



EUROPEAN COMMISSION

Brussels, 20.06.2022
C(2022) 4056 final

PUBLIC VERSION

This document is made available for
information purposes only.

**Subject: State Aid SA.64499 (2021/EV) – Germany
Evaluation plan for the block exempted large aid scheme “Bund-
Länder Gemeinschaftsaufgabe „Verbesserung der regionalen
Wirtschaftsstruktur“ (GRW) – gewerbliche Wirtschaft” (SA.101541
(2022/X))**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 18 January 2022, Germany submitted summary information pursuant to Article 11(a) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty¹ (hereinafter “GBER”) on the establishment of the aid scheme “*Bund-Länder Gemeinschaftsaufgabe „Verbesserung der regionalen Wirtschaftsstruktur“ (GRW) – gewerbliche Wirtschaft*”² (hereinafter “scheme”) for the period 2022-

¹ OJ L 187, 26.6.2014, p. 1.

² Part A of the Koordinierungsrahmen der Gemeinschaftsaufgabe „Verbesserung der regionalen Wirtschaftsstruktur“ ab 1. Januar 2022, published BAnz AT 10.02.2022 B3.

Ihrer Exzellenz Frau Annalena BAERBOCK
Bundesministerin des Auswärtigen
Werderscher Markt 1
11017 Berlin
DEUTSCHLAND

2027, which has been registered under SA.101541. It follows the previous scheme, SA.39460 (2014/X)³.

- (2) The scheme was put into effect on 1 January 2022 with reference to Articles 14, 17 and 36 of the GBER. The national legal basis establishes the duration of the measure until 31 December 2027. Until 30 June 2024, the scheme is covered by the GBER (including the transition period of six months foreseen in Article 58 (5) of the GBER). After 30 June 2024, it will be the responsibility of Germany to ensure that the scheme continues to comply with the applicable provisions of the GBER in force, i.e. to make any necessary amendments and publish a new information sheet.
- (3) The scheme has an average annual budget of EUR 1.4 billion. Given that the average annual State aid budget of the Scheme exceeds EUR 150 million, it constitutes a large scheme within the meaning of Article 1(2)(a) of the GBER. Under said provision, large aid schemes are exempted only for a period of six months after their entry into force, unless a longer period of exemption is authorised by the Commission, following the assessment of an evaluation plan for the scheme, to be notified by the Member State concerned. To obtain that prolongation, Germany notified an evaluation plan for the scheme on 18 August 2021, which has been registered by the Commission under SA.64499.
- (4) On 27 October 2021, the Commission sent its initial examination of the evaluation plan to Germany. Following its examination, the Commission requested Germany to supplement its evaluation plan, on 16 November 2021. As a consequence, Germany submitted, on 27 December 2021, its revised Evaluation Plan to the Commission. On 14 March 2022, the Commission requested Germany to further adjust its Evaluation Plan. Germany submitted its revised Evaluation Plan on 5 April 2022 (hereinafter, “evaluation plan”).

2. DETAILED DESCRIPTION OF THE KEY ELEMENTS OF THE NOTIFIED EVALUATION PLAN

- (5) Following the requirements laid down in Article (2)(16) of the GBER, and in line with best practices established by the Commission Staff Working Document on Common methodology for State aid evaluation⁴ (hereinafter, “Staff Working Document”), Germany presented, in the evaluation plan, its main elements. These are: the description of the objectives of the scheme and the basic principles for promoting the business economy through the scheme, the mechanism of the scheme (*i.e.*, the role of the Federal Government and the German *Länder*⁵ (hereinafter, “*Länder*”) in the operation of the scheme), the evaluation questions, the result indicators, the methods envisaged to conduct the evaluation, the data collection, the proposed timeline of the evaluation, the body conducting the evaluation, and the publicity of the evaluation.

³ State aid SA.39460 (2014/X) – Germany – “Bund-Länder-Gemeinschaftsaufgabe Verbesserung der regionalen Wirtschaftsstruktur - Gewerbliche Wirtschaft”, prolonged by SA.58337 (2020/X) until 31 December 2021.

⁴ Commission Staff Working Document on Common methodology for State aid evaluation, Brussels, 28.5.2014, SWD(2014) 179 final.

⁵ The sixteen (16) federal States that form the Republic of Germany.

2.1. Objectives of the scheme

- (6) The scheme is considered as the pivotal instrument of regional economic policy in Germany, since 1969. The objective and the intervention logic behind the scheme is to compensate for local handicaps in structurally weak regions and to help reduce regional disparities in their development. The scheme, thus, ultimately intends to establish equivalent living conditions throughout Germany. As a result, in addition to large parts of the eastern *Länder*, the assisted area includes some western German regions, particularly low-development rural regions, old industrial regions undergoing structural change, and the eastern Bavarian border regions under pressure from adaptation to the Czech Republic.
- (7) The fundamental idea behind the scheme is to support businesses, by boosting investments and stimulating their turnover growth, with the ultimate goal of creating additional and sustainable employment. This, in turn, is expected to increase the total income of the structurally weak regions in questions, in the long term, via a claimed positive feedback-loop effect (*i.e.*, the sustainable job creation is expected to increase the purchasing power of the regional population, thus increasing the demand for locally produced goods, which, in turn, is supposed to have a further positive impact on regional employment and income). The fundamental hypothesis is, thus, that by facilitating structural change, regional labour markets will be stabilized, and macroeconomic growth will be supported.
- (8) To achieve its goal of bridging the gap between the regional disparities within Germany, the scheme intends to subsidise the investment costs borne by private enterprises, either directly, via grants, or indirectly, via interest subsidies.

2.2. Mechanism of the scheme

- (9) Under the German Constitution, the scheme is jointly financed, designed, and planned by the Federal Government and the *Länder*, as a shared task. However, while the scheme runs under the operational responsibility of the *Länder*, which have sole competence and responsibility for its implementation, including for prioritizing and selecting the projects which fall under their jurisdiction, the Federal Government has a central and coordinating function, including the monitoring and evaluation of the scheme's support measures. The assisted areas, the objectives, principles, priorities, and conditions for support are, however, determined in a Federal – *Länder* designed coordination framework (*i.e.*, 'Koordinierungsrahmen'). The current Koordinierungsrahmen, which is the legal basis for the scheme, has been adopted by a Committee (*i.e.*, Koordinierungsausschuss), which includes, as members, representatives of the Federal level and of the individual *Länder* at ministerial level, and which is appointed as decision body by law, on 17 December 2021⁶.
- (10) The provisions of the above-mentioned coordination framework apply nationwide and ensure that a binding, transparent, and homogeneous legal framework for aid is applied throughout all the *Länder*. However, the *Länder* are entitled to adopt funding guidelines, tailored to suit their particular conditions. The guidelines of

⁶ Koordinierungsrahmen der Gemeinschaftsaufgabe „Verbesserung der regionalen Wirtschaftsstruktur“ ab 1. Januar 2022, published BAnz AT 10.02.2022 B3.

the *Länder* can only depart from the coordination framework insofar as they are more restrictive than the coordination framework itself. Consequently, insofar as the scope of these guidelines does not exceed the scope of the coordination framework, the Federal Government has no influence over them.

- (11) Against the backdrop mentioned in recital (10), the evaluation plan only takes into consideration the coordination framework in its analysis, because it is the only binding and homogenous instrument applicable through all structurally weak regions in Germany.

2.3. Budget and duration of the scheme

- (12) The scheme has an average annual budget of EUR 1.4 billion (recital (3)) and will have a time span of six years, starting as of 1 January 2022 (*i.e.*, 1 January 2022 until 31 December 2027). Consequently, the total budget of the scheme is estimated at around EUR 8.4 billion.

2.4. Recipients/Beneficiaries of the scheme

- (13) Targeted beneficiaries will be located, *inter alia*, in the following (NUTS⁷ level 2) regions: Bavaria, Berlin, Brandenburg, Bremen, Hessen, Lower Saxony, North Rhine-Westphalia, Rhineland-Palatinate, Saarland, Saxony, Saxony-Anhalt, Schleswig-Holstein, Thuringia, and Mecklenburg-Western Pomerania..
- (14) These beneficiaries will mainly be micro-enterprises⁸ and small and medium-sized enterprises (SMEs)⁹ and, in some cases, large enterprises (LEs)¹⁰, mainly from the following sectors of activity¹¹:
- a) C – Manufacturing;
 - b) F – Construction (partially);
 - c) G – Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles;
 - d) H – Transportation and Storage;
 - e) I – Accommodation and Food Service Activities;
 - f) J – Information and Communication; and
 - g) E.38 – Waste collection, Treatment and Disposal Activities; Materials Recovery.

⁷ Nomenclature of Territorial Units for Statistics.

⁸ As defined in Article 2(3) of Annex I of the GBER.

⁹ As defined in Article 2(2) of Annex I of the GBER.

¹⁰ Enterprises which do not fall under any category mentioned in Annex I of the GBER.

¹¹ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains, OJ L 393, 30.12.2006, p. 1.

2.5. Evaluation questions and result indicators

- (15) The main goal of the evaluation will be to assess, as accurately as possible, in general, the effects of subsidizing investment in the business economy and, in particular, the behaviour of the beneficiaries and the main target values of the support, such as employment and income.
- (16) More precisely, the evaluation addresses, among others, the following questions:
- a) As far as *direct effects* on beneficiaries are concerned
 - i. did the scheme's support actually have an incentive effect on the investment activities of the supported enterprises?
 - ii. what was the causal effect of the scheme's support on the development of income and employment of the supported enterprises?
 - iii. can different effects (*e.g.*, for enterprises of a certain size, sectors/branches, by structure of employees, aid intensity, and regions) be observed (effect heterogeneity)?
 - iv. can effects on the competitiveness of the supported enterprises be identified, as well as indirect results (*e.g.*, skill levels of employees, R&D intensity of enterprises)?
 - b) As far as *indirect effects* on beneficiaries are concerned:
 - i. can negative, distortive, or other unplanned effects of the scheme (*e.g.*, intra- and inter-regional displacement) be expected?
 - ii. can spill-over effects (*e.g.*, sectoral or regional) be identified?
 - c) As far as *proportionality / adequacy* on beneficiaries is concerned:
 - i. how is the cost-effectiveness of the scheme to be assessed, *i.e.*, what is the relationship between the spent resources and their impact?
- (17) The result indicators of the evaluation project, which will also be categorised in accordance with the above mentioned evaluation questions (recital (16)), have as their object the examination of the development of the supported undertakings, as well as any potential heterogeneous effects of the scheme itself.
- (18) With regard to both the *direct* and *indirect effects* of the scheme on beneficiaries, the key result indicators of the evaluation project will be (i) the progress of employment; (ii) the progress of income; and (iii) investment levels. Additionally, and subject to data availability, other appropriate indicators, such as competition (measured, in particular, by labour productivity or export ratios) and innovation (measured, *e.g.*, by indicators on patent applications or R&D intensity) will also be taken into account, to assess the *direct effects* of the scheme. With regard to the *proportionality / adequacy* of the scheme, the main result indicator of the evaluation project will derive out of comparing the scheme's support with certain social benefits, in relation to, *e.g.*, progress of employment and income, and regional inequality.

2.6. Proposed timeline of the evaluation, including the date of submission of the reports

- (19) Germany will submit to the Commission a first report, by 30 September 2023 at the latest, which will cover (i) the current scheme for the period between its start (*i.e.*, 1 January 2022) and 31 December 2022, and (ii) the previous scheme (*i.e.*, SA.39460 (2014/X))¹², namely the period comprised between 2014 to 2020 (hereinafter, the “Final Report”). In terms of the data pertaining to point (i) above, the Final Report will contain (a) the descriptive statistics on the implementation of the scheme, and, based thereupon, (b) an analysis of strengths and shortcomings of the proposed evaluation approaches, including an indication of viable alternatives, in case the proposed methods were not implementable.
- (20) Germany will submit an additional report, by 30 June 2027 at the latest, which will have the object to present the results of the evaluation of the scheme (hereinafter, the “Additional Report”). This Additional Report will mainly focus on the data collected for the period comprised between 2022 and 2024.
- (21) In order to measure the longer-term effects of the scheme, the Additional Report will be supplemented by an added report, which will have the object to evaluate the effectiveness during the entire period of the scheme (hereinafter, “Overall Report”). Consequently, the Overall Report shall be drawn up after the end of the scheme and shall contain data pertaining to the entire period of the Scheme (*i.e.*, 1 January 2022 – 31 December 2027).

2.7. Envisaged methodology to conduct the evaluation

- (22) It must be pointed out, from the outset, that the envisaged methodological principles will apply equally to the Final Report, the Additional Report, and the Overall Report.
- (23) The evaluation plan highlights the need for effectively dealing with certain methodological difficulties, by using appropriate econometric evaluation methods, as to avoid misinterpretation on the causal effect of the scheme. To that end, the methodology used must ensure that (i) the development of the assisted undertakings, that would have resulted if they had not taken part in the scheme, is investigated by simulating the counterfactual situation and, that, (ii) any systematic distortion between the group of beneficiaries and the control group is eliminated.
- (24) Considering those methodological challenges, the evaluation plan outlines a specific evaluation strategy, based on various covariate matching methods, which are designed to analyse the causal effect of the aid over the supported undertakings. These methods are also specifically tailored to the various types of effects (*i.e.*, direct, indirect, proportionality / adequacy) of the evaluation plan.
- (25) Based on observable variables of aid beneficiaries (*e.g.*, (industry) sector classification, class and size of the undertaking, competitiveness or variables

¹² State aid SA.39460 (2014/X) – Germany – “Bund-Länder-Gemeinschaftsaufgabe Verbesserung der regionalen Wirtschaftsstruktur - Gewerbliche Wirtschaft”, prolonged by SA.58337 (2020/X) until 31 December 2021.

reflecting the structure of the undertaking's workforce), another undertaking, which did not receive aid, will be sought, that is as similar as possible to the aid beneficiary, in terms of the characteristics influencing the target value(s). In an ideal scenario, the only difference between these two undertakings would be the presence of the aid. Put differently, this analysis strategy attempts to find 'statistical twins' for all the assisted undertakings, as a basis for working out the effect of the investment aid. If one succeeds in achieving a wide-ranging balance between the two groups, in terms of the relevant variables influencing target value(s), and, thus, in solving the selection problem, the twin businesses will be suitable proxies for the counterfactual situation of the absence of support for the subsidised undertakings, and, hence, a suitable means for the evaluation.

- (26) To guarantee the results robustness and the control over potential distortions, the evaluation will apply various matching techniques, in order to assess the average result of the aid on aided undertakings. Specifically, for *direct effects*, the evaluation plan proposes different analysis approaches, such as a regression-discontinuity design (*i.e.*, RDD), instrumental variables approach (*i.e.*, IV), and a difference-of-difference approach (*i.e.*, DID). All of these are deemed hypothetically appropriate for identifying the causal effect of GRW support and are also scrutinized in terms of their appropriateness; however, the choice of evaluation method will depend on the availability of data given the actual implementation of the scheme. For *indirect effects*, especially spill-over effects, the evaluation plan advances the reliance on 'spatial' models and, alternatively, based on input-output models. For *proportionality / adequacy effects*, the evaluation plan advances comparing the cost-effectiveness of the scheme with certain social benefits.
- (27) The evaluation will be carried out on the basis of the methodologies enlisted in the evaluation plan, by external researchers, who will be selected based on a tender procedure.

2.8. Data collection and sources

- (28) In order to answer the research questions of the evaluation as comprehensively as possible, different data sources will be merged with each other.
- (29) The data available from the statistics on support granted under the scheme ("Förderstatistik der GRW")¹³ are taken as a starting point. These data comprise both statistics relating to grants given and statistics relating to statements of expenditure. The statistics on grants, introduced in 1972, ('statistics on cases where support has been granted') are based on exports provided by the Länder to the Federal Office of Economics and Export Control (BAFA), on a monthly basis. Reports for the statistics on grants must be made:
- a) when funds are authorised for an investment project for the first time (initial report);
 - b) if changes to the original award are made during the implementation of the investment project before the examination of the evidence of use is

¹³ [GRW-Förderstatistik des Bundesamts für Wirtschaft und Ausfuhrkontrolle \(BAFA\)](#)

finalised, insofar as such changes have an effect on statistically relevant facts (change report);

- c) if aid funding by the Land for strengthening the scheme was awarded under the rules of the coordination framework and in addition to scheme funds, or a grant notification has been cancelled after the granting decision has been revoked or retracted.
- (30) As the target data collected at the start of the investment for the statistics relating to the grant may differ from the actual data at the end of the investment, as a result of any changes of plan in the course of implementing the investment project, the support statistics were supplemented in 1994, by the expenditure statistics. This data source gives the actual values for the investment and scheme funding volumes and operational information about the additional and permanent employment secured subsequent to the investment project.
- (31) A further element was added to support these statistics, in 2007. Since then, the number of jobs filled in the assisted businesses is also collected, five years after the completion of the investment, and, thus, after the binding period for maintenance of the investment/jobs has ended, by means of a second check on the expenditure statement.
- (32) As the support statistics do not include all the relevant indicators, additional data sources will be used, including the Federal Employment Agency's employment statistics. These represent a collection of data relating to all employed people in the Federal Republic of Germany liable to pay social security contributions. It includes all the declarations made by employers in the course of a multi-stage reporting process for statutory sickness, pension and unemployment insurance in respect of employees who pay social security contributions in full and those in 'micro-jobs' whose place of work is in Germany. Some categories of workers are not included, though, such as civil servants and self-employed.
- (33) Additionally, data from (i) the official company data from the Statistical Offices of the Federal Government and the *Länder*, (ii) the Institute for Labour and Professional Research (IAB), and, as far as statements on investment and competition-related aspects are concerned, (iii) the official company data for Germany (AFiD)¹⁴, and, in particular, the AFiD Panel Industrial and Industrial Enterprises, will also be used to support the statistics of the evaluation. Data from AFiD links information from various official statistics, such as, annual reports, investment surveys, cost structure surveys, from the statistical offices of the Federal Government and the *Länder*.
- (34) The use of datasets held by private providers¹⁵ is also potentially projected. Some of these private datasets tend to ensure a better sectoral data coverage, though of a lower quality when compared to publicly available datasets.
- (35) Regardless of the source of data, the most relevant information for the evaluation of the scheme will be the sector of activity of the undertaking(s), its geographical location, employment numbers, turnover, investment(s), as well as employees'

¹⁴ AFiD = Amtliche Firmendaten für Deutschland (Official Business Data for Germany).

¹⁵ e.g., Bureau van Dijk.

earnings (*i.e.*, wages and salaries). Depending on data availability, it must be examined whether and to what extent information regarding GRW support from previous years can also be used.

- (36) Based on this comprehensive datasets, the differences between the assisted and non-assisted undertakings will be possible and, hence, will be used to create the counterfactual scenarios.

2.9. Body conducting the evaluation

- (37) In seeking to maximise the credibility and acceptance of the results of the evaluation, the body conducting the evaluation shall be independent from the German authorities. To this end, the body conducting the evaluation will be chosen on the basis of a negotiated procedure, preceded by a prior competitive tender procedure. The award decision will take into account various criteria, on the basis of the subject of the contract, primarily the quality of the bid, the competence of potential contractors, the suitability of the purpose of the service, and price. The award will go to the most cost-effective bid, taking all the above mentioned criteria into account, whereby the lowest price will not be the sole decisive factor. The evaluation (including the call for tenders) shall be carried out in accordance with the requirements of the Federal Budget Code.
- (38) The expertise of the body conducting the evaluation will be assessed in the context of the specific tender procedure.

2.10. Publicity of the evaluation

- (39) Germany is committed to publishing the evaluation plan and the results of the evaluation, both in full, as well as in summary (*i.e.*, short version), on the webpage of the Federal Ministry of Economic Affairs and Climate Protection¹⁶, which is accessible, without restrictions, to the general public.
- (40) The short version of the results of the evaluation will summarise the main findings and the recommendations of the analyses, in an easily understandable and comprehensible manner. The full version of the results of the evaluation will include, in particular, all essential information on the methodological approach, the underlying data used, the differentiated empirical results, as well as the results of the ongoing monitoring and the funding statistics, which will enable the descriptive statistics concerning the development of the beneficiaries.
- (41) Germany also accepts that the preliminary results of the evaluation may be subject to an informal exchange with the European Commission.
- (42) Additionally, in order to allow replication of the results, the external researchers will make the evaluation files, in particular the codes for data processing and calculations, together with the datasets based upon which the analyses are performed, when allowed by data protection enactments, available to the Federal Ministry of Economic Affairs and Climate Protection.

¹⁶ www.bmwk.de

3. ASSESSMENT OF THE EVALUATION PLAN

- (43) The correct application of the GBER is the responsibility of the Member State. The present decision on the evaluation plan does not assess whether the aid scheme to be evaluated was put into effect by the Member State in full respect of all applicable provisions of the GBER. It does, therefore, neither create legitimate expectations, nor prejudge the orientation the Commission might take, regarding the conformity of the aid scheme with the GBER, when monitoring it, or assessing complaints against individual aid granted under it.
- (44) Only such aid schemes, within the meaning of Article 2(15) GBER¹⁷, are subject to evaluation, which fall under the provisions of Article 1(2)(a) GBER¹⁸. The Commission notes that the annual average budget of the scheme concerned, namely EUR 1.4 billion (see recital (3)), exceeds the threshold of EUR 150 million, set in Article 1(2)(a) GBER. Article 1(2)(a), Article 2(15), and Articles 14, 17 and 36 of the GBER form the bases for the exemption of the aid scheme concerned from the notification requirement of Article 108(3).
- (45) As the Commission explained in recital 8 of the GBER, the evaluation of large schemes is required “*in view of the greater potential impact of large schemes on trade and competition*”. The required “*evaluation should aim at verifying whether the assumptions and conditions underlying the compatibility of the scheme have been achieved, as well as the effectiveness of the aid measure in the light of its general and specific objectives and should provide indications on the impact of the scheme on competition and trade*”. State aid evaluation should, in particular, allow the direct incentive effect of the aid on the beneficiary to be assessed (*i.e.*, whether the aid has caused the beneficiary to take a different course of action and how significant the impact of the aid has been). It should also provide an indication of the general positive and negative effects of the aid scheme, on the attainment of the desired policy objective and on competition and trade, respectively. Furthermore, State aid evaluation examines proportionality and appropriateness of the chosen aid instrument¹⁹.
- (46) In the light of these considerations, Article 2(16) of the GBER defines an evaluation plan as “*a document containing at least the following minimum elements: the objectives of the aid scheme to be evaluated, the evaluation questions, the result indicators, the envisaged methodology to conduct the evaluation, the data collection requirements, the proposed timing of the evaluation including the date of submission of the final evaluation report, the description of the independent body conducting the evaluation or the criteria that*

¹⁷ Under Article 2(15) GBER, ‘aid scheme’ means “*any act on the basis of which, without further implementing measures being required, individual aid awards may be made to undertakings defined within the act in a general and abstract manner and any act on the basis of which aid which is not linked to a specific project may be granted to one or several undertakings for an indefinite period of time and/or for an indefinite amount*”.

¹⁸ Under Article 1(2)(a) GBER, “*schemes under Sections 1 (with the exception of Article 15), 2, 3, 4, 7 (with the exception of Article 44) and 10 of Chapter III of this Regulation and aid implemented in the form of financial products under Section 16 of that Chapter, if the average annual State aid budget per Member State exceeds EUR 150 million, from six months after their entry into force*”.

¹⁹ See point 2, second paragraph (page 3), of the best practices outlined in the Staff Working Document (cited in footnote (3) above).

will be used for its selection and the modalities for ensuring the publicity of the evaluation”²⁰.

- (47) The Commission considers that, as described in section 2 of this decision, the notified evaluation plan contains these minimum elements.
- (48) The evaluation plan provides a concise description of the key objectives of the measures concerned (recitals (6) to (8)) and the mechanisms related to the functioning of the scheme (recitals (9) to (11)), while providing sufficient information to understand the “intervention logic” behind the scheme. Thus, the scope of the evaluation is defined in an appropriate way.
- (49) The evaluation questions are designed in a way as to properly assess the *direct effects* of the scheme on the beneficiaries, when compared to non-beneficiaries, in order to measure the incentive effect of the scheme (recital (16)). The evaluation questions addressing *indirect effects* are also linked to the specificities of the scheme, seeking to identify any unwarranted effects that the scheme may have (recital (16)). Additionally, *proportionality / adequacy* question are also appropriately addressed in the evaluation plan (recital (16)).
- (50) The evaluation plan identifies and justifies result indicators that integrate the evaluation question for the scheme (recitals (17) and (18)), and explains the data collection requirements and availabilities necessary in this context (recitals (28) to (36)). In this context, the data sources to be used are plentiful and described clearly and in detail. The evaluation body will also be in a position to take advantage of a wide array of data sets, gathered from various entities, which will offer the evaluation broader, more holistic, view. In this context, the evaluation plan also addresses the possible inherent limitations of the data sets (recital (34))²¹.
- (51) The evaluation plan sets out the main methods that will be used in order to identify the effect of the aid, and explains why these methods are likely to be appropriate for the scheme in question, as well as possible difficulties and ways to address those (recitals (22) to (27))²². The Commission acknowledges the inherent difficulty of establishing a single evaluation methodology in the present case, as the scheme applies to the entirety of Germany, but where some *Länder* may also apply their own funding guidelines, when granting the aid. However, the Commission expects that the proposed evaluation methodology will allow identifying the causal impact of the scheme itself.
- (52) The proposed timeline of the evaluation (recitals (19) to (21)) is adequate, in view of the characteristics of the measures concerned and the relevant implementation periods for projects, supported under the scheme. The fact that Germany committed to an informal exchange of the preliminary results of the evaluation with the Commission (recital (41)), provides a possibility for a timely start of the scheme’s revision process.

²⁰ Further guidance on evaluation plans is given in the Staff Working Document (cited in footnote (3) above).

²¹ Also see section 3.2 of the Staff Working Document (footnote (3)).

²² Also see section 3.4 of the Staff Working Document (footnote (3)).

- (53) The proposed criteria for the selection of the evaluation body based on a negotiated procedure, preceded by a prior competition (recital (37)), meet the independence criterion. The Commission takes note of the relevant commitment, made by Germany, in its evaluation plan, that expertise of the evaluation body will be properly assessed in the context of the selection procedure.
- (54) The proposed modalities for the publication of the evaluation plan results are satisfactory and ensure transparency. In particular, the Commission takes note of the commitment Germany makes to disseminate and make publicly available the results of the evaluation reports (recitals (39) and (40)).
- (55) In view of the above, the Commission considers that the evaluation plan meets all requirements laid down in the GBER, is established in line with the common methodology proposed in the Staff Working Document, and is suitable, given the specificities of the large aid scheme to be evaluated.
- (56) The Commission notes the commitments made by Germany to conduct the evaluation according to the plan described in the present decision. The Commission also notes that Germany will submit the Final Report by 30 September 2023 (recital (19)), an Additional Report by 30 June 2027 (recital (20)), and the Overall Report after the end of the scheme (recital (21)). Germany is invited to inform the Commission, without delay, of any element that might seriously compromise the full and timely implementation of the evaluation plan. The Commission reminds that the application of the exempted scheme has to be suspended if the Final Report and the Additional Report are not submitted in good time and/or in adequate quality.
- (57) The evaluation plan was notified to the Commission within 20 working days after Germany put the scheme into effect, under the GBER, on 1 January 2022.
- (58) Therefore, pursuant to Article 1(2)(a) of the GBER, the Commission decides that the GBER may continue to apply to the aid scheme for which the evaluation plan was submitted, for a period exceeding the initial six months after the scheme at hand was applied for the first time, until the end of the validity of the GBER, and as from the date of the notification of this decision to Germany.
- (59) The Commission reminds Germany that any alterations to this scheme, other than modifications which cannot affect the compatibility of the scheme under the GBER, or cannot significantly affect the content of the approved evaluation plan, are pursuant to Article 1(2)(b) of the GBER excluded from the scope of the GBER, and therefore would have to be notified.

4. CONCLUSIONS

- (60) The Commission has accordingly decided:
- That the exemption of the national aid scheme for which the evaluation plan was submitted, shall continue to apply beyond the initial six-months period, until six months after the final date of applicability of Commission Regulation 651/2014, as laid down in its Article 59.
 - To publish this decision.

If this letter contains confidential information which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

<http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request should be sent electronically to the following address:

European Commission,
Directorate-General Competition
State Aid Greffe
B-1049 Brussels
Stateaidgreffe@ec.europa.eu

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President