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**Subject: State Aid SA.106094 (2023/EV) – Netherlands
Evaluation plan for the block-exempted scheme *Subsidieregeling
Nationaal Groeifonds on Research, Development, and Innovation
(RDI) and/or Knowledge Development***

Excellency,

1. PROCEDURE: NOTIFICATION, CORRESPONDENCE, DEADLINE ETC.

- (1) By electronic notification, on 20 January 2023 registered as SA.106094, the Dutch authorities submitted a summary information sheet pursuant to Article 11(a) of the Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty ⁽¹⁾ (hereinafter “GBER”) on ‘*Subsidieregeling Nationaal Groeifonds*’ (hereinafter, “**the scheme**”), on Research, Development, and Innovation (RDI) and/or Knowledge Development.
- (2) The aid scheme was put into effect on 1 January 2023 pursuant to Articles 25, 26, 27, 28 and 29 of the GBER concerning aid for research and development and pursuant to Article 31 thereof concerning aid for training.

⁽¹⁾ OJ L 187, 26.6.2014, p. 1.

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- (3) The scheme has an estimated annual average budget of EUR 2 billion, which will be funded under the National Growth Fund. Pursuant to Article 1(2)(a) of the GBER, the GBER does not apply to aid schemes with an average annual budget exceeding EUR 150 million from six months after their entry into force. However, the Commission may decide that the GBER shall continue to apply for a longer period to such aid schemes after having assessed the evaluation plan of the scheme notified by the Member State concerned.
- (4) The scheme allows the granting of aid in the form of direct grants to undertakings of all sizes and sectors.
- (5) In order to comply with its obligations under the GBER, the Netherlands notified on 25 January 2023 an evaluation plan, registered by the Commission as State aid case SA.106094 (2023/EV). A telephone conference between the Dutch authorities and the Commission services took place on 12 April 2023. On 13 April 2023, the Commission asked for supplementary information.
- (6) By letter of 19 April 2023, the Dutch authorities agreed exceptionally to waive the rights deriving from Article 342 TFEU in conjunction with Article 3 of the Council Regulation 1/58 ⁽²⁾ and to have the planned decision adopted and notified pursuant to Article 297 TFEU in English.

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

- (7) As required by Article (2)(16) of the GBER and in line with best practices established in the Commission Staff Working Document on Common methodology for State aid evaluation ⁽³⁾ (hereinafter: “Staff Working Document”), the evaluation plan contains the description of the following main elements: (i) the objectives of the aid scheme to be evaluated, (ii) the evaluation questions, (iii) the result indicators, (iv) the envisaged methodology to conduct the evaluation, (v) the data collection requirements, (vi) the proposed timing of the evaluation including the date for submission of the final evaluation report, (vii) the approach for the selection of the independent body conducting the evaluation, and (viii) the modalities for ensuring the publicity of the evaluation.

2.1. Objectives of the aid scheme to be evaluated

- (8) According to the Dutch authorities, the Netherlands have one of the most competitive economies in Europe but is facing major challenges such as declining productivity growth, an increasingly ageing population, a changing geopolitical context and climate change. Furthermore, additional investments in areas such as RDI and knowledge development are likely to increase productivity.

⁽²⁾ OJ L17, 6.10.1958, p. 385-386.

⁽³⁾ Commission Staff Working Document on Common methodology for State aid evaluation, Brussels, 28.5.2014, SWD (2014) 179 final.

- (9) Under the Netherlands' National Growth Fund ⁽⁴⁾, the aid scheme aims to provide financial resources to increase sustainable earning capacity by supporting investments in the areas of RDI and knowledge development.
- (10) In this way the National Growth Fund aligns with European Union policies and related reference documents such as the Horizon Europe programme and the Recommendation of the Council on key competences for lifelong learning ⁽⁵⁾.
- (11) In respect of aid for RDI the following types of activities are eligible for funding:
- a) Research and Development projects;
 - b) The construction or upgrading of research infrastructure;
 - c) The construction, upgrading or operation of innovation clusters;
 - d) Innovation of small and medium sized enterprises; or
 - e) Process and organisational innovation.
- (12) In respect of aid for Knowledge Development educational support activities are eligible for funding.
- (13) The scheme provides support in the form of grants.
- (14) The Dutch authorities plan an overall duration of the scheme until 31 December 2026. The expiration date of the GBER currently in force is 31 December 2023. It is the responsibility of the Netherlands to ensure that the scheme continues to comply with the provisions of the GBER applicable to the scheme after 30 June 2024. To that effect, the Netherlands commits to amend the scheme and publish a new information sheet, if necessary. Similarly, in that case, the Dutch authorities commit to amend the evaluation plan accordingly and re-submit it to the Commission.

2.2. Evaluation questions and result indicators

- (15) The notified evaluation plan identifies the issues to be addressed by the evaluation and provides a preliminary list of evaluation questions and result indicators, which will form the basis of the evaluation of the scheme.
- (16) The evaluation questions address both the incentive effect of the aid on the beneficiaries and the scheme's indirect effects (in terms of both positive and negative externalities). The result indicators are linked to the evaluation questions and to the objectives of the scheme.
- (17) The direct effects of the aid on the beneficiaries will be addressed, among others, by evaluation questions on whether and to what extent the scheme has led to (1) increased public and private spending on RDI; (2) new and improved RDI

⁽⁴⁾ Law of 22 June 2022 laying down temporary rules on establishment of a National Growth Fund (Temporary Act National Growth Fund), Bulletin of Acts and Decrees 1 July 2022, No 271

⁽⁵⁾ OJ C 189, 4.6.2018, p. 1–13

ecosystems; (3) an improvement in the quality of education; (4) an increase in investments in human capital; (5) a stronger link between education and the labour market; and (6) a better match between supply and demand in the labour market.

- (18) With regard to the evaluation questions on direct effects, the following results indicators will be used, among others: (1) RDI expenditure; (2) public/private partnerships in RDI; (3) knowledge sharing; (4) dropouts by education type.
- (19) The evaluation will also address and examine the possible indirect effects of the aid scheme. The questions regarding indirect effects will assess, among others, whether the aid has led to: (1) the effects (positive or negative) on trade and competition; (2) the side-effects (positive or negative) that the NGF will have; (3) increasing the innovation capacity; (4) strengthening the innovation system; (5) reducing public costs in addressing societal challenges; (6) learning gains (in knowledge and skills).
- (20) With regard to the evaluation questions on indirect effects, the following results indicators will be used, among others: (1) sectoral bias; (2) job satisfaction; (3) results of exams by education type.
- (21) Finally, the evaluation will assess the appropriateness and proportionality of the aid and will assess the efficiency of the aid scheme's design by investigating whether the same effects could have been achieved with less aid or different form of aid and whether the form and volume of the scheme was proportionate to the problem being addressed.

2.3. Envisaged evaluation methodology

- (22) Two approaches are proposed as alternative methods in both the short term (evaluation due before 2026) and in the medium/long term (evaluation due after 2026).
- (23) With regard to the short-term evaluation, due to the start-up duration and the long-term nature of the projects in the NGF, the Dutch authorities do not expect to be able to identify causal effects of the projects at this time. The approach for the short-term evaluation will mainly focus on the following:
 - a) Monitoring of the key performance indicators (KPI) in terms of, (1) descriptions of the projects (activity plan and budget); (2) objectives; (3) planning and milestones; (4) achievements; (5) identifying problems.
 - b) Evaluating the rejected applications in terms of, (1) the status of those projects; (2) the parties involved; (3) how they were financed.
 - c) The proposal is to apply the methods of contribution analysis, process tracing and possibly also benchmarking.
- (24) The Dutch authorities indicate that they will rely on natural experiments to assess the effectiveness of the scheme in the medium/long-term evaluation (provided the projects are sufficiently advanced); however, challenges still remain, such as assembling suitable control groups. This is mainly due to (1) heterogeneity in projects; (2) implementors and parties involved; (3) size and nature of the

projects. The approach for the medium/long-term evaluation will mainly focus on the following:

- a) The ambition is to carry out quantitative impact measurement as far as possible, using natural experimental techniques;
- b) For projects where this is not possible, methods for evaluating system and transition policies will be applied, such as contribution analysis and process tracing. Process tracing and contribution analysis are both qualitative research methods that attempt to identify the existence of a causal link between the input and the outcome. Process tracing focuses on the causal chain of events between a potential cause or causes and the outcome. It is a robust technique that tests different theories of causality-in-action by examining the intervening steps. Contribution analysis focuses on the extent to which observed results (whether positive or negative) are the consequence of the policy, programme or activity.

2.4. Data collection requirements

- (25) For the purpose of the evaluation, the Dutch authorities have proposed a preliminary list of relevant indicators for both beneficiaries and non-beneficiaries of the scheme. The list of indicators may be modified according to the needs of the analyses.
- (26) The data sources for the evaluation will include microdata from Statistics Netherlands and data requested in the KPIs sought through the National Growth Fund. Surveys may also be requested from both approved and rejected projects.
- (27) The data collection frequency will be annual.

2.5. Proposed timing of the evaluation, including the date of submission of the final evaluation report

- (28) The Dutch authorities have committed to submitting, at this stage, the interim report and the final evaluation report to the Commission as follows:
 - a) An interim evaluation will be submitted by 31 December 2024;
 - b) The final evaluation will be submitted by 30 June 2026.
- (29) With regards to the final evaluation report, the Dutch authorities have outlined that it will be composed of the following phases:
 - a) Preparation of problem-solving memorandum based on evaluation plan for tender (Q1 2025);
 - b) Tendering and selection of research agency (Q2 2025);
 - c) Implementation of evaluation by external research agency (Q3-4 2025). Guidance by supervisory committee;
 - d) Sending evaluation to the House of Representatives, including Cabinet response (Q1 2026).

- (30) The interim report shall contain a detailed description of the data and the methodologies that will be used for the final evaluation.
- (31) With regards to the final report, besides the performance of the evaluation on the basis of theory-based techniques, the evaluation will make a statement on the likelihood of counterfactual impact evaluation from 2031 onwards based on the available data.
- (32) The Dutch authorities plan to continue the evaluation beyond the duration of the scheme and to submit an additional evaluation report in 2031 presenting the full results of the evaluation exercise.

2.6. Selection of an independent body to conduct the evaluation

- (33) The evaluating body is expected to be selected in 2024 for the interim evaluation and in 2025 for the final evaluation. The independent evaluator will be selected in line with national and EU public procurement rules.
- (34) The selection of an external research agency will need to demonstrate knowledge and experience in conducting policy evaluations/data analysis as well as knowledge and experience in project management.

2.7. Modalities for ensuring the publicity of the evaluation

- (35) The evaluation plan and the three evaluation reports (interim evaluation report, final evaluation report and additional evaluation report) will be published on the rijksoverheid.nl and parlement.nl websites.
- (36) Some of the evaluation questions concern the perception and relevance of the National Growth Fund. The use of round-table discussions, in-depth interviews and/or surveys will be used to answer these questions.
- (37) The Research agency will make recommendations to improve the National Growth Fund Subsidy Scheme. These recommendations will be used for a possible next tranche of the Fund and/or amending this scheme.
- (38) Data collected during the evaluation will be made accessible, in pseudonymised form in the secure Remote Access (RA) analysis environment for accredited policy researchers from authorised institutions.

3. ASSESSMENT OF THE NOTIFIED EVALUATION PLAN

- (39) 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 does it prejudge the position 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.

- (40) Pursuant to Article 1(2)(a) GBER, certain aid schemes ⁽⁶⁾ within the meaning of Article 2(15) GBER, with an average annual State aid budget exceeding EUR 150 million, are subject to evaluation. The Commission notes that the annual average budget of the aid scheme concerned (i.e. EUR 2 billion) exceeds the threshold of EUR 150 million laid down in Article 1(2)(a) GBER. Chapter I and Section 4 (Articles 25, 26, 27, 28, 29) and Section 5 (Article 31) of Chapter III of the GBER constitute the legal basis for the aid scheme to benefit from the exemption from notification provided for in Article 108(3) of the TFEU. However, in the absence of a positive Commission decision on the notifiable evaluation plan, pursuant to Article 1(2)(b) GBER, the exemption expires six months after the entry into force of the measure and may continue to apply for a longer period only if the Commission decides to authorise this explicitly by decision.
- (41) 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 and could examine the proportionality and appropriateness of the chosen aid instrument. ⁽⁷⁾
- (42) In the light of these considerations, Article 2(16) of the GBER defines “*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 will be used for its selection and the modalities for ensuring the publicity of the evaluation*”. ⁽⁸⁾
- (43) The Commission considers that, as described in section 2 of this decision, the notified evaluation plan contains these minimum elements.

⁽⁶⁾ 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 (Article 1(2)(a) 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 (Article 2(15) GBER).

⁽⁷⁾ See Staff Working Document referred to in footnote 3 above.

⁽⁸⁾ Further guidance is given in the Staff Working Document referred to in footnote 2 above.

- (44) The evaluation plan gives a concise description of the key objectives of the scheme concerned and provides sufficient information to understand the underlying “*intervention logic*”. The scope of the evaluation is defined in an appropriate way (recitals (8) to (14))
- (45) The evaluation questions are designed in a way as to assess the direct effects of the scheme on the beneficiaries compared to non-beneficiaries, in order to measure the incentive effect of the scheme (recital (16)). The evaluation questions addressing indirect effects are linked to the specificities of the aid scheme, both in terms of objectives and aid instruments (recital (19)). The Commission notes that the evaluation plan also includes evaluation questions aimed at measuring the appropriateness and proportionality of the aid (recital (23)).
- (46) The evaluation plan identifies and justifies result indicators that integrate the evaluation questions for the aid scheme concerned (recitals (18) and (20)) and explains the data collection requirements and availabilities necessary in this context (recitals (25) and (26)). The data sources to be used for the evaluation are described clearly and in detail (recital (25)).
- (47) The evaluation plan sets out and explains the main methods that will be used in order to identify the effects of the scheme and discusses why these methods are likely to be appropriate for the scheme in question. The proposed evaluation methodology sufficiently allows identifying the causal impact of the scheme itself (recitals (22) to (24)).
- (48) The proposed timeline of the evaluation is reasonable in view of the characteristics of the scheme concerned and the relevant implementation periods for projects supported under the scheme (recitals (27) to (31)).
- (49) The procedure and selection criteria for the selection of the evaluation body are appropriate to meet the independence and skills criteria (recitals (34) to (36)).
- (50) The proposed modalities for the publication of the evaluation results are appropriate and ensure transparency. In particular, the Commission takes note of the commitment of the Dutch authorities to disseminate and make publicly available the evaluation plan, the interim report, the final evaluation report, and the additional evaluation report (recital (35)).
- (51) 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 ⁽⁹⁾ and is suitable given the specificities of the large aid scheme to be evaluated.
- (52) The Commission takes note of the commitment made by the Dutch authorities to conduct the evaluation according to the plan described in the present decision and to inform the Commission of any element that might seriously compromise the implementation of the plan. The Commission also takes note of the commitment by the Dutch authorities to fulfil the obligation to submit the final evaluation report by 30 June 2026.

⁽⁹⁾ As referred to in footnote 3 above.

- (53) The Commission takes note of the commitment made by the Dutch authorities to take into account the evaluation results for the design of any subsequent aid measure with a similar objective (recital (37)). The Commission recalls that the application of the exempted scheme has to be suspended if the final evaluation report is not submitted in good time and sufficient quality.
- (54) Therefore, pursuant to Article 1(2)(a) of the GBER, the Commission decides that the GBER shall 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 30 June 2024. The Netherlands may decide to extend this scheme beyond that date, provided it submits an evaluation report in line with this evaluation plan, without prejudice to Article 1(2)(b) of the GBER.
- (55) In this regard, the Commission reminds that alterations to the evaluated 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 must therefore be notified to the Commission.

4. CONCLUSION

(56) The Commission has accordingly decided

- that the exemption of the aid scheme shall continue to apply for a period exceeding the initial six months after the scheme at hand was applied for the first time, until 30 June 2024.
- to publish this decision on the Internet site of the Commission.

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Your request should be sent electronically to the following address:

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Yours faithfully,

For the Commission

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