

3 December 2021

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request of November 11 2021 submitted by Spain 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 11 November 2021, Spain submitted a request for payment for the first instalment of 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 the 52 milestones and targets of the first instalment, as set out in Section 2(1)(1.1) of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Spain¹.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of those milestones and targets. Based on the information provided by Spain, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 52 milestones and targets.

The milestones and targets assessed as part of this payment request demonstrate significant steps in the implementation of Spain's Recovery and Resilience Plan. This includes, among others, the entry into force of the law on climate change and energy transition, the Royal-decree law regulating procurement auctions for renewable facilities, the organic law on education, the royal-decree laws on teleworking and to reduce temporary employment in public administrations and the by-laws to reduce the gender gap; the introduction of the taxes on financial transactions and digital services, the appointment of the Committee of experts for tax reform, the set-up of a permanent team in the Ministry of Finance for the active monitoring of the implementation of the results of the spending reviews and the separation of sources of financing for Social Security. It also includes the approval of strategic documents that should guide reforms in key policy areas, such as the Spanish Urban Agenda, the Long-Term Renovation Strategy for Energy Rehabilitation in the Building Sector, the National Strategy for Green Infrastructure, Connectivity and Ecological Restoration, the Hydrogen Roadmap, the Spanish Strategy on Circular Economy, the 2025 Digital Spain Plan, Strategy for the promotion of 5G technology, the National Digital Competences Plan, the Plan of the Modernisation of Vocational Training and the Action Plan to tackle youth unemployment.

Two of these milestones assessed of this payment request relate to Spain's control system, in particular to the entry into force of the Order defining the procedures and format of the information to be shared for monitoring the RRP and accounting execution of expenditure and the Implementation of a system that allows (a) for the upload of the recovery and resilience plan and of the information on implementation and monitoring of the achievement of milestones and targets; (b) for the preparation of management declarations and the audit summary as well as payment

¹ ST 10150/21; ST 10150/21 ADD 1 REV 2, not yet published.

claims and (c) to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of the Recovery and Resilience Facility Regulation.

By the transmission of this 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.

Preliminary positive assessment per milestone

Number: 1	Related Measure: C1.R1 – Roll-out plan for recharging and boosting electric vehicle infrastructure	
Name of the Milestone: Order TMA/178/2020 and Royal Decree-Law 23/2020		
Qualitative Indicator: Provision in the order and Royal-Decree Law indicating their entry into force		Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative acts (Order TMA/178/2020 reducing the administrative burden of installing recharging points in service stations and Royal Decree Law 23/2020 granting the declaration of public utility to recharging infrastructures with a power over 250 kW) as published in the Official Journal (BOE-A-2020-2903 and BOE-A-2020-6621); 2) Links to the websites where the legislative acts were published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>Order TMA/178/2020 amends the Order of the Ministry of Development of 16 December 1997 to facilitate and reduce existing burdens for the rapid deployment of a network of electric recharging points. In particular, Article 1 adds a new provision ('Disposición adicional tercera') to the amended Order to reduce the requirements for installing electric recharging facilities in existing fuel service stations in those cases where (i) facilities have a provisional character or are easily removable and (ii) they do not negatively impact road safety. The Order also defines the time required for the deployment of recharging infrastructure in service stations², by indicating that the authorisations for the installation of electric recharging points shall comply with the conditions set out in the General Regulation for Roads, approved by Royal Decree 1812/1994 and regulating, inter alia, access to state roads, services roads and the building of service stations. The provisions contained in this Royal Decree establish a deadline of 18 months for the implementation of works in service stations after receiving the definitive authorization for their deployment. The Order extends the scope of the application of such a timeframe also to the deployment of recharging infrastructures.</p> <p>Article 4 of the Royal Decree-Law 23/2020 of June 23 (included in 'Título II. Medidas para el impulso de nuevos modelos de negocio') amends Law 24/2013, of 26 December, on the Electricity Sector, to declare the public utility of recharging infrastructure with power greater than 250 kW. This is done to accelerate the deployment of this type of facilities. Lighter administrative procedures are established for the deployment of these categories of charging stations, including the exemption from additional administrative authorisations required for other types of recharging infrastructures. Such modifications are expected to accelerate the deployment of this type of facilities.</p> <p>Order TMA/178/2020 entered into force on 1 March 2020 ("Disposición final primera. Entrada en vigor") and Royal Decree-Law on 25 June 2020 ("Disposición final novena. Entrada en vigor").</p>		

² The description of the milestone contained in the table of the Annex to the Council Implementing Decision at one point refers to the "disposal" of infrastructure and at another point to the "deployment" of such infrastructure. The description of the measure in the Annex to the Council Implementing Decision confirms that the intention is the "deployment" of such infrastructure. Given that this measure concerns the deployment of infrastructure rather than its disposal, the Commission has assessed the satisfactory fulfilment of the milestone with the understanding that the new infrastructure will be deployed rather than disposed of.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 21	Related Measure: C2.R1 – Implementation of the Spanish Urban Agenda (and associated action plan)	
Name of the Milestone: Entry into force of the Spanish Urban Agenda and the Long-Term Renovation Strategy for Energy Rehabilitation in the Building Sector in Spain		
Qualitative Indicator: Publication in the Official Journal		Time: Q2/2020
<p>Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copies of the “Spanish Urban Agenda” (‘AUE’) and the “Long-Term Renovation Strategy for Energy Rehabilitation in the Building Sector in Spain” (‘ERESEE’), as updated in June 2020; 2) Links to the websites where the documents were published; 3) Template for the Protocols between the local authorities and the Ministry of Transport, Mobility and Urban Agenda; and 4) Summary document that presents an overview of the actions and as well as a justification of how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>The evidence submitted by Spain demonstrates that the AUE was in place as of 3 June 2020 (as shown by the template for the Protocols between the local authorities and the Ministry of Transport, Mobility and Urban Agenda). The ERESEE was updated in June 15 2020 (date of submission to the European Commission). As neither the AUE nor the ERESEE are normative texts, they do not need to be published in the Official Journal (Boletín Oficial del Estado) to enter into force. In line with the further specifications included in the Operational Arrangements, publication in the relevant official website is considered as a qualitative indicator of the entry into force.</p> <p>The AUE establishes a working method to promote environmentally sustainable, socially cohesive and economically feasible urban development. To this end, it provides the means to diagnose weaknesses and challenges to prepare urban development plans structured around a strategic framework, with indicators to track and monitor progress. Such an approach ensures an integrated and comprehensive strategic planning of towns and cities. Implementation of the AUE requires signed protocols between local authorities and the central government (Ministry of Transport, Mobility & Urban Agenda).</p> <p>The ERESEE provides a diagnosis of the Spanish building stock to remove obstacles, and promote new approaches to scale up building renovation, foster investment, increase energy savings, and reduce carbon emissions. The long term goal is to support the decarbonisation of the building stock by 2050, facilitating a cost-effective renovation to nearly zero-energy buildings.</p>		
Commission Preliminary Assessment: Satisfactorily fulfilled		

Number: 39	Related Measure: C3.R1 – Amendment of the rules governing trade relations in the food chain, including amending Law 12/2013 of 2 August 2007 on measures to improve the functioning of the food chain	
Name of the Milestone: Entry into force of the Royal Decree-Law 5/2020, on urgent measures regarding agriculture and food and Law 8/2020 on the modification of Law 12/2013, on measures to improve the functioning of the food chain		

Qualitative Indicator: Provisions of the Royal Decree-Law 5/2020, Law 8/2020, Law 12/2013 on the entry into force	Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) A copy of the legislative acts (Royal Decree Law 5/2020 and Law 8/2020, both adopting certain urgent measures in the field of agriculture and food) as published in the Official Journal (BOE Number 49, 26 February 2020; BOE Number 328, 17 December 2020); 2) Links to the websites where the legislative acts were published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>Royal Decree Law 5/2020, validated by Law 8/2020, provides a regulatory framework to improve the functioning of the food chain, in line with the description of the milestone and the description of the reform in the Council Implementing Decision, by introducing:</p> <ol style="list-style-type: none"> a) The “express indication that the price agreed between the primary agricultural, livestock, fishing or forestry producer or a group of such producers and their first purchaser covers the actual cost of production”, by adding a new point (j) to Article 9(1) (c) of Law 12/2013; b) The regulation of promotional activities for food products “prohibiting promotional activities which would provide a misleading message on the price/image of the products or undermine the perception of the quality and value of the products”, via the addition of a new article – Article 12bis – to Law 12/2013; c) A ban on the destruction of value in the food chain, whereby each operator in the food chain “should pay to the operator immediately before it a price equal to or higher than the actual cost of production of that product actually incurred or borne by that operator”, via the addition of a new article – Article 12ter – to Law 12/2013; and d) An expansion of the list of unfair commercial practices relating to food contracts, via the amendment of Article 23 of Law 12/2013. Food contracts are defined as agreements between food chain operators “where one of the parties undertakes to sell to the other food or food products and food inputs for a certain price, whether it is a sale or supply on a continuous basis”. Specifically, a new paragraph is added to Article 23 of Law 12/2013, classifying as a serious infringement (i) “not to formalise in writing the food contracts referred to in the Law”; (ii) “not to include in the food contract the price referred to in Article 9(1)(c); (iii) “to make changes to the price included in the contract which are not expressly agreed by the parties”; (iv) the “destruction of value in the food chain in accordance with Article 12ter”; and (v) “carrying out promotional activities which mislead the price and image of the products in accordance with Article 12bis”. <p>Royal Decree Law 5/2020 entered into force on 27 February 2020 (“Disposición final segunda. Entrada en vigor y efectos”); Law 8/2020 entered into force on 18 December 2020 (“Disposición final segunda. Entrada en vigor y efectos”).</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 63	Related Measure: C4.R2 – Restoration of ecosystems and green infrastructure
Name of the Milestone: Adoption of the National Strategy for Green Infrastructure, Connectivity and Ecological Restoration	
Qualitative Indicator: Publication in the Official Journal	Time: Q2/2021
Evidence Provided: In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:	

- 1) Copy of the publication in the Official Journal of Order PCM/735/2021, of 9 July 2021 according to which the National Strategy for Green Infrastructure, Connectivity and Ecological Restoration has been approved (BOE Number 166 of 13 July 2021); and
- 2) Summary document justifying how the milestone was satisfactorily fulfilled.

Analysis:

Order PCM/735/2021 approves the National Strategy for Green Infrastructure, Connectivity and Ecological Restoration with effect from 14 July 2021 (Article 5 (“Eficacia”)).

The adopted National Strategy for Green Infrastructure, Connectivity and Ecological Restoration includes a number of lines of action, to achieve the following objectives (in line with the description of the milestone in the Council Implementing Decision):

- i) *Reduction of the effects of fragmentation and loss of ecological connectivity* - chapter 9.2 contains a list of specific objectives and eight detailed lines of action. These actions are developed on the basis of an analysis of the legislative background and the fragmentation, as well as the identification of shortcomings.
- ii) *Restoration of ecosystem in key areas* – chapter 9.3 includes specific objectives and eight detailed lines of action. These actions are developed on the basis of an analysis of the legislation and state-of-the-art of the ecosystem restoration in Spain, highlighting shortcomings and gaps, and indicating solutions to be addressed by the Strategy.
- iii) *Maintaining and improving the provision of eco-system services* – chapter 9.4 identifies 4 lines of action. The lines of action are developed on the basis of analysing gaps to be filled and identifying related objectives to be achieved. For example, one of the issues identified is the lack of (or limited) knowledge in measuring the provision of ecosystem services, its links between biodiversity, the value of ecosystem services and the benefits they provide. In order to address this, the Strategy puts forward a line of action to identify, classify and cartography key areas for the provision of ecosystem services. The new information acquired by this line of action will be published in the Methodological Guidance for the Identification of Elements of Green Infrastructure, which will be published by MITERD.
- iv) *Improvements in resilience* – chapter 9.5 explains how Spain will improve resilience based on six lines of action. These lines of actions are based on climate change mitigation and adaptation and are established to include scenarios of global change for climate change mitigation and to promote adaptation to climate change and the resilience of ecosystems through the conservation and restoration of the elements that make up the green infrastructure of the territory.
- v) *Definition of a governance model* –chapter 9.6 covers specific objectives and five lines of action. This includes putting in place specific mechanisms to promote coordination and cooperation between the different administrations and actors with competences in the territory up to local level.
- vi) *Communication, education and participation of stakeholders* –chapter 9.8 includes specific actions to achieve the objective: the creation of information on green infrastructure and public access to it; the use of appropriately trained technicians, and of an informed and aware society (with a special attention to gender equality); the achievement of social consensus through successful participatory processes. Three lines of action are developed to achieve these objectives.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 82	Related Measure: C6.R1 – Safe, Sustainable and Connected Mobility Strategy	
Name of the Milestone: Strategy on sustainable, secure and connected mobility (public consultation)		
Qualitative Indicator: Notice of end of consultation		Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Press release published on the Ministry of Transport Mobility and Urban Agenda (MITMA) website on 23 December 2020 on the closing of the open consultation; 2) Links to the websites where the consultation documents have been published; 3) Summary document describing the participation to the public consultation; and 4) Summary document justifying how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>The evidence provided by the authorities demonstrates that extensive consultation documents were published by the Ministry of Transport Mobility and Urban Agenda (MITMA) on the Safe, Sustainable and Connected Mobility Strategy. These consultation documents describe the nine areas of the strategy as set out in the description of the milestone in the Council Implementing Decision, with the public able to provide input on the first eight areas. The digitalisation of the ministry of transport (MITMA) is part of the strategy published on the website. However, given that it refers to the internal reorganisation of the Ministry, their measures were not subject to public consultation. This was explained in the “Document for Debate” and was not contested by stakeholders.</p> <p>The evidence also demonstrates the activities deployed by MITMA for the public consultation process that lasted from September to December 2020, to engage in dialogue all actors in the mobility ecosystem on the challenges of mobility and transport, and to update the Safe, Sustainable and Connected Mobility Strategy. The provided links and summary document also demonstrates that there were more than 80 000 visits to the portal, and more than 1 000 subscriptions to the newsletter. Furthermore, almost 100 collaborative events of the strategy, with more than 10 000 participants. Out of these events, MITMA collected 746 suggestions from citizens, firms and other entities.</p> <p>The press release provided confirms the completion of the public consultation process on the Strategy on Sustainable, Secure and Connected mobility by Q4 2020.</p>		
Commission Preliminary Assessment: Satisfactorily fulfilled		

Number: 102	Related Measure: C7.R1 – Regulatory framework for the promotion of renewable generation	
Name of the Milestone: Entry into force of Royal Decree Law 23/2020 (energy measures)		
Qualitative Indicator: Provision in Royal Decree Law 23/2020 on entry into force		Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the Royal Decree-Law 23/2020 of 23 June 2020 (BOE Number 175 of 24/06/2020, entered into force on 19 July 2020); 2) Link to the website where the legislative act was published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 		

Analysis:

Royal Decree-Law 23/2020 of 23 June establishes a framework for regulatory reforms relating to auctions for renewable energy, access and connection permits to electricity networks, the elimination of inefficiencies in the administrative processing of renewable projects, and the definition of new participants in the energy sector (for example, independent aggregators and energy communities).

In particular:

- Section I (“Titulo I”) of the Royal Decree-Law includes measures for the development and promotion of renewable energy. It includes measures on the regulation and rationalisation of access and connection permits to electricity networks (Article 1); and measures setting the legal basis for a new auction scheme for renewable energy (Article 2).
- Section II (“Titulo II”) defines the new participants in the energy sector, such as independent aggregators and renewable energy communities. It also includes measures to promote new business models by amending the electricity sector law, including provisions on storage, independent aggregators and renewable energy communities (Article 4).
- Section III (“Titulo III”), and in particular Article 5, includes additional measures to promote energy efficiency.

Royal Decree-Law 23/2020 entered into force on 19 July 2020 (“Disposición final novena. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 103	Related Measure: C7.R1 – Regulatory framework for the promotion of renewable generation	
Name of the Milestone: Entry into force of Royal Decree 960/2020 (economic regime for renewable energy)		
Qualitative Indicator: Provision in Royal Decree 960/2020 on entry into force		Time: Q4/2020
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> 1) Copy of Royal Decree 960/2020 of 3 November 2020 (BOE Number 291, Sec. III P. 96270 to 96299, entered into force on 5 November 2020); 2) Link to the website where the legislative act was published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 		
Analysis: <p>Royal Decree 960/2020 regulates the economic regime for renewable energy to provide revenue predictability for new renewable installations. This is done on the basis of the price resulting from the long-term auctions that are regulated by this decree. In particular, the Royal Decree includes the following elements:</p> <ul style="list-style-type: none"> - The regulation of the economic regime for renewable energies, ensuring the open, transparent, competitive and non-discriminatory nature of the regime; - The procedure for the new auctions, based on a competitive process that will take into account the different characteristics of alternative generation technologies (Article 3); - The system for the computation, settlement and participation in the market of renewable installations that are successful in the auctions (Article 17, 23 and 21 respectively); - The electronic registration and administrative procedures associated with the economic 		

<p>regime for renewable energies (Section V, Articles 24-34); and</p> <ul style="list-style-type: none"> - The mandate for the government to publish a timetable for the award scheme, to foster predictability and favour the achievement of the goals set out in the National Energy and Climate Plan 2021-2030. <p>Royal Decree 960/2020 entered into force on 5 November 2020 (“Disposición final quinta. Entrada en vigor”).</p>
<p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>

<p>Number: 104</p>	<p>Related Measure: C7.R1 – Regulatory framework for the promotion of renewable generation</p>
<p>Name of the Milestone: Entry into force of Royal Decree 1183/2020 (connection of renewables to the electricity grid)</p>	
<p>Qualitative Indicator: Provision in Royal Decree 1183/2020 on entry into force</p>	<p>Time: Q4/2020</p>
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the Royal Decree 1183/2020 of 29 December 2020 (BOE Number 340 of 30 December 2020, entered into force on 31 December 2020); 2) Links to the website where the legislative act was published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>Royal Decree 1183/2020 regulates the order (rationalisation) of access and connection of renewable energy to the electricity grid and “hybridisation”.</p> <p>In terms of order and rationalisation of access and connection of renewable energy to the electricity grid, the Royal Decree regulates the priority criteria for providing such access and such connection. In particular, it extends the scope of who can apply for permits for access and connection to electricity transmission and distribution networks to include electricity system operators, system operators, transmission system operators and distribution system operators (Article 3). Furthermore, it introduces a new single procedure for obtaining access and connection permits from the system operator (Article 5) and sets general priority criteria for granting access to the grid (Article 7).</p> <p>In terms of “hybridisation”, the Royal Decree provides specific access provisions for “hybrid” facilities (that is, electricity generation facilities which incorporate power generating modules using primary renewable energy sources or incorporate storage facilities). In particular, Chapter VIII (Articles 27 and 28) regulate the procedure for applying for and processing the conditions for access and connection for the hybridisation of electricity generation facilities and for updating, where appropriate, permits already granted.</p> <p>Finally, Royal Decree 1183/2020 lifts the moratorium for processing new access and connection permits laid down in the first transitional provision of Royal Decree-Law 23/2020 of 23 June.</p> <p>Royal Decree 1183/2020 entered into force on 31 December 2020 (“Disposición final octava. Entrada en vigor”).</p>	
<p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>	

Number: 105	Related Measure: C7.R1 – Regulatory framework for the promotion of renewable generation	
Name of the Milestone: Entry into force of Law on Climate Change and Energy Transition		
Qualitative Indicator: Entry into force of Law on Climate Change and Energy Transition		Time: Q2/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the Law on Climate Change and Energy Transition 7/2021, of 20 May 2021 (BOE Number 121 of 21 May 2021, pages 62009 to 62052, entered into force on 22 May 2021). 2) Link to the website where the legislative act was published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>The Law on Climate Change and Energy Transition provides regulatory stability and reduces administrative barriers to foster the development of renewable resources by:</p> <ol style="list-style-type: none"> a. setting legally binding national targets for renewable deployment by 2030 (for penetration of renewable energy at 42 % by 2030 and for the contribution of renewable energy to electricity generation to 74 % in 2030), as set out in Article 3); b. setting a legally binding target for climate neutrality and a 100% renewable electricity system by 2050 (Article 3); c. consolidating the NECPs as a national strategic planning tool integrating energy and climate policy (Article 4); d. promoting of hydroelectric facilities aimed at the further integration of renewable technology into the electricity system, including by establishing the required regulatory conditions (Article 7); e. Promoting energy efficiency and renewable resources in buildings, by developing appropriate planning tools and allowing public administrations to establish incentives to promote renewable facilities in buildings (Article 8); f. promoting renewable gases, including by introducing regulations aimed at favouring their deployment (Article 12); and g. promoting renewable sources and sustainable alternative fuels in the transport sector (Article 13) <p>Notably, by providing a medium and long term legally binding targets for renewable development, it provides regulatory stability to the development of renewable resources. The Law also provides the legal basis for a reduction in administrative barriers for renewable resources, including renewable sources in buildings (Article 8), penetration of zero-emission vehicles (Article 14), and access to information on climate change and energy transition (Article 39). The reduction in administrative barriers is also addressed by 1) simplified authorisation procedures for R&D and innovation framework for renewables (provision “Disposición adicional octava”); 2) the provision whereby generation, storage and distribution of renewable energy pilot projects and tests that do not have to comply with the same requirements as commercial and industrial activities (provision “Disposición adicional octava”); 3) the provision whereby installation of self-consumption equipment and energy efficiency improvements would require simplified procedures (provision (“Disposición final décima”).</p> <p>The Law also provides minimum requirements for the installation of public recharging points in service (Article 15). In particular, it sets minimum requirements for the installation of electric recharging points, with the requirement for operators of fuel supply facilities to deploy</p>		

recharging points according to their aggregate annual sales volume of petrol and diesel. Petrol stations whose sales in 2019 were greater than or equal to 10 million litres, shall install at least one electric recharging infrastructure with a power of 150 kW or more for direct current; and those whose aggregate annual sales volume of petrol and diesel in 2019 were 5-10 million litres, shall install at least one current or more continuous electric recharging infrastructure of 50 kW. In the case of concessions on state road networks, the obligations to install recharging infrastructure will be met by the concessionaires of the roads.

The Law on Climate Change and Energy Transition 7/2021 entered into force on 22 May 2021 (“Disposición final decimoquinta. Entrada en vigor”), with the exception of Article 15(11) in relation to charging stations based on concessions on state roads. Only 27 areas or service stations out of 1.048 are affected by article 15(11), and only 2 stations out of those have sales volume above 10 million litres. The achievement of the milestone is therefore not affected by Article 15(11), given that the milestone does not require that the minimum requirements for the installation of public recharging points applies to all service stations.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 121	Related Measure: C8.R1 – Enabling framework for the integration of renewables into the energy system: networks, storage and infrastructure	
Name of the Milestone: Approval of the long-term decarbonisation strategy (“ELP2050”)		
Qualitative Indicator: Approval by Council of Ministers		Time: Q1/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: 1) Copy of the Long-Term Decarbonisation Strategy; 2) Certification of approval by the Council of Ministers, dated 3 November 2020; 3) Links to the to the websites where the Strategy and approval by the Council of Ministers were published; and 4) Summary document justifying how the milestone was satisfactorily fulfilled.		
Analysis: <p>The Long-Term Decarbonisation Strategy sets out the roadmap for Spain to meet its decarbonisation targets for 2050. It creates a strategic and regulatory framework for the effective integration of renewable energies into a flexible and smart energy system.</p> <p>The objectives set out in the strategy by 2050 are:</p> <ol style="list-style-type: none"> the reduction of GHG emissions by 90 % compared to 1990 (climate neutrality), and the remaining 10 % of emissions being captured by carbon sinks; the achievement of 97 % of renewable energy in final energy consumption; and a 100 % renewable electricity system. <p>The strategy addresses the need for different types of storage infrastructure, addressing its key role in transforming the electricity system to 100 % renewable. Additionally, the strategy emphasises the role to be played by network flexibility, demand-side participation, and the operation of the electricity grids.</p> <p>The strategy provides a long-term enabling framework that can facilitate the effective transformation of the energy system and in particular the integration of renewable energy, in line with the objectives of the National Climate and Energy Plans for 2021-2030 and Spain’s 2050</p>		

commitments.

The certification provided confirms that the Long-Term Decarbonisation Strategy was approved by the Council of Minister on 3 November 2020.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 122	Related Measure: C8.R2 – Energy storage strategy and adaptation of the regulatory framework for the deployment of energy storage	
Name of the Milestone: Entry into force of planning, legislative and regulatory reforms to promote the development of energy storage solution.		
Qualitative Indicator: Provisions in the legislative and regulatory measures on entry into force		Time: Q2/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none">1) Copy of the Energy Storage Strategy, of February 2021;2) Certification of approval by the Council of Ministers of the Energy Storage Strategy, dated 9 February 2021;3) Copy of Royal Decree 1183/2020 which regulates access of storage facilities to the grid (BOE Number 340 of 30 December 2020, entered into force on 31 December 2020);4) Copy of Circular 1/2021 of the “Comisión Nacional de los Mercados y la Competencia” that establishes the methodology and conditions for access and connection to the transmission and distribution grids (BOE Number 19 of 22 January 2021, entered into force on 23 January 2021);5) Copy of Resolution of 10 December 2020 of the “Comisión Nacional de los Mercados y la Competencia” which regulates the participation of storage facilities to the supply of ancillary services (BOE Number 335 of 24 December 2020, entered into force on 26 January 2021).6) Links to the websites where the legislative acts were published; and7) Summary document justifying how the milestone was satisfactorily fulfilled.		
Analysis: <p>The set of individual measures included in this milestone develop and implement a regulatory framework to promote energy storage solutions, and enable the investments in energy storage and new business models included in Component 8 of the Spanish Recovery and Resilience Plan.</p> <p>The goal of the Energy Storage Strategy is to have approximately 20 GW of energy storage by 2030 and 30 GW by 2050, and to promote the deployment of energy storage through 66 measures grouped under the 10 lines of action:</p> <ul style="list-style-type: none">– Regulatory framework, including the definition of storage in the legal acquis– Participation in markets - amendments to allow storage to participate in all electricity markets and services.– Business models - new business models along the storage value chain– Sectoral integration– Citizenship in the centre - citizens’ participation in order to promote storage and new business models.– Levers of technological development– Sustainability - assessment of the storage lifecycle, including traceability at source and end-of-life waste management– Needs in island and isolated systems– Governance		

– Prospective analysis

Royal Decree 1183/2020 regulates access and connection by storage facilities to electricity transmission and distribution networks. The content of this Royal Decree is analysed as part of Milestone 104.

Circular 1/2021 of the “Comisión Nacional de los Mercados y la Competencia” lays down the methodology and conditions for access to and connection to the transmission and distribution networks of electricity generation facilities (including storage facilities), in accordance with the conditions laid down in Article 6.3 of Royal Decree 1183/2020. This regulation provides conditions to enable the connection of storage facilities to the electricity grid, thus enabling their effective integration into the electricity system.

Resolution of 10 December 2020 regulates the participation of energy storage facilities in the provision of ancillary services. The regulation defines financial incentives for energy storage, and includes an update of the procedures of the System Operator, in order to allowing the participation of energy storage in balancing services. Overall, this resolution sets out conditions that allow energy storage facilities to be remunerated for the provision of ancillary services, thus increasing the financial incentive to invest in storage. It also allows storage facilities to contribute to the stability of the electricity network and to security of supply.

The Energy Storage Strategy was approved by the Council of Minister on 9 February 2021 and the three legislative and regulatory measures entered into force. Royal Decree 1183/2020 entered into force on 31 December 2020 (“Disposicion Final Octava. Entrada en vigor”). Circular 1/2021 of “Comisión Nacional de los Mercados y la Competencia” entered into force on 23 January 2021 (“Disposición final única. Entrada en vigor”). Resolution of 10 December 2020 of Comisión Nacional de los Mercados y la Competencia entered into force on 26 January 2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 129	Related Measure: C9.R1 – Hydrogen roadmap
Name of the Milestone: Hydrogen Roadmap	
Qualitative Indicator: Approval by Council of Ministers	Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Link to the website of the Prime Minister Office, showing approval by the Council of Ministers on 6 October 2020 (‘Referencia del Consejo de Ministros’); 2) Certification of approval by the Council of Ministers, on 6 October 2020; 3) Copy of the “Hydrogen Roadmap: supporting renewable hydrogen” (October 2020); and 4) Summary document justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>The Hydrogen Roadmap provides a framework to develop renewable hydrogen in Spain. The framework aims at creating and promoting a favourable environment to develop the supply and demand of renewable hydrogen, while recognising that at present it would be displaced by non renewable hydrogen in the marketplace. As a result, the Roadmap provides guidelines to develop renewable hydrogen via the creation of “hydrogen valleys” or clusters that concentrate the production, transformation and consumption of hydrogen. The intention is to take advantage of economies of scale, and develop pilot projects linked, among others, to the</p>	

transport sector and isolated energy systems. To this end, it identifies the supply value chain of hydrogen that needs to be developed and presents the opportunities present for Spain in developing renewable hydrogen. The roadmap also provides an overview of the different means to promote the deployment of hydrogen as a sustainable energy source. Finally, the document presents the objectives to be achieved by 2030. The Roadmap prioritises renewable hydrogen production projects directly linked to industrial end-uses and mobility as goals. It also aims to achieve climate neutrality, with a 100% renewable electricity system no later than 2050, with intermediate objectives by 2024 and 2030. Specifically, by 2024 it aims for Spain to have between 300 and 600 MW of installed electrolyser capacity. This is intended to be an intermediate step to reach 4 GW of installed electrolyser capacity by 2030.

The Council of Ministers approved the "Hydrogen roadmap: supporting renewable hydrogen" on 6 October 2020.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 137 | **Related Measure:** C10.R1 – Just Transition Protocols

Name of the Milestone: Creation of the Institute for the Just Transition Fund

Qualitative Indicator: Publication in the OJ

Time: Q1/2021

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

- 1) Copy of the publication in the Official Journal of Royal Decree 500/2020, of 28 April 2020 (BOE number 125 of 5/5/2021, entered into force 6 May 2020), for which the new organic structure of the Ministry for the Ecological Transition and the Demographic Challenge is developed by creating the Institute for the Just Transition;
- 2) Copy of the publication in the Official Journal of the Royal Decree 179/2021, on 23 March 2021 (BOE number 72 of 25/3/2021, entered into force 26 March 2021), which establishes the Statute governing the Just Transition Institute; and
- 3) Summary document justifying how the milestone was satisfactorily fulfilled.

Analysis:

Royal Decree 500/2020 establishes the Institute for the Just Transition (IJT), which is attached to the Ministry for the Ecological Transition and Demographic Challenge. To create the IJT, the already existing "*Instituto para la Reestructuración de la Minería del Carbón y el Desarrollo alternativo de las comarcas Mineras, O.A. (IRMC)*" has been re-designed to be better aligned with the current Just Transition Strategy. Royal Decree 500/2020 establishes the IJT as a Directorate-General within the Ministry ("*Disposición adicional décima*", point 2) and reinforces its activities by the creation of a new Sub-Directorate-General of Strategy and Planning. The IJT aims at identifying and adopting the necessary actions, based on solidarity, that guarantee equitable treatment of workers and territories affected by the transition towards a low carbon economy, minimising the negative impacts on employment and the population of these territories and optimising the opportunities of the transformation process (as stated in the preamble of the Royal Decree). Specifically, Article 2 of the Royal Decree establishes the IJT as an autonomous body, assigned to the Ministry through the Secretariat of State for Energy, and establishes that the promotion of a just transition is one of the functions of the Secretary of State for Energy (to be achieved through the IJT). The second final provision of the Royal Decree ("*Disposición final segunda*") set out that the statute of the IJT will be modified within three months of the entry into force of the Decree, establishing a Sub-Directorate General of Strategy and Planning within the Institute.

In addition, Royal Decree 179/2021 approves the Statute that governs the Institute for the Just Transition. This Royal Decree will contribute to improve the efficiency of the actions deployed by the Institute, as well as its legal certainty.

Royal Decree 500/2020 entered into force on 6 May 2020 (“Disposición final quinta. Entrada en vigor”) and Royal Decree 179/2021 entered into force on 26 March 2021 (“Disposición final tercera. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 144	Related Measure: C11.R1 – Reform for the modernisation and digitalisation of the administration	
Name of the Milestone: Entry into force of legislative act to reduce temporary employment in public administrations		
Qualitative Indicator: Provision in the legislative act indicating the entry into force of the act		Time: Q2/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of Royal Decree Law 14/2021 of 6 July 2021 on urgent measures to reduce temporary employment in public employment as published in the Official Journal (BOE-A-2021-11233) on 7 July 2021; 2) Link to the publication in the Official Journal of Royal Decree Law 14/2021 of 6 July 2021; and <p>Summary document presenting an overview of the action and justifying how the milestone was satisfactory fulfilled in line with the Council Implementing Decision requirements.</p>		
<p>Analysis:</p> <p>Article 1 of Royal Decree Law amends the Royal Legislative Decree 5/2015 on the Law on the Basic Statute of Public Employees (EBEP) to introduce measures to effectively prevent and penalise abuse in the use of fixed-term relationships by the public administrations.</p> <p>In particular, Article 1 of Royal Decree Law 14/2021 introduces the new provision “Disposicion Adicional Decimoseptima” to the EBEP to provide the following combination of financial penalties and liabilities to penalise abuses:</p> <ul style="list-style-type: none"> • Financial penalties: Introduction of a compensation of 20 days per year worked, with a maximum of 12 months of total compensation (this is equivalent to a total relationship duration of 18-years), for those employees in the public administration whose fixed-term relationship has been extended in breach of the maximum retention periods defined in the Royal Decree Law. This compensation would only apply if the fixed-term relationship is terminated infringing the deadlines now set in the national law, provided that the worker is not subject to a fair disciplinary dismissal or voluntary resignation. This provision will compensate fixed-term employees whose relationship has been unduly extended with an equivalent severance payment as the one received by workers in the private sector in case of ‘objective dismissal’. • Liabilities for those breaching the law: “Disposicion Adicional Decimoseptima” establishes that any irregular action, in breach of the maximum retentions periods, will give rise to liabilities in accordance with the legislation in force in each public administration. <p>Additionally, Article 1 of Royal Decree Law 14/2021 amends Article 10 of EBEP to establish some provisions, which in combination with the penalties describe above, prevent abuses, in</p>		

particular:

- I. It sets limits in the maximum duration of successive fixed-term employment contracts or relationships. In particular, it limits to three years the period during which a position can be occupied by a fixed-term employee. This limit can only be exceptionally extended in two cases:
 - i) if a vacancy notice is published within these 3 years: in this case, the fixed-term relationship can be extended, but only for the period needed for the completion of the selection process.
 - ii) if the recruitment process described in point i) is unsuccessful, then the administration can extend the temporary position but it can only be occupied by a different fixed-term employee, while a new recruitment process takes place.
- II. It provides for the automatic nullity of any act, pact, agreement or regulatory provision as well as of any measures taken to comply with or implement them, which directly or indirectly results in the administration failing to comply with the maximum periods for retaining fixed-term staff.

Article 2 of the Royal Decree Law 14/2021, provides for measures to reduce temporary public employment. In particular, it provides for the obligation to publish all calls for stabilisation and complete the selection processes by respectively 31 December 2022 and 31 December 2024 in line with the requirements of the Council Implementing Decision. This is in line with the stabilisation of public employment for 300 000 posts included under Milestone 150 for Q4 2024. Royal Decree Law 14/2021 introduces a set of measures to reduce temporary employment in public employment and includes sufficiently effective provisions to prevent and penalise abuse to comply with the description of the milestone in the Council Implementing Decision.

These measures are being reinforced by amendments approved in the Plenary of the Congress on 2 December (*“Proyecto de Ley de medidas urgentes para la reducción de la temporalidad en el empleo público (procedente del Real Decreto-ley 14/2021, de 6 de julio)”*). Notably, the amendments clarify that the fixed-term relationship can only be extended if the selection process is completed in accordance with the deadlines established in Article 70 of EBEP (i.e. in a period of three-years since the publication of the public employment offer). This amendment further strengthens the effectiveness of the reform to prevent abuses.

This Royal Decree Law applies to the national, regional and local public administrations, as foreseen in its first final provision (*“Disposicion Final Primera. Titulos competenciales”*).

Royal Decree Law 14/2021 entered into force on 8 July 2021 (*“Disposicion Final Tercera. Entrada en vigor”*).

This assessment is without prejudice to the infringement procedure INFR(2014)4334.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 151	Related Measure: C11.R2 – Reform to boost the rule of law and the efficiency of the justice system	
Name of the Milestone: Entry into force of Law 3/2020 on procedural and organisational measures in the field of Justice to fight against COVID-19		
Qualitative Indicator: Provision in the law indicating the entry into		Time: Q3/2020

force of the law	
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative act (Law 3/2020 of 18 September 2020 on procedural and organisational measures to deal with COVID-19 in the field of the Administration of Justice), as published in the Official Journal (BOE-A-2020-10923) on 19 September 2020; 2) Link to the publication in the Official Journal of Law 3/2020 of 18 September 2020; and 3) Summary document provided presenting an overview of the action and justifying how the milestone was satisfactorily fulfilled in line with the Council Implementing Decision requirements. 	
<p>Analysis:</p> <p>Law 3/2020 introduces measures to reform the administration of justice in Spain, in order to improve citizens' relations with the administration of the justice system, with a specific focus on the integration of digital technologies into procedural actions. Specifically:</p> <ul style="list-style-type: none"> • Article 14 provides for procedural acts to take place by the online presence of parties, safeguarding the rights of all parties to proceedings. Online trials are exempted in case of proceedings of serious crimes in the criminal justice system, when the accusers' seek provisional detention or a sentence of more than two years in jail, where the physical presence of the accused is necessary. • Article 18 establishes a system to provide justice system services online, instead of in-person. This is expected to encourage electronic relations between the public and the administration of the Justice system, to make the administration of the Justice system more efficient. A set of technical and organisational procedures have been developed, together with associated tools, to make it possible to provide full digital legal security to the actions of parties in telematic judicial proceedings. • Article 16 puts in place organisational measures to ensure an appropriate safety distance for experts carrying out findings and encourages the uptake of new technologies in the "<i>Institutos de Medicina Legal y Ciencias Forenses</i>" (IMLCF). In particular, the deployment, allocation, organisation and management of rooms for the virtual investigation of victims has been extended to other IMLCF responsibilities: prisons, police stations, old age homes or psychiatric centres. • Article 19 enables the Ministry of Justice to transform judicial bodies pending to become operational, into specialised judicial bodies in proceedings associated with the COVID-19 pandemic, to adapt to the situation resulting from the health crisis. <p>These procedural and organisational measures contribute to effectively deal with the structural challenges that the COVID-19 pandemic has generated to the administration of the justice system, particularly with regards to its needs to digitalise.</p> <p>Law 3/2020 of 18 September 2020 entered into force on 20 September 2020 ("Disposición final decimotercera. Entrada en vigor").</p>	
<p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>	

Number: 153	Related Measure: C11.R3 – Reform to modernise the institutional architecture of economic governance
Name of the Milestone: Entry into force of Royal Decree 937/2020 on the regulation of the Caja General de Depósitos	
Qualitative Indicator: Provision in the decree indicating the entry into	Time: Q4/2020

force of the decree	
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Digital copy of the legislative act (Royal Decree 937/2020 implementing the digital management of guarantees and deposits of the “Caja General de Depósitos”), as published in the Official Journal (BOE-A-2020-14962); 2) Link to the website where the legislative act was published; and 3) Summary document that provides an overview of the action and justifying how the milestone was satisfactorily fulfilled in line with the Council Implementing Decision requirements. 	
<p>Analysis:</p> <p>Royal Decree 937/2020 provides a legal framework to manage digital guarantees (such as bank guarantees or insurance policies) for citizens and businesses needed in various administrative procedures (including public contracts, access to public grants and loans and permits to carry out regulated activities such as access to energy networks) and which are centralised in the “Caja General de Depósitos”. Articles 6 and 10 in particular establish the principle of mandatory use of electronic means. More specifically, they make it compulsory to use the specific telematic channels operated by the “Caja General de Depósitos”, thereby effectively eliminating physical documentation. In addition, the Royal Decree promotes the implementation of electronic procedures in the “Caja General de Depósitos”, by defining rules and channels to submit electronic documents and provide the necessary legal framework to digitalise the procedure. This enables individuals, firms and public administrations to manage procedures more efficiently and less costly. These provisions, taken together, update the procedure for constitution, cancellation and enforcement of guarantees and cash instalments deposited in the “Caja General de Depósitos”, in line with the requirements of the Council Implementing Decision. Royal Decree 937/2020 entered into force on 2 January 2021 (“Disposición final sexta. Entrada en vigor”).</p>	
<p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>	

Number: 154	Related Measure: C11.R3 – Reform to modernise the institutional architecture of economic governance	
Name of the Milestone: Entry into force of Royal Decree 2/2021 approving the Regulation implementing Law 22/2015 of 20 July on audits of accounts		
Qualitative Indicator: Provision in the royal decree indicating the entry into force of the royal decree		Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative act (Royal Decree 2/2021, adopting the Regulation implementing Law 22/2015 of 20 July 2015 on audits of accounts, providing the legal framework for the audit activity with greater legal certainty, so as to achieve an adequate quality of the auditing activity audit), as published in the Official Journal (BOE-A-2021-1351). 2) Summary document providing an overview of the action, including an explanation of the date of entry into force and accompanied by a justification of why the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>The Royal Decree modernises the supervision of the financial and audit fields by reforming the General Accounting Plan and Audit Regulation, including by accelerating up and promoting the</p>		

digitalisation of processes. In particular, the Regulation develops the following aspects:

- Article 10 specifies the deadline and bodies to which an auditor must communicate when, in the context of mandatory audits, a failure to issue an audit report arises, specifying what is to be understood as a mandatory audit.
- Article 11 provides for an auditor to request a guarantee that his/her fees will be paid and provision to renounce, when he/she is appointed by a commercial register or judicial body.
- Articles 16 and 17 specify the documentation that needs to be stored by the group auditor for consolidated audits.
- Article 19 regulates how to address the existence of a discrepancy in case of a joint audit.
- Articles 22 and 24 requests the terms for auditors to have a single electronic address to electronically process procedures between the official institute and auditors.
- Title II, Chapter II clarifies certain aspects to facilitate compliance of auditors' independence obligations (definition of conflict of interest, establishment of concentration fee rates, criteria to quantify "significance" to determine the existence of incompatibilities, prohibitions in place after an audit of accounts, particularities of extension rules, etc.).
- Title II, Chapter IV updates the three internal organisational pillars: administrative and accounting procedures, risk management procedures and the internal control system. This includes general principles on the internal organisation, based on the proportionality of an auditor's size and the complexity of the audit work.

This measure increases the legal certainty of the auditing framework, helping to improve the overall quality of auditing.

The Royal Decree 2/2021 entered into force on 31 January 2021 ("Disposición final segunda. Entrada en vigor").

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 157	Related Measure: C11.R5 – Administrative capacity	
Name of the Milestone: Entry into force of Royal Decree Law 36/2020 on the implementation of the Recovery, Transformation and Resilience Plan		
Qualitative Indicator: Provision in the royal decree indicating the entry into force of the royal decree		Time: Q1/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> 1) Copy of the legislative act (Royal Decree Law 36/2020 modernising the public administration), as published in the Official Journal (BOE Number 341, 31 December 2020); 2) Link to the websites where the legislative act was published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 		
Analysis:		
Royal Decree Law 36/2020 modernises the internal functioning of public administrations to improve the implementation of the Spanish Recovery and Resilience Plan. To this end: <ul style="list-style-type: none"> • Title I introduces a series of management principles and guidelines aimed at ensuring a swift and effective implementation of the Recovery and Resilience Plan. 		

- Title II amends the legal framework for the processing, formalisation and effectiveness of administrative agreements; simplifying it, encouraging and facilitating a flexible and collaborative public management technique. Title II also establishes a new public-private partnership, the Strategic Projects for Recovery and Economic Transformation ('PERTEs'). This instrument provides a better link between public and private initiatives to provide a predictable legal framework to new possibilities offered by public-private cooperation to structurally transform the Spanish economy.
- Title III regulates the governance structures and public management tools essential to develop, implement, control and monitor the Recovery and Resilience Plan. Absorption of Recovery and Resilience funds will depend on the existence of dynamic and effective instruments to ensure coordination between the different levels of government, and to involve economic, political and social stakeholders. Hence, the Royal Decree Law equips the administration with innovative techniques to manage resources linked to the implementation of the Plan swiftly and efficiently.
- Title IV incorporates some management tools to simplify and facilitate the development and implementation of the Recovery and Resilience Plan, also removing regulatory bottlenecks, such as budgetary management and control, regulatory and administrative management of procedures, public procurement, administrative agreements, grants, and public-private partnership techniques.

In light of these provisions of the Royal Decree Law, it is considered that the Royal Decree Law introduces regulatory reforms that accelerate the implementation of projects and allow greater efficiency in public spending, maintaining the guarantees and controls required by the EU regulatory framework.

The Royal Decree Law entered into force on 1 January 2021 ("Disposición final decimotercera. Entrada en vigor").

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 158	Related Measure: C11.R5 – Administrative capacity
Name of the Milestone: Creation of new bodies within the central government to follow-up on the implementation, control and audit of the Plan	
Qualitative Indicator: Publication in the Official Journal	Time: Q2/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> 1) Copy of the legislative acts (Royal Decree 1182/2020 and two Resolutions by Ministry of Finance of 7 April 2021 establishing the creation of new bodies), as published in the Official Journal (BOE Number 341, 31 December 2020 for the Royal Decree; BOE Number 86, 10 April 2021 for the Resolutions); 2) Links to the websites where the legislative acts were published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
Analysis: <p>Royal Decree 1182/2020, of 29 December, 2020, introduces modifications to ministerial structures to monitor the Recovery and Resilience Plan of Spain and to contribute to an effective management, control and audit of the Plan. The Royal Decree establishes a new structure for the Ministry of Finance, specifically, within the State Secretary for Budgets and Expenditures. This State Secretary is responsible for designing, planning, coordinating and monitoring actions and measures related to European funds and their financing, and a new Secretary General for</p>	

European Funds is created within it, to act as responsible authority for the Recovery and Resilience Plan of Spain. The audit body structures of the central government (General Intervention of the State Administration) are also modified by creating new divisions to reflect changes in the management of European funds, both in terms of control and IT developments.

The Resolutions published by the Ministry of Finance in the Official Journal of 10 April of 2021 implement some of the changes introduced in Royal Decree 1182/2020, by creating new divisions and conferring them with new tasks. These changes apply to the Budgetary Information and National Audit Offices of the General Intervention of the State Administration.

The Royal Decree 1182/2020 entered into force on 31 December 2020 (“Disposición final tercera. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 159 | **Related Measure:** C11.R5 – Administrative capacity

Name of the Milestone: Order defining the procedures and format of the information to be shared for monitoring the RRP and accounting execution of expenditure

Qualitative Indicator: Provision in the order indicating the entry into force of the Order

Time: Q3/2021

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

- 1) Copy of the legislative act (Order HFP/1031/2021 of 29 September 2021 establishing the procedure and format for the information to be provided by the State, Autonomous Communities and Local Public Sector Entities for monitoring compliance with milestones and targets and for budget and accounting implementation of the measures in the components of the Recovery, Transformation and Resilience Plan) as published in the Official Journal (BOE Number 234, 30 September 2021);
- 2) Link to the website where the legislative act were published; and
- 3) Summary document justifying how the milestone was satisfactorily fulfilled.

Analysis:

The Order defines the procedures and format of the information to be shared for monitoring the Recovery and Resilience Plan and accounting execution of expenditure.

Article 2 of the Order establishes that all entities of the State, Autonomous Community and Local Public Sector managing and/or implementing projects, sub-projects or action lines of that Plan are obliged to provide information on the monitoring of the progress of milestones and targets and the accounting execution of expenditure in relation to implementing the Recovery and Resilience Plan.

Articles 5, 6 and 7 of the Order, under Section 2 “Information on accounting execution”, define the content, procedure and format for the accounting information to be provided.

Furthermore, Articles 4 and 8, under Section 1 “Information on the monitoring of the projects” and Section 3 “Information on the monitoring of the fulfillment of the milestones and targets” of the Order establish the frequency and type of information that the implementing bodies need to provide and update on a continuous basis in the IT system for the monitoring of the measures, in particular data, indicators and supporting documents to monitor the progress and compliance with the milestones and targets in the Plan in line with the requirements of the Council

Implementing Decision as well as management declarations. The format of this information will be adjusted to the requirements published on the website of the Coordinator and Audit body of the Recovery and Resilience Plan. These bodies, in accordance with the first additional provision of the order, can modify the technical specifications, format and electronic services to provide information when this is necessary for the adequate monitoring of the actions in the Plan through their publication on their webpages three months in advance. Article 4 also requests the implementing bodies to have internal control systems in place which guarantee the validity, reliability and traceability of this information.

Finally, Article 10 under Section 4 “Other information” sets the obligation for the all entities of the Central Government, Autonomous Communities and Local Administrations, in their capacity as implementing bodies, to collect and store information on the recipients of the funds (i.e. beneficiary, contractors and subcontractors). The list of information to be provided as regards the recipients of the funds includes a reference to the definition of beneficial owners in point 6 of article 3 of Directive (EU) 2015/849 of the European Parliament and of the Council. Article 10 of HFP/1031/2021 is complemented with the procedure set out in Article 8(4) of Order HFP/1030/2021 (establishing the management system for the Recovery, Transformation and Resilience Plan) to identify the beneficial owners of the recipients of the funds as well as by the confirmation given by Spanish authorities that the information on beneficial owners will be collected and stored without any restrictions in line with Article 22(2)(d) of the RRF Regulation.

Order HFP/1031/2021 entered into force on 1 October 2021 (“Disposición final tercera. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 173	Related Measure: C11.I5 – Transformation of the administration for the implementation of the Spanish Recovery and Resilience Plan	
Name of the Milestone: Recovery and Resilience Facility Integrated Information System		
Qualitative Indicator: Audit report		Time: Q3/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the Audit Report of PricewaterhouseCoopers Auditores S.L, signed on 30.9.2021; and, 2) Summary document justifying how the milestone was satisfactorily fulfilled. <p>Additionally, following a request for supplementary information in accordance with Article 6(4) of the Financing Agreement, Spain submitted, i) a dataset on contractors and subcontractors; and ii) a dataset on beneficial owners for a sample of 28 contracts.</p>		
<p>Analysis:</p> <p>The dedicated audit report on the system covered the compliance of the system (CoFFEE-MRR) with the functionalities described in the milestone included in the Council Implementing Decision. In accordance with the description of the measure in the Council Implementing Decision, this report confirms that the system allows: (a) for the upload of the Recovery and Resilience Plan and of the information on implementation and monitoring of the achievement of milestones and targets; (b) for the preparation of management declarations and the audit summary as well as payment claims; and (c) to collect and store data on beneficiaries, contractors, subcontractors, and beneficial owners in accordance with Article 22 of the Recovery and Resilience Facility Regulation. As regards the functionality of the system, however, the audit</p>		

report concentrates on and analyses exclusively the design and not the actual functioning of the system given that, at the time of the finalisation of the audit report, no data on beneficiaries, contractors, subcontractors and beneficial owners had been stored in the system.

The Commission requested supplementary information to verify whether the system is capable of performing in practice the functions required by the milestone, notably concerning the collection and storage of the data mentioned in point (c) of the milestone. The Commission evaluated a sample of 28 contracts (at the moment of the request, Spain had recorded 28 contracts in the CoFFEE-MRR system but, since that moment, has recorded an additional 1600 contracts in the system). The control carried out by the Commission based on the information provided by Spain confirms that the system is able to link those contracts with the measures of the RRP and that the data on contractors, subcontractors and beneficial owners has been collected and stored.

A weakness with regard to the collection of information in practice, which does not affect the appropriateness of the design of the system as a whole, relates to contracts where the contractor (or the beneficial owner of the contractor) is a foreign company that has no power of attorney registered with a notary in Spain, for which information was not available in all cases.

In order to ensure continuous compliance with the milestone and its obligations under the Financing Agreement, as attested to through the summary document justifying how the milestone was satisfactorily fulfilled, Spain has committed to continue to develop its system to improve its functionalities and efficiency by:

- 1) improving the collection of data on beneficial owners of foreign companies that have no power of attorney registered in Spain, both for already concluded contracts, as well as for future contracts through an agreement with the General Council of Notary Affairs and with the Tax Agency. Furthermore, where this does not ensure the collection of the necessary information, following up both bilaterally with all the companies involved and with the Official register in the Member State where the companies are residents;
- 2) improving access to the information on beneficial owners for control purposes by creating dedicated control units within the Ministry of Finance that will perform controls using such data. Spain has outlined a road-map for the setting-up of those units and for giving them access to the data, including on beneficial owners.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 177	Related Measure: C12.R2 – Waste policy and boosting the circular economy	
Name of the Milestone: Spanish Strategy on Circular Economy (EEEC)		
Qualitative Indicator: Approval by Council of Ministers		Time: Q2/2020
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> 1) Copy of the Spanish Strategy on the Circular Economy (EEEC); 2) Certification by the First Vice President dated on 2 June 2020 of the approval of the EEEC by the Council of Ministers on 2 June 2020; and 3) Summary duly justifying how the milestone was satisfactorily fulfilled. 		
Analysis:		
The EEEC (<i>Estrategia Española de Economía Circular: España 2030</i>) puts forward a long-term		

vision, which will be achieved through successive three-year action plans to be developed in order to complete the transition by 2030. It establishes guidelines strategies and a series of quantitative objectives to be achieved by 2030. These objectives are:

- Reduce by 30% the national consumption of materials in relation to GDP, taking as the year reference in 2010;
- Reduce waste generation by 15% compared to what was generated in 2010;
- Reduce the generation of food waste in the entire food chain: 50% reduction per capita at household and retail consumption level and 20% in production and supply chains from the year 2020;
- Increase reuse and readiness for reuse to reach 10% of waste generated municipalities;
- Improve water use efficiency by 10%; and
- Reduce greenhouse gas emissions below 10 million tons of CO2 equivalents.

The approval of the EEEC lays the foundations to promote a new model of production and consumption in which the value of products, materials and resources are kept in the economy for as long as possible. The objective is to minimise waste generation and ensure the full exploitation of waste that cannot be avoided. The EEEC is aligned with the EU Circular Economy Action Plans of 2015 and 2020. The EEEC identifies six priority sectors of activity to address the challenge of increasing “circularity” in Spain. It also identifies key public policies to progress in the transition towards a circular economy, as well as sets up a framework of indicators in line with EU standards.

The EEEC was approved on 2 June 2020. The Spanish authorities have reported that the first Action Plan of Circular Economy 2021-2023 has been adopted by the Council of Ministers on 25 May 2021. It is underpinned by 116 measures included in eight priority axes. Both the strategy and the first action plan are published and accessible on the website of the MITERD.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 181	Related Measure: C12.I2 – Programme to boost competitiveness and industrial sustainability	
Name of the Milestone: Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility		
Qualitative Indicator: Approval by Council of Ministers		Time: Q2/2020
Evidence Provided: In line with the verification mechanisms and Further Specifications set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> 1) A copy of the Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility; 2) Certification by the Secretary General of the Ministry of Presidency that the Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility was reported to the Council of Ministers on 16 June 2020; 3) Agenda and minutes from the Council of Ministers meeting on 16 June 2020, which refer to the Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility as an item that was reported to the Council of Ministers; and 4) Summary document justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence. 		
Analysis:		
The plan to promote the value chain of the automotive industry builds on five pillars that, in turn, cover 21 measures, including:		

- Measures supporting the renewal of the vehicle fleet by a more modern and efficient one, such as the Plan MOVES which includes incentives for the acquisition and deployment of electric vehicles and recharge points, or the renewal of the fleet of the public administration by less polluting vehicles. The vehicle fleet in Spain has an average age of 12.7 years, while the market for vehicles of more than 20-year-old has grown 18% in recent years. The new vehicles gradually incorporate emissions improvements, while they progressively generalise the manufacture and sales of zero and low emission vehicles;
- Investments and regulatory reforms to boost competitiveness and sustainability: the plan develops measures to attract and mobilise the investments necessary to adapt and orient the industry towards new market demands and sustainability goals, the award of manufacture of new electric or hydrogen models and the development of new models of business, so that job creation is sustainable over time and resilient to future challenges. This includes, amongst others, “Instituto de Crédito Oficial” State-backed loans for the acquisition of professional vehicles, more flexibility in Reindus loans for the reindustrialisation and measures to make more efficient and competitive the transport network used for Spanish exports;
- Research, development and innovation for new challenges: the continuity and competitiveness of the automotive industry in Spain depends to a large extent on its ability to innovate in the face of new challenges. Measures include amongst others investments in research, development and innovation for green hydrogen used for sustainable mobility, sustainable mobility projects such as the electric vehicle value chain (MOVES Singulares) and investments in high-speed connections (5G Corridors);
- Fiscal measures boosting the competitiveness of the sector: the plan includes measures that use fiscal incentives as complementary levers to investment and regulation fostering electric and sustainable mobility, such as an increase in the fiscal deductions for technological innovations in the automotive chain value;
- Skills: maintaining employment levels in the sector requires the deployment of a massive skills development plan. Measures on training and professional qualifications will seek to generate a new qualified workforce and to adapt the existing one to the needs of the twin transition within the sector.

The Plan to Boost the Value Chain of the Automotive Industry towards Sustainable and Connected Mobility was reported to the Council of Ministers on 16 June 2020, in line with the Further Specifications set out in the Operational Arrangements.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 199	Related Measure: C13.I3 – Digitalisation and Innovation	
Name of the Milestone: Digitalisation of SMEs Plan 2021-2025		
Qualitative Indicator: Publication		Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) A copy of the Plan for Digitalisation of SMEs 2021-2025; 2) Certification by the Secretary General of the Ministry of Presidency that the Plan for Digitalisation of SMEs 2021-2025 was reported to the Council of Ministers on 26 January 2021; 3) Link to the agenda from the Council of Ministers meeting on 26 January 2021, which refer to the Plan for Digitalisation of SMEs 2021-2025 as an item that was reported to the Council of Ministers; and 		

- 4) Summary document justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence.

Analysis:

The Plan for Digitalisation of SMEs 2021-2025 builds on five pillars that, in turn, cover 16 measures. The five pillars cover the following areas:

- Boosting the digitalisation of SMEs by encouraging public-private cooperation. This includes the Digital Toolkit programme and vouchers programmes to digitalise SMEs. These latter measures will provide for a set of instruments to incorporate into micro and autonomous enterprises the digital tools already available in the market.
- Promoting entrepreneurial and managerial training in digital skills in order to improve the transformation, productivity of SMEs and their potential for growth and internationalisation.
- Boosting disruptive innovation and digital entrepreneurship for SMEs and start-ups to seize the opportunities of the data-driven green and digital economy and to promote technological innovation. This also includes the setting up of Digital Innovation Hubs.
- Setting up sectoral digitisation programmes appropriate to the specific characteristics of industry, tourism and trade in a context of ecological transition.
- Setting up a horizontal policy pillar of complementary coordination, efficiency and reform measures (digital certifications for SMEs and integrated network of support resources for SMEs).

The Plan for Digitalisation of SMEs 2021-2025 was reported to the Council of Ministers on 26 January 2021, in line with the Further Specifications set out in the Operational Arrangements.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 214	Related Measure: C14.R1 – Royal Decree implementing the State Financial Fund for Tourism Competitiveness (FOCIT)	
Name of the Milestone: Plan to promote the tourism sector		
Qualitative Indicator: Publication Webpage		Time: Q2/2020
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:		
<ol style="list-style-type: none"> 1) copy of the Plan; 2) reference to the relevant provisions which fulfil the relevant elements of the milestone; 3) links to the Plan and to 6 documents published in the Official Journal (BOE-A-2020-6024 and BOE-A-2020-3824) or public websites proving the implementation of some of the measures included in the Plan; and 4) summary document justifying how the milestone was satisfactorily fulfilled. 		
Analysis:		
The Plan consists of 28 measures that will boost the tourism sector by:		
<ul style="list-style-type: none"> • restoring confidence in the tourist destinations through the implementation of hygienic and sanitary measures in all the touristic value-chain; • taking action to revive the sector with measures to improve skills and support companies liquidity and solvency; • improving the competitiveness of the tourist destination by reinforcing the network of intelligent Touristic Destinations; 		

- improving the tourism knowledge and intelligence model; and
- implementing marketing and promotion campaigns.

The above grouping of the measures in five lines of action defines a framework for the implementation of the planned measures. A number of measures included in the plan have already been implemented.

The Plan for the Promotion of the Tourism Sector was published on 18 June 2020.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 215	Related Measure: C14.R1 – Royal Decree implementing the State Financial Fund for Tourism Competitiveness (FOCIT)	
Name of the Milestone: Launch of 'DATAESTUR' website collecting data on tourism		
Qualitative Indicator: Link to Dataestur website		Time: Q4/2020
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none"> 1) Summary document duly justifying how the milestone was satisfactorily fulfilled; and 2) The document includes a link to the DATAESTUR website. 		
Analysis: The website is operational and continuously collects and updates public tourism data from private and public bodies such as the "Instituto Nacional de Estadística" (INE), "Turespaña", Bank of Spain, "Aeropuertos Españoles y Navegación Aérea" (AENA), "RENFE", "Telefonica" or "Puertos del Estado". The gradual incorporation of mobile phone data is ongoing. The website is available in Spanish and English.		
The 'DATAESTUR' website (https://www.dataestur.es/) was launched on 2 December 2020.		
Commission Preliminary Assessment: Satisfactorily fulfilled		

Number: 230	Related Measure: C15.R2 – Roadmap 5G: Spectrum management and assignment, deployment burden reduction, Cybersecurity Act 5G and Support to Local Authorities	
Name of the Milestone: 2025 Digital Spain Plan and Strategy for the promotion of 5G technology		
Qualitative Indicator: Publication		Time: Q4/2020
Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none"> 1) A copy of the 2025 Digital Spain Plan and of the Strategy for the promotion of 5G; 2) Certification by the Secretary General of the Ministry of Presidency that the 2025 Digital Spain Plan had been published on a government website (on 23 July 2020) and that the Strategy for the promotion of 5G was reported to the Council of Ministers on 1 December 2020; 3) The agenda and minutes from the Council of Ministers meeting on 1 December 2020, which refer to the Strategy for the promotion of 5G as an item that was reported to the Council of Ministers; and 4) Summary document duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence. 		

Analysis:

The 2025 Digital Spain Plan sets out the country's digital transformation process, in line with the European Union's Digital Strategy, through public-private partnerships and involving all economic and social actors in the country. The plan includes around 50 measures based on the following ten strategic axes:

- Ensure adequate digital connectivity, helping to eliminate the digital divide between rural and urban areas and setting a target of 100 % of the population with coverage of 100 Mbps by 2025;
- Continue to lead the deployment of 5G, with the objective of making 100 % of the radio spectrum ready for 5G by 2025;
- Strengthening the digital skills of workers and citizens as a whole, with the objective that by 2025 80 % of people have digital skills and half of them are women;
- Improving Spain's cybersecurity capacity with 20 000 specialists in cybersecurity, Artificial Intelligence and Data by 2025;
- Boost the digitalisation of public administrations, especially in key areas such as employment, justice or social policies by 2025, that 50 % of public services are available via mobile app;
- Accelerating business digitalisation, with the target of 25 % of SMEs' business coming from e-commerce by 2025;
- Digitise the production model in strategic economic sectors so that by 2025 CO2 emissions due to the digitalisation of the economy have been reduced by 10 %;
- Promote the audiovisual sector to generate business and jobs with a 30 % increase in audiovisual production in the country as a target for 2025;
- Moving towards a data-driven economy by ensuring privacy and security, with the aim that at least 25 % of companies use artificial intelligence and big data by 2025; and
- Ensuring citizen's rights in the new digital environment.

The 2025 Digital Spain Plan was published on 23 July 2020.

The Strategy for the promotion of 5G sets out the work plan to be carried out on the deployment of 5G networks as a follow-up to the ongoing strategies promoted by Europe since 2016 and in the 2025 Digital Spain Plan. This strategy will renew the 5G National Plan (2018-2020) with three specific axes and 15 measures. The three axes include:

- Strengthen Spain's leading position in the development and deployment of 5G networks;
- Develop a trusted environment for the deployment of 5G services; and
- Support the early deployment of 5G by economic actors.

The Strategy for the promotion of 5G was reported to the Council of Ministers on 1 December 2020, in line with the Further Specifications set out in the Operational Arrangements.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 231	Related Measure: C15.R2 – Roadmap 5G: Spectrum management and assignment, deployment burden reduction, Cybersecurity Act 5G and Support to Local Authorities	
Name of the Milestone: Release the 700 MHz frequency band		
Qualitative Indicator: Notification to the European Commission		Time: Q4/2020
Evidence Provided: In line with the verification mechanisms set out in the Operational		

Arrangements, the following evidence was provided:

- 1) Copy of the communication, dated 4 November 2020, from the State Secretariat for Telecommunications and Digital Infrastructures to the European Commission confirming the completion of the process of releasing the second digital dividend in Spain on 31 October 2020 in accordance to the revised roadmap for the process to authorise the use of the 700 MHz for Wireless Broadband Electronic Communication Services;
- 2) A certificate issued by the State Secretariat for Telecommunications and Digital Infrastructure certifying that the milestone has been fulfilled on 31 October 2020;
- 3) Copy of the communication, dated 24 June 2020, from the State Secretariat for Telecommunications and Digital Infrastructures to the European Commission providing the link to the revised roadmap for the process to authorise the use of the 700 MHz for Wireless Broadband Electronic Communication Services;
- 4) The communication from the State Secretariat for Telecommunications and Digital Infrastructure to the European Commission postponing the deadline of 30 June 2020 and outlining the revised roadmap for the completion of the process of releasing the second digital dividend in Spain; and
- 5) Summary document justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence.

Analysis:

The copy of the communication, dated 4 November 2020, from the State Secretariat for Telecommunications and Digital Infrastructures to the European Commission confirms the completion of the process of releasing the second digital dividend in Spain on 31 October 2020 in accordance to the revised roadmap for the process to authorise the use of the 700 MHz for Wireless Broadband Electronic Communication Services that was communicated to the European Commission on 24 June 2020.

The communication from the State Secretariat for Telecommunications and Digital Infrastructure to the European Commission postponing the deadline of 30 June 2020 and outlining the revised roadmap for the completion of the process of releasing the second digital dividend in Spain, and the copy of the communication, dated 24 June 2020, from the State Secretariat for Telecommunications and Digital Infrastructures to the European Commission providing the link to the revised roadmap for the process to authorise the use of the 700 MHz for Wireless Broadband Electronic Communication Services, confirm that the release of the 700 MHz frequency band is in line with Decision (EU) 2017/899 of the European Parliament and of the Council of 17 May 2017 on use of the 470 -790 MHz band in the Union.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 249	Related Measure: C16.R1 – National AI Strategy
Name of the Milestone: National Strategy for Artificial Intelligence	
Qualitative Indicator: Publication in the Official Journal	Time: Q3/2020
<p>Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) A copy of the National Strategy for Artificial Intelligence; 2) Certification by the Secretary General of the Ministry of Presidency that the National Strategy for Artificial Intelligence was reported to the Council of Ministers on 1 December 2020; 3) Link to the website of the Ministry of Economic Affairs and Digital Transformation (MINECO) with the published National Strategy for Artificial Intelligence; and 	

- 4) Summary document duly justifying how the milestone was satisfactorily fulfilled, with appropriate links to the underlying evidence.

Analysis:

The National Strategy for Artificial Intelligence (AI) aims to provide a reference framework for the development of inclusive, sustainable and citizen-centred AI. The National Strategy for Artificial Intelligence builds on seven strategic pillars that, in turn, cover 30 measures. The seven pillars target the following areas:

- Boosting scientific research, technological development and innovation in Artificial Intelligence by positioning Spain as a country committed to promoting scientific excellence and innovation in AI;
- Promote the Spanish language in AI;
- Promote digital skills, the development of national talents and the attraction of international talent, and the creation of qualified employment, with special attention to women;
- Incorporation of AI in the productive system to improve the productivity of Spanish business;
- Promote and create a trusted environment in relation to AI;
- Development of an ethical framework guaranteeing the protection of citizens' individual and collective rights in AI;
- Strengthening inclusive and sustainable AI; specifically to bridge the gender gap and the digital divide, and to support the ecological transition and territorial cohesion.

The National Strategy for Artificial Intelligence was reported to the Council of Ministers on 1 December 2020. The web link provided confirms that the National Strategy for Artificial Intelligence was published on a government website in line with the Operational Arrangements on 1 December 2020.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 255	Related Measure: C17.R2 – Spanish Strategy for Science, Technology and Innovation 2021-2027 and Advanced Development of the Science, Technology and Innovation Information System	
Name of the Milestone: Publication of the Spanish Strategy for Science, Technology and Innovation 2021- 2027		
Qualitative Indicator: Publication of the Spanish Strategy for Science, Technology and Innovation 2021-2027		Time: Q4/2020
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:		
<ol style="list-style-type: none"> 1) The Spanish Strategy for Science, Technology and Innovation 2021-2027 and link to the publication in the Ministry of Science website; 2) A certification by the Ministry of Presidency, Relation with the Courts and Democratic Memory that the Council of Ministers on 8 September 2020 approved the Spanish Strategy for Science, Technology and Innovation 2021-2027; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 		
Analysis:		

The Council of Ministers approved the Spanish Strategy for Science, Technology and Innovation 2021-2027 on 8 September 2020;

The Spanish Strategy for Science, Technology and Innovation 2021-2027 sets out the overall strategy to be followed in Research Development and Innovation by all public administrations (state, regional and local level). The Strategy, along with the National State Plans for Scientific Research, Technology and Innovation, are the Smart Specialisation Strategy for Spain.

The monitoring committee for the strategy has been set up, including representatives from the State, Autonomous Communities, economic and social stakeholders and the scientific community.

The strategy is based on the principle of coordination of the different levels of government and it is built to ensure the gender perspective in R&D&I. In particular, the gender perspective is strengthened in the areas of talent attraction and scientific career, as well as with the inclusion of three gender-related monitoring indicators of the strategy.

The Strategy has seven objectives, which include particular attention to the aspects that are highlighted in the Council Implementing Decision: i) to strengthen public-private collaboration, ii) to promote knowledge transfer, iii) to retain scientific talent and develop a scientific career and iv) to ensure adequate tax incentives to support R&D&I in the private sector. The Strategy includes strategic lines of action (e.g. line of action number five to encourage and support generation of scientific and innovative capacities of the stakeholders in the science sector, line of action number six to attract talent and design the scientific career, line of action number 11 to enhance knowledge transfer or line of action number 9 to enhance entrepreneurship and investment in innovation in the private sector) to achieve these objectives.

The strategy was published on 9 September 2020.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 257	Related Measure: C17.R3 – Reorganisation of Public Research Organisations and rationalisation of their structure and operation	
Name of the Milestone: Entry into force of the Royal Decree on the reorganisation of Public Research Organisations.		
Qualitative Indicator: Provision of the Royal Decree on the entry into force		Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative acts (Royal Decree 202/2021 on the reorganisation of Public Research Organisations) as published in the Official Journal (BOE Number 77/31.03.2021); 2) Links to the websites where the legislative acts were published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 		
Analysis:		
<p>Article 2 of the Royal Decree establishes that the National Institute of Agricultural and Food Research, Spanish Institute of Oceanography and the Geological and Mining Institute of Spain are integrated into the Spanish National Research Council (CSIC) as National Centres.</p>		

The reorganization will improve the management and scientific advisory capacity of the three Public Research Organizations (PROs) by i) improving the competitive position of the resulting Public Research Organization (CSIC), ii) enhancing their efficiency and iii) by providing them with greater administrative flexibility, through giving them the legal regime of a National Centre of a State Agency (article 2.2). Furthermore, their efficiency will be increased by incorporating a funding strategy under a multi-year management contract and a budget that is partially performance-driven.

The resulting entity, CSIC, will increase its competitive capacity in the areas of fisheries policy, agri-food and ecological transition by integrating these three PROs.

The reorganization allows these PROs to benefit from their integration into a leading research council, with more means and resources, providing access to common transversal services like human resources (article 5 of the Royal Decree), economic and budgetary management (article 7 of the Royal Decree), which should reduce their cost.

The Royal Decree 202/2021 entered into force on 1 April 2021 (“Disposición final quinta. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 285	Related Measure: C19.R1 – National Digital Competences Plan
Name of the Milestone: Approval of the National Digital Competences Plan by the Council of Ministers	
Qualitative Indicator: Reference of the Council of Ministers	Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the National Digital Competences Plan (NCDP), approved by the Council of Ministers on 26 January 2021; 2) Links to the website where the Plan was published; 3) Certificate of approval by the Council of Ministers on 26 January 2021; and 4) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>The structure and content of the NDCP corresponds to objectives of the milestone by aiming to:</p> <ol style="list-style-type: none"> 1) providing digital skills training for the general population; 2) bridging the gender digital divide; 3) ensure digitalisation of education; 4) promote the acquisition of digital skills in unemployed and employed people by providing digital skills for better employability of private and public workers); 5) enable businesses (SMEs) to have the necessary digital skills; and 6) increase the number of ICT specialists (not binding on regions and local entities). <p>The approved NDCP will mobilise a total of EUR 3 750 million over the period 2021-2023.</p> <p>The NDCP was approved by the Council of Ministers on 26 January 2021.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 295	Related Measure: C20.R1 – Plan for the Modernisation of Vocational Training
Name of the Milestone: Plan of the Modernisation of Vocational Training and related Royal Decree Laws	
Qualitative Indicator: Publication on MEFP webpage and presentation by the Prime Minister	Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative acts as published in the Official Journal, corresponding to: <ul style="list-style-type: none"> • 5 specialist curricula: Royal Decree 478/2020 in BOE-A-2020-4962, of 13 May 2020; Royal Decree 479/2020 in BOE-A-2020-4963, of 13 May 2020; Royal Decree 480/2020 in BOE-A-2020-4964, of 13 May 2020; Royal Decree 481/2020 in BOE-A-2020-4965, of 13 May 2020; Royal Decree 482/2020 in BOE-A-2020-4966, of 13 May 2020; • 2 intermediate degree curricula: Royal Decree 402/2020 in BOE-A-2020-2738, of 27 February 2020; Royal Decree 838/2020 in BOE-A-2020-11820, of 6 October 2020; • 1 high degree curriculum: Order EFP/249/2020 in BOE-A-2020-3827, of 11 March 2020. 2) Links to the websites where the legislative acts were published 3) Presentation by the Prime Minister of the Plan for the Modernisation of Vocational Training 4) Publication of the Plan for the Modernisation of Vocational Training on the MEFP webpage 5) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>The Plan of Modernisation of Vocational Training focuses on establishing one single integrated Vocational Education and Training (VET) system that provides training and professional qualifications to the entire population, including VET students in the education system and VET for employment. It situates VET as a standard recurrent element of professional development for all workers throughout their working life (“mission”, p. 30 of the Plan). It identifies vocational training as a key driver to boost economic growth and social inclusion in the aftermath of the pandemic, as well as to improve the prospects of employability.</p> <p>To this end, the Plan defines 11 strategic areas of intervention that aim to create an ecosystem in which human capital and talent are the driving forces of the economy: accreditation of basic and professional competences; flexibilisation and accessibility of trainings for an integrated system of Vocational Training; Digitalisation; innovation; entrepreneurship; renewal of the training catalogue and definition of strategic sectors; resizing of the VET supply; boosting of dual VET; Network of Vocational Training centres; professional orientation; evaluation and quality of the system. Overall, the Plan sets out an integrated system of lifelong learning for the population at any age and in any personal or work situation, offering complementary and cumulative courses that leads to new qualifications.</p> <p>The renewal of the National Catalogue of Professional Qualifications is one of the most important areas of intervention of the plan. The plan states that this is a process that started in 2018 in collaboration with the productive sectors and the regional authorities. The approval of the eight new degrees referred in this milestone is part of this process. The plan envisages the permanent review of the training catalogue, the design of new vocational training qualifications in all sectors, with a focus on the following strategic sectors: advanced information technologies; automatized machine-tools and robotic; aeronautic equipment; modern railway transport equipment; vehicles based on new energy and equipment; farming machinery; new materials; bio-pharmacy and advanced medical products; consumption chain, producers and distributors; catering and tourism; personal care services.</p>	

The boosting of dual VET will be done by situating companies as an integral part of vocational training and promoting public-private collaboration in the system.

The different regulations include provisions indicating that they have already entered into force:

- Royal Decree 478/2020 (specialist degree in cybersecurity on operational technologies) entered into force on 14 May 2020 ("Disposición final segunda. Entrada en vigor");
- Royal Decree 479/2020 (specialist degree in cybersecurity on information technologies) entered into force on 14 May 2020 ("Disposición final segunda. Entrada en vigor");
- Royal Decree 480/2020 (specialist degree in digitalisation of industrial maintenance) entered into force on 14 May 2020 ("Disposición final segunda. Entrada en vigor");
- Royal Decree 481/2020 (specialist degree in intelligent manufacturing) entered into force on 14 May 2020 ("Disposición final segunda. Entrada en vigor");
- Royal Decree 482/2020 (specialist degree in traditional baking and pastries) entered into force on 14 May 2020 ("Disposición final tercera. Entrada en vigor");
- Royal Decree 402/2020 (intermediate degree as technician in natural environment and free time) entered into force on 28 February 2020 ("Disposición final cuarta. Entrada en vigor");
- Royal Decree 838/2020 (intermediate degree as technician in processing and transformation of wood) entered into force on 7 October 2020 ("Disposición final tercera. Entrada en vigor");
- Order EFP/249/2020 (high degree as technician in chemistry and environmental health), entered into force on 19 March 2020 ("Disposición final segunda. Entrada en vigor"); and
- The Plan of the Modernisation of Vocational Training was approved by the Council of Ministers and presented by the Prime Minister on 22 July 2020, but it does not have a specific date of entry into force due to the nature of its content (multiannual strategy).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 303	Related Measure: C21.R1 – New organic law on education	
Name of the Milestone: Entry in to force of the Organic Law on education		
Qualitative Indicator: Provision in the law indicating the entry into force of the Organic Law (LOMLOE)		Time: Q1/2021
Evidence Provided: In line with the verification mechanisms, the following evidence was provided: <ol style="list-style-type: none"> 1) Copy of the legislative act (Organic Law 3/2020 of 29 December, 2020, modifying the Organic Law on Education 2/2006, of 3 May 2006), as published in the Official Journal (BOE Number 340, 30 December 2020); 2) Link to the website where the legislative act was published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 		
Analysis: According to Articles 1, 2, 3 and 4 of Law 2/2006, as modified by Organic Law 3/2020 cover early childhood education, compulsory primary and secondary education and the baccalaureat, and, in line with the objectives laid down in the Council Implementing Decision, the Law complies with the principles of quality, equity and inclusion by increasing the educational and training opportunities for the whole Spanish population, by improving the early detection of learning difficulties, by reinforcing the autonomy of schools through reinforcing the competences of the school management and school councils, by reducing segregation through measures targeting schools centres with a high concentration of vulnerable pupils, and by improving inclusiveness of		

the educational system through reduced barriers to access, presence, participation and learning. In line with the Council Implementing Decision, the Law also includes provisions to mainstream special education need students into regular schools (Articles 71 and 81) and to strengthen digital competences at all educational levels (Articles 19, 24, and 39).

The Organic Law 3/2020 entered into force on 19 January 2021 (“Disposición final sexta. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 318	Related Measure: C22.R5 – Improvement of the system of non-contributory financial benefits of the General State Administration	
Name of the Milestone: Entry into force of Royal Decree Law 20/2020 of 29 May approving the minimum vital income		
Qualitative Indicator: Provision in the law indicating the entry into force of the Law		Time: Q2/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the publication in the Official Journal (Royal Decree Law 20/2020, establishing the minimum vital income; 2) Link to the website where the legislative act was published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>Royal Decree-Law 20/2020 (BOE-A-2020-5493, of 29 May 2020) creates and regulates the minimum vital income. Articles 1, 2, 3, 4, 5, 6, 8 and 10 of the Law establish one national system for non-contributory financial benefits, and a minimum level of non-contributory financial benefits for the most vulnerable households..</p> <p>Royal Decree-Law 20/2020 entered into force on 1 June 2020 (“Disposición final decimoprimer. Entrada en vigor”).</p>		
Commission Preliminary Assessment: Satisfactorily fulfilled		

Number: 329	Related Measure: C23.R1 – Regulation of teleworking	
Name of the Milestone: Entry into force of two Royal Decree-Laws regulating distance work in the private sector and in public administrations		
Qualitative Indicator: Provisions in the Royal Decree Laws on entry into force		Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative acts as published in the Official Journal, corresponding to: <ol style="list-style-type: none"> a. Royal Decree Law 28/2020 regulating distance work in the private sector, as published in the Official Journal (BOE-A-2020-11043, of 22 September 2020), converted into Law 12/2021, as published in the Official Journal (BOE-A-2021-11472, of 10 July 2021); the conversion of the royal decree law into law has not entailed relevant changes in substance; b. Royal Decree Law 29/2020 regulating distance work in public administrations, as published in the Official Journal (BOE-A-2020-11415, of 30 September 2020). 2) Links to the websites where the legislative acts were published; and 		

3) Summary document duly justifying how the milestone was satisfactorily fulfilled.

Analysis:

Law 12/2021, following Congress ratification of Royal Decree Law 28/2020, provides a regulatory framework that favours the introduction of remote work in the private sector ('Capítulo I' on scope, definitions and equality and non-discriminatory principles, 'Capítulo II' on the agreement and obligations), while preserving business productivity ('Capítulo IV' on firms' management and monitoring) and affording protection and flexibility to workers ('Capítulo III' on workers' rights). Article 4 of Law 12/2021 guarantees the same working conditions to those working remotely and on-site, while Article 5 guarantees the voluntary nature of teleworking, both for the worker and for the employer. Overall, the established framework favours mixed forms of distance and on-site work.

Royal Decree Law 29/2020 provides a regulatory framework for all public administrations as a new way of organising and structuring work ('Artículo 1' on definitions, rights and obligations, including the voluntary and reversible nature of remote work and the need of authorisation), in order to better serve the general interests and ensure the normal functioning of public administrations ('Artículo 1' on equal rights and obligations for remote workers as established by 'Ley del Estatuto Básico del Empleado Público', and the need that remote work contributes to improve work organisation through the identification of objectives and performance assessment).

Royal Decree Law 28/2020 entered into force on 13 October 2020 ("Disposición final decimocuarta. Entrada en vigor") and Royal Decree Law 29/2020 entered into force on 1 October 2020 ("Disposición final cuarta. Entrada en vigor y vigencia").

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 330 | **Related Measure:** C23.R2 – Measures to close the gender gap

Name of the Milestone: Entry into force of two by-laws on equal pay between women and men and on equality plans and their registration

Qualitative Indicator: Provisions in the by-laws on entry into force | **Time:** Q2/2021

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

- 1) Copy of the legislative acts as published in the Official Journal, corresponding to:
 - a. Royal Decree 901/2020 regulating equality plans and their registration, as published in the Official Journal (BOE-A-2020-12214, of 14 October 2020);
 - b. Royal Decree 902/2020 regulating equal pay for men and women, as published in the Official Journal (BOE-A-2020-12215, of 14 October 2020).
- 2) Links to the websites where the legislative acts were published; and
- 3) Summary document duly justifying how the milestone was satisfactorily fulfilled.

Analysis:

Royal Decree 901/2020 provides a regulatory framework for equality plans to grant pay transparency ('Capítulo I' on the objective and scope of application, including the obligation to produce and register such plans for firms with 50 or more workers), the procedure for negotiating the plans ('Capítulo II', including the competences of the negotiating committee), the content of the plans ('Capítulo III' on diagnosis, minimum requirements, validity and extension of the plans) and the registration of the plans in a public register ('Capítulo IV' on obligations, public register and public access);

Royal Decree 902/2020 provides a regulatory framework for equal pay for men and women ('Capítulo I' on the objective and scope of application), ensures the principle of pay transparency in order to identify discrimination due to incorrect job assessments ('Capítulo II' on definitions and the obligation for same pay for work of equal value; 'Capítulo IV' on the proportionality principle for part-time workers), develops instruments to comply with the principle of pay transparency ('Capítulo III' on the payment register and its content, firms subject to payment audit, its content and register, and job assessments in collective agreements) and the infraction and sanction framework ('Capítulo IV').

Royal Decree 901/2020 entered into force on 14 January 2021 ("Disposición final tercera. Entrada en vigor"); Royal Decree 902/2020 entered into force on 14 April 2021 ("Disposición final cuarta. Entrada en vigor").

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 333	Related Measure: C23.R5 – Modernisation of active labour market policies (ALMP)	
Name of the Milestone: Entry into force of Action Plan to tackle youth unemployment		
Qualitative Indicator: Provisions in the Action Plan on entry into force		Time: Q2/2021
<p>Evidence Provided: In line with the verification mechanisms and further specifications set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the publication in the Official Journal of the approval and content of the "Plan Garantía Juvenil Plus 2021-2027", as published in the Official Journal (BOE-A-2021-10587, of 25 June 2021); 2) Links to the websites where the legislative acts were published; 3) Summary document justifying how the milestone was satisfactorily fulfilled; and 4) Addendum to the Action Plan in the relevant Government webpage to clarify how the review of the traineeship /apprenticeship contracts and the approval of a Statute of Trainees will be addressed: An informative note has been published in the "Garantía Juvenil" initiative webpage within the "Documentación > Circulares y otra documentación" folder. 		
<p>Analysis:</p> <p>The objectives of the plan are to improve and deepen inter-institutional coordination (communication actions and improvement of governance in 'Eje 6: Mejora del marco institucional'), strengthen the relationship with the private sector and local authorities (a number of measures in 'Eje 1: Orientación', 'Eje 2: Formación' and 'Eje 5: Emprendimiento'), improve the quality and adequacy of training (employment workshops, mobility and coordination for employability in 'Eje 2: Formación'), seek new job opportunities in sectors with growth potential (employment stability, sectoral actions and job matching in 'Eje 3: Oportunidades de empleo'), reduce early school leaving (return to education actions in 'Eje 1: Orientación' and 'Eje 2: Formación'), maintain and improve the evaluation and monitoring system ('Eje 1: Orientación'), and further strengthen personalised guidance programmes (increasing effectiveness and specialized services in 'Eje 1: Orientación'); the plan also includes measures to promote equality of opportunities ('Eje 4: Igualdad de oportunidades en el acceso al empleo'). These measures are coherent with the education policies to tackle early school leaving (as set out in Component 21).</p>		

An addendum to the Action Plan was published on the National Public Employment Service - SEPE webpage. This addendum clarifies how the review of the traineeship /apprenticeship contracts and the approval of a Statute of Trainees will be addressed. In particular, it states that the envisaged review of the traineeship/apprenticeship contracts will take place through milestone 332 of reform C23.R4, followed by the approval of the Statute of Trainees, in line with the further specifications included in the Operational Arrangements.

The Action Plan was approved by the Council of Ministers on 8 June 2021 and published in the Official Journal on 25 June 2021. It does not have a specific date of entry into force due to the nature of its content (multiannual strategy).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 363	Related Measure: C25.R1 – Reform of the audio-visual regulatory framework		
Name of the Milestone: Plan “Spain, Audio-visual Hub of Europe”			
Qualitative Indicator: Approval by Council of Ministers			Time: Q1/2021
Evidence Provided: In line with the verification mechanism and further specifications set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none"> 1) Copy of the Plan “Spain, Audio-visual Hub of Europe” published on the webpage of the Ministry of Economic Issues and Digital transformation; 2) Agenda of the Council of Ministers in which the Plan “Spain Audio-visual Hub of Europe” is included as points discussed. The agenda also states the date of the meeting (as specified in further specification); 3) Letter signed by the competent authority on behalf of the government that such approval by the Council of Ministers took place; and 4) Summary document justifying how the milestone was satisfactorily fulfilled. 			
Analysis:			
The plan includes investments and reforms with the following objectives: <ul style="list-style-type: none"> (i) internationalize the sector and increase Spain’s attractiveness as a destination of foreign investment. The plan includes four lines of actions to address this objective: 1) “Spain Audiovisual Hub” centralised information point; 2) program for the promotion, modernisation and digitalization of the audiovisual sector; 3) program for the promotion and internationalization of the audio-visual sector; and 4) program for the attraction of foreign filming and investment. (ii) reduce the regulatory and administrative costs. The plan includes five lines of action to address this objective: 1) entry into Force of the General Law on Audio-visual communication; 2) reform the Cinema Law 55/2007; 3) simplify and reduce the administrative burden of the immigration system for economic interest reasons to facilitate visas for those who work in the audio-visual sector; 4) digital window for visas and/or authorizations of residence and work for audio-visual sector jobs in consular offices; and 5) preparation of an annual report of the Spanish audio-visual sector. (iii) improve the competitiveness of all enterprises through the implementation of new technologies that enable them to compete in a digitalise market. The plan includes one main measure to address this: program for the promotion, modernisation and digitalization of the audiovisual sector. However, the other three measures described in i) will also contribute to this objective; and (iv) promote human capital by reducing the gender gap. The plan includes one line of action to address this objective which is called “training and talent”. 			

The Council of Ministers approved the plan “Spain, Audio-visual Hub for Europe” on 23 March 2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 385	Related Measure: C28.R1 – Measures taken in 2020 and 2021 to mitigate the effects of the COVID-19 pandemic	
Name of the Milestone: Fiscal measures adopted in 2020 and 2021 to alleviate the effects of the COVID-19 pandemic		
Qualitative Indicator: Provision of the laws and Royal Decree Laws indicating their entry into force		Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copies of legislative acts (Royal Decree 463/2020 of 14 March; Royal Decree Law 7/2020 of 12 March; Royal Decree Law 8/2020 of 17 March; Royal Decree Law 11/2020 of 31 March; Royal Decree Law 14/2020 of 14 April; Royal Decree Law 15/2020 of 21 April; Royal Decree Law 17/2020 of 5 May; Royal Decree Law 18/2020 of 12 May; Royal Decree Law 19/2020 of 26 May; Royal Decree Law 22/2020 of 16 June; Royal Decree Law 23/2020 of 23 June; Royal Decree Law 24/2020 of 26 June; Royal Decree Law 25/2020 of 3 July; Royal Decree Law 26/2020, of 7 July; Royal Decree Law 27/2020 of 4 August; Royal Decree Law 28/2020 of 22 September; Royal Decree Law 30/2020 of 29 September; Royal Decree Law 33/2020 of 3 November; Royal Decree Law 34/2020 of 17 November; Royal Decree Law 35/2020 of 22 December; Royal Decree Law 39/2020 of 29 December; Royal Decree Law 5/2021 of 12 March; Royal Decree Law 6/2021 of 20 April; Royal Decree Law 7/2021 of 27 April; Royal Decree Law 12/2021 of 24 June; Order HAC/320/2021 of 6 April to mitigate the negative impact of the economic crisis caused by the outbreak of COVID19 as published in the Official Journal (BOE Numbers 65, 67, 73, 91, 105, 112, 126, 134, 150, 169, 175, 178, 185, 187, 211, 253, 259, 291, 303, 334 and 340 in 2020 and BOE Numbers 62, 83, 95, 101 and 151 in 2021); 2) Links to the websites where the legislative acts were published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>The legislation adopted under this reform put in place urgent measures in the context of COVID-19 pandemic and amend temporarily and in a targeted manner provisions of the existing tax legislation (Royal Decree-law 1/1993 of September 24; Law 37/1992 of December 28; Law 49/2002 of December 23; Law 58/2003 of December 17; Law 35/2006 of November 28). These reforms contribute to mitigating the economic and social impact of the COVID-19 crisis on SMEs, self-employed and citizens by allowing for deferrals of tax and customs debts, by suspending and extending deadlines in taxation, by increasing possibilities for simplified personal income tax, SMEs’ corporate tax and VAT regimes, by reducing temporary of the VAT rate of certain goods needed to combat the health crisis and by creating an Insolvency Fund for non-financial corporates.</p> <p>All legislative acts have entered into force by the second quarter of 2021.</p>		
Commission Preliminary Assessment: Satisfactorily fulfilled		

Number: 387	Related Measure: C28.R3 – Establishment of a committee of experts for tax
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reform	
Name of the Milestone: Appointment of the Committee of experts by the Secretary of State of Finance	
Qualitative Indicator: Publication on webpage	Time: Q2/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) A copy of the Resolution of 12 April 2021 of the Ministry of Finance to appoint the Committee of Experts which was published on the Ministry's website and a copy of the Resolution of 4 May 2021 which extends the membership of the Committee of Experts; and 2) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>The resolution establishes that the Committee is responsible for carrying out a technical analysis of the necessary reforms of the tax system. It is further specified that this analysis should be undertaken taking into account the current scenario as well as the expected situation in the medium and long term. The committee is composed of well-recognised members of Spanish academia with expertise in taxation, economics, financial questions and public finances. Finally, the resolution provides that particular attention will be paid to the following areas: environmental taxation, corporate taxation, taxation of the digital economy, taxation on wealth and concrete harmonisation in this area, taxation of emerging economic activities. These will be analysed taking into account gender equality.</p> <p>The Committee of Experts was appointed by the Secretary of State of Finance on 12 April 2021 and the appointment was published on the Ministry of Finance and Public Administration website.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 392	Related Measure: C28.R5 – Approval of the Digital Services Tax
Name of the Milestone: Digital Services Tax	
Qualitative Indicator: Provision of the law indicating its entry into force	Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative acts: Law 4/2020 on certain digital services tax as published in the Official Journal (BOE Number 274, 16 June 2020); Royal Decree 400/2021 as published in the Official Journal (BOE Number 137, 9 June 2021) implementing the rules on the location of users' devices and the formal obligations of the certain digital services tax, and amending the general regulation on the actions and procedures for tax management and inspection and for implementing the common rules on the procedures for applying taxes; Order HAC/590/2021 as published in the Official Journal (BOE Number 139, 11 June 2021) approving Model 490 "Self-assessment of the tax on digital services" and establishing the form and procedure for its submission; the Resolution of 25 June 2021 of the Directorate-General for Taxation as published in the Official Journal (BOE Number 154, 29 June 2021) providing a precise and clear framework for the application of the certain digital services tax; 2) Links to the websites where the legislative acts were published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>Law 4/2020 introduces an indirect tax on certain digital services provided to customers residing</p>	

in Spain, which is independent of whether the company providing the services is a resident or not in the Spanish territory (Articles 1 and 2 on the nature and scope of the tax, Article 5 on the taxable event, and Article 7 on the criteria defining the location of the service provided). Digital services correspond to online advertisement, online intermediation services and data transmission services (Article 3); the tax applies to companies with a net turnover of more than EUR 750 000 000 and total revenues from digital services over EUR 3 000 000 (Article 8). A 3% tax is applied on the net revenue from digital services (Articles 10 and 11). The tax is introduced to generate new sources of revenue to the government based on emerging business sectors while developing the tax system in a coherent manner and where relevant in the international context (as indicated in the preamble of the law).
Law 4/2020 on certain digital services tax entered into force on 16 January 2021 (“Disposición final sexta. Entrada en vigor”).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 393	Related Measure: C28.R6 – Approval of the Financial Transaction Tax
Name of the Milestone: Financial Transaction Tax	
Qualitative Indicator: Provision of the law indicating its entry into force	Time: Q1/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ul style="list-style-type: none"> 1) Copy of the legislative acts: Law 5/2020 on the financial transaction tax as published in the Official Journal (BOE Number 274, 16 October 2020); Royal Decree 366/2021 as published in the Official Journal (BOE Number 125, 26 May 2021) enacting the procedure for submitting and paying self-assessments for the tax on financial transactions and amending other tax rules; Order HAC/510/2021 as published in the Official Journal (BOE Number 127, 28 May 2021) approving Model 604 “Tax on Financial Transactions. Self-assessment” and outlining the form and procedure for its submission; 2) Links to the websites where the legislative acts were published; and 3) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
Analysis: Law 5/2020 introduces an indirect tax on the purchase of shares of listed Spanish companies with market capitalisation greater than EUR 1 000 000 000 (Article 1 on the nature and scope of the tax, Article 2 on the definition of the taxable event). A 0.2% tax is applied on the amount of the purchase net of transactions costs and fees (Articles 5 and 7). The tax is introduced to generate new sources of revenue to the government while developing the tax system in a coherent manner and where relevant in the international context (as indicated in the preamble of the law). Law 5/2020 on the financial transaction tax entered into force on 16 January 2021 (“Disposición final quinta. Entrada en vigor.”).	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 394	Related Measure: C28.R7 – Short-term tax measures on personal taxes
Name of the Milestone: Modifications of Personal Income Tax and Wealth Tax in 2021	
Qualitative Indicator: Provision of the Budget Law indicating its entry into force	Time: Q1/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational	

Arrangements, the following evidence was provided:

- 1) Copy of the legislative act: Law 11/2020 on the General State Budget for 2021 as published in the Official Journal (BOE Number 341, 31 December 2020);
- 2) Link to the website where the legislative act was published; and
- 3) A Summary document duly justifying how the milestone was satisfactorily fulfilled.

Analysis:

Articles 58 to 62 of Law 11/2020 establish the amendments to the personal income tax, including an increase of the marginal rate pertaining to taxable income by 2 percentage points for values exceeding EUR 300 000 thereby increasing the progressivity of the personal income tax. The amendments also include an increase of 3 percentage points for savings exceeding EUR 200 000. The increase in the tax rate is divided equally between the state and autonomous community rates as specified in Article 59 of that Law, which amends Articles 66 and 76 of Law 35/2006. The amendments to the personal income tax in Article 62 also introduce an increase in the maximum deductions based on social security contributions made by the company to its employee (from EUR 8 000 to EUR 10 000) and a reduction in the limit of individual pension contributions (from EUR 8 000 to EUR 2 000) in line with the description of this reform in the Council Implementing Decision. Article 66 of Law 11/2020 specifies the amendments to article 30 of the wealth tax law (Law 19/1991), including one percentage point increase of the rate of tax applicable to the highest bracket, i.e. savings larger than EUR 10 695 996.06. These changes contribute to the objective of the reform to reduce the general government deficit while making the tax system more progressive.

Law 11/2020 of 30 December on the General State Budget for 2021 entered into force on 1 January 2021 (“Disposición final cuadragésima sexta. Entrada en vigor”). The amendments in the laws for personal income and wealth tax (which are referred as ‘development regulations’ in the Council Implementing Decision) entered into force on the same day.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 395 **Related Measure:** C28.R8 – Short-term adoption tax measures in corporate tax

Name of the Milestone: Modifications of Corporate Income Tax in 2021

Qualitative Indicator: Provision of the Budget Law indicating its entry into force **Time:** Q1/2021

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

- 1) Copy of the legislative act: Law 11/2020 on the General State Budget for 2021 as published in the Official Journal (BOE Number 341, 31 December 2020), amending the law on corporate income tax;
- 2) Link to the website where the legislative act was published; and
- 3) A summary document duly justifying how the milestone was satisfactorily fulfilled.

Analysis:

Article 65 of Law 11/2020 amends law 27/2014 on corporate income tax. Amendments include a reduction in the exemption of dividends and capital income generated from holdings in subsidiaries (from 100% to 95%) and changes to the regulation on the limitation on the deductibility of financial expenses amongst others. This will lead to an increase in corporate tax revenue.

Law 11/2020 entered into force on 1 January 2021 (“Disposición final cuadragésima sexta. Entrada en vigor”). The amendments in Law 27/2014 on corporate income tax entered into force

on the same day.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 396	Related Measure: C28.R9 – Short-term tax measures in indirect taxes
Name of the Milestone: Modifications of indirect taxes in 2021	
Qualitative Indicator: Provision of the Budget Law indicating its entry into force	Time: Q1/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none">1) Copy of the legislative act: Law 11/2020 on the General State Budget for 2021 as published in the Official Journal (BOE Number 341, 31 December 2020), amending the law on value added tax and insurance premium tax;2) Link to the website where the legislative act was published; and3) A summary document duly justifying how the milestone was satisfactorily fulfilled.	
Analysis: <p>Article 69 of Law 11/2020 modifies Article 91 of Law 37/1992 of 28 December, to extend the application of the standard rate of the VAT , set at 21 %, to soft drinks, juices and gaseous drinks with added sugar or sweeteners with the aim at reducing their consumption (as envisaged in the Preamble of the Law). This measure promotes healthier diets via the reduction of consumption of certain sugary beverages.</p> <p>Article 73 of Law 11/2020 amends Article 12(11)(1) of Law 13/1996 of 30 December to increase the tax rate on insurance premiums by 2 percentage points to 8%. This measure increases central government revenues.</p> <p>Law 11/2020 entered into force on 1 January 2021 (“Disposición final cuadragésima sexta. Entrada en vigor”). The amendments in Law 37/1992 on the VAT tax and Law 13/1996 on the tax rate on insurance premiums (which are referred as ‘development regulations’ in the Council Implementing Decision) entered into force on the same date.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 397	Related Measure: C29.R1 – Public spending review and evaluation process
Name of the Milestone: Setting-up of a permanent team in the Ministry of Finance for the active monitoring of the implementation of the results of the spending reviews and approval of the Order of Elaboration of the Annual Budgetary law	
Qualitative Indicator: Provisions of the legislation indicating its entry into force. Order of Elaboration of the Annual Budgetary Law	Time: Q2/2021
Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none">1) Copy of legislative acts (Royal Decree 682/2021 amending Royal Decree 139/2020 which changes the organisational structure of the Ministry of Finance and Public Administration (MHFP); Order HAC/669/2021 setting out norms for the preparation of the 2022 Budgetary Law) as published in the Official Journal (BOE Number 185, 4 August 2021; BOE Number 153, 28 June 2021);2) Links to the websites where the legislative acts were published;3) Summary document duly justifying how the milestone was satisfactorily fulfilled; and4) 9 letters signed by Secretary of State of Budget and Expenditure of the MHFP to 9	

Ministries setting timelines for the follow-up on the recommendations made in phase I and II of the spending reviews studies.
<p>Analysis:</p> <p>Royal Decree 682/2021 changes the organisational structure of the Ministry of Finance and Public Administration (MHFP) by creating a permanent unit under the Sub-directorate-General for Budgetary Policy responsible for the coordination and monitoring of the spending review recommendations follow up and the MHFP's commitment to produce an annual report on the follow up. According to the Royal Decree, a new task in Article 9(1)(g) <i>"Improving the quality of public spending by actively monitoring the implementation of the results of spending reviews, as well as producing and publishing an annual report on the action taken in response to the recommendations made by AIReF in the spending reviews."</i> is attributed to the new unit created in accordance with Article 9(2)(b). The active monitoring of the MHFP and subsequent publication of annual reports will facilitate the assessment of the compliance with the recommendations, promoting the comply-or-explain principle. The commitment of the Central Administration and Social Security to monitor and follow-up the recommendations of the spending reviews through the budget cycle is introduced in the legislation via the amended Order HAC/669/2021. Article 4(2) of that Order stipulates that the MHFP will hold bilateral discussions with Ministries to incorporate the results of the spending reviews into the budget process. The analysis of the letters signed by the Secretary of State of Budget and Expenditure of the MHFP shows that the ministries that were given recommendations related to policies in their fields in the context of phase I and II of spending reviews, have been also given deadlines by the MHFP for the follow-up on these recommendations in line with the comply-or-explain principle as required in the Council Implementing Decision reform description. This, combined with the bilateral discussions and the publication of annual report, ensures effective follow-up of the recommendations.</p> <p>Royal Decree 682/2021 entered into force on 4 August 2021 ("Disposición final sexta. Entrada en vigor") and Order HAC/669/2021 entered into force on 29 June 2021 ("Disposición final quinta. Entrada en vigor").</p>
Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 398	Related Measure: C29.R1 – Public spending review and evaluation process
Name of the Milestone: Phase III of the spending review	
Qualitative Indicator: Approval by Council of Ministers	Time: Q2/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Certificate of approval to launch the third phase of the spending review by the Council of Ministers on 29 June 2021; and 2) Summary document duly justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>The Council of Ministers on 29 June 2021 agreed to launch the third phase of the spending review. According to the agreement, the third phase of the spending review will focus on two areas: financial instruments made available by the public sector to support productive sectors and municipal waste management. The agreement also indicates that the task to produce the spending review is entrusted to AIReF, the Independent Fiscal Authority.</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 399	Related Measure: C29.R1 – Public spending review and evaluation process
Name of the Milestone: Creation of a permanent unit within AIREF responsible for carrying out the spending reviews mandated by the government.	
Qualitative Indicator: Provisions of the RD indicating its entry into force	Time: Q2/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) Copy of the legislative act (Royal Decree 793/2021 of 14 September 2021 amending Royal Decree 215/2014 of 28 March 2014 setting out the Organic Statute of the Independent Authority for Fiscal Responsibility) as published in the Official Journal (BOE 221/15.9.2021); 2) Link to the website where the legislative act was published; and 3) Summary document justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>Article 1(3) of Royal Decree 793/2021 amends Article 28(1) of the Royal Decree 215/201 of Organic Statute of AIREF adding a permanent division responsible for Public Expenditure Assessment (Spending Reviews). This will strengthen AIREF's capacity to carry out spending reviews.</p> <p>Royal Decree 793/2021 entered into force on 16 September 2021 (“Disposición final tercera. Entrada en vigor”).</p>	
Commission Preliminary Assessment: Satisfactorily fulfilled	

Number: 406	Related Measure: C30.R1 – Separation of sources of social security funding
Name of the Milestone: Separation of financing for the Social Security	
Qualitative Indicator: Provision of the law indicating its entry into force	Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) copy of the publication in the Official Journal of Law 11/2020 (BOE Number 341, 31 December 2020); 2) link to the website where the legislative act was published; and 3) a summary document justifying how the milestone was satisfactorily fulfilled. 	
<p>Analysis:</p> <p>The Law on the General State Budget for 2021 amends the General Law on Social Security and provides that a transfer from the State to the Social Security Budget shall be made annually for an amount equivalent to non-contributory expenditure items (Disposición final trigésima octava).</p> <p>Article 12 of the General State Budget Law provides that transfers from the State to the social security budgets are to be made in accordance with the first recommendation of the Toledo Pact in 2021, which requires that contributory benefits are financed through social contributions and non-contributory benefits are paid from the state budget.</p> <p>In particular, the non-contributory expenditure which has been transferred to the state budget consist of i) a part of non-contributory employment policies, ii) reductions in the social security contribution to promote employment, iii) childbirth and childcare allowances, iv) expenditure related to early retirement, v) the maternity pension supplement, v) pensions for family</p>	

members, vi) support measures ('implicit subsidies') to special schemes and vii) the cost of complementing the gaps in contributions for the calculation of the old-age pension.

The measures in the 2021 State Budget Law are a first and significant step towards the direction of reducing the Social Security deficit through a transfer to the Central Administration, which has the adequate tools to address it. It also reduces doubts concerning the solvency of the system by improving the conditions to address the medium and long-term challenges the system faces.

Law 11/2020 entered into force on 1 January 2021 ("Disposición final cuadragésima sexta. Entrada en vigor").

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 412	Related Measure: C30.R4 – Streamlining of maternity add-ons	
Name of the Milestone: Streamlining of the maternity add-ons		
Qualitative Indicator: Provision of the RDL indicating its entry into force		Time: Q1/2021
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> 1) copy of the publication in the Official Journal of Royal Decree Law 3/2021 (BOE Number 29, 3 February 2021); 2) link to the website where the legislative act was published; and 3) summary document justifying how the milestone was satisfactorily fulfilled. 		
<p>Analysis:</p> <p>Article 1 of the Royal Decree-Law 3/2021 amends Article 60 of Royal Decree-Law 8/2015 on the General Law on Social Security, redesigning the maternity add-on to compensate for the cost of birth and childcare for parents, primarily for mothers, whose work life has been altered immediately after parenthood, in order to reduce the gender pension gap.</p> <p>The measures streamline the pension add-on and a fixed payment is introduced for parents whose work life has been altered immediately after parenthood.</p> <p>The legislative changes eliminate from that Law the discriminatory elements recognised by the Judgment of the Court of Justice of the European Union 12 December 2019 C-450/18. In particular, the new supplement is granted to the parent that was most disadvantaged in their contributory career as a result of the birth of a child, identified on the basis of an analysis of contribution paths, while specifying that, in case such identification is not possible, the mother shall be granted the supplement.</p> <p>The Royal Decree-Law 3/2021 entered into force on 4 February 2021 ("Disposición final tercera. Entrada en vigor").</p>		
Commission Preliminary Assessment: Satisfactorily fulfilled		

Number: 413	Related Measure: C30.R5 – Review of the current supplementary pension system	
Name of the Milestone: Review of tax breaks related to the current supplementary pension system		
Qualitative Indicator: Provision of the law indicating the entry into force of final provision 11 and Article 62		Time: Q4/2020
<p>Evidence Provided: In line with the verification mechanisms set out in the Operational Arrangements, the following evidence was provided:</p>		

- 1) copy of the publication in the Official Journal Law 11/2020 (BOE Number 341, 31 December 2020);
- 2) link to the website where the legislative act was published; and
- 3) summary document justifying how the milestone was satisfactorily fulfilled.

Analysis:

The provisions introduced in Law 11/2020, as well as the amendment of the Law on the Regulation of Pension Schemes and Funds, approved by Royal Legislative Decree 1/2002 of 29 November, and Law 35/2006 of 28 November on 'Personal Income Tax and partial amendments of the laws on corporate taxes, on income of non-residents and on wealth', transfer tax breaks from individual private pension plans to occupational pension schemes based on collective employment agreements:

- Article 62 of Law 11/2020, amends Law 35/2006 of 28 November 2006 on personal income tax and on the partial amendment of the laws on corporate tax, income of non-residents and on wealth. Specifically, Articles 51 and 52 of Law 35/2006 and its provision "Disposición Adicional decimosexta" are reworded, so as to reduce the limit of the reductions in the tax base to individual pension contributions from EUR 8 000 to EUR 2 000 and increase the one for contributions made by the company to its employee from EUR 8 000 to EUR 10 000.
- In addition, the provision "Disposición final decima segunda" of Law 11/2020 (LPGE), 'Amendment of the recast text of the Law regulating pension plans and funds, approved by Royal Legislative Decree 1/2002 of 29 November 2002', lays down limits on the maximum annual employer contributions to pension schemes.

Law 11/2020 entered into force on 1 January 2021 ("Disposición final cuadragésima sexta. Entrada en vigor").

Commission Preliminary Assessment: Satisfactorily fulfilled