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**COMMISSION IMPLEMENTING DECISION**

**of 19.7.2024**

**on the authorisation of the disbursement of the fourth instalment of the non-repayable support for Spain**

(Only the Spanish text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility<sup>1</sup>, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Spain<sup>2</sup> (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Spain has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 20 December 2023, Spain submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the fourth instalment of the non-repayable support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Spain<sup>3</sup> in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of 60 out of 61 relevant milestones and targets related to the non-repayable support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking for its opinion on the

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<sup>1</sup> OJL 57, 18.2.2021, p. 17.

<sup>2</sup> ST 10150 2021; ST 10150 2021 ADD 1 REV 1 as amended by ST 13692 2023; ST 13692 2023; ST 13692 2023\_ADD\_1 and ST 9303 2024; ST 9303 2024 ADD 1.

<sup>3</sup> Recovery and Resilience Facility Operational arrangements between the European Commission and Spain, entered into force on 9 November 2021, and was amended on 24 May 2024.

satisfactory fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and considered that Spain has satisfactorily fulfilled 60 out of 61 milestones and targets associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (4) Section 2(3)(3.4) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the fourth instalment of the non-repayable support for an amount of EUR 11 435 531 581.
- (5) Target 4 provides for the publication of the awards in the Official Journal or in the public procurement platform, or the execution of expenditure associated to purchases by municipalities, for a targeted amount of EUR 400 000 000 in projects aiming at promoting sustainable mobility. Target 4 also provides that the selection criteria shall ensure that out of the total final budget of EUR 1 500 000 000, at least EUR 310 000 000 contribute to the climate change objectives with a 100 % climate coefficient and at least EUR 1 190 000 000 with a 40 % climate coefficient. The evidence provided by Spain demonstrates that the awards related to the projects have been published in the Official Journal for the amount required by the CID and that their contents and objectives are in line with the requirements of the target. As regards the requirement related to the publication of the award, for two projects included in a sample of 60 projects, Spain submitted evidence of the publication of the notice of the approval of the amendment of the existing concession contracts, instead of the publication of the award of the projects as provided for in the Council Implementing Decision. This minimal substantive deviation does not affect the progress towards achieving the investment that the target represents, given that the amendment of the concession contracts is considered equivalent to the outcome of a new public procurement process for the purpose of achieving the objective of the target, and that the funds linked to these projects will finance actions which fully satisfy the requirements of the Council Implementing Decision regarding both the scope of the actions financed as well as the criteria for the climate coefficient. As regards the requirement to publish the award in the Official Journal or public procurement platform, for one project included in the sample analysed by the Commission, Spain submitted evidence of the publication of the notice of the approval for the amendment of the existing concession contract on the transparency portal of the website of the municipality, instead of the publication on the public procurement platform as provided for by the Council Implementing Decision. The publication on the transparency portal of the amendment of the concession contract is in line with national procedures and, for the purpose of achieving the objective of the target, achieves the same result of the publication in the procurement platform or Official Journal of a new public procurement process. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the target represents. The evidence provided by Spain also confirms that all projects selected under the target have a climate coefficient of at least 40 or 100%, and that the total contribution of eligible projects presented by municipalities and selected under the first call for proposal report a climate coefficient of 100% exceeding the reference value of EUR 310 000 000 established in the description of the target in the CID. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (6) Milestone 22 provides for the entry into force of the Housing Law, which addresses various planning, programming and collaboration instruments to ensure proper fulfilment of the right to decent and adequate housing, and includes, as one of the priorities, the rehabilitation and improvement of the existing housing stock, as well as the regeneration and renovation of the residential environments in which they are located. The milestone provides that the Housing Law encourages an increase in the supply of affordable and social housing in line with the requirements currently laid down for nearly zero-energy buildings. The evidence provided by Spain demonstrates that the Housing Law entered into force on 26 May 2023 and that its contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (7) Milestone 23 provides for the entry into force of the Law on Quality of Architecture and the Building Environment, which lays down the principle of quality in architecture and built environment, establishes environmental sustainability and the contribution to the achievement of energy efficiency targets as key assessment criteria, and guides the rehabilitation of the building stock towards an integrated approach. The evidence provided by Spain demonstrates that the Law on Quality of Architecture and the Building Environment entered into force on 16 June 2022 and that its contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (8) Milestone 25 provides for the entry into force of the amendments to the Horizontal Property Law to facilitate funding for rehabilitation, in order to promote the implementation of energy-efficiency renovation and improvements in buildings by communities of owners, and to facilitate access to financing. The evidence provided by Spain demonstrates that the amendments to the Horizontal Property Law entered into force on 6 October 2021 and that their contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (9) Target 38 provides that at least 100 municipalities had their Local Action Plan (City Strategy) approved and that the Local Action Plans be equipped with the criteria set out in the Spanish Urban Agenda and contain an assessment and lines of actions in accordance with its ten strategic objectives. The Commission has identified a clerical error in the text of the Council Implementing Decision and has undertaken the assessment on a revised basis. The evidence provided by Spain demonstrates that 116 municipalities had their Local Action Plan (City Strategy) approved and that the contents and selection for support of the Local Action Plans are in line with the requirements of the milestone. This was verified on the basis of the evidence provided for a sample of 60 units. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (10) Milestone 41 provides for the entry into force of the regulatory framework to develop a general register of Best Available Techniques (BATs) on farms to inform on pollutant and GHG emissions, and for the gradual revision of the planning legislation with criteria on farms across sectors. In addition, the Council Implementing Decision requires that the application of the revised planning legislation is carried out progressively within approximately two years of its publication, for pig and poultry farms. The evidence provided by Spain demonstrates that the Royal Decree regulating the General Register of BATs entered into force on 2 January 2023. Additionally, the amendments of the Royal Decrees on the reform of planning legislation for the pig sector (Royal Decree 306/2020) and the creation of a new regulatory framework for

the management in the poultry sector (Royal Decree 637/2021) entered into force on 14 February 2020 and 29 July 2021, respectively. Article 13(3) of Royal Decree 637/2021 requires the communication of the BATs for turkeys as of 1 January 2026. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of this Royal Decree and the actual application of the provisions is considered both limited and proportional, notably taking into consideration the lack of updated data to establish the BAT benchmarks. The delay in the application of the BAT requirements beyond the approximate two years ensures that benchmarks are established based on updated and accurate data. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (11) Milestone 43 provides for the entry into force of the Royal Decree for a governance mechanism to improve the Spanish irrigation system. The evidence provided by Spain demonstrates that the Royal Decree establishing the National Irrigation Board and the Irrigation Sustainability Observatory entered into force on 13 October 2022. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (12) Milestone 44 provides for the adoption of the second action plan of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas. The evidence provided by Spain demonstrates that the II Action Plan 2021-2023 of the Digitalisation Strategy of the Agri-food Sector and the Rural Areas was adopted on 10 December 2021 and published on the website of the Ministry of Agriculture, Fisheries and Food (MAPA). On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Target 47 provides for the implementation of Phase II of the collaboration agreement between the Ministry of Agriculture, Fisheries and Food (MAPA) and SEIASA, with a view to implement the conditions of the plan to improve efficiency and sustainability in irrigation that is being carried out with this investment project. The evidence provided by Spain demonstrates that the collaboration agreement between MAPA and SIASA to support the improvement and the sustainability of irrigated areas (Phase II) was signed on 21 July 2022 and published in the Official Journal on the day after. In the Council Implementing Decision, the name of target 47 refers to the implementation of Phase II of the collaboration agreement between MAPA and SEIASA. However, since the description of Target 46 and Target 47 are the same, it should be considered that Target 47 refers to the entry into force of Phase II of the collaboration agreement instead of the implementation of the agreement itself. The implementation of the agreements will be assessed under Target 48. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (14) Milestone 55 provides for the contracts for the acquisition of ICT equipment for the Marine Reserves of Fishing Interest and contracts for the acquisition of special-purpose vessels for the marine reserves. The evidence provided by Spain demonstrates that the contracts awarded for the acquisition of ICT equipment for the Marine Reserves of Fishing Interest were published in the Public Procurement Platform on 20 September 2022 (radar radio link) and 21 October 2022 (four drones). The contracts awarded for the acquisition of two special-purpose vessels for the marine reserves were published in the Public Procurement Platform on 22 July 2021 (support vessel) and 18 July 2022 (surveillance vessel). On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (15) Milestone 60 provides for the purchase of four new light patrol boats and three renewed high seas patrol vessels to combat illegal, unreported and unregulated fishing. The Commission has identified a clerical error in the text of the Council Implementing Decision and has undertaken the assessment on a revised basis. The evidence provided by Spain demonstrates that the four new light patrol boats have been acquired through public procurement on 7 October 2021 and the three high seas patrol vessels have been renewed and modernised through an amendment of the agreement between the Navy and the Ministry of Agriculture, Fisheries and Food. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (16) Milestone 62 provides for i) the adoption of the Strategic Plan for Natural Heritage and Biodiversity, ii) the Plan on the Network of Protected Marine Areas Plan, including the set-up of at least nine marine management bases, iii) the Biodiversity, Science and Knowledge Strategy, iv) the National Strategy for the Conservation of Pollinators, v) regulation for updating authorities, administrative and scientific bodies, under the Convention on International Trade in Endangered Species of Wild Fauna and Flora and vi) the Wetlands Conservation and Restoration Plan. The evidence provided by Spain demonstrates that all the documents mentioned above have been adopted. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (17) Milestone 64 provides for the adoption of the Spanish Forest Strategy and support Plan, which includes guidelines for sustainable forest management. The evidence provided by Spain demonstrates that the Spanish Forest Strategy and its support Plan, including the guidelines for sustainable forest management have been adopted. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (18) Target 77 provides for the restoration of riverbanks and protection against flood risks, with at least 200km of riverbanks restored and at last 40 000 inhabitants being protected against flood risks. The evidence provided by Spain demonstrates that 200.36 km of riverbanks have been restored and 45 286 inhabitants have been protected against flood risks. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (19) Target 80 provides for the restoration of degraded areas and ecosystems across at least 50 km of coastline. The evidence provided by Spain demonstrates that at least 50 kilometres of coastline have been restored. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (20) Milestone 84 provides for the publication in the Official Journal of the approval resolution of the Indicative Rail Strategy. The evidence provided by Spain demonstrates that the Indicative Rail Strategy has been approved, published and has entered into force on 30 December 2022, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (21) Target 85 provides for the award of at least 144 contracts or other legal instruments for actions to build, modernise and upgrade railway infrastructure in the Mediterranean and Atlantic corridors of the core TEN-T network. The evidence provided by Spain demonstrates that 141 contracts or other legal instruments have been awarded to carry out actions in line with the types of interventions listed in the target description and on the relevant railway sections listed in the target description. This was verified on the basis of the evidence provided for a sample of 60 units. Whilst awarding only 141

contracts or other legal instruments constitutes a minimal numerical deviation of 2.1% from the requirement of the Council Implementing Decision, the overall result of this target is considered achieved notwithstanding this minimal deviation. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (22) Target 88 provides for the award of at least 188 contracts or other legal instruments for interventions on railways in the non-core TEN-T network and roads in the State road network. The evidence provided by Spain demonstrates that 188 contracts or other legal instruments have been awarded to carry out actions in line with the types of interventions listed in the target description. This was verified on the basis of the evidence provided for a sample of 60 units. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (23) Target 95 provides for the award of at least 66 contracts or other legal instruments including interventions to improve intermodal and logistic infrastructures, with interventions belonging to one or more of the following areas: a) the development and upgrade of strategic intermodal and logistical terminals in nine locations, b) the construction or extension of sidings to a length of at least 750 metres, c) the improvement of rail access to the Port of A Coruña and the Port of Castellón, d) the improvement of road access to the Port of Algeciras; and e) improved accessibility and sustainability in ports. The evidence provided by Spain demonstrates that 67 contracts or other legal instruments have been awarded to carry out actions in line with the types of interventions listed in the target description. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (24) Milestone 99 provides for the endowment of EUR 800 000 000 under the Support Programme of Sustainable and Digital Transport through: a) the publications in the Official Journal of the Ministerial Order(s) establishing the support scheme for sustainable freight transport based on ECO-INCENTIVES for rail and maritime purposes; b) the official resolutions approving the transfers established in the Royal Decree that allocates the transfer of funds to Autonomous Communities for the award of grants for projects for the digitalisation of passenger and freight transport services at regional and local level; c) the official resolutions approving the transfers established in the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the transfer of funds to the Autonomous Communities for the award of contracts or other legal instruments for projects for the digitalisation of passenger and freight transport services at regional and local level; and d) the resolution by the State Secretariat for Transport, Mobility and the Urban Agenda of the award of projects for 13 actions. The evidence provided by Spain demonstrates that EUR 800 000 000 have been endowed through these four legal instruments. The adoption of a ministerial order to resolve the award of projects under element d) instead of a resolution by the State Secretariat for Transport, Mobility and the Urban Agenda constitutes a minimal formal deviation from the requirement of the Council Implementing Decision. This minimal deviation does not affect the progress towards achieving the investment that the milestone represents, given that ministerial orders have a higher regulatory status and the same practical and legal effect. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (25) Target 140 provides for the publication in the Official Journal of the award of at least EUR 91 000 000 for at least 100 environmental, digital and social infrastructure projects in municipalities and territories in just transition areas. The evidence provided

by Spain demonstrates that EUR 95 442 969 has been awarded for 116 environmental, digital and social infrastructure projects in just transition areas and published in the Official Journal. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (26) Milestone 145 provides for the entry into force of an amendment to Law 40/2015, of 1 October, on the Legal Regime of the Public Sector, and of ministerial orders to strengthen inter-territorial cooperation. The Commission has identified a clerical error in the text of the Council Implementing Decision and has undertaken the assessment on a revised basis. The evidence provided by Spain demonstrates that Royal Decree-law 6/2022 amending Law 40/2015 entered into force on 1 April 2022; and Ministerial Order PJC/385/2024, creating the Digital Platform for Collaboration between Public Administrations and regulating its configuration and operation, and Royal Decree 440/2024, of 30 April, on operating criteria for sectoral conferences, entered into force on 2 May 2024. The adoption of Royal Decree 440/2024, of 30 April, instead of a ministerial order, constitutes a minimal formal deviation from the requirement of the Council Implementing Decision. This minimal deviation does not affect the progress towards achieving the reform that the milestone represents, given that both ministerial orders and royal decrees have the same binding effect in the Spanish legal system. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (27) Milestone 146 provides for the entry into force of the Evaluation Law with a set of actions to reinforce public policies based on ex-ante evaluation. The evidence provided by Spain demonstrates that Law 27/2022, of 20 December, on the institutionalisation of the evaluation of public policies in the General State Administration entered into force on 22 December 2022, containing a set of actions to reinforce public policies based on ex-ante evaluation, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (28) Milestone 147 provides for the entry into force of the amendments of Law 7/1985, of 2 April, regulating local administrative regimes and of Royal Decree 1690/1986, of 11 July, approving the Regulation on Population and Territorial Demarcation of Local Entities. The evidence provided by Spain demonstrates that the aforementioned amendments have entered into force on 21 December 2023 and 8 February 2024, respectively, in line with the requirements of the milestone. The delay between the entry into force of Royal Decree 141/2024, of 6 February, amending Royal Decree 1690/1986, of July 11, approving the Regulation on Population and Territorial Demarcation of Local Entities and the actual application of its Articles 65 and 66 constitutes a minimal temporal deviation. The establishment of a transitional period until 31 August 2026 for the implementation of the real-time data exchange system for the municipal census is considered both limited and proportional, notably taking into consideration that the reform requires the implementation of a real-time data exchange system by the National Statistical Institute and the action of all the municipalities to join such system. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (29) Milestone 148 provides for the entry into force of regulatory measures relating to the civil service of the State Administration to reinforce the administration's ability to attract and retain the talent needed to perform its current tasks. These measures shall include the following elements: i) revitalization of the instruments for planning, organisation and management of human resources; ii) guarantee of the effectiveness of



the principles of equality, merit and capacity in access, as well as the transparency and agility of the selection processes; iii) regulation of assessment and performance according to a competence-based framework, including for new recruitment; and iv) access to senior civil servants posts (namely, *subdirectores generales* and similar positions) based on merit and competition. The evidence provided by Spain demonstrates that the regulatory measures relating to the civil service of the State Administration have entered into force between 22 March 2023 and 1 May 2024, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (30) Milestone 152 provides for the entry into force of a royal decree-law improving the efficiency of procedures in the national justice system and a royal decree-law on digital efficiency. The evidence provided by Spain demonstrates that Royal Decree-Law 5/2023, of 28 June 2023, improving the efficiency of procedures, entered into force on 30 June 2023. Additionally, the First Book of Royal Decree-Law 6/2023 of 19 December 2023, containing measures both regarding digital efficiency and improving the efficiency of judicial procedures entered into force on 9 January 2024, and Title VIII of the First Book entered into on 20 March 2024. The delay between the entry into force of Royal Decree-Law 6/2023 of 19 December 2023, and the full operability of its provisions due to the potential lack of technological services and systems in certain regions, constitutes a minimal temporal deviation. This delay is considered both limited and proportional, notably taking into consideration that the measures introduced in the field of digital efficiency require that the autonomous communities develop the necessary measures to ensure the implementation of technological services and systems and their integration with the common nodes services or systems of the Ministry of the Presidency, Justice and Relations with the Parliament. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (31) Milestone 156 provides for the adoption of the National Procurement Strategy by the Independent Office for Regulation and Supervision of Public Procurement, including the following elements: i) promotion of strategic public procurement; ii) professionalisation; iii) facilitating SMEs' access to public procurement; iv) improvement of available data; v) fostering efficiency in public procurement; vi) full digital transformation of public procurement; vii) enhancing legal certainty; and viii) improvement of the supervision and control of public procurement, including corruption prevention on the basis of a map of identified risks. The evidence provided by Spain demonstrates that the Independent Office for Regulation and Supervision of Public Procurement has adopted the National Procurement Strategy, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (32) Target 164 provides for at least an additional 2 839 judicial bodies to have the necessary infrastructure to enable the possibility of holding at least 30% of the judicial proceedings electronically and for the creation of an immediacy platform to establish new models for non-face-to-face relations and processing. The evidence provided by Spain demonstrates that an additional 3 465 judicial bodies have had the necessary infrastructure installed to enable the possibility of holding 100% of their proceedings electronically, in line with the requirements of the milestone. This was verified on the basis of the evidence provided for a sample of 60 units. The evidence provided by Spain also demonstrates that an immediacy platform (so-called, *Carpeta Justicia*) was created on 12 June 2023 to improve citizens' telematic and remote access to the justice

administration. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (33) Target 174 provides for at least two community managers to be hired in order to increase social media presence, enhancing the number of potential participants and beneficiaries of the Spanish RRP to become aware of the possibilities offered by the Plan; and for two web sites to be operational to contribute to maximize the absorption of resources. The evidence provided by Spain demonstrates that three community managers were hired to increase social media presence, with two positions being assigned to the Secretariat-General for European Funds and a third position being assigned to the Recovery, Transformation and Resilience Plan Monitoring Unit. The evidence provided also demonstrates that two websites, the Secretariat-General for European Funds' website and the Spanish Recovery and Resilience Plan's website are operational and contribute to maximise the absorption of resources. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (34) Milestone 178 provides for the entry into force of the acts that are part of the Circular economy policy package. The evidence provided by Spain demonstrates that the circular economy policy package entered into force by the end of 2022. Royal Decree 731/2020 of 4 August, entered into force on 8 August 2020; Royal Decree 646/2020 of 7 July entered into force on 9 July 2020; Royal Decree 553/2020 of 2 June entered into force on 1 July 2020; Royal Decree 27/2021 of 19 January entered into force on 21 January 2021; Royal Decree 265/2021 of 13 April entered into force on 15 April; and Royal Decree 1055/2022 on packaging and packaging waste entered into force on 29 December 2022, with the exception of the new market obligations stated in Article 13 which shall apply from 1 January 2025. Whilst this constitutes a minimal temporal deviation, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional. Notably, this responds to the request of the sectors affected by Article 13 during the period of processing and public participation of the legislation, which highlighted the need to have a period of adaptation for the production of product labels and adapt products already packaged and stored, both in production and distribution. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (35) Milestone 179 provides for the entry into force of the Law on Waste and Contaminated Soils. The evidence provided by Spain demonstrates that the Law on Waste and Contaminated Soil entered into force on 10 April 2022. The Council Implementing Decision required the introduction of the obligations on separate collection deriving from EU regulations, anticipating their implementation in bio-waste in municipalities with more than 5 000 inhabitants by the end of 2022. As stated in Article 25 of Law 7/2022, for bio-waste it was an obligation by 31 December 2023. For textile waste, used cooking oils, hazardous domestic waste and bulky waste, this obligation will apply from 31 December 2024. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the entry into force of this law and the actual application of the provisions is considered both limited and proportional, notably taking into consideration the need to establish the infrastructure to collect and process separately the above-mentioned types of waste. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (36) Milestone 182 provides for the approval by the Council of Ministers of a PERTE in the strategic area of electric and connected vehicles, and an allocation of at least EUR 400 000 000 of budget. The PERTE approval decision shall contain detailed selection

criteria to ensure compliance with the ‘Do no significant harm’ (DNSH) Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The evidence provided by Spain demonstrates that a Council of Ministers Decision approving the first PERTE, which is devoted to the electric and connected vehicle, was adopted in July 2021 and at least EUR 4 295 000 000 allocated in aid. The evidence also demonstrates compliance with all DNSH requirements. As regards DNSH, point (b) of footnote 36 of the Council Implementing Decision Annex has not been included in the descriptive memory of the PERTE and neither in the different calls for projects under this milestone, as the documents were issued prior to the approval of the revision of the Annex to the Council Implementing Decision for Spain on 17 October 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, point (b) in footnote 36 was included in the amending implementing decision to clarify the alternative use of fossil fuels by ETS installations (point ii of the DNSH exclusion list). The evidence provided by the authorities demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (37) Milestone 183 provides for the approval of at least two PERTEs by the Council of Ministers in strategic areas other than electric and connected vehicles, such as agrifood, health, the aeronautical and naval sectors, and industrial sectors linked to renewable energies, and in capabilities for the design and production of processors and semiconductor technologies. The approval shall foresee a total allocation of at least EUR 800 000 000 of budget in aid. The PERTE approval decision shall also contain detailed selection criteria to ensure compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation. The evidence provided by Spain demonstrates that Council of Ministers Decisions approving PERTEs have been approved for the health, agrifood, naval and semiconductors sectors and for the decarbonisation of industry. The evidence provided by Spain also demonstrates the allocation of at least EUR 1 030 000 000 in aid for these five PERTEs and compliance with all DNSH requirements for this investment, including its footnote 36. Point (b) of footnote 36 of the Council Implementing Decision Annex has not been included in the descriptive memory of all the PERTEs mentioned above, and neither in the different calls for projects under this milestone, as the documents were issued prior to the approval of the revision of the Annex to the Council Implementing Decision for Spain on 17 October 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, point (b) in footnote 36 was included in the amending implementing decision to clarify the alternative use of fossil fuels by ETS installations (point ii of the DNSH exclusion list). The evidence provided by the authorities demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (38) Target 184 provides for the award of at least EUR 1 200 000 000 by the Minister of Industry to at least 78 innovative projects, including those linked to approved PERTEs (at least 3), that involve a substantial transformation of industry in terms of energy efficiency, sustainability and digital transformation. Target 184 requires the selection of projects further to a call published in the Official Journal and based on selection criteria for compliance with the ‘Do no significant harm’ Technical Guidance

(2021/C58/01) through the use of an exclusion list and in compliance with the relevant EU and national environmental legislation. The selection criteria shall additionally reflect requirements of applicable intervention fields for climate change objectives, in accordance with Annex VI of the Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. The evidence provided by Spain shows that at least EUR 1 197 827 852,91 have been awarded to at least 78 innovative projects. Whilst this constitutes a minimal numerical deviation of 0.28% from the requirement of the Council Implementing Decision, the overall objective of this target is considered met. The evidence provided by the authorities also demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. Point (b) of footnote 36 of the Council Implementing Decision Annex has not been included in the different calls for projects under this milestone, as the documents were issued prior to the approval of the revision of the Annex to the Council Implementing Decision for Spain on 17 October 2023. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, point (b) in footnote 36 was included in the amending implementing decision to clarify the alternative use of fossil fuels by ETS installations (point ii of the DNSH exclusion list). The evidence provided by the authorities demonstrates compliance with all DNSH requirements for this investment, including its footnote 36. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (39) Milestone 191 provides for the entry into force of the Law on Business Creation and Growth, including the simplification of procedures for setting up a business, the promotion of diversified sources of financing for business growth, measures to foster an early payment culture, amendments to the law on market unity to facilitate its implementation and the creation of a sectoral conference for regulatory improvement and business climate. The evidence provided by Spain demonstrates that the relevant provisions in the Law 18/2022 on Business Creation and Growth entered into force on 30 September 2022 – except for those related to the strengthening of crowdfunding platforms, which entered into force on 10 November 2022, and that their contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (40) Milestone 192 provides for the entry into force of the Start-ups Law, including the creation of a favourable framework for the creation and growth of highly innovative start-ups, the introduction of tax incentives for the development of start-ups and the attraction of foreign entrepreneurs and investors, and mechanisms to facilitate its implementation in relation with the digital entrepreneur ecosystem. The evidence provided by Spain demonstrates that the Start-ups Law 28/2022 entered into force on 23 December 2022, and that its contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (41) Milestone 450 provides the entry into force of Royal Decree 629/2022 of 26 July amending the regulation of the Organic Law 4/2000 on the rights and freedoms of foreigners in Spain and their social integration in line with the description of the measure. The description of the measure requires the simplification and speed-up of administrative procedures related to migration, including the establishment of a new administrative unit (UTEX) to improve the processing of foreign nationals' files, the reduction in the number of authorisations and the extension of their validity, the facilitation of access to the labour market for third-country nationals, and the

improvement of the system of hiring at source, including a multiannual circular migration scheme for seasonal workers. The evidence provided by Spain demonstrates that the relevant provisions in the Royal Decree 629/2022 entered into force on 16 August 2022, and that their contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (42) Target 200 provides for at least 30 % of the budget of EUR 3 067 000 000 to be committed, devoted to actions to digitize SMEs, micro-enterprises and self-employed via Digital Toolkit Programme. The evidence provided by Spain demonstrates that a budget of EUR 1 363 268 000, corresponding to 44.45% of the total budget of EUR 3 067 000 000, was committed, devoted to actions to digitize SMEs, micro-enterprises and self-employed, in line with the requirements of the target. This was verified based on the Orders and the calls for proposals published by the Spanish Authorities, as well as based on the evidence provided for a sample of 60 units. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (43) Target 202 provides for at least 30 % of the budget of EUR 115 000 000 to be committed in the ‘Innovative Business Cluster Support’ Programme. The evidence provided by Spain demonstrates that a budget of EUR 67 793 060, corresponding to 59% of the total budget of EUR 115 000 000, was committed in the ‘Innovative Business Clusters Support’ Programme, in line with the requirements of the target. This was verified based on the Orders and the calls for proposals published by the Spanish Authorities, as well as based on the evidence provided for a sample of 60 units. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (44) Target 203 provides for at least 30 % of the budget EUR 37 590 000 committed in ‘Digital Innovation Hubs’ Programme. The evidence provided by Spain demonstrates that a budget of EUR 19 399 448, corresponding to 51.6% of the total budget of EUR 37 590 000, was committed to the ‘Digital Innovation Hubs’ Programme, in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (45) Target 218 provides for the award of financial resources to regional and local authorities to implement ‘Territorial Plans for Tourism Sustainability at Destination’, for at least EUR 1 173 000 000 by end 2022, with a baseline of EUR 561 000 000 from Q4 2021, to enable each territory and destination to respond to the challenges of tourism sustainability, including lines of actions which green transition, energy efficiency, digital transformation and competitiveness transformation. The evidence provided by Spain demonstrates that the resolution awarding support to relevant authorities to implement Territorial Plans for Tourism Sustainability at Destination for 2022, amounting to EUR 719 770 000, and in line with the requirements of the target, was delivered. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (46) Milestone 234 provides for the publication in the Official Journal of the award of the 26 GHz spectrum band as a result of the auction procedure for the assignment. The evidence provided by Spain demonstrates that the auction procedure for the assignment of the 26GHz frequency band was completed, with the resulting assigned concessions. The award resolution was published in the Official Journal on 9 February 2023. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (47) Milestone 235 provides for the entry into force of the Law on 5G cybersecurity, implementing the EU 5G cybersecurity toolbox, specifically the requirements to incorporate security risk assessment and management obligations for telecom operators, supply-chain diversification obligations in order to avoid technological dependence, and the means to identify high risk suppliers. The evidence provided by Spain demonstrates that the EU 5G cybersecurity toolbox has been implemented through the adoption of Royal Decree Law 7/2022 on 5G cybersecurity, as amended by Royal Decree Law 6/2023, and Royal Decree 443/2024 incorporating the National Security Scheme, in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (48) Milestone 245 provides for i) the launch of the National Cybersecurity Industry Support program and of the Global Security Innovation Programme, and (ii) other related actions reflecting key industry aspects with a budget awarded of EUR 311 000 000. The evidence provided by Spain demonstrates that both programmes were launched and related actions reflecting key industry aspects for a budget of EUR 311 000 000 were awarded. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (49) Target 247 provides for the strengthening of the cybersecurity capacities by improving the cybersecurity help line of the National Institute of Cybersecurity (INCIBE). The capacity of the help line should be increased to process at least 20 000 calls per month. In addition, the helpline should also support the removal of child sexual abuse material for web resources (CSAM). The evidence provided by Spain demonstrates that the capacity of the helpline has been increased to process at least 20 000 calls per month (up to until 30 000 requests per month) by hiring new staff and providing increased capabilities. INCIBE has been appointed as part of the INHOPE network. INCIBE has also introduced a methodology for the removal of child sexual abuse material for web resources. On the basis of the due justification provided, the milestone/ should be considered as satisfactorily fulfilled.
- (50) Target 259 provides for the publication in the national subsidy database of at least EUR 255 155 000 awarded to projects enhancing national scientific infrastructures and the capacity of the Spanish Science Technology and Innovation System. The target also provides for agreements signed with international entities and other instruments to finance projects of at least EUR 45 000 000 in European and International Infrastructure (CERN, DUNE, HKK, ESS-lund, Harmony and SKA). The evidence provided by Spain demonstrates that through publication in the national subsidy database, EUR 267 446 595 had been formally awarded to projects enhancing national scientific infrastructures and the capacity of the Spanish Science Technology and Innovation System through seven calls. Of this amount, EUR 262 838 223 has been requested to be financed by the Recovery and Resilience Facility, taking into account waived amounts. In addition, the evidence provided by Spain demonstrates that the Ministry of Science and Innovation (MCIN) and other implementing bodies had signed agreements or put in place other instruments to finance projects supporting European and International Infrastructure for a total amount of EUR 45 913 000, including with CERN, DUNE, HKK, ESS-lund, Harmony and SKA. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (51) Target 261 provides for the publication in the Official Journal of at least EUR 897 000 000 awarded to projects under six calls: call for proof of concept projects (EUR 80

000 000), call for interdisciplinary projects in strategic lines (EUR 73 000 000), call for R&D projects linked to the green and digital transition (EUR 296 000 000), call for public-private collaboration projects (EUR 140 000 000), call for R&D to target societal challenges (EUR 230 000 000) and call for international collaboration projects (EUR 78 000 000). In order to ensure that the measure complies with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), the eligibility criteria contained in terms of reference for upcoming calls for projects shall exclude activities included in the DNSH exclusion list. The evidence provided by Spain demonstrates that EUR 1 085 903 546 had been formally awarded to projects under the calls listed. Of this amount, EUR 898 965 674 was requested to be financed by the Recovery and Resilience Facility, taking into account waived amounts. The total amount awarded to projects under proof of concept calls that was requested to be financed by the Recovery and Resilience Facility, taking into account waived funds, is EUR 79 634 315, instead of EUR 80 000 000. The total amount awarded to projects under the call for R&D projects linked to the green and digital transition that was requested to be financed by the Recovery and Resilience Facility, taking into account waived funds, is EUR 288 276 590, instead of EUR 296 000 000. The total amount awarded to projects under the calls for international collaboration projects that was requested to be financed by the Recovery and Resilience Facility, taking into account waived funds, is EUR 76 550 846, instead of EUR 78 000 000. Whilst this constitutes a minimal numerical deviation of 0.5%, 2.6% and 1.9%, respectively, from the requirements of the Council Implementing Decision, the overall result of this target is considered achieved. The fact that for five calls, the relevant implementing bodies verified compliance with the DNSH principle during the evaluation stage of project awards, instead of through the inclusion of eligibility criteria in their terms of references, constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision. This minimal deviation does not affect the progress towards achieving the investment that the milestone represents, given that compliance with the DNSH principle was verified. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.

- (52) Target 300 provides for the creation of at least 1 667 new VET groups compared to the academic year 2019/2020. The territorial distribution of funding to increase the new VET offer is based on a needs assessment and follow on discussion with stakeholders to ensure that it effectively responds to sectoral needs as outlined in the VET Modernisation Plan and regional gaps. The evidence provided by Spain demonstrates that 4 024 new VET groups have been created in line with the requirements of the target. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (53) Milestone 319 provides for the publication in the Official Journal of the “Plan to reorganise and simplify the system of non-contributory financial benefits of the General State Administration”. The Plan shall aim to integrate non-contributory benefits around an income coverage instrument in order to improve the effectiveness and efficiency of public resources and focus them on people at risk of vulnerability or social inclusion and shall focus on the appropriate coverage of the various circumstances that leads people to vulnerability as well as the adequacy of the income support. To this end, the Plan shall take in to account, on the one hand, structural needs like households with children and people with disabilities and, on the other hand, link income support to active job seeking for inclusion and avoid “poverty traps”. The Plan shall consider all existing non-contributory with a view of gradually and over time integrating them in a single national system to assure that the plan’s

target is fully achieved. The evidence provided by Spain demonstrates that a complete version of the plan was published on the official website of the relevant Ministry, with its contents and objectives in line with the requirements of the milestone. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, publishing the plan on the official government website, instead of in the Official Journal, is in line with common practice and according to the further specifications in the Operational Arrangements, serves as a qualitative indicator proving that the complete plan is in force. Additionally, this publication ensures public accessibility and transparency, thereby maintaining the integrity and progress of the reform. As of this, the minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (54) Milestone 335 provides for the entry into force of the amendment of the Employment Law (Royal Legislative Decree 3/2015). The main objectives of the reform are to strengthen the policy and coordination instruments of the National Employment System, reform active labour market policies, review the governance of the system, strengthen the local dimension of employment policy and meet the requirements for the implementation of the various measures foreseen in the National Plan for Active Employment Policies. Moreover, among other legislative changes, the reform shall strengthen active and passive employment policies, establish the Common Services Portfolio of the National System of Employment, improve employability through the use of ICT and Big Data and review the financing model. The evidence provided by Spain demonstrates that Law 3/2023 was published in the Official Journal and entered into force on 2 March 2023. Law 3/2023, together with Royal Decree 438/2024 which entered into force on 2 May 2024, complies with the milestone objectives and legislative changes established in the Council Implementing Decision. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (55) Milestone 337 provides for the entry into force of the amendments to Law 43/2006 in order to simplify hiring incentives and increase their effectiveness. The objective of the reform is to simplify and increase the effectiveness of the recruitment incentive system taking into account the recommendations issued by the Spanish Independent Authority for Fiscal Responsibility (AIReF) in its 2020 Spending Review report “Incentives to recruitment”. Among others, these recommendations included improving the employability of very specific groups with low participation in the labour market, reduce the number of incentives and standardise the requirements for beneficiary companies, linking employment incentives and combine them with other activation measures to improve their efficacy, as well as continuously monitoring and evaluating hiring incentives. The evidence provided by Spain demonstrates that this amendment has been fulfilled with the entry into force on 1 September 2023 of Royal Decree 1/2023 on urgent measures regarding incentives for job hiring and improvement of social protections for artists. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (56) Milestone 340 provides for the entry into force of the amendment of Royal Legislative Decree 8/2015 reforming the regulation of non-contributory unemployment support. The reform includes among its objectives to extend unemployment protection by filling in some of the coverage gaps and extending the maximum duration; to simplify the system, currently fragmented into several schemes; to link the benefit to a personalised activation itinerary; and to facilitate the transition to social protection



when the beneficiary does not return to work and is in a vulnerable situation. The evidence provided by Spain demonstrates that this milestone has been fulfilled with the publication in the Official Journal of Royal Decree-law 2/2024 on the adoption of urgent measures for the simplification and improvement of the unemployment protection assistance and its subsequent entry into force on 23 May. Milestone 340 includes a minimal temporal deviation, as the entry into force of the following provisions has been delayed until 1 November 2024: Article 2, paragraph 24 concerning the new Forty-fourth Transitory Provision; Article 2, paragraphs 18 to 23 relating to the new Fifty-fourth to Fifty-ninth Additional Provisions of Royal Legislative Decree 8/2015; points two and four of the Derogatory Provision; the Second Final Provision except its point four; the Third Final Provision; and point one of the Sixth Final Provision. Moreover, paragraph 3 of the Fourteenth Final Provision establishes that the Fourth Final Provision will enter into force on the first day of the month following that of its publication in the Official Journal, except for its sections five and eight, which will come into force six months after said publication. Whilst this constitutes a minimal temporal deviation from the requirement of the Council Implementing Decision, the delay between the publication of this Royal Decree-law and the actual application of the provisions is considered both limited and proportional, notably because the introduced legislative changes imply a profound change in the technical functioning of the non-contributory unemployment support, especially with respect to the management of subsidy requests and the need to train existing and additional staff. Moreover, milestone 340 includes a minimal formal deviation. The Council Implementing Decision required within the objectives of the reform to facilitate the transition to social protection when the beneficiary does not return to work and is in a vulnerable situation by amending Royal Legislative Decree 8/2015. Spain to this end has amended Law 19/2021 establishing the Minimum Vital Income through Royal Decree-law 2/2024. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, royal legislative decrees and laws have the same legal effects. These amendments in Law 19/2021 are necessary to adapt the legislation of the Minimum Vital Income and ensure a swift transition between it and the non-contributory unemployment benefit. Finally, milestone 340 includes a minimal substantive deviation, as the Council Implementing Decision required the monthly amount of the benefit to remain at 80% of the 'IPREM' level. Spain amended Article 278 of Royal Legislative Decree 8/2015, introducing a decreasing amount of the subsidy, which will start at 95% of 'IPREM' during the first 180 days, 90% of 'IPREM' from day 181 to day 360, and 80% of 'IPREM' from day 361 on. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the amendments exceed the CID requirements contributing to the objectives of the measure, in particular to extend unemployment protection. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (57) Milestone 352 provides the entry into force of regulatory changes for the implementation of the artist's statute and the regulation of the following aspects with the aim to improve the working conditions of artists: (i) adequacy of VAT; (ii) personal income tax; (iii) trade union representativeness; (iv) health and special employment relationship of artists in public careers; (v) better regulation of sponsorship; (vi) and the regime of tax incentives. The evidence provided by Spain demonstrates the entry into force of regulatory changes in the above-mentioned areas

with the aim of improving working conditions of the artists and implementing the recommendations under Artist's statute. The legal acts introducing the relevant regulatory changes entered into force in the period between 22 April 2020 and 22 May 2024. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (58) Milestone 367 provides for the entry into force of the Law for Sports, which shall include provisions to foster health and safety in the practice of sports at all levels, gender equality, social inclusion and accessibility, promote the international dimension of the model and modernise organisations, and infrastructures through respect for the environment and digitisation. The evidence provided by Spain demonstrates that the Law for Sports entered into force on 1 January 2023 and that its contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (59) Milestone 377 provides for the publication of the interim assessment of the effects of the entry into force of the Law against Tax Evasion and Fraud (Law 11/2021) on the Ministry of Finance website. The evidence provided by Spain demonstrates that the interim assessment was published on the website of the Ministry of Finance on 30 December 2022. The evidence shows that the authorities have carried out an assessment of the elements of the Law against Tax Evasion and Fraud and of measures which strengthen rules against tax avoidance practices that directly affect the functioning of the internal market as well as to amend indirect and direct taxation, and gambling regulation. Whilst the milestone required Spain to assess all elements of Law 11/2021 relevant for the milestone and the related measure of the Council Implementing Decision, the Spanish authorities did not assess one of the 23 elements of the Law 11/2021 which relates to the amendment of certain local government taxes (Article 15 of Law 11/2021) and this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision. The deviation is considered acceptable for the following reasons: the amendments under Article 15 were adopted to close a loophole which emerged after ruling 356/2018 of the Spanish Supreme Court. The amendments of Article 15 made it harder for business groups to reduce their tax liabilities under the Local Finance Regulatory Law by changing the group structure. However, it is likely that there are some business groups which have a group structure that allows to reduce tax liabilities legally while there may be some other business groups which may seek to change their structure deliberately to reduce their tax liabilities or to avoid taxes. In this context, it is considered that a robust assessment of the effects of this amendment would have been a very difficult exercise. Whilst it is noted that the changes referred to in Article 15 of the Law Against Tax Evasion and Fraud are in place clarifying the regulatory environment, it is considered reasonable to exclude the assessment of its effects from the interim assessment. In addition, it is considered that this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (60) Milestone 404 provides the publication of a Report on the Alignment of the Central Government Budget with green budgeting as complementary documentation in the Annual Budgetary Law that presents the mapping of green expenses of the central government budget for 2023 using the methodology and monitoring framework prepared under the Technical Support Instrument. The evidence provided by Spain

demonstrates that the report was published on 6 October 2022, on the same day when the draft 2023 General State Budget Law was submitted to the Congress of Deputies. In addition, the evidence demonstrates that the report was prepared in line with the methodology and monitoring framework designed with the support of the EU Technical Support Instrument and it presents a mapping of green expenses in the annual central government budget law. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (61) Milestone 408 provides for the entry into force of legislation on the adjustment of the contributory period for the calculation of the retirement pension, with the objective to reinforce the progressivity of the system and adapt the current regulation to discontinuous careers and other forms of atypical work. The evidence provided by Spain demonstrates that the legislation entered into force on 1 April 2023 and its contents and objectives are in line with the requirements of the milestone, whereas the new rule for the contributory period for calculating the reference period and the integration of periods without the obligation to pay contributions until the gender gap is reduced, will enter into force on 1 January 2026. Whilst this constitutes a minimal temporal deviation, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional. Specifically, in addition to the usual reasons why pension reforms are not immediately implemented and are subject to delayed application (notably to allow parties impacted by the reform to implement any changes in their retirement planning due to their reform), the delay is proportional considering the implementation steps that need be undertaken by the relevant authorities and the parties impacted by the reform to enable a reasonable application of the new regulatory measures. The delayed entry into force will occur within the timeframe of the Recovery and Resilience Facility. Moreover, the entry into force is already incorporated into the General Law on Social Security and there is certainty of application as no further legal acts are necessary to implement these provisions. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (62) Milestone 409 provides for the entry into force of legislation replacing the sustainability factor with an intergenerational equity mechanism. The objective of the measure is to address the impact of the forthcoming demographic changes without worsening the adequacy of current and future pensions. The evidence provided by Spain demonstrates that the intergenerational equity mechanism, in its current and final version, entered into force on 18 March 2023 with effect from 1 January 2023 and that its contents and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (63) Milestone 410 provides for the publication of updated projections showing how the pension reforms undertaken in 2021 and 2022 ensure long-term fiscal sustainability, also taking into account the impact of other structural reforms, such as labour market reforms. The evidence provided by Spain demonstrates that the report ‘Projections of public expenditure on pensions in Spain’ has been published on the website of the Ministry of Inclusion, Security and Migration and that its contents are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (64) Milestone 415 provides for the entry into force of legislation for the adjustment of the maximum contribution base. The gradual increase of the maximum contribution base of the system and the adjustment of maximum pensions is aimed at widening the

contribution base and progressivity of the system and to increase overall revenue. The evidence provided by Spain demonstrates that the legislation entered into force on 1 April 2023 and its contents and objectives are in line with the requirements of the milestone, whereas the annual adjustment of the maximum pension and maximum contribution base entered into force on 1 January 2024 and the solidarity quota enters into force on 1 January 2025. Whilst the latter constitutes a minimal temporal deviation, the delay between the adoption of this law and the actual application of the provisions is considered both limited and proportional, notably, the deployment has been agreed with the social partners and reflects the need to make it easier for economic operators to adapt to the new regulatory framework. Moreover, the delayed application is already incorporated into the General Law on Social Security and is not subject to any further requirements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (65) Furthermore, the Kingdom of Spain has also confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed.
- (66) Following the partially positive assessment concerning the Kingdom of Spain's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the fourth instalment of the non-repayable support should be authorised.
- (67) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Spain received EUR 10 079 975 332 of the financial contribution as pre-financing, an amount of EUR 1 394 838 518 of the payment should be utilised to clear the pre-financing, of which EUR 246 823 673 to clear the pre-financing for the REPowerEU chapter.
- (68) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (69) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

#### *Article 1*

##### *Authorisation of the disbursement of the non-repayable support*

The disbursement of the fourth instalment of the non-repayable support as laid down in Section 2(3)(3.4) of the Annex to the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Spain for an amount of EUR 11 277 404 486 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Kingdom of Spain, EUR 1 394 838 518 shall be utilised to clear the pre-financing of the financial contribution. EUR 9 882 565

968 shall be provided to Spain by means of payment to the bank account indicated in the Financing Agreement.

*Article 2*  
*Addressee*

This Decision is addressed to the Kingdom of Spain.

Done at Brussels, 19.7.2024

*For the Commission*  
*Paolo GENTILONI*  
*Member of the Commission*