Declaracion responsable PCI firmado.pdf.
- PCI2020-112027 Declaracion responsable PCI firmado.pdf.
- PCI2020-112028 Declaracion responsable PCI firmado.pdf.
- PCI2020-112030 Declaracion responsable PCI firmado.pdf.
- PCI2020-112033 Declaracion responsable PCI firmado.pdf.
- PCI2020-112034 Declaracion responsable PCI firmado.pdf.
- PCI2020-112035 Declaracion responsable PCI firmado.pdf.
- PCI2020-112039 Declaracion responsable PCI firmado.pdf.
- PCI2020-112040 Decl Responsable DNSH PCI2020.pdf.
- PCI2020-112043 Decl Responsable DNSH PCI2020.pdf.
- PCI2020-112045 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112049 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112051 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112059 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112064 Declaracion responsable PCI firmado.pdf.
- PCI2020-112069 Declaracion responsable PCI firmado.pdf.
- PCI2020-112084 Declaracion responsable PCI firmado.pdf.
- PCI2020-112085 Declaracion responsable PCI firmado.pdf.
- PCI2020-112088 Declaracion responsable PCI firmado.pdf.
- PCI2020-112091 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112092 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112093 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112095 Declaracion\_DNSH\_PCI2020.pdf.
- PCI2020-112108 Declaracion Resonsable PCI2020\_signed.pdf.

In relation to the International Collaboration Projects II (CIP-II) 2020 Call:

- lxxiii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Resolution of the Presidency of the State Research Agency of 30 November 2020, published on 4 December 2020, approving the procedure for the direct award of aid from 2020 to research projects selected in international competitive calls, as part of the 'International Joint Programming', the State Programme for R&D&I oriented to the Challenges of Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- lxxiv. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/536033>.
- lxxv. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-idi-programacion-conjunta-internacional-2020-2a>.
- lxxvi. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 15 September 2021, published on 16 September 2021.
- lxxvii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of a modification of the call for applications of 23 June 2021.
- lxxviii. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the International Collaboration Projects I (ISP-I) 2021 Call:

- lxxix. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Resolution of the Presidency of the State Research Agency of 12 May 2021, published on 19 May 2021, approving the procedure for the direct award of aid from 2021 to research projects selected in international competitive calls, as part of the 'International Joint Programming', the State Programme for R&D&I oriented to the Challenges of Society, the State Plan for Scientific and Technical Research and Innovation 2017-2020.
- lxxx. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/562392>.
- lxxxi. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-idi-programacion-conjunta-internacional-2021>.
- lxxxii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 21 October 2021.
- lxxxiii. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to International Collaboration Projects II (CIP-II) 2021 Call:

- lxxxiv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Resolution of the Presidency of the State Research Agency of 6 October 2021, published on 13 October 2021, approving the second procedure for the direct award of aid from 2021 to research projects selected in international competitive calls, as part of

- the actions of ‘International Collaboration Projects’, the State Programme for Addressing the Priorities of Our Environment, the State Sub-Programme for Internationalisation, the State Plan for Scientific, Technical and Innovation Research 2021-2023.
- lxxxv. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/588157>.
- lxxxvi. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-colaboracion-internacional-2021-2>.
- lxxxvii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 14 December 2021, published on 15 December 2021.
- xxxviii. A document describing the procedure for the verification of compliance with the DNSH principle.
- lxxxix. Copies of 14 decisions to waive or recover (part of) the funds for awarded projects:
  - (Anexo\_6.4.4\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122070-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.5\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122093-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.6\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122050-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.7\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122025-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.8\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122108-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.9\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122042-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.10\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122057-2B-TOTAL\_SP4.pdf).
  - (Anexo\_6.4.11\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122045-2B-PARCIAL\_SP4.pdf).
  - (Anexo\_6.4.12\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122039-2B-PARCIAL\_SP4.pdf).
  - (Anexo\_6.4.13\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122022-2B-PARCIAL\_SP4.pdf).
  - (Anexo\_6.4.14\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122052-2B-PARCIAL\_SP4.pdf).
  - (Anexo\_6.4.15\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122103-2B\_SP4.pdf).
  - (Anexo\_6.4.16\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122053-2B\_SP4.pdf).
  - (Anexo\_6.4.17\_261O\_C17\_I03\_MCIN\_AEI\_PCI\_II\_2021\_Renuncia\_122077-2B\_SP4.pdf).

In relation to the International Collaboration Projects I (ISP-I) 2022 Call:

- xc. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Resolution of the Presidency of the State Research Agency of 8 March 2022, published on 10 March 2022, approving the procedure for the direct award of aid from 2022 to research projects selected in international competitive calls, as part of the actions of ‘International Collaboration Projects’, the State Programme for Addressing the

- Priorities of Our Environment, the State Sub-Programme for Internationalisation, the State Plan for Scientific, Technical and Innovation Research 2021-2023.
- xcv. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatoria/613622>.
  - xcvi. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-colaboracion-internacional-pci2022-1>.
  - xcvii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 29 July 2022, published on 5 August 2022.
  - xcviii. A document describing the procedure for the verification of compliance with the DNSH principle.

In relation to the International Collaboration Projects II (CIP-II) 2022 Call:

- xcv. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the Resolution of the Presidency of the State Research Agency of 14 October, published on 18 October 2022, approving the second procedure for the direct award of aid from 2022 to research projects selected in international competitive calls, as part of the actions of 'International Collaboration Projects', the State Programme for Addressing the Priorities of Our Environment, the State Sub-Programme for Internationalisation, the State Plan for Scientific, Technical and Innovation Research 2021-2023.
- xcvi. A link to the Spanish National Database on Subsidies and Public Grants website where the call had been published  
<https://www.pap.hacienda.gob.es/bdnstrans/GE/es/convocatorias/653626>.
- xcvii. A link to the website of the State Research Agency where the call had been published  
<https://www.aei.gob.es/convocatorias/buscador-convocatorias/proyectos-colaboracion-internacional-pci2022-2>.
- xcviii. A copy of the publication in the Spanish National Database on Subsidies and Public Grants of the resolution of the final awards of 22 December 2022.
- xcix. A document describing the procedure for the verification of compliance with the DNSH principle.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**Publication in the OJ of the awarding of at least EUR 897 000 000 under the following calls: call for proof of concept projects (EUR 80 000 000), call for interdisciplinary projects in strategic lines (EUR 73 000 000), call for R&D projects linked to the green and digital transition (EUR 296 000 000), call for public-private collaboration projects (EUR 140 000 000), call for R&D to target societal challenges (EUR 230 000 000) and call for international collaboration projects (EUR 78 000 000).**

In line with the further specification of the target in the Operational Arrangements, which requires that **for the purposes of this operational arrangement, publication in the National Grant Database for the awards is considered as valid verification mechanisms**, all awards have been published in the National Database on Subsidies and Public Grants.

The State Research Agency (AEI) and the Centre for the Development of Industrial Technology (CDTI) awarded a total of EUR 1 085 903 546 in grants to 3 463 projects as evidenced by the publication in the National Database on Subsidies and Public Grants (Sistema Nacional de Subvenciones y Ayudas

Públicas) of the resolutions of final project awards under the 14 calls listed below. Of this amount, EUR 902 467 985 is earmarked to budget lines dedicated to funding from the RRF, whereas the remaining EUR 183 435 560 is earmarked to budget lines dedicated to the national budget. Following the award, EUR 3 502 311 was waived, bringing the total amount that is requested to be financed by the RRF to EUR 898 965 674. This is above EUR 897 000 000, as required in the target description. The awards are as follows:

**Call for proof of concept projects (EUR 80 000 000)**

- The award of EUR 39 999 999 in grants to 377 projects under the Proof of Concept 2021 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 24 November 2021 (point vii of the evidence provided). The total amount awarded is requested to be financed by the RRF and covers the financial years 2021 and 2022. Spain also provided copies of decisions to waive (part of) the funds for four of the awarded projects amounting to EUR 177 771 (point x of the evidence provided).
- The award of EUR 39 964 340 in grants to 356 projects under the Proof of Concept 2022 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 21 December 2022 (point xiv of the evidence provided). The total amount awarded is requested to be financed by the RRF and covers the financial years 2022 and 2023. Spain also provided copies of decisions to waive (part of) the funds for two of the awarded projects amounting to EUR 152 253 (point xvi of the evidence provided).

The Council Implementing Decision required the award of EUR 80 000 000 under the call for proof of concept projects. The total amount awarded to projects under proof of concept calls that is requested to be financed by the RRF, taking into account waived funds, is EUR 79 634 315. Whilst this constitutes a minimal numerical deviation of 0.5% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

**Call for interdisciplinary projects in strategic lines (EUR 73 000 000)**

- The award of EUR 60 718 625 in grants and loans to 81 projects under the Projects in Strategic Lines 2021 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 2 December 2021 (point xxiii of the evidence provided). Only the total grants awarded covering the financial years 2021 and 2022, amounting to EUR 43 000 000, is requested to be financed by the RRF.
- The award of EUR 49 410 812 in grants to 67 projects under the Projects in Strategic Lines 2022 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 23 December 2022 (point xxxii of the evidence provided). Initially, only the total grants awarded relating to the financial years 2022 and 2023, amounting to EUR 29 964 980, was to be financed by the RRF. However, by modification of the final award decision, published on 7 March 2023 in the same database (point xxxiii of the evidence provided), the grants relating to the financial year 2024 were advanced to the financial year 2023 for 64 out of the 67 projects, amounting to EUR 4 436 979. This brings the total grants awarded that is requested to be financed by the RRF, covering the financial years 2022 and 2023, to EUR 34 401 958.

The total amount awarded to projects in strategic lines that is requested to be financed by the RRF is thus EUR 77 401 958. This is above EUR 73 000 000, as required in the target description.

**Call for R&D projects linked to the green and digital transition (EUR 296 000 000)**

- The award of EUR 288 690 590 in grants to 1 711 projects under the Green and Digital Transition Projects 2021 Call by AEI, with the publication of the resolution of the final awards

in the National Database on Subsidies and Public Grants on 19 December 2022 (point xxxviii of the evidence provided). The total amount awarded is requested to be financed by the RRF and covers the financial years 2022 and 2023. Spain also provided copies of decisions to waive (part of) the funds for three of the awarded projects amounting to EUR 414 000 (point xl of the evidence provided).

The Council Implementing Decision required the award of EUR 296 000 000 under the call for R&D projects linked to the green and digital transition. The total amount awarded to projects under the call for R&D projects linked to the green and digital transition that is requested to be financed by the RRF, taking into account waived funds, is EUR 288 276 590. Whilst this constitutes a minimal numerical deviation of 2.6% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

#### **Call for public-private collaboration projects (EUR 140 000 000)**

- The award of EUR 287 222 088 in grants and loans to 350 projects under the Public-private Partnership Projects 2021 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 23 December 2022 (point xlvi of the evidence provided). Initially, only the total grants awarded relating to the financial years 2022 and 2023, amounting to EUR 139 348 409, were to be financed by the RRF. However, by modification of the final award decision, published on 7 March 2023 in the same database (point xlvii of the evidence provided), the grants relating to the financial year 2024 were advanced to the financial year 2023 for all of the 350 projects awarded, amounting to EUR 9 128 968. Spain also provided copies of decisions to waive (part of) the funds for 4 of the awarded projects amounting to EUR 1 375 413 (point xlix of the evidence provided).

The total amount awarded under the call for public-private collaboration projects that is requested to be financed by the RRF, taking into account waived funds, is thus EUR 147 101 964. This is above EUR 140 000 000, as required in the target description.

#### **Call for R&D to target societal challenges (EUR 230 000 000)**

- The award of EUR 120 904 350 in grants to 37 projects under the Cutting-edge R&D Addressing Societal Challenges 2021 Call by CDTI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 28 December 2021 (point liii of the evidence provided), the publication of a corrigendum in the same database on 1 June 2022 (point liv of the evidence provided) and the publication of a correction to of this corrigendum on 26 September 2022 (point lv of the evidence provided). As per the minutes of a meeting by the Evaluation Committee (point lvi of the evidence provided), three projects (corresponding to codes MiG-20211028, MIP-20211002, MiG-20211034 and MIP-20211011) fall under investment C17.I6 in the CID. The total award for these three projects amounts to EUR 12 718 283, reducing the total of grants awarded that is requested to be financed by the RRF under this milestone to EUR 108 186 067.
- The award of EUR 124 700 769 in grants to 42 projects under the Cutting-edge R&D Addressing Societal Challenges 2022 Call by CDTI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 30 December 2022 (point lxiii of the evidence provided). However, by corrigendum of the final award decision, published on 22 May 2023 in the same database (point lxiv of the evidence provided), the total amount requested to be financed by the RRF, covering the financial years 2021, 2022, 2023 and 2024, is corrected to EUR 121 813 933.



The total amount awarded to R&D targeting societal challenges requested to be financed by the RRF is thus EUR 230 000 000, as required in the target description.

**Call for international collaboration projects (EUR 78 000 000)**

- The award of EUR 8 999 630 in grants to 71 projects under the International Collaboration Projects I (ISP-I) 2020 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 2 December 2020 (point lxxix of the evidence provided). The total amount awarded is requested to be financed by the RRF and covers the financial years 2020, 2021 and 2022.
- The award of EUR 5 447 493 in grants to 38 projects under the International Collaboration Projects II (CIP-II) 2020 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 16 September 2021 (point lxxvi of the evidence provided). The total amount awarded is requested to be financed by the RRF and covers the financial years 2021, 2022 and 2023.
- The award of EUR 12 936 791 in grants to 66 projects under the International Collaboration Projects I (ISP-I) 2021 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 21 October 2021 (point lxxxii of the evidence provided). Only the total grants awarded relating to budget lines 28.303.000X.732, 28.303.460D.74001, 28.303.460D.75001, 28.303.460D.76001 and 28.303.460D.78001, amounting to EUR 11 768 963, are requested to be financed by the RRF. These grants cover the financial years 2021, 2022 and 2023.
- The award of EUR 14 397 350 in grants to 71 projects, under the International Collaboration Projects II (CIP-II) 2021 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 15 December 2021 (point lxxxvii of the evidence provided). Only the total grants awarded relating to budget lines 20.303.000X.732, 20.303.000X.71915, 28.303.460D.74001, 28.303.460D.75001 and 28.303.460D.78001, amounting to EUR 13 797 478, are requested to be financed by the RRF. These grants cover the financial years 2021, 2022 and 2023. Spain also provided copies of decisions to waive (part of) the funds for 14 of the awarded projects amounting to EUR 1 382 874 (point lxxxix of the evidence provided).
- The award of EUR 17 907 095 in grants to 91 projects under the International Collaboration Projects I (ISP-I) 2022 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 5 August 2022 (point xciii of the evidence provided). Only the total grants awarded relating to budget lines 28-303-000X-71915, 28-303-000X-732, 28-303-46QC-74001, 28-303-46QC-75001 and 28-303-46QC-78001, amounting to EUR 13 425 368, are requested to be financed by the RRF. These grants cover the financial years 2022 and 2023.
- The award of EUR 27 321 896 in grants to 105 projects under the International Collaboration Projects II (CIP-II) 2022 Call by AEI, with the publication of the resolution of the final awards in the National Database on Subsidies and Public Grants on 22 December 2022 (point xcvi of the evidence provided). Only the total grants awarded relating to budget lines 28.303.000X.71913, 28.303.000X.71915, 28.303.000X.732, 28.303.46QC.74001, 28.303.46QC.75001 and 28.303.46QC.78001, amounting to EUR 13 425 368, are requested to be financed by the RRF. These grants cover the financial years 2022 and 2023.

The Council Implementing Decision required the award of EUR 78 000 000 under the call for international collaboration projects. The total amount awarded to projects under the calls for international collaboration projects that is requested to be financed by the RRF, taking into account waived funds, is EUR 76 550 846. Whilst this constitutes a minimal numerical deviation of 1.9% from the requirement of the Council Implementing Decision, the overall objective of this target is

considered met. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

In line with the description of the measure, **investments take place during the period 2020-2026**, as the aid requested to be financed by the RRF is limited to awards of investment projects in the financial years 2020, 2021, 2022, 2023 and 2024. In addition, all awarded projects are implemented during the period 2020-2026 as confirmed by:

- Article 8(7) of the call for proposals of the Proof of Concept 2021 Call (point iv of the evidence provided), specifying that the duration of projects (and sub-projects) will be 2 years and the starting date of projects will be throughout 2021.
- Article 39(6) of the call for proposals of the Proof of Concept 2022 Call (point xi of the evidence provided), specifying that the duration of projects (and sub-projects) will be 2 years and the starting date of projects will be throughout 2022.
- Article 7(5) of the call for proposals of the Projects in Strategic Lines 2021 Call (point xix of the evidence provided), specifying that the duration of projects will be 3 years and the starting date of projects will be throughout 2021.
- Article 42(3) of the call for proposals of the Projects in Strategic Lines 2022 Call (point xxvii of the evidence provided), specifying that the duration of projects will be 3 years and the starting date of projects will be throughout 2022.
- Article 39(4) of the call for proposals of the Green and Digital Transition Projects 2021 Call (point xxxv of the evidence provided), specifying that the duration of projects and sub-projects will be two years, and the resolution of the final project awards (point xxxiii of the evidence provided) specifying that that the start date of implementation of the projects is 1 December 2022.
- Article 42(2) of the call for proposals of the Public-private Partnership Projects 2021 Call (point xli of the evidence provided), specifying that the duration of projects will be 3 years and the starting date of projects will be throughout 2022.
- Article 2(4v) of the call for proposals of the Cutting-edge R&D Addressing Societal Challenges 2021 Call (point li of the evidence provided), specifying that projects will have a duration of three or four calendar years, ending on 31 December 2023 or 31 December 2024.
- Article 2(6v) of the call for proposals of the Cutting-edge R&D Addressing Societal Challenges 2022 Call (point lxi of the evidence provided), specifying that projects must end on 31 December 2024 or 30 June 2025.
- The Annex of the resolution of the final awards of the International Collaboration Projects I (ISP-I) 2020 Call (point lxix of the evidence provided), indicating that all awarded projects have a start date in 2020 or 2021 with a maximum project duration of three years.
- The Annex of the resolution of the final awards of the International Collaboration Projects II (CIP-II) 2020 Call (point lxxvi of the evidence provided), indicating that all awarded projects have a start date in 2021 with a maximum project duration of three years.
- The Annex of the resolution of the final awards of the International Collaboration Projects I (ISP-I) 2021 Call (point lxxxii of the evidence provided), indicating that all awarded projects have a start date in 2021 with a maximum project duration of three years.
- The Annex of the resolution of the final awards of the International Collaboration Projects II (CIP-II) 2021 Call (point lxxxvii of the evidence provided), indicating that all awarded projects have a start date in 2021 or 2022 with a maximum project duration of three years.
- The Annex of the resolution of the final awards of the International Collaboration Projects I (ISP-I) 2022 Call (point xciii of the evidence provided), indicating that all awarded projects have a start date in 2022 with a maximum project duration of three years.

- The Annex of the resolution of the final awards of the International Collaboration Projects II (CIP-II) 2022 Call (point xcvi of the evidence provided), indicating that all awarded projects have a start date in 2022 with a maximum project duration of three years.

Furthermore, in line with the description of the measure **there are nine calls for proposals foreseen under this investment, six of which are covered by target 261.** The publication of these calls is in line with the further specification of the target in the Operational Arrangements, which requires that **for the purposes of this operational arrangement, publication in the Official Journal for the call for grants is considered as valid verification mechanisms.** In addition, in line with the further specification in the Operational Arrangement, **projects awarded through multiple calls for proposals per thematic area (proof of concept projects, interdisciplinary projects in strategic lines, R&D projects linked to the green and digital transition, public-private collaboration projects, R&D targeting societal challenges, and international collaboration projects) are considered as valid verification mechanisms.** The calls covered by target 261 are the following:

**a call for Proof of concept shall finance projects in the early stages of the pre-competitive development to accelerate the transformation of scientific knowledge into products or services,**

- Pursuant to Article 1(2) of the call for proposals of the Proof of Concept 2021 Call (point iv of the evidence provided), published on 27 April 2021 in the National Database on Subsidies and Public Grants, the purpose of the aid is to encourage and accelerate the transfer of knowledge and results generated in research projects under the State Plan, through the forms of R&D projects of “Excellence” or “Knowledge Generation”, R&D&I projects “Research Challenges” and targeted fundamental research projects, as well as their exploitation in the form of products, goods, services or other applications, beneficial to the economy, society, culture or public policies. Article 8(1) of the same document further specifies that activities of the Proof of Concept project will aim to make progress in the early stages of pre-competitive development.
- Pursuant to Article 3(1) of the regulatory bases of the Proof of Concept 2022 Call (point xi of the evidence provided), published on 4 May 2022 in the Official Journal, the purpose of the aid is to finance projects that accelerate the transfer of knowledge and results generated in research projects, in progress or recently completed, from the State Plan, through the ‘Knowledge Generation’ R&D projects and ‘Research Challenges’ R&D&I projects. The same Article also specifies that the aid is aimed at encouraging the early stages of pre-competitive development and facilitating its practical application, such as the protection of the knowledge generated, the analysis of technical, commercial or social feasibility, the creation of technological prototypes, the development of pilot scale, end-user testing, the definition of the business model, or the early stages of the creation of a business.

**a call for Interdisciplinary Projects shall finance projects by public-private consortia which enhance the Spanish R&D&I competitiveness,**

- i. Pursuant to Article 2 of the call for proposals of the Projects in Strategic Lines 2021 Call (point xix of the evidence provided), published on 24 April 2021 in the National Database on Subsidies and Public Grants, the purpose of the aid is to address the challenges identified in the thematic priorities (topics), as set out in Annex II of the document, by funding inter and multidisciplinary projects where scientific cooperation is constitutive and the overlap between disciplines is assessed at methodological, conceptual or theoretical level. As per Article 7(5)(c) the project must involve at least two entities, it being mandatory for one of the participating entities to be a public or private research organisation, and the other being an undertaking. The description of the thematic priority “Implementation of quantum technologies” stipulates that

the selected applications will strengthen the Spanish quantum community at experimental hardware level, including interdisciplinary research groups, to gain international competitiveness in a context where countries and companies are investing heavily in the second quantum revolution. The description of the thematic priority “Nanomaterials and nanotechnology for diagnosis of human diseases” specifies as an objective to increase the competitiveness of the industrial sectors of detection and diagnostic technology, especially in SMEs.

- ii. Pursuant to Article 3(1) of the regulatory bases of the Projects in Strategic Lines 2022 Call (point xxvii of the evidence provided), published on 6 June 2022 in the Official Journal, the purpose of the aid is to fund collaborative industrial research projects between undertakings and research organisations in order to address the challenges identified in the thematic priorities (topics), to be identified in the calls, and where the overlap between disciplines is assessed at methodological, conceptual or theoretical level. As per Article 42(2)(c) the project must involve at least two entities, it being mandatory for one of the participating entities to be a public or private research organisation, and the other being an undertaking. The description of the thematic priority “Nanomaterials for technological and biomedical applications” specifies as an objective to increase the competitiveness of industrial sectors in the various applications, especially in SMEs. The description of the thematic priority “The Development of enabling technologies for industry 4.0: Advanced manufacturing processes” notes that the implementation of enabling technologies for industry 4.0 Spanish industry would contribute to the twin transitions (green and digital) to increase productivity, innovation capacity, resilience and global competitiveness.
- iii. Pursuant to Article 2(3) of the regulatory bases of the Green and Digital Transition Projects 2021 Call (point xxxv of the evidence provided), published on 6 December 2021 in the Official Journal, the purpose of the aid is to promote R&D&I activities in order to increase the competitiveness and international leadership of Spanish science and technology through the generation of scientific knowledge, through quality research geared towards the green transition and the digital transition.

**a call for R&D&I projects linked to the green and digital transition**

- Pursuant to Article 2(3) of the regulatory bases of the Green and Digital Transition Projects 2021 Call (point xxxv of the evidence provided), published on 6 December 2021 in the Official Journal, the purpose of the aid is to promote R&D&I activities in order to increase the competitiveness and international leadership of Spanish science and technology through the generation of scientific knowledge, through quality research geared towards the green transition and the digital transition.

**a call for Public-Private Collaboration Projects to finance projects with a higher technology readiness level geared towards achieving close-to-market outcomes,**

- Pursuant to Article 3(1) of the regulatory bases of Public-private Partnership Projects 2021 Call (point xli of the evidence provided), published on 31 December 2021 in the Official Journal, the purpose of the aid is to advance the incorporation of scientific and technical knowledge and results enabling the validation and pre-competitive development of new technologies, products and services, creating the right context to stimulate the generation of a critical mass in interdisciplinary R&D&I for implementation, transfer, search for solutions and results both in companies’ technological and innovation trajectories and in the market. Article 3(2) of further specifies that the purpose of the aid is to create an environment conducive to the development of scientific results towards advanced technology readiness levels through transfer channels between scientific research, technological development and business

innovation. Article 24(2)(b) established closeness to the market as one of the criteria for the evaluation of applications.

**a call for International Collaboration Projects to finance projects of Spanish public researchers that are part of projects selected for funding by Horizon 2020 and Horizon Europe Partnerships,**

- Pursuant to Article 1(2) of the call for proposals of the International Collaboration Projects I (ISP-I) 2020 Call (point lxvi of the evidence provided), published on 13 May 2020 in the National Database on Subsidies and Public Grants, the aid is intended to finance the participation of Spanish teams in transnational collaborative research projects in the context of the European Research Area or in other international actions in which Spain participates through agreements and memoranda of understanding on specific topics.
- Pursuant to Article 1 of the call for proposals of International Collaboration Projects II (CIP-II) 2020 Call (point lxxiii of the evidence provided), published on 4 December 2020 in the National Database on Subsidies and Public Grants, the direct award procedure will finance international research projects selected in competitive calls and in which the State Research Agency participates as a funding body on the Spanish side, including calls under the Horizon 2020 EU Framework Programme for Research and Innovation.

The same specification is enshrined in:

- Article 1 of the call for proposals of the International Collaboration Projects I (ISP-I) 2021 Call (point lxxix in the evidence provided), published on 19 May 2021 in the National Database on Subsidies and Public Grants;
- Article 1(2) of the call for proposals of the International Collaboration Projects II (CIP-II) 2021 Call (point lxxxiv in the evidence provided), published on 13 October 2021 in the National Database on Subsidies and Public Grants;
- Article 1(2-3) of the call for proposals of the International Collaboration Projects I (ISP-I) 2022 Call (point xc in the evidence provided), published on 10 March 2022 in the National Database on Subsidies and Public Grants; and
- Article 1(2) of the call for proposals of the International Collaboration Projects II (CIP-II) 2022 Call (point xcv of the evidence provided), published on 18 October 2022 in the National Database on Subsidies and Public Grants.

**a call for R&D to target societal challenges including for instance secure, efficient and clean energy or cybersecurity.**

- Pursuant to Article 1(3) of the call for proposals of the Cutting-edge R&D Addressing Societal Challenges 2021 Call (point li of the evidence provided), published on 20 July 2021 in the National Database on Subsidies and Public Grants, the call is part of the investments known as private, interdisciplinary, public R&D&I projects, proof of concept and grant of aid following international competitive calls. Cutting-edge R&D addressing societal challenges. Pre-commercial public purchase' and 'Health' of Component 17 of the Spanish RRP. Article 1(2) of the same document further specifies that projects must fall within one of the missions identified in Annex I. "Boosting secure, efficient and clean energy for the 21<sup>st</sup> century" and "Boosting information security, privacy and cybersecurity in the 21<sup>st</sup> century Spanish economy and society" are amongst the missions listed in Annex I.
- The same purpose is defined in Article 1(2) and 2(2) of the call for proposals of the Cutting-edge R&D Addressing Societal Challenges 2022 Call (point lxi of the evidence provided), published on 16 June 2022 in the National Database on Subsidies and Public Grants. "Strengthen technological capacities for secure and sustainable energy autonomy (fusion,

hydrogen and renewables)” and “Boosting Spanish industry in the industrial revolution of the 21<sup>st</sup> century (including the development of technologies that ensure the necessary cybersecurity)” are amongst the missions listed in Annex I.

Furthermore, in line with the description of the measure, **calls for proposals are concentrated in the period 2020-2025** as all the calls for proposals listed above have been published between 13 May 2020 and 18 October 2022.

**The implementation of the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.** The Council Implementing Decision required that upcoming calls for proposals shall include eligibility criteria contained in their terms of reference to exclude certain activities in order to ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01). In addition, the Council Implementing Decision required that the terms of reference shall require that only activities that comply with relevant EU and national environmental legislation may be selected. In order to ensure that the awarded projects comply with the DNSH Technical Guidance:

- Article 7(3) of the regulatory bases of the Proof of Concept 2022 Call (point xi of the evidence provided), which also approves the call for proposals for 2022, establishes that under no circumstances may measures be eligible for aid if they directly or indirectly cause significant harm to the environment and includes the exclusion list of activities enshrined in the Council Implementing Decision Annex and its corresponding footnotes: i) activities related to fossil fuels, including downstream use; ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks; iii) activities related to waste landfills, incinerators and mechanical biological treatment plants; and iv) activities where the long-term disposal of waste may cause harm to the environment. Activities covered by the DNSH exclusion list may not be supported by the aid provided.
- Article 7(5) of the same document requires that only those activities in compliance with the relevant EU and national environmental legislation can be selected.
- Article 7(4) of the same document lists the R&D&I actions considered compliant with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) in the measure description in the Council Implementing Decision.

The same conditions are also enshrined in:

- Article 8(3), 8(4) and 8(6) of the regulatory bases of the Projects in Strategic Lines 2022 Call (point xxvii of the evidence provided), which also approves the call for proposals for 2022.
- Article 7(3), 7(4) and 7(5) of the regulatory bases of the Green and Digital Transition Projects 2021 Call (point xxxv of the evidence provided), which also approves the call for advance processing for 2021.
- Article 8(3), 8(4) and 8(5) of the regulatory bases of the Public-private Partnership Projects 2021 Call (point xli of the evidence provided), which also approves the call for advance processing for 2021.
- Article 2(4) and 2(5) of the call for proposals of the Cutting-edge R&D Addressing Societal Challenges 2022 Call (point lxi of the evidence provided).
- Article 6(4) and Annex IV (points 1-2) of the call for proposals of the International Collaboration Projects II (CIP-II) 2021 Call (point lxxxiv of the evidence provided).
- Article 6(3), 6(4) and 6(5) of the call for proposals of the International Collaboration Projects I (ISP-I) 2022 Call (point xc of the evidence provided).

- Article 6(3), 6(4) and 6(5) of the call for proposals of the International Collaboration Projects II (CIP-II) 2022 Call (point xcv of the evidence provided).

The Council Implementing Decision required that the implementation of the measure complied with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The Spanish authorities indicated that five calls for proposals do not include explicit references to the activities covered by the DNSH exclusion list and/or do not include the requirement that only activities that comply with relevant EU and national environmental legislation may be selected. For these calls, the activities covered by the DNSH exclusion list and/or the requirement that only activities that comply with relevant EU and national environmental legislation may be selected, are instead included in the resolution of the final awards, confirming that compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) was ensured during the evaluation of projects.

- For the Proof of Concept 2021 Call, Article 5(h-v) of the resolution of the final project awards (point vii of the evidence provided) establishes that under no circumstances may measures be eligible for aid if they directly or indirectly cause significant harm to the environment and includes the exclusion list of activities enshrined in the Council Implementing Decision Annex and its corresponding footnotes. Article 5(h) of the same document requires that only those activities in compliance with the relevant EU and national environmental legislation can be selected.
- For the Projects in Strategic Lines 2021 Call, Article 8(i-v) of the resolution of the final project awards (point xxiii of the evidence provided) establishes that under no circumstances may measures be eligible for aid if they directly or indirectly cause significant harm to the environment and includes the exclusion list of activities required by the Council Implementing Decision Annex and its corresponding footnotes. Article 8 of the same document requires that only those activities in compliance with the relevant EU and national environmental legislation can be selected.
- For the Cutting-edge R&D Addressing Societal Challenges 2021 Call, Article 2(3) of the call for proposals (point li of the evidence provided) establishes that under no circumstances may measures be eligible for aid if they directly or indirectly cause significant harm to the environment and includes the exclusion list of activities enshrined in the Council Implementing Decision Annex and its corresponding footnotes. The same conditions are also enshrined in Article 8 of the resolution of the final project awards (point liii of the evidence provided). The same article of the same document requires that only those activities in compliance with the relevant EU and national environmental legislation can be selected.
- For the International Collaboration Projects II (CIP-II) 2020 Call, Article 4(h-v) of the resolution of the final project awards (point lxxvi of the evidence provided) establishes that under no circumstances may measures be eligible for aid if they directly or indirectly cause significant harm to the environment and includes the exclusion list of activities enshrined in the Council Implementing Decision Annex and its corresponding footnotes. Additionally, Annex III of the call for proposals (point lxxii of the evidence provided) requires in point 1 and 2 that projects must adhere to the provisions established in international principles and the current regulations applicable to them, including environmental legislation.
- For the International Collaboration Projects I (ISP-I) 2021 Call, Article 4(h-v) of the resolution of the final project awards (point lxxxii of the evidence provided) establishes that under no circumstances may measures be eligible for aid if they directly or indirectly cause significant harm to the environment and includes the exclusion list of activities enshrined in the Council Implementing Decision Annex and its corresponding footnotes. Additionally, Annex IV of the call for proposals (point lxxvii of the evidence provided) requires in point 1 and 2 that projects

must adhere to the provisions established in international principles and the current regulations applicable to them, including environmental legislation.

Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision Annex that upcoming calls for projects shall include eligibility criteria to exclude certain activities in order to ensure compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01), the relevant implementing bodies verified compliance with the DNSH principle during the evaluation of project awards. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that this target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **that a pre-defined list of R&D&I actions under this investment shall be considered compliant with the 'Do no significant harm Technical Guidance (2021/C58/01)**, Spain has specified in the summary document (point i of the evidence provided) and the spreadsheet listing the projects awarded (point ii of the evidence provided) that none of the projects awarded concern actions that are covered by this pre-defined list.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> T300	T300 - C20.I3 - Innovation and internationalisation of vocational training		
<b>Name of the Target:</b> At least 1 667 new VET groups compared to the academic year 2019/2020			
<b>Quantitative Indicator:</b> Number	<b>Baseline:</b> 39 063	<b>Target:</b> 40 730	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>Target 300 is part of investment C20.I3, which aims at increasing the overall provision of vocational training taking into account business needs and effectively responding to sectoral needs as outlined in the Vocational Training Modernisation Plan and regional gaps. The labour market demand for intermediate qualifications is the focus of the measure. The territorial distribution of funding to increase the VET offer shall be based on a needs assessment and follow on discussion with the relevant stakeholders to ensure that the offer responds to regional gaps and sectoral needs.</p> <p>Target 300 requires the creation of at least 1 667 new VET groups compared to the academic year 2019/2020.</p> <p>Target 300 is the first step of the implementation of this investment and it will be followed by target 302, related to the accumulated creation of at least 8 252 new VET groups. The investment has a final expected date for implementation by 31 December 2025.</p>			
<b>Evidence Provided:</b>			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including the relevant elements of the target, as listed in the description of the target and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> <li>ii. Extract of the education statistics of non-university education (EDUCAbase) referred to in the baseline indicating the number of VET groups.</li> <li>iii. Copy of the needs assessment and copy of the minutes of the Sectoral Conference's meeting in which the territorial distribution of the VET places offer was agreed.</li> </ol>			



- iv. Copy of the ministerial resolutions of funding for each region and copy of the Economic and Technical Justification instructions regions need to follow.
- v. Copy of the VET Modernization Plan.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the target.

**At least 1 667 new VET groups compared to the academic year 2019/2020.**

According to official statistics as reflected in EDUCAbase, the main statistical source for non-tertiary education in Spain, the total number of VET groups in the academic year 2019/2020 was 39 063. The figure had reached 43 087 VET groups in the academic year 2021/2022, which represents a total increase of 4 024 new VET groups compared to the academic year 2019/2020.

**The territorial distribution of funding to increase the VET offer shall be based on a needs assessment and follow on discussion with relevant stakeholders to ensure that the offer effectively responds to sectoral needs as outlined in the Vocational Training Modernisation Plan and regional gaps.**

Firstly, the territorial distribution of funding to increase the VET offer has been discussed and agreed in the Education Sectoral Conference, which is the main coordination, discussion, and agreement body between regions. These agreements have been reflected in three Resolutions of the General Secretariat of Vocational Training which were published in the Official Journal as follows: i) Resolution of 16 December 2020 of the General Secretariat of Vocational Training publishing the Agreement of the Education Sectoral Conference of 15 December 2020 in Official Journal number 338 of 28 of December 2020; ii) Resolution of 7 October 2021 of the General Secretariat of Vocational Training publishing the Agreement of the Education Sectoral Conference of 21 July 2021 in Official Journal number 249 of 18 October 2021; and iii) Resolution of 11 February 2022 of the General Secretariat of Vocational Training publishing the Agreement of the Education Sectoral Conference of 20 December 2021 in Official Journal number 45 of 22 February 2022.

The funds have been allocated in the Sectoral Conference of Education following a distribution criterion, as published in the above-mentioned Resolutions, that takes into account several education and economic regional indicators, which assess the regional gaps. The coefficients applied are the following: 1) students enrolled in basic VET programmes and medium level Training Cycles; 2) centres that teach basic VET programmes and medium level Training Cycles; 3) centres that offer dual VET programmes; 4) number of technological and industrial companies; 5) companies participating in dual VET, based on data from all collaborating companies; 6) early educational dropout rate; 7) Gender gap in students enrolled in industrial and technological professional families; 8) dispersion of public administrations. These indicators have been agreed by the regions, which are the relevant stakeholders in the Sectoral Conference of Education.

Furthermore, the Education Sectoral Conference, trade unions and employer associations have participated in the discussion of the Vocational Training Modernisation Plan, in which 11 strategic sectors in the Spanish economy are outlined to which the VET offer should give priority.

The sectoral needs as outlined in Title IV, Section 6 of the Vocational Training Modernisation Plan have been effectively incorporated into the territorial distribution of funding to increase the VET offer through the common economic and technical justification instructions issued by the Ministry of Education, which regions have to follow to receive funding. The instructions establish that 60% of the

VET offer created must be in the professional families linked to the 11 strategic sectors identified in the VET Modernisation Plan. These 11 strategic sectors are: 1) New advanced information technology; 2) Automated machine tools and robotics; 3) Aeronautical equipment; 4) Modern railway transportation equipment; 5) Energy-based vehicles; 6) Agricultural machinery; 7) New materials; 8) Biopharmaceutical and advanced medical products; 9) Consumption chain: Manufacturers and distributors; 10) Hospitality and tourism; and 11) Personal care services.

Subsequently, to make regions legally bound to the common economic and technical justification instructions, the Ministry of Education mandates in the seventh provision of the Ministerial resolutions distributing the funding to each of the Autonomous Communities that: “The Autonomous Community commits itself to justify the actions to the granting body, the Ministry of Education and Vocational Training, in accordance with the Economic and Technical Justification Instructions of the General Secretariat of Vocational Training”.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M319	M319 - C22.R5 - Improvement of the system of non-contributory financial benefits of the General State Administration	
<b>Name of the Milestone:</b> Publication of the “Plan to reorganise and simplify the system of non-contributory financial benefits of the General State Administration”		
<b>Qualitative Indicator:</b> Publication in the Official Journal of the Plan		<b>Time:</b> Q3 2022
<p><b>Context:</b></p> <p>The objective of this reform is to improve the current system of non-contributory financial benefits of the General State Administration. Fundamentally, this reform includes the approval of the new Minimum Vital Income (MVI) scheme, the establishment of a single national system for non-contributory financial benefits, and the provision of a minimum level of non-contributory financial benefits for the most vulnerable households.</p> <p>Milestone 319 concerns the adoption of a “Plan to reorganise and simplify the system of non-contributor financial benefits of the General State Administration”. The main objective of this plan is to integrate non-contributory benefits around an income coverage instrument in order to improve the effectiveness and efficiency of public resources, with a specific focus on individuals with increased risk of vulnerability or social inclusion. The plan shall take into account structural needs as well as linking income support to active job seeking for inclusion and to avoid “poverty traps”. Eventually, the plan shall set out to consider all existing non-contributory benefits, aiming to gradually integrate them in a single national system.</p> <p>Milestone 319 is the second milestone of the reform, and it follows the completion of milestone 318, related to the entry into force of the Royal Decree Law 20/2020 of 29 May which approved the minimum vital income. It will be followed by milestone 320, related to the entry into force of legislation to reorganise and simplify the system of non-contributory financial benefits. The reform has a final expected date for implementation by 31 December 2023.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>		

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.
- ii. Plan for the reorganisation and simplification of the system of non-contributory financial benefits of the General State Administration
- iii. Annex 1: Order ISM/1055/2022, of 31 October, publishing the Agreement of the Government's Executive Committee for Economic Affairs approving the Plan for the reorganisation and simplification of the system of non-contributory economic benefits of the General State Administration.
- iv. Annex 2: Impact assessment of the plan for the reorganisation and simplification of the non-contributory benefit system of the General State Administration.
- v. Additional Annex to the Plan for the reorganisation and simplification of the system of non-contributory economic benefits.

The authorities also provided:

- vi. The Publication in the Official Journal (BOE-A-2022-18143) of the Order ISM/1055/2022, of 31 October, which publishes the Agreement of the Government Delegate Commission for Economic Affairs, to adopt the Plan for the reorganisation and simplification of the system of non-contributory economic benefits of the General State Administration: [https://www.boe.es/diario\\_boe/txt.php?id=BOE-A-2022-18143](https://www.boe.es/diario_boe/txt.php?id=BOE-A-2022-18143)
- vii. The link to the publication of the Plan for the reorganisation and simplification of the system of non-contributory economic benefits of the General State Administration on the official website: <https://www.inclusion.gob.es/documents/384697/3692129/ANEX+I+DRC+319.pdf/7463a3c7-4476-3003-68c1-90931082e3ed?t=1712219766455>
- viii. The link to the additional Annex to the Plan for the reorganisation and simplification of the system of non-contributory economic benefits: <https://www.inclusion.gob.es/documents/384697/3692129/ANNEX+I+DRC+319.pdf/ec210c65-c0fa-e766-08cf-937c8dee2edc?t=1714480915100>
- ix. Law 19/2021, of December 20, which establishes the national minimum income scheme (Ingreso Mínimo Vital) <https://www.boe.es/buscar/doc.php?id=BOE-A-2021-21007>
- x. Royal Decree 789/2022, of September 27, which regulates the compatibility of the Minimum Income Scheme with income from work or self-employed economic activity in order to improve real opportunities for social inclusion and employment of the beneficiaries of the benefit. <https://www.boe.es/eli/es/rd/2022/09/27/789/con>

**Analysis:**

The justification and substantiating evidence provided by the authorities of Spain covers all constitutive elements of the milestone required.

**Adoption of a Plan to reorganise and simplify the system of non-contributory financial benefits of the General State Administration. The milestone is further detailed in the Operational Arrangement, which clarifies that the publication in the relevant official website serves as the qualitative indicator for the plan's entry into force.**

Spain has provided two links to the official website of the Ministry of Inclusion, Social Security and Migration where the complete plan, including its additional annex, has been published (see points vii and viii above related to the evidence provided). In line with the further specifications in the Operational Arrangement (OA), this serves as a qualitative indicator that the plan is in force, i.e. that the plan has been adopted.

**The Council Implementing Decision (CID) required the publication of the Plan to reorganise and simplify the system of non-contributory financial benefits of the General State Administration in the Official Journal.**

On 4 November 2022, Spain published, on the Official Journal, Order ISM/1055/2022 of 31 October (see point vi of the evidence provided), which gave publicity to the Agreement of the Government Delegate Commission for Economic Affairs to adopt a simplified version of the plan for the reorganisation and simplification of the system of non-contributory economic benefits of the General State Administration. Additionally, as explained above, Spain has also published a complete version of the plan in line with the CID requirements on the official website of the relevant Ministry. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, publishing the plan on the official government website, instead of in the Official Journal, which is in line with common practice, proves that the complete plan is in force as explained further above. Additionally, this publication ensures public accessibility and transparency, thereby maintaining the integrity and progress of the reform. As of this, the minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The Plan shall aim to integrate and rationalise the non-contributory benefits around an income coverage instrument in order to improve effectiveness and efficiency of public resources and focus them on people at risk of vulnerability or social exclusion.**

Chapter 2 of the published plan outlines the framework of the analysis and scope of the inclusion policy. The proposed framework aims to rationalise and simplify the system by incorporating and integrating non-complementary financial benefits to an income coverage instrument, specifically the Minimal Vital Income (MVI) scheme. The MVI was formally established through Law 19/2021 of 20 December and is currently regulated by Royal Decree 789/2022 of September 27. Spain has introduced the MVI in 2022. The framework categorizes financial benefits into various types, such as semi-contributory, non-contributory and universal benefits. The plan emphasises that for non-contributory financial benefits there is no requirement for prior contributions and therefore they are not subject to income control.

As regards the rationalisation and the simplification of the system, the annex to the plan also outlines that through consolidating benefits into a single instrument, the plan is to reduce the proliferation of disparate aid programmes, minimising duplication and creating a more efficient and equitable system. This integration shall also facilitate agile management, wherein compliance with income and wealth criteria can be verified efficiently. Additionally, the additional annex of the plan specifies that it envisions the central coverage instrument functioning as a one-stop-shop for citizens seeking non-contributory financial benefits. Rather than navigating multiple application processes for different benefits, individuals can make a single request to access the National Income Guarantee system. This will streamline the approach and enhance accessibility and convenience for beneficiaries, potentially reducing bureaucratic processes.

Moreover, the additional annex outlines a semi-automated system wherein benefits corresponding to eligible citizens are activated automatically or semi-automatically once criteria are met. This automation enhances efficiency in benefit distribution, minimizing delays and ensuring timely support for those in need. Furthermore, the plan recognizes the importance of collaboration with Autonomous Communities in the management of such financial benefits. While the legislative framework and design of the National Income Guarantee system will remain within the non-contributory sphere of Social Security, collaboration with Autonomous Communities enables tailored approaches to benefit management.

Additionally, Chapter 2 of the plan outlines the framework and identifies the main causes of increased risk of economic exclusion: old age, disability, vulnerable families with children and unemployment. In response to these causes, the chapter provides basic directions on how to address the heightened risk of economic exclusion. The plan aims to tailor the non-contributory financial benefits system to meet the unique needs of these groups. These directions within the plan include:

- Developing and expanding the MVI scheme to serve as the primary provision of the minimum income guarantee scheme.
- Simplifying the current aid environment, with the plan asserting the need to assess parameters to ensure fairness of the scheme.
- Establishing a more efficient government by developing an agile information system as the focal point of the performance design.

Regarding the improvement of the effectiveness and efficiency of public resources, Chapter 6 of the plan indicates that introducing the MVI as the central element of the non-contributory system offers a clear and standardised benefit, reducing complexity and administrative costs. The integration of various aids, like the Child Aid supplement (CAPI), into the MVI framework enhances the targeting of vulnerable groups, ensuring that support reaches those most in need. This targeted approach minimises waste of resources and maximises the impact of public spending. Subsequently, Chapter 6 specifies that the plan aims to incorporate the use of digital tools, such as the Digital Social Card, to enhance data management and transparency. This, in turn, enables better monitoring, evaluation, and continuous improvement of the system.

In addition, the plan proposes incorporating additional indicators beyond solely income and wealth indicators. These additional indicators include factors such as living arrangements, employment status and the level of social support received. This allows for a more comprehensive assessment of vulnerability, capturing individuals or families whose fragility might not be fully identified through traditional indicators.

**This Plan shall focus on the appropriate coverage of the various circumstances that leads people to vulnerability as well as the adequacy of income support. To this end, the Plan shall take into account structural needs like households with children and people with disabilities and, on the other and, linking income support to active job seeking for inclusion and avoid “poverty traps”.**

Chapter 2 of the plan takes into account various structural needs of households with children and people with disabilities, who are currently subject to means tested and universal benefits. These benefits include the retirement and disability non-contributory pension (PNC) and rent supplement, the MVI, the childhood aid supplement (CAPI), the single payment family benefits, the birth allowance, and the financial allowance for dependent children with disabilities. The Spanish authorities recognise that the latter two benefits in this list are universal benefits. However, due to their targeting of disadvantaged groups, they fall within the scope of the plan.

To ensure adequacy of income support, the chapters in the plan focusing on the design scheme and outlining the reform of each benefit block emphasize the importance of continuous review and monitoring mechanisms. For instance, the plan proposes robust inter-administrative management and government structures involving multiple Ministries, such as the Ministry of Economic Affairs, Finance, Labour and Social Economy, Social Rights and Inclusion, and Social Security and Migration. Subsequently, the plan includes provisions for periodic evaluations to assess the performance and impact of the reformed system. These evaluations will consider factors such as coverage rates, adequacy of income support and the system’s overall effectiveness in addressing vulnerability and social

exclusion. The inclusion of these processes would allow for more adjustments to be made based on changing circumstances and ensures that income support remains adequate of time.

In addition, the plan connects income support to active job seeking for inclusion as well as the avoidance of poverty traps by introducing an employment activation component as a key principle of the MVI. Spain has provided additional evidence (Royal decree 789/2022, of 27 September) that supports this claim. The plan stipulates that all segments of the population benefiting from non-contributory financial benefits (excluding elderly beneficiaries), will have employment incentives. This approach contributes to the system's efficiency and helps reduce and eliminate poverty traps. Specifically, as explained in chapters 4.2.3, 5 and 6 of the plan, the employment incentive encourages beneficiaries to engage in active job seeking by allowing them to increase their income through employment while still receiving MVI benefits. Furthermore, the plan outlines the introduction of active inclusion policies, aiming to actively include people into the workforce. This involves launching a policy lab where some projects are linked to active labour market policies for MVI beneficiaries.

**The Plan shall consider all existing non-contributory with a view of gradually and over time integrating them in a single national system to assure that the plan's target is fully achieved.**

The plan provides an overview of all non-contributory financial benefits available making up the scheme of minimum income guarantees in Spain. Additionally, the plan details the integration of these non-contributory financial benefits into a single national system, namely the MVI. Chapter 2 outlines the scope of the plan which takes into consideration all existing non-contributory financial benefits. These are the non-contributory financial family benefits, old-age (retirement) benefits, disability benefits, and unemployment benefits.

In Chapter 6, the Spanish authorities have presented a work-plan that considers the preparation and the implementation timeline of non-contributory financial benefits within two phases. The first phase, scheduled for 2023-2025, focuses on preparing the groundwork for the implementation of the plan. This phase consists of a technical phase and social dialogue (2023-2024), which includes consolidating the MVI, fully deploying the Digital Social Card, establishing and developing inter-ministerial working group, and adapting systems and management operations. From an operational perspective, the plan emphasises the importance of inter-administrative management and governance. It proposes four objectives, setting up a one-stop shop with the autonomous communities through additional provisions of the MVI law. The plan indicates that these issues should be resolved before the start of 2025. The second phase is the implementation of the plan itself (2025-2030). The additional annex to the plan, also accessible on the official government website, underscores the plan's gradual implementation strategy. Specifically, it notes that the implementation will be carried out in accordance with the four blocks identified in the plan. According to the indicated implementation timeline, the unemployment block has largely been integrated into the minimum living income scheme and it is expected that the integration will be completed by the start of 2025. In addition, it is outlined that the family block shall include benefits close to the scope of the minimum living income, therefore its integration into the system can be carried out rapidly and is foreseen to be completed by the end of 2025. The plan indicates that the disability and the old-age blocks require greater coordination and dedication in the foreseen future and is scheduled to be implemented in between 2026 and 2030. Moreover, the second phase emphasises the importance of prior consensus-seeking within the parliamentary framework of the Toledo Pact and at the social dialogue table. This approach is justified for two key reasons. Firstly, it acknowledges the necessity to engage in discussions and negotiations with relevant ministries concerning non-contributory financial benefits of the General State Administration. Secondly, it

recognises the presence of grand-fathering clauses, potentially leading to the continuation of existing benefits for current beneficiaries as new beneficiaries are assimilated into the updated system. Notably, the annex emphasises the integration of any new benefits into the National Income Guarantee system to prevent the proliferation of dispersed benefits, thus upholding the coherence and equity of the overall system. Considering the given explanations included within these two phases, it can be confirmed that the plan considers the implementation of such non-contributory financial benefits gradually and over time into a single national system.

Finally, the milestone is further specified in the verification mechanism of the Operational Arrangements, which outlines that the **document shall be accompanied by an impact assessment of the proposal of redesign of non-contributory benefits.**

The impact assessment presented by the Spanish authorities evaluates the potential effects of the proposed reform on current beneficiaries of retirement, family, adult and child disability non-contributory financial benefits. It employs scenario building exercises to simulate the impact of the reform on beneficiary eligibility and expenditure. The evaluation reveals varying levels of eligibility across different benefit categories, with significant numbers of beneficiaries deemed ineligible for the MVI under current criteria. The assessment outlines a phased execution plan spanning from 2023-2030, aiming to finalise the implementation by 2030. The expected results include a reduction in severe poverty, improved income redistribution, enhanced independence for people with disabilities, and a simplified benefit system to reduce non-take-up risk. The reform is designed to achieve these advancements without increasing total expenses in non-contributor benefits, ensuring fiscal sustainability.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M335	M335 - C23.R5 - Modernisation of active labour market policies (ALMP)
<b>Name of the Milestone:</b> Entry into force of the amendment of the Employment Law (Royal Legislative Decree 3/2015)	
<b>Qualitative Indicator:</b> Provision in the amendment on entry into force	<b>Time:</b> Q4 2022
<p><b>Context:</b> The aim of this reform is to modernize active labour market policies (ALMP) in Spain following the recommendations issued in spending reviews by the Spanish Independent Authority for Fiscal Responsibility (AIReF).</p> <p>Milestone #335 concerns the entry into force of the amendment of the Employment Law. Namely, it establishes the framework for organising public employment policies, regulating the set of structures, resources, services and programmes that make up the National Employment System. Furthermore, it promotes and develops the planning, coordination and execution of employment policies, ensuring the provision of guaranteed services and the offer of an adequate portfolio of services to people or entities requesting public employment services, with the objective of contributing to employment creation and unemployment reduction, improving employability, reducing structural gender disparities and fostering social and territorial cohesion.</p> <p>Milestone #335 is the third and last milestone of the reform and it follows the completion of milestone #333 and milestone #334, related to the entry into force of the Action Plan to tackle youth unemployment and the Royal Decree for a new Spanish Employment Strategy 2021-2024 respectively.</p>	
<b>Evidence provided:</b>	

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone was satisfactorily fulfilled, including a reference to the relevant provisions indicating the entry into force, and to the provisions which fulfil the relevant elements of the milestone as listed in the description of the milestone and the corresponding measure in the CID annex, with appropriate links to or copies of the documents mentioned in the summary document.
- ii. Copy of the publication in the Official Journal of the Employment Law 3/2023 of 28 February 2023.

Copy of the publication in the Official Journal of Royal Decree 438/2024, of 30 April, by which the Common Services Portfolio of the National Employment System and the guaranteed services established in Law 3/2023, of February 28, on Employment are developed.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Milestone #335 entails the entry into force of the amendment of the Employment Law (Royal Legislative Decree 3/2015).**

This amendment has been fulfilled with the publication on 1 March in the Official Journal of Law 3/2023, and its subsequent entry into force on 2 March 2023 in line with the Sixteenth Final Disposition.

As required in the Council Implementing Decision, Law 3/2023 covers the main following objectives:

**Strengthening the policy and coordination instruments of the National Employment System** is primarily addressed in Title I through Chapters II and III. Chapter II aims to enhance cohesion and governance of the National Employment System (NES), with a broader and more efficient configuration. The Law establishes that the National Employment System is integrated by the Spanish Employment Agency and by the regional public employment services, as before, although including the transformation of the current State Public Employment Service (*SEPE*) into the Spanish Employment Agency (Article 18 and First Additional Disposition). Moreover, Local Corporations and other public or private entities collaborating with social services that participate in the implementation of employment policies are incorporated in the legislation as collaborating entities in the NES (Article 3), also contributing to the fulfilment of the objectives set up in Article 4 of the Law (Article 25)

Chapter III deals with the planning and coordination instruments and seeks convergence among employment policies of different administrations following common objectives, defining the strategy and planification instruments of employment policy, putting in place the Spanish Active Employment Support Strategy every four years, the Annual Plan for Decent Work, and the Integrated Public Information System for Employment Services (Article 11). This article further establishes that the monitoring and result evaluation of active labour market policies will be collected in a Joint Report that will be the basis to facilitate the exchange of good practices and to define the planning and coordination instruments for the short and long-term. Moreover, the role and functions of the Sectoral Conference on Employment and Labour Matters are defined (Article 9), making it the main collaboration entity between the State Central Administration and Autonomous Communities, exercising the functions of consultative, decision-making and coordination body in employment and labour affairs within the European Employment Strategy. Also importantly, the law includes the Guidance, Entrepreneurship, Support and Innovation Centres as specialised support entities for dynamizing, planning and experimentation of the NES (Article 8).



- i. **Reforming active labour market policies** through Title III, chapters I to V of the Law. It defines the concept of Active Labour Market Policies (ALMPs), their development and sets the principles and objectives of on-the-job training in chapter I. Chapter II deals with employability, defining its concept, how to measure improvements in employability, the catalogue of instruments to foster employability, as well as the basic competences and the principles of no discrimination. Chapter III deals with intermediation. It defines the set of actions aimed at providing workers with employment appropriate to their characteristics, the intermediation agents, including the public services, the role of placement agencies and the efficiency indicators, among others. Chapter IV sets out the coordination between ALMPs and unemployment benefits, guaranteeing job seekers or unemployment beneficiaries, among others, the participation in guaranteed employment services, the institutional coordination and other programmes and measures to support active employment. Finally, chapter V defines priority attention groups for employment policy, such as young people with low qualifications, long-term unemployed or people with disabilities, incorporating the gender perspective to employment policies.
- ii. **Reviewing the governance of the system.** Title I, chapter II establishes that the National Employment System is made up by the Spanish Employment Agency and the public employment services of the Autonomous Communities, as explained in objective i) above. It defines the governance bodies of the NES, the Sectoral Conference on Employment and Labour Affairs and the General Council of the NES, setting out the main functions of the system. The definition and functions of the Sectoral Conference on Employment and Labour Affairs are also included in the Law, serving as the main coordination body between the State General Administration and the Autonomous Communities in employment policies. Moreover, Title II, Chapter I, defines the creation, concept, mission, legal regime, organizational structure and competencies of the Spanish Employment Agency (Article 18 and First Additional Disposition), while Article 8 adds as a function of the NES the promotion of mechanisms for adequate in-work employment, improving the professional competences of the workforce and its employability.
- iii. **Strengthening the local dimension of employment policy.** Title I, chapter I, establishes, in Article 7, that employment policies have to take into account the regional and local dimension in its design and management model, fostering employment creation at that geographical level. Furthermore, the singularity and institutional relevance of the Local Corporations is recognised, making them responsible for the collaboration and cooperation with the rest of administrations to achieve the established employment policy objectives (Article 3 and Article 25). Public employment services of the Autonomous Communities will be able to establish mutual cooperation mechanisms with Local Authorities, making possible for them to participate in the institutional bodies. Furthermore, PES are given the possibility to celebrate program-contracts with local entities, among others, to implement active labour market policies (Article 32).

**Meeting the requirements for the implementation of the various measures foreseen in the frame of the National Plan for Active Employment Policies.** Title I, chapter III of the Law sets out that the planification and implementation instruments of employment policy are: i) the Spanish Strategy for Active Employment Support; ii) the Annual Plan for the Promotion of Decent Employment; and iii) the Integrated Public Information System for Employment Services.

In particular, Article 12 establishes that the Spanish Strategy for Active Employment Support will be defined every four years between the Spanish Employment Agency, the regional public employment services, and the participation of social agents with the main objectives of diagnosing the labour market situation and evolution, designing the integral Active Labour Market Policy (ALMPs) plans and its relation with other benefits, and analysing the performance of tutoring and mentoring services, among others. Article 13 provides that the Annual Plan for the Promotion of Decent Employment will specify, on an annual basis and between the same stakeholders as the Strategy, the guidelines that the State and Autonomous Communities must follow to achieve the objectives of the Strategy, as well as the indicators used to evaluate the degree of compliance. Finally, the Integrated Public Information System for Employment Services (Article 14) serves as the technical coordination instrument with the purpose of establishing protocols for the registration of common data, as well as integrating the information related to the management of ALMPs and unemployment benefits carried out by the Spanish Employment Agency, the regional public employment services and other collaborating entities throughout the territory.

Furthermore, in line with the description of the measure, Employment Law 3/2023 includes the following legislative changes:

- i. **Strengthening active and passive employment policies taking into account the distribution of competences between the State and the Autonomous Communities.** A governance review of the Employment System is undertaken within Title I, Chapter I, "Regional and Local Dimension of Employment Policy," and Chapter II, "Governance". The latter legal provisions establish the National Employment System, the Sectoral Conference on Employment and Labour Affairs, and the General Council of the National Employment System as the main governing elements of the system. Moreover, in Title II, Chapter II, "The public employment services of the Autonomous Communities", specific attention is given to them, outlining their responsibilities, competences, and organizational structure.

A key element reinforcing active and passive employment policies is the transformation of the previous activity commitment into the activation agreement (defined in Article 3) which, together with the defined guaranteed services, establishes the mutual rights and obligations between job seekers and public employment services to increase employability. The infractions and sanctions stemming from non-compliance with the activity agreement are also updated through amendments to Royal Legislative Decree 5/2000 (First Final Provision). For a swift execution and coordination of both policies, the Employment Law modifies the General Social Security Law (Fourth Additional Disposition), in which it is established as a requisite to access contributory and non-contributory unemployment benefits signing the activity agreement.

- ii. **Strengthening the Intermediation System and Public Private Partnerships.** Public Private Partnerships are reinforced in Title II, Chapter III, Articles 26, Article 27 and Title III, Chapter I, Article 32, among others. Article 26 stipulates that private entities involved in active employment policies shall collaborate and coordinate with public bodies at the relevant territorial and competency levels, informing them about their activity. Article 27 defines the collaboration framework agreements, allowing the Spanish Employment Agency and regional public employment services to subscribe framework agreements with private entities. Moreover, Article 32 establishes that programmes and services included in the planning and coordination tools can be managed through public-private partnerships.

The strengthening of the employment intermediation system is done through Title III, Chapter III of the Law, establishing the concept of employment intermediation, broadening

its scope by defining concrete actions (Article 40) through the inclusion of specialised intermediation services, among others, better defining agents of intermediation (Article 41) and the public employment intermediation service (Article 42) and including efficiency indicators to measure the activity of placement agencies (Article 46).

- iii. **Common Services Portfolio of the National Employment Services.** Title IV, Chapters I and II of the Law outlines the guaranteed services, commitments, and common services portfolio of the NES, while Royal Decree 438/2024 develops the Common Services Portfolio of the National Employment System and the guaranteed services established in the Law Chapter I of Law 3/2023 defines guaranteed services for job seekers (Article 56), including among them individualized profiling and tutoring, personalized itineraries and identification of personalized training and job alternatives; Guaranteed services for individuals, firms and other employing entities are also defined (Article 57), such as managing employment offers submitted to public employment services, information and advice, identification of the needs of the companies and support in reallocation processes. Moreover, the commitments of job seekers (Article 58) are included, namely, actively collaborating with public employment services in the development of the individualized profiling, carrying out, unless justified, those activities to improve their employability, complying with training actions, and accepting suitable job offers in the case of the unemployed.

Chapter II, in Article 61, establishes the common service portfolio of the NES, ensuring equal access in the whole territory and grouping services as: a) personalized, comprehensive, and inclusive employment guidance; b) mediation, placement, and advisory services for companies; c) on-the-job training; d) advice for self-employment, viable entrepreneurship, and local economic development stimulation. It is further established that, without prejudice of receiving personalized guidance, an additional digital service portfolio will be implemented, making sure full accessibility and no discrimination in the use of the technological tools.

- iv. **Review of the financing model.** Title V of the Employment Law governs financing. Specifically, Article 62 establishes the budgetary framework for national employment funds, enabling medium-term funding management by Autonomous Communities and allowing multiyear distribution criteria and funding for future years. Article 63 outlines the distribution of funds for active employment policies co-financed by European Union funds, and Article 64 details the bodies responsible for monitoring and controlling national employment funds. Finally, the Twelfth Final Provision of the Law refers to the financing of guaranteed services. It states that the funding necessary for the implementation of guaranteed services will be based on the conclusions of the working group mentioned in Royal Decree 1069/2021, of December 4, approving the Spanish Active Employment Support Strategy 2021-2024. Other factors, such as the evolution of the public deficit or the labour market needs, must be also taken into account.

- v. **Cooperation with social services.** The Employment Law outlines, among the employment policy objectives in Title I, Chapter I, Article 4, the provision of personalized and individualized support, possibly in collaboration with social, health, and educational services, during the processes of labour market integration and transition between training and employment or between jobs. Additionally, Article 50 in Title III, Chapter V, identifies priority attention groups for employment policy, adopting specific programs to promote the employment of individuals facing particular difficulties in accessing and maintaining employment. The aim is to enhance their employability while ensuring specific attention in the planning, design, and implementation of employment policies. Considering the special circumstances of these

groups, it further establishes that it corresponds to the National Employment System and its different territorial levels to coordinate with social services when required through coordination protocols.

- vi. Local and European dimension.** Regarding the local dimension Article 7 in Title I, Chapter I of the Law stipulates that Local Corporations, within the scope of their competencies, are responsible for collaborating and cooperating with other administrations to achieve the objectives outlined in the relevant legislation. The institutional uniqueness of Local Corporations in initiating and developing employment policies is recognized (Article 7), to be carried out through cooperation principles and agreements with other administrations. Local entities can engage in the territorial coordination process of active employment policies, representing and participating in the institutional participation bodies at the regional level that each Autonomous Community decides within its competence.

The European dimension is reinforced in Title I, Chapter I, Article 2, where decisions, measures, services, and programmes concerning active labour market policies are considered shall take into account the coordinated employment strategy for the European Union. Article 6 recognizes that the Government is responsible for planning employment policies considering the European Employment Strategy. Moreover, one of the guiding principles (Article 5) emphasizes institutional collaboration and coordination among the Spanish Employment Agency, Autonomous Public Employment Services, and other public administrations with relevant competencies. This is framed within the Spanish Active Employment Support Strategy and the Coordinated Strategy for EU employment, promoting territorial cohesion, balance, and ensuring equal access to active employment policies for everyone across the country.

- vii. Technological development for employability.** Article 17 in Title I, Chapter III of the Employment law, sets out that employment policy decision making is based on data analysis, statistical evidence and labour market analysis. In particular, it outlines the use of data-driven tools within the Integrated Public Information System for Employment Services. These tools, developed in collaboration with Autonomous Communities, will aid individuals responsible for guiding job seekers or providing services to employers. The decision-making process prioritizes the rights to employment and access to public employment services, avoiding direct or indirect discrimination. Periodic evaluations will ensure equal and non-discriminatory treatment.

- viii. Use of ICTs and Big Data.** The Eleventh Final Provision of the Law addresses the Modernization of the Single Employment Portal and the enhancement of coordination and cooperation with employment and training platforms. This provision outlines that the Spanish Employment Agency shall drive relevant actions to modernize the Unified Employment Portal, improve coordination, and collaborate with other existing employment and training platforms. The goal is to transform it into a space for efficient information exchange and collaboration among all stakeholders in the labour market. Special attention will be given to digitalization needs, incorporating technological tools specified through regulatory developments.

As explained above, Article 17 also contributes to evidence-based decision making through data analysis and statistical tools that support employability.

- ix. Improving employability.** Employability is addressed in Title III, Chapter II of the Employment Law, standing as a central element in employment policy. The Employment Law states in

Article 35 that it is both a right and a duty of individuals seeking employment services, in line with Article 35 of the Spanish Constitution, to maintain and enhance their employability. Article 36 establishes the way of measuring improvements in employability. The technological tools mentioned in Article 17 will make it possible to identify certain patterns showing statistical evidence about the employability improvement of job seekers. It also states that the employability improvement will be quantified through the evolution of an employment rate reglementary defined and technically defined within the SNE.

The Employment Law also anticipates in Article 37 that the NES will maintain and update a catalogue of effective employability tools whose usefulness for employment or for professional improvement of job seekers has been duly contrasted through evaluations, searching for the best practices among different territorial levels. Finally, Article 38 regulates the basic competencies for employability, prioritizing the enhancement of basic skills in oral and written communication, as well as proficiency in the use of digital and technological tools. Full accessibility and non-discrimination in the use of these tools are ensured as fundamental objectives of employability actions.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M337	M337 - C23.R7 - Review of hiring incentives
<b>Name of the Milestone:</b> Entry into force of the reform of Law 43/2006 to simplify and increase the effectiveness of the recruitment incentive system taking into account the recommendations issued by AIReF	
<b>Qualitative Indicator:</b> Provision in the reform on entry into force	<b>Time:</b> Q4 2022
<p><b>Context:</b> The aim of this reform is to enhance the employability of specific segments with limited participation in the labour market, by promoting quality jobs and permanent contracts.</p> <p>Milestone 337 consists of the entry into force of the amendments to Law 43/2006 in order to simplify hiring incentives and increase their effectiveness by targeting specific groups with low participation in the labour market, improving its employability and promoting quality jobs and permanent contracts. The amendments should consider the recommendations issued by the Spanish Independent Authority for Fiscal Responsibility (AIReF) in its 2020 Spending Review report: "Incentives to recruitment". The reform shall reduce the number of incentives and standardise the requirements for beneficiary companies, with continuous monitoring and evaluation of hiring incentives.</p> <p>Milestone 337 is the only milestone of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Copy of the publication in the Official Journal of Royal Decree-Law 1/2023, of 10 January, on urgent measures regarding incentives for employment contracts and improvement of social protection for artists.</li> </ol> <p>The authorities also provided:</p>	

- iii. Validation agreement on Royal Decree-Law 1/2023, of 10 January, as published in the Official Journal.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Milestone #337 entails the entry into force of the amendments to Law 43/2006 in order to simplify hiring incentives and increase their effectiveness.**

This amendment has been fulfilled with the publication in the Official Journal of Royal Decree-Law 1/2023, of January 10, on urgent measures regarding incentives for job hiring and improvement of social protection for artists. The law entered into force on 1 September 2023 in line with the Thirteenth Additional Provision.

As required in the Council Implementing Decision, **the reform simplifies and increases the effectiveness of the recruitment incentive system taking into account the recommendations issued by the Spanish Independent Authority for Fiscal Responsibility (AIReF) in its 2020 Spending Review report “Incentives to recruitment”**. In particular, the “Incentives to recruitment” report issued by AIReF included the following recommendations:

**Improving the employability of very specific groups with low participation in the labour market.**

Royal Decree-Law 1/2023 fosters the employability of low labour market participation groups through several instances. Firstly, Article 4 in Chapter I establishes that priority care people registered as job seekers in Public Employment Services (PES), among others, are entitled to incentivised employment contracts. Second, it establishes Social security bonuses for open-ended contracts to people with limited intellectual capacity (Article 14), people readmitted after being dismissed by a firm due to total permanent disability (Article 15), women victims of gender violence, sexual violence and trafficking (Article 16), people at risk of social exclusion (Article 20), long-term unemployed (Article 21), victims of terrorism (Article 22) and low qualified youth who are beneficiaries of the Youth Guarantee System (First Additional Provision). It also includes hiring incentives for people with disabilities (Fifth Additional Provision) and those in contracts managed by insertion companies (Sixth Additional Provision).

Furthermore, with the aim of further improving the employability of these groups, they are required to be registered as unemployed job seekers (Articles 4 and 6), being considered priority attention groups for Public Employment Services. Consequently, as established in Law 1/2023 of Employment, these groups will be beneficiaries of the guaranteed services outlined in Article 56, including individualized profiling and tutoring, personalized itineraries and identification of personalized training and job alternatives.

**Reducing the number of incentives and standardises the requirements for beneficiary companies.**

The reduction and rationalisation in the number of incentives is done through the Derogatory Provision included in the Royal Decree-Law, where 12 incentives-related regulations are removed. Following letter d) of the Derogatory Provision and the recommendations issued by AIReF of focusing on bonuses to open-ended contracts for low employability groups, the below measures have been implemented:

- Bonuses for converting temporary contracts into permanent contracts for women victims of gender violence and sexual violence, victims of human trafficking and victims of terrorism have been removed.
- Bonuses for temporary contracts subscribed with women victims of gender violence, victims of terrorism and domestic violence, victims of human trafficking, and people at risk of social exclusion, except in contracts concluded by insertion entities, are removed.

- Bonuses for indefinite hiring of family members of the self-employed and the bonus provided for penitentiary institutions and prisoners who carry out work activities in them are removed.
- Bonuses are only given to employed youth (not to unemployed people) to replace working people in certain cases.

Moreover, to **standardise the requirements for beneficiary companies**, Article 8 of Royal Decree-Law 1/2023 details the standardization of requirements for beneficiaries both on Social Security bonuses and rebates (Eleventh Additional Provision) and to public subsidies related to employment policies established by provisions issued under general government to promote hiring and the financing of other employment activation programmes (Article 1). Finally, all the bonuses are established in fixed terms rather than in percentages of the contributory base of the worker, allowing for the same applicable quantity irrespective of the contributory group (Articles 14 to 27).

**Greater coordination between administrations.** With respect to common obligations for all public administrations, the law regulates in Article 3 the information, training, and support services to promote employment, and in Article 4 it defines the recipients of incentivized employment contracts. Most importantly, Article 12 envisages the obligation for central PES to observe that their Social Security rebates do not exceed 60% of the annual salary costs in concurrence with other hiring incentives, notably regional ones. This implies that there is a need to coordinate both systems of hiring incentives at different public administration levels.

Moreover, Articles 36 to 38 of the Royal Decree-law regulate the common rules for Social Security contribution bonuses, aiming at greater coordination between different administrative entities, which will also be applicable to rebates. Article 36 establishes that it will be the General Treasury of the Social Security the one applying the Social Security contribution bonuses through the direct settlement system and the simplified settlement system, making them automatic based on the data available to the General Treasury on the workers obliged to contribute. The verification and control of the requisites to access the bonuses is regulated through Article 37, which states that it will now be the National Public Employment Service the institution taking care of them.

Finally, Article 38 deals with the coordination between the General Treasury of the Social Security, the National Public Employment Service and the Labour and Social Security Inspection, ensuring data and information sharing for a more efficient management and fraud enforcement. Moreover, it establishes that the other administrations or public entities responsible for the information proving the concurrence of objective circumstances for accessing quota bonuses must implement agreements with the Public Employment Service to make their systems interoperable.

**Linking employment incentives to training and combine them with other activation measures to improve their efficacy.** Article 3 deals with the link between training and orientation services and employment incentives. In particular, it establishes that public employment services will promote access to information on contract modalities and bonuses attached to people, companies or other employing job-seeking entities, as well as to effective processes for disseminating the needs of workers and attraction of candidates. More importantly, it also promotes the access of vulnerable people with low employability who are beneficiaries of incentivized employment contracts to professional training and tutoring services as well as continued orientation to reinforce their employability and stability in employment. At the same time, Article 26 regulates Social Security bonuses for in-work training linked to the alternation training contract.

**Continued monitoring and evaluation of hiring incentives, establishing a database with the finalized evaluations.** The continuous monitoring and evaluation of the incentive system is provided through Article 42 of the Royal Decree-Law, which establishes that evaluations of Social Security bonuses will

take place with the periodicity determined within the integrated framework for monitoring and evaluation of active employment policies and, at least, two years after its approval and at its finalisation. According to the results of the evaluation, further measures or reforms to the system will be carried out to foster stable employment for jobseekers, in particular for vulnerable groups of low employability.

Moreover, in line with AIReF's recommendations, the evaluations will be extended to the previous period in which in the evaluation takes place, aiming to a better comparison of the impact of the measures applied. Public Employment Services will establish a database for this matter.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 340	Related Measure: C23.R10 - Simplification and improvement of unemployment assistance	
<b>Name of the Milestone:</b> Entry into force of amendment of the Royal Legislative Decree 8/2015 reforming the regulation of non-contributory unemployment support		
<b>Qualitative Indicator:</b> Provision in the amendment on entry into force		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The objective of this reform is to simplify and improve the non-contributory unemployment assessment through the amendment of Royal Legislative Decree 8/2015.</p> <p>Milestone 340 has the following objectives: i) to extend unemployment protection by filling in some of the coverage gaps of the current system and extending the maximum duration; ii) to simplify the system, currently fragmented into several schemes; iii) to link the benefit to a personalised activation itinerary; and iv) to facilitate the transition to social protection when the beneficiary does not return to work and is in a vulnerable situation.</p> <p>Milestone 340 is the only milestone or target of this reform. It is closely related to R5.C22, which outlines a more general reform of non-contributory social benefits.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Copy of the publication in the Official Journal of Royal Decree-law 2/2024, of 21 May, adopting urgent measures to simplify and improve the level of unemployment protection assistance, and to complete the transposition of Directive (EU) 2019/1158, of the European Parliament and of the Council, of 20 December June 2019, relating to the reconciliation of family and professional life for parents and carers, and repealing Council Directive 2010/18/EU, hereby referred as to Royal Decree-law 2/2024, adopting urgent measures to simplify and improve the level of unemployment protection assistance.</li> </ol>		
<b>Analysis:</b>		
<p>The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.</p> <p><b>The reform of the Royal Legislative Decree 8/2015 concerns the amendment to the regulation of the non-contributory unemployment support.</b></p>		



Royal Decree-law 2/2024, of 21 May 2024, on the adoption of urgent measures for the simplification and improvement of the unemployment protection assistance, which amends in its Article 2 the Consolidated Text of the General Social Security Law, approved by Royal Legislative Decree 8/2015 of 30 October 2015, has been published in the Official Journal on 22 May 2024 and has entered into force on 23 May, in line with the Fourteenth Final Provision.

As specified in paragraph eight, section II of the recitals of the Royal Decree-law, this amendment concerns, among others, the regulation of the non-contributory unemployment support. The revision addresses the fundamental characteristics of unemployment protection at its assistance level, expanding its coverage to eliminate gaps in protection, simplifying and improving access and maintenance requirements, and ensuring that subsidy recipients have access to personalized employment pathways to enhance their employability and promote their integration into the labour market. Additionally, it facilitates citizens' understanding of the procedures for meeting obligations related to unemployment.

The Council Implementing Decision required the entry into force of the amendment of Royal Legislative Decree 8/2015 reforming the regulation of non-contributory unemployment support. Spain has approved Royal Decree-law 2/2024 on the adoption of urgent measures for the simplification and improvement of the unemployment protection assistance, amending Royal Legislative Decree 8/2015 reforming the regulation of the non-contributory unemployment support as published in the Official Journal on 22 May 2024. According to the Fourteenth Final Provision, however, the entry into force of the following provisions has been postponed until 1 November 2024: Article 2, paragraph 24 concerning the new Forty-fourth Transitory Provision; Article 2, paragraphs 18 to 23 relating to the new Fifty-fourth to Fifty-ninth Additional Provisions of Royal Legislative Decree 8/2015; points two and four of the Derogatory Provision; the Second Final Provision except its point four; the Third Final Provision; and point one of the Sixth Final Provision. Moreover, paragraph 3 of the Fourteenth Final Provision establishes that the Fourth Final Provision will enter into force on the first day of the month following that of its publication in the Official Journal, except for its sections five and eight, which will come into force six months after said publication. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the publication of this Royal Decree-law and the actual application of the provisions is considered both limited and proportional, notably because the introduced legislative changes imply a profound change in the technical functioning of the non-contributory unemployment support, especially with respect to the management of subsidy requests and the need to train existing and additional staff. Moreover, there is legal certainty that these provisions will enter into force, as the Fourteenth Final Provision explicitly establishes an entry into force on 1 November 2024. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**The reform includes the objective to extend unemployment protection by filling in some of the coverage gaps of the current system and extending the maximum duration.**

Unemployment protection is extended by filling some of the coverage gaps of the current system through the amendment, among others, to Article 274 of Royal Legislative Decree 8/2015, establishing that beneficiaries of the non-contributory unemployment support will be those jobseekers who have either: i) exhausted the contributory benefit, including as a new category those below 45 years old without family responsibilities who have exhausted a contributory benefit lasting at least 360 days; or

ii) an insufficient contributory history to be eligible to the contributory benefit, as long as they have contributed at least during 90 days.

In the previous legislation, jobseekers below 45 years old that exhausted the contributory benefit without family responsibilities were not eligible, and only jobseekers with family responsibilities with insufficient contributory history were entitled to the subsidy in case they had contributed at least three months.

The coverage gaps are also filled in through amendments to Articles 286 and 287 of Royal Legislative Decree 8/2015, which recognise the access to the non-contributory unemployment support to previously excluded eventual agrarian workers.

Moreover, a reinforced unemployment protection is achieved through amendments to Article 278, which establishes a benefit amount of 95% of the indicator on public income of multiple effects (*IPREM*) during the first 180 days, 90% of *IPREM* between days 181 and 360, and 80% of *IPREM* from day 361 on.

The extension of the maximum duration of the benefit is done through the amendment of Article 277, where a higher duration of the benefit through unification of the requirements for those with family responsibilities is established for those under 45 years old. In the new legislation, the maximum duration increases from 18 to 24 months for those having exhausted a 120-day contributory unemployment benefit. It also increases from 24 to 30 months for those having exhausted a 180-day contributory unemployment benefit.

**The reform includes the objective to simplify the system, currently fragment into several schemes.**

The simplification of the system is done through several amendments to Royal Legislative Decree 8/2015. Article 274, as outlined above, simplifies the access to the subsidy by reducing the number of assumptions to be eligible for it compared to the previous regulation. In particular, jobseekers can be eligible if: i) exhausted the contributory benefit, including as a new category those below 45 years old without family responsibilities who have exhausted a contributory benefit lasting at least 360 days; or ii) have an insufficient contributory history to be eligible to the contributory benefit, as long as they have contributed at least for 90 days. Access to those over 52 years old is maintained in the current legislation as regulated in Article 280. Importantly, the condition under which job seekers should be registered as such during one month before being eligible for the unemployment subsidy is removed. Finally, amendments to Articles 286 paragraph 1 and 287 recognize the right to access the non-contributory unemployment benefit to previously excluded eventual agrarian workers, simplifying their conditions for unemployment protection to the rest of beneficiaries.

The amendment to Article 276 improves the dynamics of the subsidy by recognising it in three months instead of six and requiring that the requirements for lack of income or family responsibilities be met in the calendar month prior to the date of the initial request for the subsidy and each of its extensions. In order to facilitate the management of the subsidy, compliance with this requisite is done through expressly requiring a responsible declaration of income or family responsibilities from the applicant, which will be subsequently contrasted with the data contained in their tax returns (amendments to Article 275). The double requirement of lack of income (own income or that of the family unit) has been removed (amendments to Article 274), considering either the own rents of the beneficiary or alternatively the rents of the family unit. Finally, the compatibility of both the contributory and non-contributory unemployment benefits with scholarships and other support

obtained for training actions (vocational, in-work, or for traineeships or external academic practices) in public or private entities is established (amendments to Article 275 and Article 285).

Additionally, to further simplify the system, currently fragmented into several schemes, the Single Derogatory Provision derogates the following schemes: i) the active insertion income (*Renta Activa de Inserción*) for unemployed people with special economic needs, except for victims of gender violence that are now integrated into the non-contributory unemployment support through the Fifty-eighth Additional Provision; and ii) the subsidy for people released from prison who have served a 6-month deprivation of liberty sentence, now integrated into the Minimum Vital Income through the Fourth Final Provision. It also derogates the Twenty-Seventh Additional Provision of Royal Legislative Decree 8/2015 concerning the extraordinary unemployment subsidy. This way, previously existing non-contributory schemes are either integrated into the non-contributory unemployment benefit or into the Minimum Vital Income.

**The reform includes the objective to link the benefit to a personalised activation itinerary.**

The personalised activation itinerary is defined in Law 3/2023 of Employment. Article 47, paragraph 1 of Law 3/2023 of Employment establishes that individuals who are entitled to contributory or non-contributory unemployment benefits must acquire the condition of jobseekers, being holders of the guaranteed services and the activity agreement provided by the law. Article 56 of this Law lists the personalised itinerary to support the active search for employment (i.e., the personalised activation itinerary) among the portfolio of guaranteed services that jobseekers are entitled to when signing the activity agreement. Article 47, paragraph 3, outlines that the development of those actions, programs or activities indicated in the personalized activation itinerary for improving employability will entail compliance with the activity agreement.

Hence, the link of the non-contributory unemployment benefit with the personalised activation itinerary described above is done through amendments to Article 274(4) of Royal Legislative Decree 8/2015, by which it is established that, in all cases, the recognition of the right to the subsidy requires registration as a jobseeker, as well as signing the activity agreement regulated in Article 3 of Law 3/2023 of Employment. Furthermore, the Fifty-Fourth Additional Disposition regulates that those jobseekers receiving the unemployment subsidy shall have guaranteed the access to the personalised itinerary plan foreseen in Article 56 of Law 3/2023 of Employment.

**The reform includes the objective to facilitate the transition to social protection when the beneficiary does not return to work and is in a vulnerable situation.**

Royal Decree-law 2/2024 deals with the transition to social protection of beneficiaries not reincorporated to the labour market and thus in a vulnerable situation. In particular, it introduces through paragraph 8 of the Third Final Provision of Royal Decree-law 2/2024 a new Twelfth Additional Disposition to Law 19/2021 establishing the Minimum Vital Income where the conditions under which the subsidy beneficiaries can transition to the Minimum Vital Income are outlined, establishing cooperation between the management entity of the unemployment subsidy and that of the Minimum Vital Income to ensure an optimal process.

Paragraph 1 of the Twelfth Additional Disposition to Law 19/2021 establishes that the management entity of the unemployment subsidy will, in the cases provided by the Provision and with prior consent of the interested parties, send the required data to the Minimum Vital Income entity, so that the latter recognizes, where appropriate, the benefit. In order to accelerate this process, during the previous quarter to exhausting the non-contributory unemployment support, the management entity will

inform the beneficiary of the possibility to forward their data and that of the household to the management entity of the minimum vital income.

Paragraph 2 deals with verification work regarding the data provided and the correct completion of the responsible declaration by jobseeker. Paragraph 3 establishes that it will be the management entity of the Minimum Vital Income the one verifying the non-existence of third parties registered at the same address as the beneficiary of the unemployment benefit or, where appropriate, the family unit. Paragraph 4 establishes that, in case the conditions of first paragraph are met, the managing entity will verify whether the economic vulnerability requirement is met. Paragraph 5 outlines that in case of recognition of the right to the Minimum Vital Income, the starting date of the event will be the date of exhaustion of the subsidy. Finally, paragraph 6 outlines that the communications and data exchange between the unemployment benefit managing entity and the minimum vital income managing entity will be carried out through an appropriate information exchange system.

The Council Implementing Decision required within the objectives of the reform to facilitate the transition to social protection when the beneficiary does not return to work and is in a vulnerable situation by amending Royal Legislative Decree 8/2015. Spain to this end has amended Law 19/2021 establishing the Minimum Vital Income through Royal Decree-law 2/2024. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, royal legislative decrees and laws have the same legal effects. Moreover, these amendments in Law 19/2021 are necessary to adapt the legislation of the Minimum Vital Income and ensure a swift transition between it and the non-contributory unemployment benefit. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Furthermore, in line with the description of the measure, as a general rule the target group of the new scheme shall be the same as in the current system, i.e., unemployed workers that are not eligible to contributory unemployment benefits, either because they have been unemployed for too long and exhausted their rights, or because their contribution history is too short (less than 12 months but more than six). The monthly amount of the benefit shall remain at 80% of the 'IPREM' (indicator on public income of multiple effects).**

Royal Decree-law 2/2024 establishes in amendment to Article 274 of the Royal Legislative Decree 8/2015 the groups eligible for the non-contributory unemployment benefit.

In particular, as explained above, Article 274 outlines that beneficiaries will be the same as in the previous legislation as a general rule (i.e., jobseekers who have either exhausted the contributory unemployment benefit or have insufficient contributory history), but incorporating into it previously non-eligible beneficiaries, in line with the requirement to fill in coverage gaps.

Amendments to Article 278 modify the subsidy amount for exhaustion and insufficient contributions, introducing a decreasing formula in three tranches that will ensure that the subsidy remains at least at 80% of IPREM. In particular, the beneficiary will receive 95% of IPREM during the first six months, 90% of IPREM between six months and one year, and 80% of IPREM from then on.

The Council Implementing Decision required the monthly amount of the benefit remain at 80% of the 'IPREM'. Spain has introduced amendments to Article 278 introducing a decreasing amount of the subsidy, which will now start at 95% of IPREM during the first 180 days, 90% of IPREM from day 181 to 360, and 80% of IPREM from day 361 on. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the amendments exceed the CID

requirements contributing to the objectives of the measure, in particular to extend unemployment protection. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Beyond the requirements of the milestone, it is noted that the amendments to Article 282 introduce the possibility of supplementing the subsidy with salaried work, whether full-time or part-time. This establishes a compatibility for up to 180 days in one or more employment relationships, aiming to avoid penalizing a return to work. To this end, the concept of the Active Employment Supplement is introduced (*Complemento Activo al Empleo; CAE*), where the amount of the employment supplement taking IPREM as a basis will be determined each quarter, declining in time, based on the agreed working hours at the start of the compatibility period and on the time elapsed since being a beneficiary. Differently from the non-contributory employment subsidy specified in Article 278, which is thought as a last resort unemployment protection instrument, the employment supplement is conceived as a transitory payment for employment activation that will target unemployed persons who have re-entered the labour market.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M352	M352 - C24.R1 - Development of the status of the artist and promotion of investment, cultural sponsorship and participation	
<b>Name of the Milestone:</b> Entry into force of the artist's statute, sponsorship and the regime of tax incentives		
<b>Qualitative Indicator:</b> Provisions in the regulation		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The aim of the reform is to address the challenge deriving from the fact that existing labour and tax regulations do not take into account the specificities of the cultural sector (such as irregular income and work patterns), and the need to attract private funding beyond public support. In this direction, the reform shall develop an adequate legal, fiscal and labour framework for the cultural sector in order to improve the social protection of the different actors in the sector as well as increase the attraction of private investments through the approval of a number of regulatory changes. These changes shall be implemented through the creation of the Inter-ministerial Committee on the Statute of the Artist and dedicated legislative initiatives.</p> <p>Milestone 352 requires the entry into force of regulatory changes for the implementation of the artist's statute and the regulation of the following aspects with the aim to improve the working conditions of artists: (i) adequacy of VAT; (ii) personal income tax; (iii) trade union representativeness; (iv) health and special employment relationship of artists in public careers; (v) better regulation of sponsorship; (vi) and the regime of tax incentives.</p> <p>Milestone 352 is the only milestone or target of this reform.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled.</li> </ol>		

- ii. Copy of the Report adopted by the Subcommittee of Culture in the Congress for the preparation of the artist's statute [No. 373 of 20 June 2018](#).
- iii. Copy of the Royal Decree-Law 15/2020 of 21 April on complementary emergency measures for economy and labour [No. 112 of 22 April 2020](#).
- iv. Copy of the Royal Decree 31/2023 of 24 January amending the Personal Income Tax Regulations approved by the Royal Decree 439/2007 of 30 March to comply with the measures contained in the Artist's Statute regarding withholdings [No. 21 of 25 January 2023](#).
- v. Copy of the Royal Decree-Law 6/2023 of 19 December approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice services, civil service, local government and sponsorship [No. 303 of 20 December 2023](#).
- vi. Copy of the publication in the Official Journal of Royal Decree-law 2/2024, of 21 May, adopting urgent measures to simplify and improve the level of unemployment protection assistance, and to complete the transposition of Directive (EU) 2019/1158, of the European Parliament and of the Council, of 20 December June 2019, relating to the reconciliation of family and professional life for parents and carers, and repealing Council Directive 2010/18/EU.
- vii. Copy of the Royal Decree-Law 1/2023 of 10 January on urgent measures in the area of labour hiring incentives and improvement of the social protection of artists [No. 9 of 11 January 2023](#).
- viii. Copy of the Royal Decree-Law 5/2022 of 22 March adapting the regime of the special employment relationship of persons dedicated to artistic activities, as well as to technical and auxiliary activities necessary for their development, and improving working conditions in the sector [No. 70 of 23 March 2022](#).
- ix. Copy of the Law 14/2021 of 11 October amending Royal Decree-Law 17/2020 of 5 May approving measures to support the cultural sector and tax measures to address the economic and social impact of COVID-2019 [No. 244 of 12 October 2021](#).
- x. Copy of the Royal Decree 639/2021 of 27 July establishing and ruling the Inter-ministerial Committee for the development of the artist's statute [No. 179 of 28 July 2021](#).
- xi. Copy of the written reply no. 128/1299 of the Government of Spain of 8 November 2023 to a parliamentary question on the set-up of the Interministerial Committee as required under Royal Decree 639/2021 of 27 July establishing and ruling the Inter-ministerial Committee for the development of the artist's statute.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

The milestone requires the **entry into force of regulatory changes for the implementation of the artist's statute and the regulation of the following aspects with the aim to improve the working conditions of artists: (i) adequacy of VAT; (ii) personal income tax; (iii) trade union representativeness; (iv) health and special employment relationship of artists in public careers; (v) better regulation of sponsorship; (vi) and the regime of tax incentives.**

Regulatory changes on (i) adequacy of VAT, (ii) personal income tax, (iii) trade union representativeness and (iv) health and special employment directly contribute to implementing the so-called Artists Statute and to improve the working conditions of the artists. The Artists' Statute is a report prepared by the Sub-Commission for the development of the Artist's Statute consisting of considerations, proposals and recommendations that was published in the Official Journal of the

Spanish General Courts (*Boletín Oficial de las Cortes Generales*) on 20 June 2018 (point ii) of the evidence provided). The regulatory changes linked to (v) better regulation of sponsorship and (vi) regime of tax incentives as outlined and further analysed below for these two aspects of the milestone aim at increasing the attraction of private investments in the cultural sector and thus to improve the working conditions of artists.

**a. Entry into force of regulatory changes for (i) the adequacy of VAT:** Royal Decree-Law 15/2020 of 21 April on complementary emergency measures for economy and labour (point iii of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 22 April 2020. As stated in its final thirteenth provision, the Royal Decree-Law, including the relevant articles mentioned below, entered into force one day after its publication in the National Official Journal, hence on 23 April 2020. Its second final provision amends number 2 of article 91(2)(1) of the Law 37/1992 of 28 December on Value Added Tax establishing those operations to which the 'reduced VAT rate' of 4% is applied. This amendment entails a downgrade from the 'general VAT rate' of 21% to the 'reduced VAT rate' of 4% to supplies, intra-Community acquisitions and imports of books, newspapers, magazines, and their complementary items. The amendment also expands its application to the "electronically supplied services" linked to these items, which was not recognised in the law before. This regulatory change **implements the artists' statute** (point ii) of the evidence provided), specifically the section regarding the VAT, and in particular its consideration no. 25 regarding the demand of the cultural sector for a reduced VAT application for their activities. The adopted regulatory change contributes to set a particular framework of reduced indirect taxes for cultural activities aimed to incentivise the consumption of cultural products and services and to ultimately promote the activity of the professionals in the sector and thus to **improve the working conditions of artists**.

**b. Entry into force of regulatory changes on (ii) Personal Income Tax:** Royal Decree 31/2023 of 24 January amending the Personal Income Tax Regulations approved by the Royal Decree 439/2007 of 30 March (point iv) of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 25 January 2023. As stated in its Final single provision, the Royal Decree entered into force one day after its publication in the National Official Journal, hence on 26 January 2023. Firstly, the paragraph one of its Single Article amends Article 86(2) of the Royal Decree 439/2007 by reducing the minimum withholding rate applicable to income from work from 15% to 2% for special employment relationships of artists and technical and auxiliary staff in performing, audiovisual and musical arts. In doing so, the regulatory change **implements the artists' statute's** (point ii of the evidence provided proposal no. 23. Secondly, paragraph two of its Single Article amends Article 95(1) of the Royal Decree 439/2007 reducing the withholding tax rate applicable to economic activities carried out by low-income artists, from 15% to 7%. In doing so, recommendation no. 22 of the Artists statute is implemented. These changes contribute to tackling economic liquidity issues especially affecting artists, **aiming to improve their working conditions**.

**c. Entry into force of regulatory changes for (iii) trade union representativeness:** Copy of the publication in the Official Journal of Royal Decree-law 2/2024, of 21 May, adopting urgent measures to simplify and improve the level of unemployment protection assistance, and to complete the transposition of Directive (EU) 2019/1158, of the European Parliament and of the Council, of 20 December June 2019, relating to the reconciliation of family and professional life for parents and carers, and repealing Council Directive 2010/18/EU (point vi)

of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 22 May 2024. As stated in its Fourteenth final provision, the Royal-Decree Law, including the relevant provision mentioned below, entered into force the day after its publication, hence on 23 May 2024. This Royal-Decree Law amends the revised text of the Workers' Statute Law approved by Royal Legislative Decree 2/2015 of 23 October. In particular, its Article 1(3) incorporates the twenty-eighth additional provision to the Workers' Statute establishing an exception to the requirements laid under its Article 69.2 for employees to vote and to be candidates to staff representatives (*delegados de personal*) or members of representative committees (*miembros del comité de empresa*) for collective bargaining at company level. Specifically, the incorporated additional provision reduces the required seniority in the company for artists to vote for these positions from one month to 20 days, and to be candidates from six months to 20 days. As stated in the additional provision, the exception applies to persons engaged in artistic and related technical and auxiliary activities in performing, audiovisual and musical arts under the scope of the Royal Decree 1435/1985 regulating the special employment relationship of artists in public performances. As laid in Article 1 (2) of the royal decree, this includes, among others, persons engaged in drama, dubbing, choreography, musicals, singing, dancing, acting, artistic direction, cinema, orchestra, musical adaptation, stage, production, choreography, audiovisual work as well as any those whose activity is recognised as that of an artist by the applicable collective agreements. These changes allow to improve and increase the participation of employed artists in the employee' representative bodies and collective bargaining at company level, taking into consideration their special employment status. Ultimately, this would allow for a better trade union representativeness when employed artists are being elected in employee' representative bodies. The current legislation (Articles 6 and 7 of Organic Law of Trade Union Freedom 11/1985 of 2 August) confers a special status and rights for collective bargaining at national level to the most representative trade unions at national level. This condition is obtained by the number of representatives in company working councils in a given sector. By enhancing the opportunities for employed in the culture sector to access working councils, this amendment contributes to increase the possibilities for trade unions specific to the culture sector to acquire this position and being represented in the collective bargaining at national level. **This regulatory change implements the artists' statute** (point ii of the evidence provided), specifically its consideration no.33 regarding the artists in companies' staff representations. The regulatory change directly addresses the obstacles to trade union representativeness in Article 69 (2) of the Workers Statute, as mentioned in this consideration, i.e. the seniority to stand for elections of and/or vote for staff representative bodies. By promoting the access of employed artists to workers' to participate in collective bargaining processes, this regulatory change is ultimately aimed at **improving the working conditions of the employed**. To do so, this amendment adapts the existing legal framework considering specific circumstances of the culture sector such as the work intermittency and temporality among the employed in the sector.

In addition, Royal Decree-Law 6/2023 of 19 December approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice services, civil service, local government and sponsorship (point v of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 20 December 2023. As stated in its ninth final provision, Title VIII of the First Book of the Royal Decree-Law 6/2023, including Article 103, entered into force three months after the publication of the Royal Decree in the National Official Journal (*Boletín Oficial del Estado*), this is, on 20 March 2024. Article 103(2) of the Royal Decree-Law amends Article 11 of the Law 1/2000 of 7 January of the Civil Procedure Code incorporating Article 11 quarter. This provision recognises legal legitimacy to professional associations of the self-employed of the



cultural sector to defend their interests and rights by the exercise of judicial collective actions. By doing so, this regulatory change **implements the artists' statute** (point ii of the evidence provided), specifically, its recommendation no. 36. By promoting the capacity of the self-employed to defend from the use of disadvantageous and abusive contract clauses in the cultural sector, ultimately, this regulatory change is **aimed at improving their working conditions**. To do so, this regulatory change establishes an additional legal instrument to the existing legal framework for the self-employed artists to exercise collective actions.

**d. Entry into force of regulatory changes for the regulation of (iv) health:** Royal Decree-Law 1/2023 of 10 January on urgent measures in the area of labour hiring incentives and improvement of the social protection of artists (point of vii) of provided evidence) was published in the National official journal (*Boletín Oficial del Estado*) on 11 January 2023. As stated in its Thirteenth Additional provision, the Royal Decree-Law generally entered into force on 12 January 2023, while its Fourteenth Additional provision, i.e. the one relevant for this element of the milestone, entered into force on 1 September 2023. Its Fourteenth Additional provision establishes that the Government shall set up a committee to promote the evaluation and recognition as occupational diseases of those derived from the specific nature of the work, both employed and self-employed, in the cultural sector. This committee shall be integrated by departments of the relevant ministries, trade unions, employers' representatives, organisations representing the cultural sector and professional associations and colleges of health professionals. Following the approval of the Royal Decree-Law, the Committee on Occupational Diseases was set up in its first meeting which took place on 22 May 2023 (point xi of the evidence provided) to which the persons designated by the relevant organisations according to the Thirteenth Additional were appointed. **This regulatory change implements the artists' statute** (point ii of the evidence provided), specifically its recommendation no. 59 (d). The activities conducted by the Committee are aimed at promoting the adaption of the social protection scheme to protect workers also from health risks specific to the cultural sector, **and thus to improve their working conditions**.

**e. Entry into force of regulatory changes on (iv) [...] special employment relationship of artists in public careers:** Royal Decree-Law 5/2022 adapting the regime of the special employment relationship of persons dedicated to artistic and linked technical and auxiliary activities and improving their working conditions (point viii of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 23 March 2022. According to its Sixth Final provision, the Royal Decree-Law 5/2022 entered into force on 31 March 2022. In accordance with its Single Transitory provision, this is applied to contracts conducted after that date. First, Royal Decree-Law 5/2022 amends the Royal Decree 1435/1985 of 1 August 1985 ruling the special employment relationship of artists in public performances, aiming to provide legal certainty after the adoption of the Royal Decree-Law 32/2021 on urgent measures for labour market reform in December 2021 which deleted the temporary contract format from 31 of March 2023 onwards. Article 2 of the Royal Decree-Law 5/2022 amends Articles 3, 5 and 10 of the Royal Decree 1435/1985 to adapt the regime of fixed-term contracts for artistic activities. Based on the intermittent nature of artistic activities, these provisions introduce a set of guarantees in the form, duration and termination of contracts to avoid the (mis)use of temporary contracts and to upgrade the conditions of this special regime in line with those under the general employment relationships' regime. For example, Article 2 (4) of the Royal Decree-Law establishes that the fixed-term artistic contract may be "for one or several performances, for a certain time, for a

season or for the time a play remains on the bill, or for the duration of the different phases of the production”, and that, in any case, these shall be concluded to cover only temporary needs, which shall be justified in the contract as linked to specific circumstances and an specific duration. Article 2 (5) upgrades the compensation for dismissal laid under Article 10.2 of the Royal Decree 1435/1985 from seven to twelve days of salary per year worked, aligning it to the general regime. Secondly, Articles 1 and 2 (1) broaden the scope of application of the (adapted) regime of special activities to technical and auxiliary activities linked to artistic activities, amending Article 1 of the Royal Decree 1435/1985 and Article 2.1 (e) of the revised Workers' Statute approved by Royal Legislative Decree 2/2015 of 23 October. Thirdly, its Article 2 (2) also broadens the range of activities recognised under this regime, as previously laid out in Article 1 of the Royal Decree 1435/1985, to include activities conducted online and new dissemination formulas in the cultural sector, such as ‘streaming’.

Additionally, the Royal Decree-Law 1/2023 of 10 January on urgent measures in the area of labour hiring incentives and improvement of the social protection of artists (point vii of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 11 January 2023. As stated in its Thirteenth Final provision, the Royal Decree-Law generally entered into force on 1 September 2023 and the fourteenth paragraph of the Fourth Final provision of the Royal Decree-Law, i.e. the one relevant for this element of the milestone, entered into force on 1 July 2023. In particular, its Fourth Final provision paragraph fourteen incorporates the Fifty-first additional provision to the revised text of the Social Security General Law approved by the Royal Legislative Decree 8/2015, of 30 October. The additional provision establishes a special unemployment benefit for workers subject to the special employment relationship of artists in performing, audiovisual and musical arts. In the terms laid in its paragraphs 1 to 4, this benefit covers artists and technical staff that are not entitled to the contributory unemployment benefit due to the intermittency of their work.

**These regulatory changes implement the artists’ statute** (point ii of the evidence provided), specifically, its recommendations no. 45, 46, 47, 48, 49 and 50. These changes further adapt the applicable labour legal framework to sector-specific challenges of artists, such as high work-intermittency and temporariness and resulting limitations accessing compensations for dismissal. In this way, this regulatory change aims to **improve the working conditions of the artists**.

**f. Entry into force of regulatory changes for (v) better regulation of sponsorship and (vi) the regime of tax incentives:** Law 14/2021 of 11 October 2021 amending the Royal Decree-Law 17/2020 of 5 May, which approved measures to support the cultural sector to address the economic and social impact of COVID-2019 and amended Law 49/2002, of 23 December, on the tax regime for non-profit organisations tax regime for non-profit organisations and tax incentives for sponsorship (point ix) of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 12 October 2021. According to its Second Final provision, Law 14/2021 entered into force on 12 of October 2021 while, according to Article 11(6), the below referred amendments were effective as of 1 January 2021. By its article 11(6), the Law 14/2021 amends the Second final provision of the Royal Decree-Law 17/2020. In this way, the law incorporates the amendment of the Royal Decree-Law to Article 19(1) to the Law 49/2002 by which the deduction percentages to donations made by personal income taxpayers were increased by 5 points, hence upgrading this provision’s legal status. Additionally, Article 11(6) amends articles 2 and 5 of the Law 49/2002 to broaden its

applicability to “non-lucrative entities” that are not resident in the Spanish territory in certain cases. In this way, the introduced increase in deductions is also applicable to non-resident income taxpayers. Law 14/2021 also incorporates the amendments under Royal Decree-Law 17/2020 of 5 May to Article 36 Law 27/2014 of 27 November 2014 on Corporate Income Tax by which tax credits for investments in Spanish film productions and audiovisual series of fiction, animation or documentaries were increased.

Additionally, Royal Decree-Law 6/2023 of 19 December approving urgent measures for the implementation of the Recovery, Transformation and Resilience Plan in the areas of public justice services, civil service, local government and sponsorship (point v) of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 20 December 2023. As stated in its Ninth final provision the Royal Decree-Law entered into force the day after its publication, this is, on 21 December 2023. According to point three of same provision these following relevant provisions, contained in the Fourth Book of the Royal Decree-Law, entered into force on 1 of January of 2024. Its Fourth Book, specifically Article 129, contains a number of amendments to the Law 49/2002, of 23 December, on the tax regime for non-profit organisations tax regime for non-profit organisations and tax incentives for sponsorship. First, the Royal Decree-Law increases tax credits for sponsorship both for natural persons, legal entities, and non-residents. As regards individual income tax, the 80% tax credit limit on the amount applicable to donations and contributions made to non-profit organisations is increased from EUR 150 to EUR 250 (point six). The tax credit applicable on the excess of such amounts is increased from 35% to 40% (point one). For cases of recurring donations to the same entity, the number of years in which donations must be made to the same entity for an amount equal to or greater than those of the previous year is reduced from 4 to 3 years. In such a case, the tax credit is increased from 40% to 45% on amounts exceeding EUR 250 (point six). For Companies Income Tax purposes, the general tax credit is increased from 35% to 40%, and from 40% to 50% on recurring donations while the tax credit limitation is increased from 10% to 15% of the tax base (point seven). Additionally, the maximum base of the tax credit is also increased for non-resident taxpayers without a permanent establishment in Spain, from 10% to 15% (point eight). Secondly, by point four of Article 129, the Royal Decree-Law 6/2023 recognises new types of donations entitled to tax credits, such as the transfer of use of movable or immovable property for a determined period and donations where the donor receives a reward in the form of goods or services, provided the reward is economically irrelevant (i.e. it does not represent more than 15% of the donation and does not exceed EUR 25,000). Thirdly, point nine of Article 129 amends article 25 of the Law ruling business collaboration agreements to include the possibility of the economic aid to be in kind or in the form of supply of services (besides monetary contributions) and the dissemination of the participation to be carried out both by the beneficiary and/or the collaborator (previously only the beneficiary could do it).

The above-mentioned regulatory changes under Law 14/2021 and Royal Decree-Law 6/2023 set a tax regime with more favourable conditions for investors, including sponsors, and thereby increase the attraction of private investment to the culture sector. In increasing the private investment in the sector, these two regulatory changes also **contribute to improving the working conditions of artists.**

In line with the description of the measure, **the changes shall be implemented through the creation of the Inter-ministerial Committee on the Statute of the Artist:** Royal Decree 639/2021 of 27 July

establishing and governing the Interministerial Committee for the development of the Artist's Statute (point x of the evidence provided) was published in the National Official Journal (*Boletín Oficial del Estado*) on 28 July 2021. In accordance with its Second Final provision, the Royal Decree 639/2021 entered into force on 29 July 2021, one day after its publication. As stated in Article 2 of the Royal Decree 639/2021, the Committee was set to develop the recommendations included in the Artists Statute approved by the Congress in June 2018.

In line with the description of the measure, **the reform shall develop an adequate legal, fiscal and labour framework for the cultural sector:** the entry into force of the regulatory changes mentioned above contribute to develop the legal framework applicable for the cultural sector to tackle challenges specific to the sector. The above-mentioned regulatory changes on VAT; Personal Income Tax; and the regulation of sponsorship and tax incentives regime contribute to develop the fiscal legal framework of the sector. Additionally, the regulatory changes pointed above on trade union representativeness; health; and special employment relationship of artists in public careers contribute to set a legal labour framework.

In line with the measure description, in doing so, **the reform shall improve the social protection of the different actors in the sector:** the explained regulatory changes on trade union representativeness; health; and special employment relationship of artists in public careers improve the social protection of the different actors in the sector.

In line with the measure description, in doing so, **the reform shall increase the attraction of private investments and measures to encourage private investments in the cultural sector shall be implemented during the period 2021-2023:** the above-mentioned regulatory changes ruling sponsorship and the regime of tax incentives increase the attraction of private investment to the culture sector by establishing more favourable conditions for investors, including sponsors. Both the Law 14/2021 of 11 October 2021 and the Royal Decree-Law 6/2023 of 19 December entered into force in the period between 2021 and 2023.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M367	M367 - C26.R1 - Law for Sports
<b>Name of the Milestone:</b> Entry into force of the law for Sports	
<b>Qualitative Indicator:</b> Provision in the Law indicating its entry into force	<b>Time:</b> Q4 2022
<b>Context:</b>	
<p>The aim of this reform is to ensure health and safety in the practice of sports at all levels, to promote gender equality, accessibility and social cohesion through the regulation of sports, as well as its internationalisation, digitalisation and ecological transformation. It shall also modernise sports organisations and infrastructures to the current challenges it faces, taking account of lessons learned from the pandemic.</p> <p>Milestone 367 concerns the entry into force of the law for Sports, which shall include provisions to foster health and safety in the practice of sports at all levels, gender equality, social inclusion and accessibility, promote the international dimension of the model and modernise organisations, and infrastructures through respect for the environment and digitisation.</p> <p>Milestone 367 is the only milestone or target of this reform.</p>	

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the Council Implementing Decision annex) was satisfactorily fulfilled;
- ii. A copy of Law 39/2022 of 30 December, published in the national official journal (*Boletín Oficial del Estado*) No. 314 on 31 December 2022 (hereinafter referred to as “Law 30/2022”).

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force.**

Law 39/2022 was published in the national official journal (*Boletín Oficial del Estado*) No. 314 on 31 December 2022. In accordance with the eighth final provision (“*disposición final octava*”) of Law 39/2022, it entered into force the following day, on 1 January 2023.

**The Law shall foster health and safety in the practice of sports at all levels**

Article 22(1) of Law 39/2022 (included in point ii) of the evidence provided) about the rights of athletes (professional or not) establishes the right to conduct their activity under appropriate safety and health conditions (letter f). Article 23(1), letter b, about the duties of athletes, obliges them to fulfil the health and safety conditions established for the sport they practice. Moreover, Article 38(2) of Law 39/2022 provides that sports coaches must ensure the health and safety of athletes. To this effect, Article 34 of Law 39/2022 provides that training programmes ensure that coaches have the necessary knowledge in physiology, hygiene and other health-related areas, including the application of physical activity and sport in the treatment and prevention of diseases, with particular reference to the specific needs of women and men, minors, older people and persons with disabilities. In case of official and non-official sports events, the responsibility to ensure health and safety of athletes lies with the organisers, as established in Article 86, letter f.

In addition, Article 7 contains additional provisions to ensure health and safety of children and teenagers in sports. Article 32 of Law 39/2022 covers measures to protect health after the end of athletes’ sporting career.

Law 39/2022 also includes a provision specifically addressing crisis situations like pandemics. Article 14, letter ad, of Law 39/2022 mandates the National Sports Council with proposing and adopting crisis measures in case of pandemics, natural disasters or other unforeseeable circumstances, to be able to react rapidly and protect the sector in the event of high-risk situations.

**The Law shall foster [...] gender equality, social inclusion and accessibility**

Article 4 of Law 39/2022 (included in point ii) of the evidence provided) establishes a framework for public policies to promote effective equality in sport, with a focus on gender equality. Among others, the provisions of Article 4 oblige Spanish sports federations and professional leagues to draw up an annual equality report, a protocol for prevention and action in situations of discrimination, abuse or sexual harassment and a specific plan with concrete protection measures in cases of maternity and breastfeeding. Moreover, Article 4(9) requires Spanish sports federations and professional leagues to ensure equal treatment between the sexes in sporting events and competitions. To this end, they must ensure equality in economic and working conditions, physical preparation and medical care, pay and prizes between female and male teams within the same sport.

Article 5 of Law 39/2022 addresses the tools for reducing the social and gender gap in physical activity and sport. These include for instance policies to increase the number of sports infrastructures, especially barrier-free ones, to foster diversity in sports offers for children and teenagers, responding to girls' interests to reduce the gender gap in sports in this age group, and to guarantee affordable access to extracurricular sports activities.

Article 6 of Law 39/2022 addresses the promotion of inclusive sport and sport practised by persons with disabilities, including via inclusive sports events and greater visibility of inclusive sports in the media. Article 6(2) provides that persons with disabilities will be guaranteed the use of support products and technical aids which are necessary for their equal opportunities and do not unduly alter sporting performance.

Article 14, letter e of Law 39/2022, mandates the National Sports Council with drawing up and implementing plans to build and improve and update the technical norms of sports infrastructure and equipment, providing that in doing so, particular attention should be paid to compliance with established requirements on safety and universal accessibility free of architectural barriers.

Article 38 of Law 39/2022 lays down an obligation for Spanish sports federations to provide a specific continuous training programme for technical staff, including specific training for those who work for athletes with disabilities.

#### **The Law shall foster [...] the promotion of the international dimension of the model**

Article 14, letter y, of Law 39/2022 (included in point ii) of the evidence provided) mandates the National Sports Council with designing policies to promote the Spanish sports model internationally, with the participation of the competent authorities, sports federations and professional leagues.

Articles 88 and 89 of Law 39/2022 contain provisions that promote internationalisation of sports by regulating competences related to participation of schools and universities in the international competitions.

#### **The Law shall foster [...] the modernisation of organisations, and infrastructure through respect for the environment.**

Article 124(4) of Law 39/2022 (included in point ii) of the evidence provided) provides that the National Sports Council will ensure that the environment is respected in the construction, maintenance and repair of sports facilities, in accordance with sustainability and energy efficiency criteria.

Article 10 of Law 9/2022 guarantees respect for the natural environment where sports are practiced. To this effect, Article 14, letter u, of Law 39/2022 mandates the National Sports Council to cooperate with the other public administrations in adopting measures to ensure the sustainability of sport activity in the urban and natural environment.

#### **The Law shall foster [...] digitisation.**

Law 39/2022 (included in point ii) of the evidence provided) contains several provisions to promote the digitisation of sports by including a link between sports and science and innovation, such as Article 14, letter s, which grants the National Sports Council competence to support and incentivise scientific research and innovation in sports. Article 33 of Law 39/2022 further specifies that the National Sports Council will promote scientific research, experimental development and innovation from all relevant scientific disciplines and areas of knowledge associated with sport, thus also including digitisation of sport. Science and innovation enable the development of advanced sports technologies like advanced data analytics tools and techniques, such as artificial intelligence and machine learning, which can help in strategic decision-making, such as selection of players, game tactics and training planning.

The provisions in Article 14, letter s, and Article 33 of Law 39/2022 also enable both the digitisation of sports organisations and of sports infrastructure. Notably, digitalisation can make infrastructure more sustainable, minimising the environmental impact and promoting green practices, and more accessible, increasing social inclusion. Digital tools also allow for a more efficient management of

organisations and facilitate collaboration, flexibility and accessibility. Furthermore, digital innovation enables large amounts of data to be collected and analysed, improving decision-making and strategies. This is in line with the description of the measure, which requires “**to modernise sports organisations and infrastructures through digitisation**”.

Furthermore, in line with this description of the measure, **the legislation shall adapt the organisational structures of sport to the current challenges that it faces, taking account of lessons learned from the pandemic.**

As outlined above, Law 39/2022 includes a provision specifically addressing crisis situations like pandemics in Article 14, letter ad, of Law 39/2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M377	M377 - C27.R1 - Adoption of the Anti-fraud Law	
<b>Name of the Milestone:</b> Interim assessment of the effects of the Law against Tax Evasion and Fraud		
<b>Qualitative Indicator:</b> Publication of the report in the Ministry of Finance Website.		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>The objective of this reform is to strengthen the measures against tax avoidance and tax evasion. The measure introduces changes amongst others in direct and indirect taxation, certain local government taxes and gambling regulation. Its objectives also include making the tax system fairer and facilitating actions aimed at preventing and fighting fraud by reinforcing tax control. In particular, the entry into force of Law 11/2021 made the following amendments: It i) enlarged the perimeter of transactions where e-payments were authorised (firms &amp; professionals) and set a legal threshold for cash payments; ii) updated the list of tax havens according to transparency, no taxation and harmful tax regimes criteria; iii) implemented changes to the rules for publishing the list of people with tax arrears; iv) implemented a ban on ‘double-use software’; and v) introduced a reference value for the tax base in property taxation.</p> <p>Milestone 377 concerns the publication of an interim assessment report by the Ministry of Finance on the effects of the entry into force of the Law Against Tax Evasion and Fraud (Law 11/2021) in the Ministry of Finance website. Based on the interim assessment, the report is expected to present possible recommendations for improvements.</p> <p>Milestone 377 is the second and last milestone or target of the reform, and it follows the completion of milestone 376, related to the entry into force of the Law Against Tax Evasion and Fraud.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; and</li> <li>ii. Copy of the publication of the interim assessment report (<i>Evaluación intermedia de los efectos de la ley contra el fraude fiscal</i>) by the Ministry of Finance.</li> </ol>		
<b>Analysis:</b>		

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone. In particular:

**Carry out an interim assessment of the Law against Tax Evasion and Fraud by the Ministry of Finance.** The authorities have demonstrated that the Ministry of Finance carried out an interim assessment of the effects of the Law Against Tax Evasion and Fraud (Law 11/2021). As explained in the published report, to prepare the assessment, the authorities have consulted stakeholders such as Large Business Forum, Forum of Associations and Association of Tax Professionals, FIDE Foundation and Tax and Competitiveness Foundation, who submitted their assessment and suggestions for possible amendments to the Ministry. Taking these contributions into account where appropriate, the authorities have prepared the interim assessment of the Law against Tax Evasion and Fraud and published it on the website of the Ministry of Finance on 30 December 2022.

Furthermore, in line with the description of the measure, the evidence shows that Spain **has carried out an assessment of the elements of the Law against Tax Evasion and Fraud**. As regards those elements, which are explicitly mentioned in the measure description, section A of the interim assessment report presents the legislative amendments implemented as per each element, and it presents the interim assessment reflecting the contributions of the stakeholders as relevant. The assessment could be summarised as follows:

- Section A.1 of the assessment report has analysed **the enlargement of the perimeter of transactions where e-payments are compulsory (for firms & professionals)** and the amendment of legal thresholds for cash payments. The analysis has found evidence - amongst others - that the share of card payments has increased and that cash withdrawals at ATMs have decreased.
- Section A.2 has analysed the implementation of the **changes to the rules for listing people with tax arrears**. The analysis has found evidence that the extension of the subjective and objective scope of the rules have led to an increase in tax revenue.
- Section A.3 has analysed **the implementation of a ban on “double-use software”**. The analysis has found evidence that several stakeholders had given positive feedback on this change while one stakeholder paid attention to the technical specifications for the software so as to ensure the market functioning.
- Section A.4 has analysed **the update of the list of tax havens (non-cooperative jurisdictions in tax matters) according to transparency, no taxation and harmful tax regimes criteria**. The analysis has found evidence that the amendments have updated the list taking into account the criteria of transparency and tax fairness so that jurisdictions with no taxation or harmful tax regimes are identified.
- Section A.5 has analysed **the introduction of a reference value for the tax base in property taxation**. The analysis has found evidence that the reference values for immovable properties were set on 1 January 2022 in accordance with the law and that the taxpayers have consulted the database with the information of the reference values. This is considered to have increased transparency and contributed to fight against fraud. The qualitative findings also show that the publication of reference values has led to reduction of disputes related to property taxation.

The conclusions of the assessment of the five elements are presented in section B of the interim report. Largely relying on the report’s macroeconomic analysis, it is noted that the aggregate tax base expanded more than domestic demand increased during 2021 and the first half of 2022. The interim report considers that, amongst other factors, also the entry into force of the Law against Tax Evasion and Fraud may have contributed to this result.



Furthermore, in line with the description of the measure, the authorities have carried out an interim assessment of the Law against Tax Evasion and Fraud as regards **strengthening of rules against tax avoidance practices that directly affect the functioning of the internal market as well as to amend indirect and direct taxation, and gambling regulation.**

The assessment of these actions is presented in section C of the published report. Section C.1 has analysed the exit tax that has an impact on the functioning of the internal market. Sections C.5 and C.6 have analysed amendments to indirect taxation (certain amendments to the VAT and excise duties). Section C.3 has analysed amendments to direct taxation. Section C.17 has analysed amendments related to gambling regulation.

The Council Implementing Decision required that Spain carries out an interim assessment of the Law Against Tax Evasion and Fraud. The measure description mentions that the Law Against Tax Evasion and Fraud would also have the objective of amending certain local government taxes. Article 15 of the Law Against Tax Evasion and Fraud amended the Local Finance Regulatory Law. However, this aspect was not covered in the assessment report that has been prepared under milestone #377. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the deviation is acceptable for the following reasons: the amendments under Article 15 were adopted to close a loophole which emerged after ruling 356/2018 of the Spanish Supreme Court. The amendments of Article 15 made it harder for business groups to reduce their tax liabilities under the Local Finance Regulatory Law by changing the group structure. However, it is likely that there are some business groups which have a group structure that allows to reduce tax liabilities legally while there may be some other business groups which may seek to change their structure deliberately to reduce their tax liabilities or to avoid taxes. In this context, it is considered that a robust assessment of the effects of this amendment would have been a very difficult exercise. While it is noted that the change referred to in Article 15 of the Law Against Tax Evasion and Fraud are in place clarifying the regulatory environment, it is considered reasonable to exclude the assessment of its effects from the interim assessment. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Publication of an interim assessment with possible recommendations in the Ministry of Finance website.**

The authorities have demonstrated that the assessment report was published in the Ministry of Finance website on 30 December 2022 by providing a link to the publication. Furthermore, in line with the description of the measure and in the absence of any recommendations for legislative amendments in the published report, there is no expectation for any legislative amendments in 2023 as referred to in the last paragraph of the description of reform C27.R1.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M404	M404 - C29.R3 - Alignment of the Central Government Budget with green budgeting	
<b>Name of the Milestone:</b> Green Budgeting alignment Report		
<b>Qualitative Indicator:</b> Publication as Complementary documentation in the Annual Budgetary Law		<b>Time:</b> Q3 2022

**Context:**

The objective of this reform is to align the central government budget with the EU Green Budgeting Reference Framework. The underlying methodology and monitoring framework have been designed with the support of the EU Technical Support Instrument.

Milestone 404 concerns the publication of a report that presents the mapping of green expenses of the annual central government budget for 2023 using the methodology and monitoring framework prepared under the technical support. The report was published accompanying the Annual Budget Law for 2023.

Milestone 404 is the first step of the implementation of the reform, and it will be followed by milestone 405, related to the report on Green Budget that presents the mapping of brown expenses. The reform has a final expected date for implementation on 30 September 2023.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled; and
- ii. Copy of the publication of the report on the alignment of the General State Budget with green budgeting (green dimension) (*Informe de Alineamiento con la Transición Ecológica*) in the Ministry of Finance Webpage.

The authorities also provided:

- iii. Table containing information on budget spending included in the alignment report analysis;
- iv. Ministerial Order HFP/535/2022 of 9 June laying down the rules for the preparation of the General State Budgets for 2023; and
- v. Greener, better, stronger: Factors for the successful implementation of green budgeting in EU Member States. Report by DG REFORM on the delivery of the EU Green Budgeting training in 23 Member States.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**The publication of a report on Green Budgeting accompanying the Annual Budget Law.**

The authorities have demonstrated that the report on the alignment of the General State Budget with green budgeting was officially published on 6 October 2022 (in accordance with Article 7(9) of Ministerial Order HFP/535/2022 of 9 June), on the same day when the draft 2023 General State Budget Law was submitted to the Congress of Deputies. The links to the publication and its annex on the website of the Ministry of Finance were included in the summary document.

**The report is prepared in line with the methodology and monitoring framework designed with the support of the EU Technical Support Instrument.**

Spain has set up a monitoring framework to prepare the alignment report. This framework contains an inter-ministerial working group that has been established in accordance with Article 7 of

Ministerial Order HFP/535/2022 of 9 June laying down the rules for the preparation of the General State Budgets for 2023. Spain among 23 EU Member States has received support under the Technical Support Instrument to strengthen the capacity for greening public finances and to raise awareness of the EU Green Budgeting Reference Framework. The technical support project by DG REFORM and DG ECFIN (the multi-country capacity building programme, officially called the EU Green Budgeting Training) provided the Member States with practical training and tailored support in piloting green budgeting tools. The training took place between November 2021 and August 2023 and Spain participated in modules 1-3 of the training. A report on the implementation of the training programme by the organisers of the training confirms Spain's participation.

The authorities attest in the summary document that the development of the methodology has benefited from the support of the Technical Support Instrument and is in accordance with the EU Green Budgeting Reference Framework. This methodology, which is described in section 2 of the published report, is used in the report to assess and label (“mapping”) budget expenditure contributing positively to the achievement of green objectives (“green dimension”). The developed methodology builds on the assessment of budgetary programmes’ contribution to achieving the Sustainable Development Goals (SDGs), reinforcing measure C29.R2 of the Recovery and Resilience Plan. The methodology uses i) the table of correspondence between the SDGs and the EU Taxonomy Regulation’s six environmental objectives and ii) the coefficients of the intervention fields of Annex VI of the RRF Regulation which are presented in Annex 2 and Annex 3 to the report, respectively. A spending programme is labelled in the report if it is i) considered to address at least one of the six environmental objectives and ii) it has at least one associated intervention field. Each spending programme’s contribution towards each environmental objective is calculated separately and the contribution (“alignment”) is reported using the following scale: neutral, low, medium, and high contribution.

**The presentation of a mapping of green expenses in the annual central government budget law.** As regards the spending units such as ministries and government agencies, the published alignment report covers i) centralised procurement (Section 10 of the 2023 Central Government Budget Law proposal); ii) ministries and dependent agencies with a limited budget (Sections 12-33); and iii) Social Security (Section 60). From the economic function classification aspect, the report covers the following classes: current expenditure on goods and services, current transfers, gross fixed capital formation, capital transfers, and financial instruments (classes 2, 4, 6-8). Spending on compensation of employees, interest on public debt, and contingency funds for budget execution (classes 1, 3, 5) are excluded. Looking at the spending programmes, according to the report, 71 programmes of the total of 392 spending programmes are excluded. The excluded spending programmes involve expenditures on pensions, social expenditure such as unemployment benefits, and financial expenditure such as transfers to regional administrations because – due to their nature – their contribution to green budgeting is considered not applicable. Annex 1 to the report presents the spending programmes that are not included in the analysis. Overall, in the 2023 budget proposal, total (consolidated) spending amounted to EUR 486 billion (excluding public debt repayments). Based on the information submitted by Spain, excluded spending amounted to EUR 377.4 billion. About half of the exclusions concern social security programmes (pensions) while excluded transfers to the regional administrations amount to about 20% of the total excluded amount. Consequently, the report covers about EUR 108.6 billion or about 22.3% of the total of consolidated expenditure.

According to section III of the Alignment Report, 169 spending programmes out of total 321 programmes analysed contribute positively to or are aligned with at least one of the environmental objectives to low, medium or high extent. 68 programmes are assessed to contribute to the environmental objectives to high extent meaning that more than 70% of their computable expenditure has a substantial positive impact on the objectives. 41 programmes contribute to the

objectives to medium extent (more than 30% but less than 70% of computable expenditure) and 60 programmes contribute to the objectives to low extent (less than 30% of computable expenditure). 152 programmes are considered to have a neutral impact on the environmental objectives. Overall, the Report presents in a clear and detailed manner the alignment of the budget programmes of the 2023 central government budget proposal with green budgeting focusing on green expenditure.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M408	M408 - C30.R2 - Maintenance of the purchasing power of pensions, alignment of the effective retirement age with the statutory retirement age, adaptation of the calculation period for the calculation of the retirement pension to new careers and replacement of the sustainability factor by an intergenerational equity mechanism	
<b>Name of the Milestone:</b> Adjustment of the computation period for the calculation of the retirement pension		
<b>Qualitative Indicator:</b> Provision of the legislation establishing its entry into force		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>Milestone 408 is part of reform C30.R2 whose objectives are to i) guarantee the purchasing power of pensioners, ii) increase labour participation at ages close to the legal retirement age, iii) postpone retirement, iv) reinforce the progressivity of the contribution system, v) adapt the current regulation to discontinuous careers and other forms of atypical work and vi) address the impact of the forthcoming demographic changes without worsening the adequacy of current and future pensions.</p> <p>Milestone 408 consist of the adjustment of contributory period for the calculation of the retirement pension, with the objective to reinforce the progressivity of the system and adapt the current regulation to discontinuous careers and other forms of atypical work.</p> <p>Milestone 408 is part of the second step of the implementation of Reform C30.R2 and is accompanied with milestone 409, milestone 410 and milestone 415 and it follows the completion of milestone 407.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled;</li> <li>ii. Copy of the publication in the Official Journal of Royal Decree-Law 2/2023 of 16 March 2023 on urgent measures to extend pensioners' rights, reduce the gender gap and establish a new sustainability framework for the public pension system (<i>Real Decreto-ley 2/2023, de 16 de marzo, de medidas urgentes para la ampliación de derechos de los pensionistas, la reducción de la brecha de género y el establecimiento de un nuevo marco de sostenibilidad del sistema público de pensiones. BOE-A-2023-6967, 17 March 2023</i>), hereinafter referred to as Royal Decree-Law 2/2023;</li> </ol>		
<b>Analysis:</b>		

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the legislation.** Royal Decree-Law 2/2023 entered into force on 1 April 2023, whereas i) the new rule for the contributory period for calculating the reference period and ii) the integration of periods without the obligation to pay contributions until the gender gap is reduced, will enter into force on 1 January 2026, in accordance with the tenth final provision on entry into force. Whilst this constitutes a minimal temporal deviation, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional. Specifically, in addition to the usual reasons why pension reforms are not immediately implemented and are subject to delayed application (notably to allow parties impacted by the reform to implement any changes in their retirement planning due to their reform), the delay is proportional considering the implementation steps that need to be undertaken by the relevant authorities and the parties impacted by the reform to enable a reasonable application of the new regulatory measures. Firstly, the IT systems regarding pensions need to be adapted to the new framework. This includes appropriate testing of the calculations, to ensure their robustness and accuracy. Secondly, this is particularly difficult in this case as of the ambitious pension reform package contained in this measure, which this milestone only represents one element of, resulting in a number of significant changes to pension calculations that need to be implemented in parallel. Thirdly, the recalculation of individual pension rights needs also to be communicated to the population (who then need time to adjust their retirement planning on this basis). Finally, it is noted that this delayed entry into force follows the timeline agreed with social partners, which was the time considered by those social partners as proportional for those impacted to adjust and ensure a reasonable application of the new regulatory measures. The delayed entry into force will occur within the timeframe of the Recovery and Resilience Facility. Moreover, the entry into force is already incorporated into the General Law on Social Security and there is certainty of application as no further legal acts are necessary to implement these provisions. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Adjustment of the computation period, extending the computation period for the calculation of the retirement pension to new careers.** Paragraph 40 of the Sole article of Royal Decree-Law 2/2023 introduces a fortieth transitional provision to the recast text of the General Social Security Law, which extends the computation period from the previous 25 years to 25 years and four months, from which the two months with the lowest contribution bases will be removed as of 1 January 2026. In line with the content of the Recovery and Resilience Plan, this period is gradually extended every year until 1 January 2037, where the computation period applied will be the one defined in Article 209 (1). Paragraph 23 of the Sole Article of Royal Decree-Law 2/2023 amends Article 209 (1) of the recast text of the General Law on Social Security to extend the period for calculating the pension to the 29 years preceding retirement, of which 24 months with the lowest contribution bases are removed.

Outside the scope of this milestone, which as per the name of the reform in the Council Implementing Decision only concerns new careers, paragraph 36 of the Sole Article of Royal Decree-Law 2/2023 incorporates a new paragraph 7 in the recast text of the General Law on Social Security, which protects for a determined period the acquired rights of for those individuals for which the pension benefit is lowered, as a consequence of the application of the amended Article 209 (1) on the calculations of the pension benefits, compared to calculations based on the last 25 years of the contribution periods. The period for which this new paragraph 7 applies is twenty years. This provision is meant to protect the acquired rights of current contributors for a period sufficient to avoid any negative impact, and to allow those among them, who could benefit, to adjust their behaviour if that leads to higher pensions while all those with new careers would be expected to be

subject to the new framework once they reach the retirement age. At the same time current contributors with discontinuous careers and other forms of atypical work can obtain higher benefits from the new system from the first day of entry into force of this new framework.

Furthermore, in line with the description of the measure, **the adjustment of the contributory period reinforces the progressivity of the system and adapts the previous regulation to discontinuous careers and other forms of atypical work.** Amendments introduced in the General Social Security Law by paragraphs 23 and 40 of the Sole article of Royal Decree-Law 2/2023 adapt the previous regulation to calculate the contributory period for those individuals with discontinuous or atypical careers (such as those leading to a volatile, decreasing, or broken contribution history), who will receive higher benefits thanks to this reform. These individuals are more likely to be part of vulnerable groups (e.g., women, temporary workers or low skilled), who have lower income and pensions. As such, these provisions will increase the progressivity of the system. The progressivity of the system is further increased through paragraph 41 of the Sole Article of Royal Decree-Law 2/2023, which introduces a new transitional forty-first provision in the recast text of the General Law on Social Security for the integration of periods with no obligation to pay contributions in the calculation of pension benefits, as long as the gender gap in retirement pensions exceeds 5 %. Additionally, the first transitional provision of Royal Decree-Law 2/2023 determines that the amount of the gender gap supplement to contributions will increase by 10pps by 2025 in addition to the annual revaluation. The measures reducing the gender pension gap contribute to adapting the regulation to discontinuous working careers of women, which are shorter and have more interruptions due to childcare than those of men.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M409	M409 - C30.R2 - Maintenance of the purchasing power of pensions, alignment of the effective retirement age with the statutory retirement age, adaptation of the calculation period for the calculation of the retirement pension to new careers and replacement of the sustainability factor by an intergenerational equity mechanism	
<b>Name of the Milestone:</b> Replacement of the sustainability factor with an intergenerational equity mechanism		
<b>Qualitative Indicator:</b> Provision of the legislation establishing its entry into force		<b>Time:</b> Q4 2022
<b>Context:</b>		
<p>Milestone 409 is part of reform C30.R2 whose objectives are to i) guarantee the purchasing power of pensioners, ii) increase labour participation at ages close to the legal retirement age, iii) postpone retirement, iv) reinforce the progressivity of the contribution system, v) adapt the current regulation to discontinuous careers and other forms of atypical work and vi) address the impact of the forthcoming demographic changes without worsening the adequacy of current and future pensions.</p> <p>Milestone 409 consists of the replacement of the sustainability factor with a mechanism that guarantees intergenerational equity and budgetary sustainability. The objective of the measure is to address the impact of the forthcoming demographic changes without worsening the adequacy of current and future pensions.</p> <p>Milestone 409 is part of the second step of the implementation of Reform C30.R2 and is accompanied with milestone 408, milestone 410 and milestone 415 and it follows the completion of milestone 407.</p>		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled;
- ii. Copy of the publication in the Official Journal of Royal Decree-Law 2/2023 of 16 March 2023 on urgent measures to extend pensioners' rights, reduce the gender gap and establish a new sustainability framework for the public pension system (*Real Decreto-ley 2/2023, de 16 de marzo, de medidas urgentes para la ampliación de derechos de los pensionistas, la reducción de la brecha de género y el establecimiento de un nuevo marco de sostenibilidad del sistema público de pensiones. BOE-A-2023-6967, 17 March 2023*), hereinafter referred to as Royal Decree-Law 2/2023;
- iii. Copy of the document "Evaluation of the impact of the reform in terms of intergenerational equity" (*Evaluación de Impacto de la Reforma en términos de Equidad Intergeneracional*);

The authorities also provided:

- iv. Link to Law 21/2021 of 28 December 2021 on guaranteeing the purchasing power of pensions and other measures to strengthen the financial and social sustainability of the public pension system (*Ley 21/2021, de 28 de diciembre, de garantía del poder adquisitivo de las pensiones y de otras medidas de refuerzo de la sostenibilidad financiera y social del sistema público de pensiones. BOE-A-2021-2165, 29 December 2021*), hereinafter referred to as Law 21/2021.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force of the legislation.** The intergenerational equity mechanism (MEI), in its current and final version, entered into force on 18 March 2023 a day following the publication of Royal Decree-Law 2/2023 in the official journal, with effect from 1 January 2023, in line with the tenth final provision of Royal Decree-Law 2/2023.

**Replacement of the current sustainability factor that links pensions to life expectancy with a mechanism that guarantees intergenerational equity and budgetary sustainability by adjusting to demographic changes.** The sustainability factor, introduced by Law 23/2013 of 23 December 2013, was repealed by Law 21/2021, which in its fourth final provision also introduced the MEI, subsequently modified by section 16 of the Sole article of Royal Decree-Law 2/2023.

The MEI consists of an earmarked contribution and a Social Security Reserve Fund. The earmarked contribution rises from 0.6 percent by 0.1 percentage points annually as of 2024, reaching 1.2 percent by 2029, a rate to be maintained until 2050. This progressive increase is established in section 43 of the Sole article of Royal Decree-Law 2/2023 with effect from 1 January 2023 until 31 December 2050.

Sections 11 and 12 of the Sole article of Royal Decree-Law 2/2023, i) establish a Social Security Reserve Fund, ii) direct that resources generated by the MEI will be accumulated in the Social Security Reserve Fund and ii) stipulate that the disposal of the assets of the Social Security Reserve Fund will be used exclusively to finance contributory pensions, with the aim of strengthening the sustainability of the Social Security system.

Section 15 of the Sole Article of RDL 2/2023 establishes from 2033 the annual maximum disbursement from the Social Security Reserve Fund. The disbursement profile is backloaded so that the system has resources available by end-2040, the years with the projected largest demographic burden, thus contributing to the strengthening of sustainability.

The second additional provision of Royal Decree-Law 2/2023 introduces an overall closing clause for the full pension reform to address fiscal gaps emerging over time in the pension system. The corrective mechanism in the closing clause is based on a metric that takes as a reference long-term average pension expenditure, as well as the impact of the revenue measures undertaken. This metric will be evaluated every three years, taking into account projections of the revenue measures, prepared by AIREF, the Spanish independent fiscal institution, and the gross pension expenditure projected for the period 2022-2050 in the latest available Ageing Report, prepared by the European Commission and the Economic Policy Committee. AIREF will verify that net pension expenditure (gross pension expenditure net of the impact of the revenue measures) does not exceed 13.3% of GDP on average in the period 2022-2050. In the event that the net expenditure projection is higher than that threshold, a procedure will be activated by which the Government, after dialogue with the social partners and within the framework of the Toledo Pact, will propose to Parliament the adoption of corrective measures that, after an assessment of their impact by AIREF, will be implemented to close the identified gap and ensure respect of the reference path for preserving sustainability. In the event corrective measures are not adopted by a given deadline, the second additional provision of RDL 2/2023 provides for the automatic activation of the corrective mechanism consisting of an automatic increase in the MEI contribution. The magnitude of this corrective mechanism will depend on the deviation detected from the sustainability objective and it will be implemented linearly over five years. The closure clause strengthens and guarantees the budgetary sustainability of the Social Security system, given that it has already been legislated, it is automatic, and it will be implemented for the first time in 2026.

The MEI contributes to intergenerational equity, as it avoids that future pensioner would see their pensions drastically reduced to offset the impact of ageing, which could have happened if the sustainability factor would have been applied. With the MEI, the pension benefits are not adjusted to life expectancy, in contrast to the now abolished sustainability factor, and therefore the adequacy of pensions remains unaffected, while the MEI provides for other ways to offset the impact of ageing. In addition, Spain provided evidence that even taking into account the contributions paid to the MEI, younger workers are fully compensated by higher pension benefits due to abolition of the sustainability factor despite having to face the new final contribution for a longer period than older workers. Thereby the measure guarantees intergenerational equity.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M410	M410 - C30.R2 - Maintenance of the purchasing power of pensions, alignment of the effective retirement age with the statutory retirement age, adaptation of the calculation period for the calculation of the retirement pension to new careers and replacement of the sustainability factor by an intergenerational equity mechanism
<b>Name of the Milestone:</b> Updated projections showing how the pension reforms undertaken in 2021 and 2022 ensure long-term fiscal sustainability	
<b>Qualitative Indicator:</b> Publication of a report	<b>Time:</b> Q4 2022
<b>Context:</b>	



Milestone 410 is part of reform C30.R2 whose objectives are to i) guarantee the purchasing power of pensioners, ii) increase labour participation at ages close to the legal retirement age, iii) postpone retirement, iv) reinforce the progressivity of the contribution system, v) adapt the current regulation to discontinuous careers and other forms of atypical work and vi) address the impact of the forthcoming demographic changes without worsening the adequacy of current and future pensions.

Milestone 410 consists of the publication of updated projections showing how the pension reforms undertaken in 2021 and 2022 ensure long-term fiscal sustainability, also taking into account the impact of other structural reforms, such as labour market reforms.

Milestone 410 is part of the second step of the implementation of Reform C30.R2 and is accompanied with milestone 408, milestone 409 and milestone 415 and it follows the completion of milestone 407.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled;
- ii. A link and copy of the publication “Projections of public expenditure on pensions” (*Proyecciones del gasto público en pensiones*).
- iii.

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Publication of a report.** The report ‘Projections of public expenditure on pensions in Spain’, evidence ii. above, has been published on the website of the Ministry of Inclusion, Security and Migration.

**Updated projections showing how the pension reforms undertaken in 2021 and 2022 ensure long-term fiscal sustainability, also taking into account the impact of other structural reforms, such as labour market reforms.** The published report consists of an introduction and two main sections. Section two describes the pension reform and the legislative development in various milestones of Component 30 of the Spanish Recovery and Resilience Plan. In section three, the underlying assumptions (section 3.1) and projection methodology (section 3.2) are presented followed by projections of public pension expenditure for the social security system (section 3.3), where the projections of pension expenditure in the pre-reform scenario is compared with the post-reform scenario, thus quantifying the impact of the various pension reform measures on the long-term sustainability of the Social Security system. The post reform scenario includes the estimated impact of the labour market reforms included in Component 23 of the Spanish Recovery and Resilience Plan.

According to the results of the updated projections published by the Spanish authorities, the higher pension expenditure for the retirement of the baby boom generation in Spain is projected to occur in the late 2040s, with pension expenditure stabilising and declining thereafter. In 2050, under the pre-reform scenario, total expenditure on contributory pensions would be 14.7 % of GDP, and total expenditure including civil servants’ pensions and non-contributory pensions would reach 15.8 % of GDP. Incorporating all reform measures approved since 2020 reduces total public pension expenditure to 14.7 % of GDP by 2050. On the other hand, revenue-strengthening measures related to the Social Security system together amount to 2.5 % of GDP in 2050, thus pension expenditure over GDP, corrected by such revenue measures, would amount to 12.2 % of GDP in 2050. After 2050,

the pension expenditure-to-GDP ratio would follow a downward path, driven mainly by demographics. Overall, they would result in an average gross pension expenditure net of the impact of the revenue measures below 13.3% of GDP on average in the period 2022-2050.

Whilst these results show that the reform measures would ensure fiscal sustainability when taking into account the impact of labour market measures, the underlying assumptions are prone to large uncertainty. The underlying assumptions seem overall favourable but plausible, and the extended projection period may have a large cumulative effect even to a small different evolution in key variables compared to changes in the assumptions. **As an example, the assumptions used in the 2024 Ageing Report by the EPC and the European Commission lead to a different trajectory in gross pension expenditure in Spain.** In this respect, it should be noted that the closure clause legislated as part of Milestone 409 ensures that corrective measures enter into force as soon as necessary so that the long-term fiscal sustainability of the pension reforms under Component 30 of the Spanish Recover and Resilience Plan is preserved even under less favourable developments than assumed.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> M415	M415 - C30.R6 - Adjustment of maximum contribution base	
<b>Name of the Milestone:</b> Adjustment of maximum contribution base		
<b>Qualitative Indicator:</b> Provision of the legislation establishing its entry into force		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The measure aims to increase the maximum contribution base of the pension system and adjust maximum pensions in order to widen the contribution base, increase the progressivity of the pension system and to increase overall revenue. The measures are in line with the Toledo Pact recommendations. Maximum pensions and maximum contribution bases are increased correspondingly with a view to maintain the contributory nature of the system. The adjustment of the system is gradual to allow contributors to adapt to the changes. The reform shall be implemented gradually, over the next thirty years.</p> <p>Milestone 415 concerns the entry into force of legislation for the adjustment of the maximum contribution base. The gradual increase of the maximum contribution base of the system and the adjustment of maximum pensions is aimed at widening the contribution base and progressivity of the system and to increase overall revenue.</p> <p>Milestone 415 is the only milestone or target of this reform.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled;</li> <li>ii. Copy of the publication in the Official Journal of Royal Decree-Law 2/2023 of 16 March 2023 on urgent measures to extend pensioners' rights, reduce the gender gap and establish a new sustainability framework for the public pension system. (<i>Real Decreto-ley 2/2023, de 16 de marzo, de medidas urgentes para la ampliación de derechos de los pensionistas, la reducción de la brecha de género y el establecimiento de un nuevo marco de sostenibilidad del sistema público de pensiones.</i> BOE-A-2023-6967, 17 March 2023), hereinafter referred to as Royal Decree-Law 2/2023.</li> </ol>		

**Analysis:**

The justification and substantiating evidence provided by the Spanish authorities covers all constitutive elements of the milestone.

**Entry into force.** Royal Decree-Law 2/2023 entered into force on 1 April 2023, whereas i) Article 19 (3) on the annual adjustment of the maximum pension and maximum contribution base entered into force on 1 January 2024 and ii) Article 19 bis on the solidarity quota enters into force on 1 January 2025, in accordance with the tenth final provision on entry into force. Whilst the latter constitutes a minimal temporal deviation, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional, notably, the deployment has been agreed with the social partners and reflects the need to make it easier for economic operators to adapt to the new regulatory framework. Moreover, the delayed application is already incorporated into the General Law on Social Security and is not subject to any further requirements. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Gradually increasing the maximum contribution base over the next 30 years; widening the contribution base and progressivity of the system to allow contributors adapt to the changes.**

Paragraph 1 of the Sole article of Royal Decree-Law 2/2023 amends Article 19.3 of the recast text of the General Law on Social Security and provides that the annual indexation of the maximum contribution bases of the various schemes shall be carried out at a rate equal to that laid down for the revaluation of contributory pensions (average growth rate of the consumer price index in the twelve months before December of the previous year, if this average rate is negative, the revaluation is zero). In addition, paragraph 38 of the Sole article of Royal Decree-Law 2/2023 adds the thirty-eighth transitional provision to the recast text of the General Law on Social Security, which increases the maximum contribution basis annually by 1.2 percentage points from 2024 to 2050. These legislative changes will gradually increase the maximum contribution base and widen the contribution base and the progressivity of the pension system over the next 26 years which makes the evolution of the system parameters predictable for contributors. Furthermore, in line with the measure description, the reform takes place **over the coming three decades and allows thus contributors to adapt to the changes.**

**Gradually adjusting maximum pensions.** Paragraph 1 of the Sole article of Royal Decree-Law 2/2023 amends Article 58(2) of the recast text of the General Law on Social Security by creating a new indexation rule for maximum pensions, where maximum pensions are indexed at the same rate as other contributory pensions. In addition, paragraph 39 of the sole article of Royal Decree-Law 2/2023 introduces a new thirty-ninth transitional provision in the recast text of the General Law on Social Security, which establishes i) that as of 2025 the maximum amount of the initial contributory pension is increased by 0.115 percentage points annually in cumulative terms until 2050 and ii) additional increases to the initial maximum pensions from 2051 to 2065 with an overall increase of 20% of the initial maximum pension by 2065.

**Increase of overall revenue.** The legislative changes in Paragraph 1 and Paragraph 38 of the Sole article of Royal Decree-Law 2/2023 on respectively the indexation and additional increases of the maximum contribution bases will gradually increase overall revenue. In addition, paragraph 2 of the sole article of Royal Decree-Law 2/2023 introduces a new Article 19 bis in the General Law on Social Security, which establishes an additional progressive solidarity quota for incomes above the maximum contribution base. The quota is set at 5.5%, 6% and 7% for incomes exceeding the maximum contribution base respectively by up to 10%, from 10% to 50% and over 50%. This will further increase overall revenue.

In line with the description of the measure, **maximum pensions and maximum contribution bases are increased correspondingly with a view to maintain the contributory nature of the system.** The gradual adjustment of the maximum contribution bases together with the corresponding modification of the maximum pension safeguards the link between contributions and benefits and therefore maintains the contributory nature of the system.

Furthermore, in line with the description of the measure, **the measures are in line with the Toledo Pact recommendations.** This reform is in accordance with recommendation 5: “Adequacy of the contribution bases and periods” of the Report on Evaluation and Reform of the Toledo Pact, approved by the Committee on Monitoring and Evaluation of the Agreements of the Toledo Pact at its meeting on 27 October 2020. The recommendation reads as follows: *‘The relationship between the maximum contribution bases and the maximum pension must strike the necessary balance between contributions made and benefits received in order to guarantee the contributory nature, but without prejudice to the solidarity dimension of the system. The Commission considers that the relationship between the two variables should be established by law in a clear and stable manner, subject to appropriate monitoring.’* The gradual adjustment of the maximum contribution bases together with the concurrent modification of the maximum pension provides for the necessary balance between contributions and benefits and therefore maintains the contributory nature of the system without affecting the solidarity dimension of the system. The two variables are established in the law and are subject to inter alia Parliamentary monitoring.

**Commission Preliminary Assessment:** Satisfactorily fulfilled