



EUROPEAN COMMISSION

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**SENSITIVE (\*)**: *COMP*  
*Operations*

**Subject:** **State Aid SA.108882 (2023/EV) and SA.110763 (2023/EV) – Spain – Evaluation plans for a block-exempted aid scheme supporting the electric and connected vehicle value chain**

Excellency,

**1. PROCEDURE:**

- (1) By electronic notification registered as SA.108882, on 1 August 2023 the Spanish authorities submitted a summary information sheet pursuant to Article 11(a) of 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 <sup>(1)</sup> (hereinafter “GBER”) regarding an aid scheme supporting the second call for applications under the so-called ECV PERTE, a strategic project for the transformation of the electric and connected vehicle value chain (hereinafter “the original scheme”).
- (2) The original scheme was put into effect by Spain on 28 July 2023, pursuant to Article 17 of the GBER concerning investment aid to SMEs, Articles 25 and 29 of the GBER concerning aid for research and development and innovation and Articles 36 and 38 of the GBER concerning aid for environmental protection.

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<sup>(1)</sup> OJ L 187, 26.6.2014, p. 1.

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- (3) With an overall budget of approximately EUR 559.7 million, of which EUR 344.4 million will be financed with resources from the Recovery and Resilience Facility <sup>(2)</sup>, the original scheme expired on 31 December 2023. As the average annual State aid budget exceeded EUR 150 million, it was considered a large scheme in the meaning of Article 1(2)(a) of the GBER.
- (4) In order to comply with its obligations under the GBER, on 24 August 2023 Spain notified an evaluation plan, registered by the Commission as State aid case SA.108882 (2023/EV).
- (5) On 19 September, 19 October and 11, 14, 18 and 19 December 2023, the Commission asked for supplementary information.
- (6) On 12 December 2023, by electronic notification registered as SA.110763, the Spanish authorities submitted a second summary information sheet pursuant to Article 11(a) of the GBER regarding the prolongation of the original scheme until 31 December 2026, with no further amendments.
- (7) The Spanish authorities explained that the entire budget of the original scheme (EUR 559.7 million) remained unused when the original scheme expired on 31 December 2023 and therefore the budget will be utilized in the 2024-2026 period. As the average annual State aid budget for the 2024-2026 period exceeds EUR 150 million, the prolongation was considered a large scheme in the meaning of Article 1(2)(a) of the GBER.
- (8) In order to comply with its obligations under the GBER, on 22 December 2023 Spain notified a second evaluation plan, registered by the Commission as State aid case SA.110763 (2023/EV).
- (9) By letters of 15 November and 21 December 2023, the Spanish authorities agreed to exceptionally waive the rights deriving from Article 342 TFEU in conjunction with Article 3 of the Council Regulation 1/582 <sup>(3)</sup> and to have the present decision adopted and notified in English.
- (10) The present decision contains a joint assessment of the evaluation plans for the original scheme and the prolongation (together “the aid scheme” or “the scheme”).

## **2. DETAILED DESCRIPTION OF THE KEY ELEMENTS OF THE NOTIFIED EVALUATION PLANS**

- (11) 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 <sup>(4)</sup> (hereinafter: “Staff Working

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<sup>(2)</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

<sup>(3)</sup> Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

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

Document<sup>5)</sup>), the evaluation plans contain 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**

- (12) The scheme was introduced by Spain in the context of the so-called Strategic Projects for the Economy Recovery and Transformation (*Proyectos Estratégicos para la Recuperación y Transformación Económica*) or PERTEs, i.e. projects aimed at enabling the transformation of strategic value chains in industrial sectors with a significant impact on the economy <sup>(5)</sup>.
- (13) The scheme aims to provide support for the implementation of the PERTE on electric and connected vehicles. Its primary objective is to facilitate and accelerate the structural transformation of the automotive value chain in line with the twin green and digital transition, and ultimately to develop a zero-emission and digitalised mobility in Spain.

## **2.2. Evaluation questions and result indicators**

- (14) The notified evaluation plans explain the issues to be addressed by the evaluation and provide a preliminary list of evaluation questions and result indicators, which will form the basis of the evaluation of the scheme.
- (15) 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.
- (16) The direct effects of the aid on the beneficiaries will be addressed, among others, by evaluation questions on whether and to what extent the aid has led to (1) an increase in the beneficiaries' investments in energy efficiency and sustainability, (2) an increase in the beneficiaries' investments in research, development and innovation, and (3) an increase in the beneficiaries' competitiveness.
- (17) With regard to the evaluation questions on direct effects, the following result indicators will be used, among others: (1) total kWh consumed by the beneficiaries from renewable sources as a percentage of total kWh consumed, (2) tons of waste generated by the beneficiaries, (3) share of the beneficiaries' total expenditure dedicated to research, development and innovation, and (4) turnover generated per employee.
- (18) The evaluation will also address and examine the possible indirect effects of the aid scheme. The questions regarding indirect effects will assess, among others,

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<sup>(5)</sup> Royal Decree-Law No. 36/2020 of 30 December 2020, approving urgent measures for the modernisation of public administration and the implementation of the Spanish Recovery, Transformation and Resilience Plan.

whether the aid has led to: (1) the creation of jobs in other sectors, and (2) an increased concentration in the relevant sectors.

- (19) With regard to the evaluation questions on indirect effects, the following result indicators will be used, among others: (1) the number of jobs created, and (2) the concentration index for the relevant sectors.
- (20) Finally, the evaluation will assess the appropriateness and proportionality of the aid by, among others, verifying whether: (1) the most effective form of intervention has been chosen, (2) other forms of aid could have been more appropriate to achieve the objectives of the intervention, (3) the same effects could have been achieved with less aid or with a different form of aid, and (4) the form and volume of the scheme is proportionate to the objective being addressed.
- (21) With regard to the evaluation questions on appropriateness and proportionality, the following result indicators will be used, among others: (1) aid amounts granted as a percentage of the maximum aid amounts, and (2) number of beneficiaries that received the maximum aid amounts.
- (22) The Spanish authorities committed to update the list of evaluation questions and result indicators in the interim evaluation report.

### **2.3. Envisaged methodology to conduct the evaluation**

- (23) The direct effects of the aid scheme on the beneficiaries will be identified by using econometric methods, and in particular “*Regression Discontinuity Design*” (RDD) and “*Matching – Difference-in-Differences*” (M-DID), as described in the Commission Staff Working Document on Common methodology for State aid evaluation <sup>(6)</sup>.
- (24) The RDD strategy is a quasi-experimental method that exploits the existence of a variable (the running variable) that has a discontinuous impact on the probability to be affected by a policy. The basic idea of RDD is that one can compare units with similar values of the running variable but different levels of treatment to draw a causal inference of the treatment at around the threshold. The potential beneficiaries (units) that are situated just above the cut-off point are very similar to the potential beneficiaries just below the cut-off point, therefore, comparing final outcomes of those just above cut-off point to those just below can approximate the treatment effect. RDD estimates local average treatment effects around the cut-off point, where treatment and comparison units are most similar.
- (25) The evaluation plans foresee the application of the RDD strategy, exploiting the “first-come, first-served” criteria set out in the call for applications, to identify appropriate control and treatment groups. This choice of strategy implies that some non-beneficiary applicants may be similar to the beneficiaries except for the fact that they applied later.
- (26) The M-DID strategy is the one that, exploiting the longitudinal nature of the data available, is considered more robust to the presence of unobservable differences between firms benefitting from aid under the evaluated aid scheme, and firms

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<sup>(6)</sup> See footnote 4.

belonging to a control group, provided that these differences remain constant over time (parallel trend assumption).

- (27) A control group will be built by identifying the companies that have not received investment aid under the scheme. In order to correctly apply the matching methodology, the two samples (beneficiary and non-beneficiary undertakings) must be as similar as possible in terms of observable characteristics (i.e. variables that can be found in the database).

#### **2.4. Data collection requirements**

- (28) For the purposes of the evaluation, the evaluators will rely mainly on the information provided in the aid applications as well as on targeted company surveys. The evaluators will also rely on official data sources, such as the Spanish Company Registry, the National Institute of Statistics and Eurostat.
- (29) The data collection frequency will be annual.
- (30) The abovementioned data sources will be used as regards both the aid beneficiaries and the control group.

#### **2.5. Proposed timing of the evaluation**

- (31) According to the Spanish authorities, the foreseen timing for the evaluation is composed of the following phases:

<b>Task</b>	<b>Deadline</b>
Signing the contract with selected evaluator (T0)	Q2 2024
Inception phase, ending with inception report	T0 + 3 months
Data gathering phase finalised (initial phase)	T0 + 6 months
Data analysis phase finalised (initial phase)	T0 + 8 months
Interim report (initial phase)	T0 + 9 months
Data gathering phase finalised (final phase)	T0 + 21 months
Data analysis phase finalised (final phase)	T0 + 22 months
Draft final report	T0 + 23 months
Final report, presentation of findings and policy proposals	T0 + 24 months
Data gathering phase finalised (additional phase)	T0 + 64 months
Data analysis phase finalised (additional phase)	T0 + 65 months
Additional report	T0 + 66 months

- (32) The foreseen duration of the aid scheme is until 31 December 2026 (recital (6)).
- (33) The Spanish authorities committed to submitting to the Commission an interim evaluation report by 31 March 2025, a final evaluation report by 30 June 2026 and an ex post additional evaluation report by 31 December 2029.
- (34) The interim evaluation report shall contain a detailed description of the data and the methodologies that will be used for the evaluation and a pilot test of the proposed methodology on the available data, and if necessary alternative methodologies will be proposed.
- (35) The final evaluation report will assess the effectiveness of the scheme based on the available data and the methodology agreed with the Commission based on the interim report.

- (36) Finally, the additional evaluation report will present the full results of the evaluation exercise.
- (37) The Spanish authorities confirmed that, should significant modifications to the evaluation plans become necessary, they will notify to the Commission an updated evaluation plan. The Spanish authorities also commit to inform the Commission of any element that may affect the implementation of the evaluation plans.

## **2.6. Selection of an independent body to conduct the evaluation**

- (38) The Spanish authorities explained that the evaluator had not been selected yet at the time of the notification of the evaluation plans. The evaluator will be selected through an open, non-discriminatory and competitive selection process in accordance with national and EU public procurement rules. In order to ensure the quality and reliability of the evaluation, the entity selected will be functionally independent from the granting authority and persons that have previously been involved in the design and implementation of the aid scheme will not be eligible to join the evaluation team.
- (39) The evaluation team as a whole must have the necessary assessment skills, including in the fields of environmental protection, industry, new technologies and digitalization, business innovation and counterfactual impact evaluation methods. The Spanish authorities confirm, therefore, that the evaluation will be conducted by experts who have the adequate and proven experience and the methodological knowledge to carry out the exercise.
- (40) The detailed selection criteria will be part of the call for tenders with the following main principles: legal and regulatory capacity, economic and financial capacity, technical and professional capacity and possibly other relevant experience that will be detailed in the call for tenders.

## **2.7. Modalities for ensuring the publicity of the evaluation**

- (41) The evaluation plans, the interim evaluation report, the final evaluation report and the additional evaluation report will be published on the website of the Spanish Ministry of Industry, Commerce and Tourism. Personal and/or confidential data will be dealt with according to the relevant regulations.
- (42) The evaluation results will be used by the granting authority and other bodies for the design of subsequent schemes pursuing similar objectives. Data collected during the evaluation will be made accessible for further studies under conditions that preserve confidentiality.
- (43) Dissemination activities will be conducted, for example by organising workshops with stakeholders in order to gather their feedback on the evaluation results and more generally by stimulating public debate on the evaluation results.

## **3. ASSESSMENT OF THE EVALUATION PLANS**

- (44) The correct application of the GBER is the responsibility of the Member State. The present decision on the evaluation plans 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 prejudice the position that 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.

- (45) Pursuant to Article 1(2)(a) GBER, certain aid schemes <sup>(7)</sup> 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 average annual budget of the aid scheme concerned exceeds the threshold of EUR 150 million laid down in Article 1(2)(a) of the GBER (recitals (3) and (7)). Chapter I and Sections 2 (Article 17), 4 (Article 25 and 29) and 7 (Articles 36 and 38) 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 notified evaluation plans, pursuant to Article 1(2)(a) 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 in a decision.
- (46) 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 assessment of the direct incentive effect of the aid on the beneficiary (i.e. whether the aid has caused the beneficiary to take a different course of action, and how significant the impact 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 <sup>(8)</sup>.
- (47) 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*”. <sup>(9)</sup>

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<sup>(7)</sup> Schemes under Sections 1 (with the exception of Article 15), 2 (with the exception of Articles 19c and 19d), 3, 4, 7 (with the exception of Article 44) and 10 of Chapter III of this Regulation (Article 1(2)(a) GBER).

<sup>(8)</sup> See Staff Working Document referred to in footnote 4 above.

<sup>(9)</sup> Further guidance is given in the Staff Working Document referred to in footnote 4 above.

- (48) The Commission considers that the notified evaluation plans contain these minimum elements, as described in section 2 of this decision.
- (49) The evaluation plans contain a concise description of the key objectives of the scheme and provide sufficient information to understand the underlying “intervention logic”. The scope of the evaluation is defined in an appropriate way (recitals (12) to (14)).
- (50) The evaluation questions are designed in a way as to assess the direct effects of the scheme on the beneficiaries compared to non-beneficiaries, 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 (18)). The Commission notes that the evaluation plans also include evaluation questions aimed at measuring the appropriateness and proportionality of the aid (recital (20)).
- (51) The evaluation plans identify and justify the result indicators that integrate the evaluation questions for the aid scheme concerned (recitals (17), (19) and (21)) and explain the data collection requirements and availabilities necessary in this context (recitals (28) to (30)). The data sources to be used for the evaluation are described clearly and in detail (recitals (28) to (30)).
- (52) The evaluation plans set out and explain the main methods that will be used to identify the effects of the scheme and justify why these methods are likely to be appropriate for the scheme at hand. The proposed evaluation methodology sufficiently allows identifying the causal impact of the scheme itself (recitals (23) to (27)).
- (53) 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 (31) to (37)).
- (54) The procedure and criteria for the selection of the evaluation body are adequate to ensure the required independence and skills (recitals (38) to (40)).
- (55) 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 Spanish authorities to disseminate and make publicly available the evaluation plans, the interim evaluation report, the final evaluation report, and the additional evaluation report (recitals (41) to (43)).
- (56) In view of the above, the Commission considers that the evaluation plans meet all the requirements laid down in the GBER, are established in line with the common methodology proposed in the Staff Working Document <sup>(10)</sup> and are suitable given the specificities of the scheme to be evaluated.
- (57) The Commission takes note of the commitment made by the Spanish authorities to conduct the evaluation in accordance with the evaluation plans described in the present decision and to inform the Commission of any element that might compromise the implementation of the plans. The Commission also takes note of

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<sup>(10)</sup> As referred to in footnote 4 above.



the commitment of the Spanish authorities to submit the additional evaluation report by 31 December 2029 (recital (33)).

- (58) The Commission further takes note of the commitment made by the Spanish authorities to take into account the evaluation results in the design of any subsequent aid measure with a similar objective (recital (42)). The Commission recalls that the application of the scheme must be suspended if the final evaluation report is not submitted in good time and sufficient quality.
- (59) 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 plans were submitted, for a period exceeding the initial six months after the scheme was applied for the first time, until 31 December 2026.
- (60) The Commission reminds the Spanish authorities 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 plans, 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

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 the final date of applicability of GBER, as amended, i.e. 31 December 2026;
- to publish this decision on the Internet site of the Commission.

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Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President

