

28 November 2023

Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Germany on 15 September 2023, 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 15 September 2023, Germany submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Germany provided due justification of the satisfactory fulfilment of 28 milestones and 8 targets of the first instalment of the non-repayable support, as set out in Section 2 of the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the recovery and resilience plan for Germany¹.

For 2 targets covering a large number of beneficiaries, in addition to the summary documents and official listings provided by Germany, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above in all cases.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Germany, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 36 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Germany's Recovery and Resilience Plan. This includes, among others, reforms to promote the digitalisation and the efficiency of public administration as well as the acceleration of the planning and approval procedures in the transport sector. The milestones and targets also confirm progress towards the completion of investment projects related to electro-mobility and charging infrastructure, research in hydrogen and the rollout of hydrogen-related projects, support for microelectronics, the digitalisation of railways, the development of vaccines as well as support for childcare and apprenticeships.

By the transmission of this positive 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.

¹ ST 10158/21; ST 10158/21 ADD 1, not yet published.

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Non-repayable support

Number: 1	Related Measure: DE-C[1.1]-I[1], Hydrogen projects within the framework of IPCEIs
Name of the Milestone: Completion of expression of interest procedure	
Qualitative Indicator: Companies have submitted project sketches	Time: Q2 2021
Context:	
<p>The measure aims to accelerate the market uptake of hydrogen and its derivatives to decarbonise emission-intensive processes and develop new areas of application in Germany and in Europe, through the implementation of an Important Projects of Common European Interest (IPCEIs) focused on hydrogen.</p> <p>Milestone 1 concerns the completion of the expression of interest procedure and the identification of potential projects and project participants in Germany.</p> <p>Milestone 1 is the first step of the implementation of the investment and it will be followed by milestone 2 related to the issuance of grant decisions, target 3 related to the commitment of at least EUR 500 million for the projects, milestone 4 related to the publication of a first evaluation report of the programme, target 5 related to the commitment of at least EUR 1.5 billion for the projects and target 6 related to the creation of at least 300 MW of electrolysis capacity.</p> <p>The investment has a final expected date for implementation in Q3 2026.</p>	
Evidence provided:	
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. List of the 167 major projects (in total 231 projects), corresponding participants and project descriptions that have been submitted under the expression of interest procedure [Evidence No 2]; iii. 167 major project sketches that have been submitted under the expression of interest procedure [Evidence No 3]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A summary of the expression of interest procedure by the lead project partner, Projektträger Jülich of Forschungszentrum Jülich GmbH, from 11 August 2021 [Evidence No 1]; ii. Published call for expression of interest (<i>Bekanntmachung des Interessenbekundungsverfahrens zur geplanten Förderung im Bereich Wasserstofftechnologien und -systeme</i>) from 11 January 2021, published in the Federal Gazette on 14 January 2021 (Bundesanzeiger, <i>BAnz AT 14.01.2021</i>) [Evidence No 4], available online: https://www.bundesanzeiger.de/pub/publication/RrR509bmOLCqzGF9ds3/content/RrR509bmOLCqzGF9ds3/BAnz%20AT%2014.01.2021%20B1.pdf?inline; iii. Criteria for assessing the compatibility of state aid to promote important projects of common European interest with the internal market published by the European Commission on 20 June 2014 [Evidence No 5], available online: https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:52014XC0620(01)&from=EN; iv. A copy of a press release by the lead federal ministries (BMWK and BMVi) from 28 May 2021 	

describing hydrogen projects [Evidence No 6], available online: <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/2021/05/20210528-bmwi-und-bmvi-bringen-wasserstoff-grossprojekte-auf-den-weg.html>;

- v. A copy of the **National Hydrogen Strategy** from June 2020 [Evidence No 7], available online: https://www.bmwk.de/Redaktion/DE/Publikationen/Energie/die-nationale-wasserstoffstrategie.pdf?__blob=publicationFile&v=7.

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.

The expression of interest procedure has been completed. The expression of interest procedure started with the publication in the Federal Gazette on 11 January 2021 (Evidence No 4 (publication EOI procedure), p. 1). The expression of interest procedure seeks to assess the interest of potential participants for a call supporting hydrogen projects and systems.

Project sketches could be submitted until 19 February 2021 (section 5 “Procedure for participation in the expression of interest procedure”; Evidence No 4, p. 1). The lead project partner Projektträger Jülich (PTJ), one of Germany's leading project management agencies, has also confirmed that the expression of interest procedure has been completed (Evidence No 1 (summary EOI procedure), p. 1).

Potential projects and project participants in Germany have been identified. The lead project partner Projektträger Jülich (PTJ) has identified 235 potential projects that have been submitted under the expression of interest procedure (Evidence No 1, p. 1). Some of the initially 235 applicants for projects indicated that they will subsequently apply as joint ventures or that certain partners of a project will only participate as indirect partners without funding. Therefore, the final number of projects that have been submitted under the expression of interest procedure (Evidence No 2) is 231. Germany has also submitted the list of these identified projects (Evidence No 2 (list EOI procedure)). For each potential project for which interest was expressed, a project sketch was submitted that contains information about the project leader and participants, a description of the envisioned content and of the envisioned effects of the project (Evidence No 3 (sketches EOI procedure)). The sketches cover four thematic areas: hydrogen production, hydrogen infrastructure, use of hydrogen in industry, and use of hydrogen in mobility (Evidence No 1, p. 1).

Furthermore, in line with the description of the measure, **the objective of the planned hydrogen Important Projects of Common European Interest (IPCEIs) is to accelerate the necessary market uptake of hydrogen and its derivatives.** The call for expression for interest demonstrates that, as there is currently no functioning green hydrogen market at either national or European level, the objective of the measure is to promote the market of hydrogen technologies and that this is an appropriate policy instrument to overcome this market failure (section “Context and objective”; Evidence No 4, p. 1).

Furthermore, in line with the description of the measure, **the objective is to decarbonise emission-intensive processes and develop new areas of application in Germany and in Europe.** The call for expression for interest indicates the objectives of the measure and that support for hydrogen, is in line with the goal of climate neutrality, through transforming previously CO₂-intensive processes and activities (section “Context and objective”; Evidence No 4, p. 1).

The call for expression of interest also indicates that the measure’s objective is to open up industrial policy opportunities to secure pioneering positions in an emerging global market for hydrogen and its derivatives, and to secure value creation in Germany and in Europe. This holds for both global

technologies for the production of hydrogen and derived applications such as fuel cells or application in industrial processes (section “Context and objective”; Evidence No 4, p. 1). A condition for the funding of IPCEI projects is a high research and innovation content and/or the introduction of a fundamentally new production process, which can be seen as developing new areas of application (section 22; Evidence No 5 (criteria for IPCEI), p. 4).

The call for interest states that the potential for reduction of greenhouse gas emissions is one criterion for the selection of projects (section 3 “Support criteria”; Evidence No 4, p. 3).

European involvement and EU-wide impact are part of the assessment criteria, which includes notably a contribution to and impact on the competitiveness of the EU, its sustainable growth, the societal challenges it faces and the creation of value added in the EU, as well as the participation of more than one other Member State, a high degree of cooperation in terms of number and diversity of partners, a high relevance for and broad application in the EU economy and society through positive spill-over effects (section 3 “Support criteria”, Evidence No 4, p. 3).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 7	Related measure: DE-C[1.1]-I[2], Funding programme for decarbonisation in industry
Name of the Milestone: Entry into force of funding guideline (Förderrichtlinie) for decarbonisation in industry	
Qualitative Indicator: Entry into force of funding guideline	Time: Q1 2021
<p>Context:</p> <p>The measure aims to help industry shift from highly emission-intensive production processes to low greenhouse gases processes and especially to help businesses address the challenges linked to the high costs and economic risk of developing climate-neutral technologies.</p> <p>Milestone 7 concerns the entry into force of funding guidelines enabling companies to apply to a funding programme for decarbonisation in industry.</p> <p>Milestone 7 is the first step of the implementation of the investment, and it will be followed by target 8 related to the issuance of grant decisions, target 9 related to the disbursement to related projects and target 10 related to the achieved reduction of greenhouse gas emissions in industry.</p> <p>The investment has a final expected date for implementation in Q3 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. The funding guideline to support decarbonisation in industry. The guideline was published on 15 January 2021 in the Federal Gazette (<i>'Bundesanzeiger'</i>, BAnz AT 15.01.2021 B5) (https://www.bundesanzeiger.de/pub/publication/sPdNMCSoJMQCRSvn4qr/content/sPdNMCSoJMQCRSvn4qr/BAnz%20AT%2015.01.2021%20B5.pdf?inline) (online availability) and has entered into force on 1 January 2021 (see section 10 on page 6) [Evidence No 1]; iii. the decree issued by the Federal Ministry for Economic Affairs and Climate Action (<i>BMWK</i>) to the lead project partner "Competence center for climate protection in energy-intensive industries" (<i>'Kompetenzzentrum Klimaschutz in energieintensiven Industrien (KEI)'</i>) setting out that only projects resulting in emissions substantially below the EU Emissions Trading System benchmarks shall be eligible for support [Evidence No 2]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A copy of the Climate Protection Programme 2030 of the Federal Government (Available online: https://www.bundesfinanzministerium.de/Content/DE/Downloads/Klimaschutz/klimaschutzprogramm-2030-der-bundesregierung-zur-umsetzung-des-klimaschutzplans-2050.pdf?__blob=publicationFile&v=4) [Evidence No 3]; ii. A letter by project executing organization "Kompetenzzentrum Klimaschutz in energieintensiven Industrien" (kei) providing and confirming the list of projects [Evidence No 4]; iii. A list of projects per sector setting out the state of application. The list only entails projects 	

- that have successfully passed phase 1 (*Projektskizzenphase*) [Evidence No 5];
- iv. ETS check with concrete example. This document provides for a checklist setting out how and why the project Cap2U was supported under the funding guidelines [Evidence No 6].

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.

The guideline has entered into force, enabling companies to submit applications.

The funding guideline was published on 15 January 2021 in the Federal Gazette ('Bundesanzeiger', BAnz AT 15.01.2021 B5) entered into force on 1 January 2021 (section 10; Evidence No 1, p. 6). The published funding guideline is the legal basis that enables companies to submit their applications for funding. Eligible companies for funding are defined as commercial companies that plan or operate plants in sectors that are covered by the scope of EU emissions trading and have process-related greenhouse gas emissions. The process to submit applications is described in section 9.2 of the guideline (Evidence No 1, pp. 4-5). Eligible companies were able to submit application as of the entry into force on 1 January 2021 (section 9; Evidence No 1, p. 4).

Furthermore, in line with the description of the measure, **the objective of the measure is to help industry shift from highly emission-intensive production processes to low GHG processes.** Section 1 of the funding guideline (Evidence No 1, p. 1) explains that the guideline funds projects in the field of energy-intensive industries that aim to reduce process-related greenhouse gas emissions that are unavoidable or difficult to avoid to the extent possible and permanently according to the current state of the art.

Furthermore, in line with the description of the measure, **it seeks to help businesses address the challenges of the transition, which lie in particular in the high costs and economic risk of developing climate-neutral technologies.** Section 1 of the funding guideline demonstrates that the promoted projects make a substantial contribution on the transition to greenhouse gas neutrality (section 1; Evidence No 1, p. 1). Section 6 of the guidelines (Evidence No 1, pp. 2-3) list the costs supported linked to the development of climate-neutral technologies. To address the associated economic risks, the additional investment costs linked to environmental protection and resulting from the difference between the cost of the project and the cost of a similar, less environmentally friendly equivalent that could have been made by the applicant are also covered (section 6.2; Evidence No 1, p. 2).

Furthermore, in line with the description of the measure, **support shall be given to research and development, testing in experimental or pilot plants and investments in installations for the application and implementation of measures on an industrial scale.** The guidelines provide support for research and development, testing in experimental or pilot plants and investments in facilities for the application and implementation of measures on an industrial scale, provided that they are suitable for reducing greenhouse gas emissions (section 4; Evidence No 1, p. 1).

Furthermore, in line with the description of the measure, **the support shall be granted in the form of a partial investment grant.** Support is granted as a partial grant/investment grant (section 6, Evidence No 1, p. 2).

Furthermore, in line with the description of the measure, **the measure targets companies in energy-intensive industries with GHG emissions emanating from the production process covered by the EU emissions trading scheme (in particular steel, cement, lime, chemicals, non-ferrous metals, glass and ceramics)**. The guideline states that it targets energy-intensive industries that aim to reduce process-related greenhouse gas emissions (section 1; Evidence No 1, p. 1) and that only commercial enterprises that operate installations approved in accordance with the provisions of the Federal Immission Control Act in sectors covered by the scope of EU emissions trading and exhibit, plan or operate process-related greenhouse gas emissions are eligible (section 5; Evidence No 1, p. 2). The Climate Protection Programme 2030 of the Federal Government recalls that within the industrial sector, the iron and steel industries, the cement industry and the chemical industry are the most important GHG emitters (section 3.4.4, Evidence No 3 (climate protection programme), p. 87).

The institution in charge of the implementation of the project Competence Center for Energy-intensive Industries has provided a list with all projects that have already been approved for a first phase review of the phase 1 (“Projektskizze”) (Evidence No 5 (list of projects)). The second column of the list indicates the project status and differentiates between project applications that either have been fully accepted, are still being examined after the first phase review or were asked to provide a full application. Additionally, it lists the respective sector of these projects. All 41 project applications cover the sectors steel, cement, lime, chemicals, non-ferrous metals, glass or ceramics (see letter by project executing organization (Evidence No 4 (letter by project executing organisation)) and the list of projects (Evidence No 5)).

Furthermore, in line with the description of the measure, **only projects resulting in emissions substantially below the EU Emissions Trading System benchmarks shall be eligible for support under the measure. Where the activity supported achieves projected greenhouse gas emissions that are not substantially lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks are established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.**

The Council Implementing Decision measure description requires that **only projects resulting in emissions substantially below the EU Emissions Trading System benchmarks shall be eligible for support under the measure**. Germany has ensured this eligibility condition for the measure by means of an implementation decree issued by the Federal Ministry for Economic Affairs and Climate Action (BMWK) complementing the eligibility rules under the funding guidelines. The implementing decree defines that only projects that lead to GHG emissions substantially below the EU ETS benchmark can be funded provided they are no research projects and fall under the ETS Directive.

The Commission has identified that the implementing decree leaves room for some limited exceptions. Notably, the implementing decree spells out that some well justified exceptions from this rule may occur in specific cases (Evidence No 2, implementation decree). Germany has explained that in general, an exemption will only be made if the employed technology is of overarching importance for the long-term decarbonization and carbon management strategies of Germany. In that case, the Federal Ministry for Economic Affairs and Climate Action examines the respective projects and determines if there is no other way to save emissions and if the project cannot be modified in order to yield emissions below the threshold. Considering both conditions are met, the exception is granted.

Germany should take all the necessary actions to ensure that only projects that are eligible (resulting in GHG emissions substantially below the EU Emissions Trading System benchmark) are counted towards target 8 (related to the issuance of grant decisions), target 9 (related to the disbursement to related projects) and target 10 (related to the achieved reduction of greenhouse gas emissions in industry), which the Commission will assess as part of the respective payment requests.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 11	Related Measure: DE-C[1.1]-I[3], Pilot scheme for climate action contracts based on the principle of Carbon Contracts for Difference
Name of the Milestone: Completion of expression of interest procedure for climate change contracts	
Qualitative Indicator: Companies submit expressions of interest for climate change contracts to Ministry of the Environment (BMU)	Time: Q4 2021
<p>Context:</p> <p>The measure aims to introduce climate action contracts to support the introduction of new, cleaner production technologies for energy-intensive industries. This seeks to provide businesses with financial certainty when they make significant investments in climate-neutral technologies and to reduce on a permanent basis process-related GHG emissions.</p> <p>Milestone 11 concerns the completion of the expression of interest procedure for companies interested in receiving support for their projects through climate action contracts.</p> <p>Milestone 11 is the first step of the implementation of the investment, and it will be followed by milestone 12 related to the entry into force of guideline for a pilot programme on climate change contracts based on the principle of Carbon Contracts for Difference, which includes the assessment of the ETS benchmark requirement of the measure description, and target 13 related to disbursement to the supported projects.</p> <p>The investment has a final expected date for implementation in Q3 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A copy of the call for expression of interest published by the lead ministry, the Federal Ministry of Economics and Climate Protection (<i>Bundesministerium für Wirtschaft und Klimaschutz, hereinafter: BMWK</i>) on 3 May 2022 [Evidence No 1] and a link to the document: https://www.bmwk.de/Redaktion/DE/Publikationen/Klimaschutz/klimaschutzvertraege-bekanntmachung-des-interessenbekundungsverfahrens.html; iii. An email on technical specifications by the lead ministry, the Federal Ministry for Economic Affairs and Climate Action (<i>BMWK</i>) from 19 June 2023, showing that the call for expression of interest reflects the description of the investment in the CID annex [Evidence No 2]; iv. A list with all 84 projects submitted to the call for expression of interest, provided by the lead ministry, the Federal Ministry of Economics and Climate Protection (<i>BMWK</i>), with a project description and an indication of the ETS sector to which the activity of each project belongs) [Evidence No 3]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A draft of the funding guidelines for the climate change contracts, published by the lead ministry, the Federal Ministry of Economics and Climate Protection (<i>BMWK</i>), on 6 June [Evidence No 4] and a link to the document: https://www.bmwk.de/Redaktion/DE/Downloads/F/klimaschutzvertraege-foerderrichtlinie.pdf?__blob=publicationFile&v=2; 	

- ii. A copy of a key issues paper on the design of climate change contracts, as published on 21 April 2021 by the lead ministry at the time, the Federal Ministry of the Environment (BMU) [Evidence No 5], available online:
https://www.bmuv.de/fileadmin/Daten_BMU/Download_PDF/Klimaschutz/eckpunktepapier_klimaschutzvertraege_ccfd_bf.pdf.

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The expression of interest procedure has been completed, with companies having expressed their interest in receiving support for their projects through climate change contracts and projects having been selected.

The call for the expression of interest regarding climate change contracts, published on 3 May 2022, was concluded on 25 May 2022 (section 5 “Application process”; Evidence No 1 (call for expression of interest), p. 7).

In response to the call for expression of interest, companies submitted 84 projects (list of all 84 submitted projects with a project description, Evidence No 3 (list of submitted projects identified as eligible)).

The milestone in the Council Implementation is further specified in the Operational Arrangements, which requires that **for the purpose of these Operational Arrangements, “projects having been selected” shall be understood as “projects having been identified as eligible among those submitted under the call for expression of interest”**. The call for expression of interest requires that projects show an emission reduction of at least 50% compared to the ETS benchmarks (section 3 “Key point on climate contracts”; Evidence No 1, p. 2), in line with the description of the measure (which will be assessed as part of milestone No 12) that only projects resulting in emissions substantially below the ETS benchmarks shall be eligible for support under the measure. Where the activity supported achieves projected greenhouse gas emissions that are not substantially lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks are established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447]. Submitted projects have been identified as eligible, non-eligible, or requiring further information under the call for expression of interest. and have notably been checked for their contribution to savings of greenhouse gases emissions and their expected date of completion: The call for expression of interest requires that projects show an emission reduction of at least 50% compared to the ETS benchmarks (section 3 “Key point on climate contracts”; Evidence No 1, p. 2). Projects that are incompatible with the 2045 target of climate neutrality are also not eligible for the scheme (Evidence No 2 (justification technical specifications), p. 2). In line with the call for expression of interest (section “application object”; Evidence No 1, p. 2) 44 of the 84 projects have been identified as eligible without the need for further information (last column “Eligibility” of list with all 84 submitted projects with a project description, Evidence No 3).

Furthermore, in line with the description of the measure, **the objective of the measure is, as for measure 1.1.2, the introduction of new, cleaner production technologies for energy-intensive industries**. The call for expression of interest states that Climate protection contracts based on the Carbon Contracts for Differences (CCfD) aim to ensure that companies make the switch to innovative climate-friendly technologies and production methods at an early stage (section 1 “Background”; Evidence No 1, p. 1). The measure is aimed only at energy intensive industries (section “Sectors”; Evidence No 1, p. 3).

Furthermore, in line with the description of the measure, **the programme is expected to be aimed primarily at companies in the steel, chemical and building materials industries where process emissions are particularly difficult to avoid.** The call for interest states that the focus of the funding programme is on processes in the basic industries with high process-related emissions, i.e. in particular in the production of steel, cement (a building material), lime and ammonia (chemicals) (section “sectors”; Evidence No 1, p. 3).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 14	Related Measure: DE-C[1.1]-I[4], Project-related climate protection research		
Name of the Target: Approval of applications for support of climate-related research projects			
Quantitative Indicator: Number of applications approved	Baseline: 0	Target: 45	Time: Q4 2021
Context:			
<p>The measure aims to contribute to the decarbonisation of the economy with a specific focus on SMEs and basic industries. It funds collaborative research projects focusing on decarbonisation in the three areas: (i) climate protection in the industry, (ii) SME innovation and (iii) climate resilience.</p> <p>Target 14 concerns the approval of 45 climate-related research projects selected under the call for tender.</p> <p>Target 14 is the first step of the implementation of the investment and it will be followed by target 15 related to the disbursement to the supported projects and target 16 related to the completion of 45 supported climate-related research projects.</p> <p>The investment has a final expected date for implementation in Q4 2025.</p>			
Evidence Provided:			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copies of the calls for tender under the measure: <ol style="list-style-type: none"> a. A copy of the call for tender for the funding of research and development for the avoidance of process-related emissions (<i>Richtlinie zur Förderung von Projekten zum Thema „Vermeidung von klimarelevanten Prozessemissionen in der Industrie (KlimPro-Industrie)“</i>), published 26 July 2019 in the Federal Gazette (<i>Bundesanzeiger, BAnz AT 26.07.2019</i>) [Evidence No 1]; available online: https://www.bundesanzeiger.de/pub/publication/VAxtpsqwTiDad49SbFD/content/VAxtpsqwTiDad49SbFD/BAnz%20AT%2026.07.2019%20B6.pdf; b. A copy of the call for tender for the funding of research and development by SMEs (<i>Richtlinie zur Förderung von Projekten zum Thema „KMU-innovativ: Ressourceneffizienz und Klimaschutz“</i>), published 20 August 2019 in the Federal Gazette (<i>Bundesanzeiger, BAnz AT 20.08.2019</i>), [Evidence No 2], available online: https://www.bundesanzeiger.de/pub/publication/1t111mUj0qcDQhYYa3H/content/1t111mUj0qcDQhYYa3H/BAnz%20AT%2020.08.2019%20B4.pdf?inline; c. A copy of call for tender for the funding of projects working on “future cities” (<i>Richtlinien zur Förderung von Vorhaben für die Umsetzung der Leitinitiative Zukunftsstadt</i>), published in the Federal Gazette on 1 April 2016 (<i>Bundesanzeiger, BAnz AT 01.04.2016</i>), [Evidence No 3] available online: https://www.bundesanzeiger.de/pub/publication/ujbOhX9gIFO4HKWgVMJ/content/ujbOhX9gIFO4HKWgVMJ/BAnz%20AT%2001.04.2016%20B2.pdf?inline; d. A copy of the call for tender for the funding of researching and developing carbon dioxide as sustainable source of carbon (<i>Richtlinie zur Förderung von Forschungs- und Entwicklungsvorhaben zum Thema „CO2 als nachhaltige Kohlenstoffquelle – Wege zur</i> 			

industriellen Nutzung (CO2-WIN)“ im Rahmenprogramm „Forschung für Nachhaltige Entwicklung – FONA“), published in the Federal Gazette on 3 August 2018 (Bundesanzeiger, BAnz AT 03.08.2018), [Evidence No 4] available online: <https://www.bundesanzeiger.de/pub/publication/Aae0qXpWwStZCPiVpCK/content/Aae0qXpWwStZCPiVpCK/BAnz%20AT%2003.08.2018%20B5.pdf?inline>;

e. A copy of the **call for tender for the funding of research improving resource efficiency** (*Richtlinien zur Fördermaßnahme „r4 – Innovative Technologien für Ressourceneffizienz – Forschung zur Bereitstellung wirtschaftsstrategischer Rohstoffe“*), published on 23 July 2013 (*Bundesanzeiger, BAnz AT 23.07.2013*), [Evidence No 5], available online:

<https://www.bundesanzeiger.de/pub/publication/q7xG3a0KMT6UhpLiHiw/content/q7xG3a0KMT6UhpLiHiw/BAnz%20AT%2023.07.2013%20B2.pdf?inline>;

- iii. **Copies of applications for funding of 45 projects.** Additionally, the applications for funding also contain documentation of the project, for example a description of the project content, planned actions and utilisation of the results (45 documents with a numerical identifier, ending with “A”, short for *Antrag*, that is application), [Evidence No 6];
- iv. **Notices of grants** for the 45 projects (45 documents with a numerical identifier, ending with “ZB”, short for *Zuwendungsbescheid*, that is notice of grants), [Evidence No 7];
- v. A **justification that the technical specifications of the call are fully aligned** with the description of the investment in the CID Annex [Evidence No 8].

Analysis:

The justification and substantiating evidence provided by the Germany authorities cover all constitutive elements of the target.

The climate-related research projects selected under the call for tender have been approved for funding.

Germany provided evidence on 45 projects that have been selected and approved for funding as evidenced by the notices of grants for the 45 projects (Evidence No 7). The submission of project applications and issuance of grant notices took place during the RRF eligibility period after 1 February 2020, and each project is clearly identified by a funding identifier (*Förderkennzeichen*). Each of the 45 projects has been attributed to one of the five calls for tender under this measure and that the project topic is plausibly contributing to the aim of the corresponding call.

The 45 selected projects are all climate-related because they have been issued under the five climate-related calls for tenders in alignment with the description of the investment in the CID Annex. To link supported areas to the requirements of the CID Annex, the Federal Ministry of Finance (BMF) has provided excerpts from the five calls for tender (Evidence No 8 (justification technical specifications)) as guidance. The full calls for tender (Evidence No 1-5) were considered for the below assessment. The applicable call for tender for each project can be identified in the header of each grant notice. Each call is climate-related:

1. The call for tender regarding process-related emissions aims at researching and developing innovative processes which avoid greenhouse gas emissions for the basic materials industry (section 1 on “Funding objective”, purpose of funding and legal basis; Evidence No 1 (call for tender process-related emissions), p. 1). Project documentation and funding notices cover 20 projects that belong to this call (Evidence No 6 (applications for funding); Evidence No 7 (notices of grants));
2. The call for tender for the funding of research and development by SMEs focuses on strengthening the innovation potential of SMEs, especially with respect to resource efficiency and climate change (section 1 on “Funding objective, purpose of funding and legal basis”; Evidence No 2 (call for tender SMEs), p. 1). Project documentation and funding notices cover 13 projects that belong to this call (Evidence No 6 (applications for funding); Evidence No 7 (notices

of grants));

3. The call for tender on future cities aims at funding research and development projects which enable municipalities to handle the consequences of climate change, to strengthen their climate resilience, to fulfil their climate protection aims (section 2 “Object of the support”, Evidence 3 (call for tender future city), p. 2). Project documentation and funding notices cover 7 projects that belong to this call (Evidence No 6 (applications for funding); Evidence No 7 (notices of grants));

4. The call for tender on sustainable carbon focuses on funding research and development for a sustainable utilisation of carbon dioxide (section 1 on “Funding objective, purpose of funding and legal basis”, Evidence No 4 (call for tender sustainable carbon), p. 1). Project documentation and funding notices cover 2 projects that belong to this call (Evidence No 6 (applications for funding); Evidence No 7 (notices of grants));

5. The call for tender on resource efficiency aims at funding research and development which increases the supply of important primary and secondary raw materials (section 1 on “Funding objective, purpose of funding and legal basis”; Evidence No 5 (call for tender resource efficiency), p. 1). Project documentation and funding notices cover 3 projects that belong to this call (Evidence No 6 (applications for funding); Evidence No 7 (notices of grants)).

The Council Implementing Decision required that the climate-related research projects are selected under one call for tender. The German authorities have launched five separate calls, each covering one of five topics in climate protection research: process-related emissions, the innovation potential of SMEs, future cities, sustainable carbon and resource efficiency (Evidence No 1 to 5). The beneficiaries differ between calls, e.g. while only SMEs and joint undertakings including SMEs are eligible for the call on the innovation potential of SMEs (Evidence No 2), municipal and regional administrative institutions are amongst the potential beneficiaries of the calls on future cities, sustainable carbon and resource efficiency (Evidence No 3 to 5). Whilst five calls instead of one constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the division of the call into five separate calls allowed for a better differentiation of potential projects at the levels of the topic and the potential beneficiaries. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Furthermore, in line with the description of the measure, **like other measures from this component, the aim of this measure is to contribute to the general goal of decarbonising the economy in line with the 2050 targets, but with a stronger focus on SMEs and basic industries.** The aim of the measure is to contribute to decarbonising the German economy until 2050 by supporting project-related climate protection research. This goal is reflected in the call for tender on process-related emissions which explicitly refers to the German climate protection plan and its aim to reach climate neutrality by 2050 (section 1 on “Funding objective, purpose of funding and legal basis”; Evidence No 1, p. 1). Projects which contribute to the Climate Action plan 2025 are particularly encouraged in the call for tenders for SMEs (section 2 on the “Object of the support”; Evidence No 2, p. 2).

The focus on basic industries results from the call for tender on funding research and development of technologies which avoid process-related emissions for the German basic materials industry (introduction; Evidence No 1, p. 1). The focus on SMEs results from the call for tender on supporting the research and innovation measures by SMEs (section 1 on “Funding objective, purpose of funding and legal basis”; Evidence No 2, p. 1).

Furthermore, in line with the description of the measure, **collaborative projects shall be supported in the three areas: (i) climate protection in the industry, (ii) SME innovation and (iii) climate resilience.**

Collaborative projects (*Verbundprojekte*) are projects in which several actors collaborate and receive funding: the first call is geared towards interdisciplinary, holistically-thinking project teams in which

the relevant stakeholders”; Evidence No 1, p. 2). Projects are also horizontally connected to improve crosslinking and transfers (section 2.2 “crosslinking and transfer projects”; Evidence No 1, p. 3).

The second call is not only geared towards collaborative projects but includes as eligible beneficiaries joint undertakings between multiple SMEs and/or research institutes and/or non-SME companies (section “special eligibility requirements”; Evidence No 2, p. 3).

The third call is geared primarily towards collaborative projects between public administration, public sector, private sector, and civil society actors. Local administration actors are expected to take a lead role in these projects (section 2 “object of funding”; Evidence No 3, p. 2).

The fourth call is geared towards collaborative projects between multiple independent partners from the private sector, research, or institutions of the Länder and municipalities (section 4 “special eligibility requirements”; Evidence No 4, p. 4). Projects are also horizontally connected to improve crosslinking and transfers (section 2.3 “crosslinking and transfer projects”; Evidence No 4, p. 4).

The fifth call is geared towards collaborative projects between multiple independent partners from the private sector, research, or institutions of the Länder and municipalities (section 4 “eligibility requirements”; Evidence No 5, p. 5). The call also includes a declaration of intention to horizontally connect projects to improve crosslinking and transfers and to connect the projects to European technological platforms (section 2.6 “integration and transfer”; Evidence No 5, p. 4).

The first area shall focus on climate protection in the basic materials industry with the aim of promoting industrial research and development of new processes that prevent GHG emissions.

One call for tender focuses on funding research and development of technologies which avoid process-related emissions for the German basic materials industry: The aim of this funding guideline is to enable the German basic materials industry to develop greenhouse gas-avoiding processes and process combinations and to put them into practice in the medium to long term (section 1 “Funding objective”; Evidence No 1, p. 1). Another call for tender focuses on technologies for resource efficiency: The measure aims to promote the supply of primary and secondary economically strategic raw materials through, among other things, industrial research and development (section 2 “Support objective”, Evidence No 5, p. 2). Resource- and material efficiency are to be improved, for the exploration and extraction of primary raw materials as well as the reprocessing and the metallurgical process technology of treatment and production residues (section 1 “Funding objective”, Evidence No 5, p. 2). Higher resource- and material efficiency means GHG emissions are being prevented.

The second area of focus shall consist in SME innovation support measures contributing to climate change mitigation and energy efficiency.

Under the call for tender for SMEs, R&D projects in the domain of “Energy efficiency and climate protection” such as system-related technologies, processes and services to increase energy efficiency in industry, greenhouse gas-reducing technologies and processes for industrial processes, services and products for climate protection are eligible for funding (section 2 on the “Object of the support”, Evidence No 2, p. 2). The call thereby focuses on support measures contributing to climate change mitigation and energy efficiency.

The third area shall focus on support measures for climate resilience projects by municipalities and local businesses associated with research partners (universities and non-university research institutes).

The objective of the call for tender on “future cities” is to fund research and development projects which enable municipalities to handle the consequences of climate change, to strengthen their climate resilience, to fulfill their climate protection aims, to adapt the mobility options and to prepare for innovations leading to a sustainable municipality (section 2 “Object of the support”; Evidence No 3, p. 2). Both municipalities and SMEs in the locality of the projects are eligible recipients of funding (section 4 on “Eligible recipients”; Evidence No 3, p. 6). As a condition for funding, projects are funded if municipalities, businesses or other organizations cooperate with universities or non-university research institutes (section 5 on “Grant conditions”, Evidence No 3, p.

7).

The target in the Council Implementation is further specified in the Operational Arrangements, which requires that **for the purpose of these Operational Arrangements, the target refers to selected projects (*Vorhaben*)**. In total, 45 projects (*Vorhaben*) have been selected and approved for funding as evidenced by the notices of grants for the 45 projects (Evidence No 7).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 17	Related Measure: DE-C[1.1]-I[5], Flagship projects for research and innovation in the context of the National Hydrogen Strategy
Name of the Milestone: Publication of the competition “Idea Competition ‘Hydrogen Republic Germany’” (<i>Förderaufruf zum Ideenwettbewerb „Wasserstoffrepublik Deutschland“</i>)	
Qualitative Indicator: Publication of the competition on the Ministry of Education and Research’s homepage	Time: Q2 2020
<p>Context:</p> <p>The measure aims to contribute to decarbonising the economy and focuses specifically on addressing key issues related to the provision of green hydrogen in the future energy system of Germany. It consists of three flagship initiatives focused on i) addressing the challenges of the serial production of water electrolyzers, ii) the integrated direct offshore production of hydrogen and its derivatives at sea using offshore wind energy and iii) the exploration and assessment of the potential of hydrogen transport technologies.</p> <p>Milestone 17 requires the publication of the competition “Idea Competition ‘Hydrogen Republic Germany’” (<i>Förderaufruf zum Ideenwettbewerb „Wasserstoffrepublik Deutschland“</i>). The competition, including the eligibility conditions, has to be published on the homepage of the Ministry of Education and Research and opened for applications.</p> <p>Milestone 17 is the first step of the implementation of the investment, and it will be followed by targets 18 related to the issuance of grant decisions, 19 related to the completion of supported projects, 20 related to the disbursements to recipients and 21 related to the commitment of funds to the supported projects.</p> <p>The investment has a final expected date for implementation in Q3 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled; ii. A copy of the publication of the call for competition for ideas (<i>“Ideenwettbewerb”</i>, hereinafter ‘the call’), including the eligibility conditions and showing that the competition was open to applications, on the website of the Ministry of Education and Research (‘the Ministry’) on 19 June 2020 and the link to the website of the Ministry on which the call was published, entitled “Ministry of Education and Research launches green hydrogen ideas competition”, [Evidence No 2]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. An Internet article of the Federal Ministry of Education and Research, as published on 19 June 2020, regarding the call for the ideas competition “Hydrogen Republic Germany” for major projects or basic research, [Evidence No 1] available online: https://www.bmbf.de/bmbf/shareddocs/kurzmeldungen/de/bmbf-startet-ideenwettbewerb-zu-gruenem-wasserstoff.html#searchFacets. 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p>	
The competition, including the eligibility conditions, has been published on the homepage of the	

Ministry of Education and Research and opened for applications.

The document provided is a call for funding (*Förderaufwurf*), for the so-called "Idea Competition 'Hydrogen Republic Germany'" (*Förderaufwurf zum Ideenwettbewerb „Wasserstoffrepublik Deutschland“*; Evidence No 2 (Foerderungaufwurf-ideenwettbewerb-Wasserstoffrepublik-deutschland). It has been published on the website of the Federal Ministry of Education and Research (BMBF) on 19 June 2020. This is evidenced by the copy of the publication and the link to the website of the Ministry provided by Germany (<https://www.bmbf.de/bmbf/shareddocs/kurzmeldungen/de/bmbf-startet-ideenwettbewerb-zu-gruenem-wasserstoff.html>; Evidence No 2).

Section 1 of the call for funding sets eligibility conditions for the flagship measures: it provides that consortia from academia, business and civil society can submit proposals that address three key issues (water electrolysis at industrial scale, transport solutions for green hydrogen, and European system integration of green hydrogen); section 2 of the call sets eligibility conditions for the project part concerned with fundamental research: it provides that researchers can submit proposals on highly innovative solutions for key questions on green hydrogen along the entire value chain in line with the 7th energy research programme of the Federal Government (Evidence No 2).

The call for funding provides that it is opened for applications as of its publication (Evidence No 2, p. 2), which was on 19 June 2020 (Evidence No 1 (Internet Article "BMBF startet Ideenwettbewerb zu Grünem Wasserstoff"), p. 1). The website on which the link to the call is interlinked provides that the call became immediately effective and that relevant project outlines can be submitted at any time in electronic format.

Furthermore, in line with the description of the measure, **this measure contributes to the general objective of decarbonising the economy and shall focus specifically on addressing key issues related to the provision of green hydrogen in the future energy system.** The call for funding recalls that green hydrogen from renewable energies plays a crucial role in achieving climate targets at national and international level (introduction of the call; Evidence No 2, p. 1), so addressing key issues related to the provision of green hydrogen at the same time contributes to the general objective of decarbonising the economy. The call focuses on key issues related to the provision of green hydrogen through flagship projects and fundamental research on green hydrogen. The ambition of the call is to support proposals on highly innovative solutions for core issues of green hydrogen and system studies on the integration of green hydrogen into the energy system (Section 2 of the call; Evidence No 2, p. 2). The key issues for which gaps were identified which are being addressed through the call are (Evidence No 2, pp. 1-2):

- i. the electrolyzers' lifespan and high production and operational costs, addressed via flagship initiatives on proton exchange membrane (PEM), alkaline or high-temperature electrolysis at industrial scale (over 1 GW electrolysis power),
- ii. effective transport solutions and infrastructures, especially over long-distance, addressed via flagship initiatives on continuing the development of natural gas infrastructures, using carrier molecules and succeeding products, and on supra-regional transport solutions, and
- iii. production capacities for green hydrogen, addressed via a flagship initiative on building a European hydrogen production and transport infrastructure.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 22	Related Measure: DE-C[1.2]-I[1], Support for the construction of charging infrastructure
Name of the Milestone: Entry into force of funding guidelines	
Qualitative Indicator: Two funding guidelines published in the Federal Gazette (<i>Bundesanzeiger</i>)	Time: Q4 2021
Context:	
<p>The objective of this investment is to develop a comprehensive network of charging infrastructure for e-vehicles. The measure consists of aid for building recharging points, both publicly accessible and non-publicly accessible, including the necessary grid connection of the recharging site and the installation of the recharging points proper.</p> <p>Milestone 22 requires that two funding guidelines are published in the Federal Gazette enabling eligible organisations/households to submit applications for funding support, to install charging infrastructure for residential buildings and publicly accessible charging infrastructure, for electric vehicles.</p> <p>Milestone 22 is the first step of the implementation of the investment. It will be followed by target 23 related to the expansion of the public recharging network for electric vehicles and target 24 related to the expansion of recharging points in residential buildings.</p> <p>The investment has a final expected date for implementation on 31 December 2025.</p>	
Evidence provided:	
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled; ii. A copy of the guidelines for the use of federal money supporting charging infrastructure at residential buildings, published on 6 October 2020 in the Federal Gazette (<i>Bundesanzeiger</i>), (<i>Richtlinie über den Einsatz von Bundesmitteln im Rahmen des Programms „Ladeinfrastruktur an Wohngebäuden – Investitionszuschuss“</i>, Banz AT 06.10.2020 B4). The guidelines also comprise an annex published by KfW (Kreditanstalt für Wiederaufbau) with specifications (As published on 112020, also available online at Merkblatt: Ladestationen für Elektroautos – Wohngebäude (kfw.de)) ('annex'), which defines the features of the programme, [Evidence No 1]; iii. A copy of the funding guidelines supporting publicly accessible charging infrastructure, published on 21 July 2021 in the Federal Gazette (<i>Bundesanzeiger</i>). <i>Förderrichtlinie „Öffentlich zugängliche Ladeinfrastruktur für Elektrofahrzeuge in Deutschland“</i>, Banz AT 21.07.2021 B3, [Evidence No 2]. 	
Analysis:	
<p>The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p> <p>The two funding guidelines have been published in the Federal Gazette (<i>‘Bundesanzeiger’</i>) and have entered into force. The guideline for charging infrastructure in residential buildings (Evidence No 1) was published on 6 October 2020 in the Federal Gazette (<i>Bundesanzeiger</i>) and has entered into force on 1 November 2020, until 31 December 2023 as stated in section 3 of the guideline. The funding guideline for publicly accessible charging infrastructure (Evidence No 2) was adopted on 13</p>	

July 2021, published on 21 July 2021 in the Federal Gazette (*Bundesanzeiger*) and has entered into force with the publication of the guidelines on 21 July 2021, as stated in section 10 of the guideline until 31 December 2025.

The two funding guidelines enable eligible organisations/households to submit applications to support: (1) 'charging infrastructure for residential buildings' and (2) 'publicly accessible charging infrastructure for electric vehicles'.

The guideline for charging infrastructure in residential buildings (Evidence No 1) supports non-publicly accessible charging infrastructure in residential buildings as explicitly stated in the title of the guideline and the annex to the guideline (section 1, subsection "What is supported"). The annex to the guideline also enables eligible organisations/households to submit applications. This annex is described as an "integral part of the guidelines" in section 1 of the guidelines entitled "Objectives and legal base". It lays out the precise eligibility conditions and the concrete steps of the application process. Eligible entities include organisations/households as evidenced by section 1, subsection "Who can apply" which states that recipients include for example, private individuals, homeowners associations, housing companies, housing cooperatives and property developer.

The funding guideline on publicly accessible charging infrastructure (Evidence No 2) supports publicly accessible charging infrastructure for electric vehicles (section 2, subsection 1, first sentence). The guideline enables eligible organisations/households to submit applications for support to construct publicly accessible charging infrastructure for electric vehicles (section 2.1, "Procurement and construction of charging infrastructure"). The application process is described in section 7 entitled 'Process'. Eligible entities include all natural and legal persons and therefore organisations and households (section 3, 'eligible recipients').

Furthermore, in line with the description of the measure, **the general challenge addressed is the need to develop clean mobility solutions to decarbonise the transport sector and to develop a ubiquitous network of charging infrastructure for e-vehicles.** The general goal of the measure is declared in the preamble of both guidelines, where the first sentences identically state that these guidelines aim at contributing to electric mobility for the reduction of CO2 emissions by supporting the development of charging infrastructure (see in each guideline the introductory section entitled "Preamble").

Furthermore, in line with the description of the measure, **the measure consists of aid for building recharging points including the necessary grid connection of the recharging site and the installation of the recharging point itself.** The guideline on publicly accessible charging infrastructure (Evidence No 2) supports the procurement, construction, replacement and modernisation of recharging points including their installation and the necessary connection to the grid of the recharging site (Section 2 entitled "What is supported"). The guideline on charging infrastructure in residential buildings (Evidence No 1) supports building recharging points including their installation and the necessary connection to the electricity grid (section 1 of the annex to the guideline on charging infrastructure in residential buildings).

Furthermore, in line with the description of the measure, **support shall take the form of project funding for a grant scheme to be operated by the Ministry of Transport and Digital Infrastructure (BMVI). It shall apply to both publicly accessible and non-publicly accessible charging infrastructure.**

The support takes the form of project funding for a grant scheme both for publicly accessible and non-publicly accessible charging as evidenced respectively by subsection 1 of section 5 of the funding guideline for publicly accessible charging infrastructure and subsection entitled "How is

support provided?” of section 1 of the annex to the guideline on charging infrastructure in non-publicly accessible buildings. The head and signature at the very bottom of both guidelines identify the Ministry of Transport and Digital Infrastructure (BMVI) as the authority responsible for operation of the grant scheme.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 25	Related Measure: DE-C[1.2]-I[2], Funding for the development of electro-mobility
Name of the Milestone: Entry into force of the funding guidelines	
Qualitative Indicator: Entry into force of funding guidelines published in the Federal Gazette (<i>Bundesanzeiger</i>)	Time: Q4 2020
<p>Context:</p> <p>The measure aims to implement a funding scheme for e-mobility, which consists of support for municipal and commercial e-vehicle fleets and their charging infrastructure, as well as related applied R&D and e-mobility concepts. The objective of the scheme is to promote clean mobility solutions to decarbonise the transport sector.</p> <p>Milestone 25 concerns the publication of the funding guidelines for electromobility as well as related applied research and development and e-mobility concepts in the Federal Gazette (<i>'Bundesanzeiger'</i>), enabling the submission of applications by eligible organisations and households.</p> <p>Milestone 25 is the first step of implementation of the investment. It will be followed by three targets: target 26 related to the commitment of funds, target 27 related to the expansion of municipal and commercial e-mobility fleets and target 28 related to the completion of electro-mobility preliminary designs. The investment has a final expected date for implementation in Q2 2024.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, dated 23 August 2023; ii. A copy of and link to the funding guidelines for e-mobility setting out the conditions for the submissions of applications of the grants. The link to the publication in the Federal Gazette (<i>Bundesanzeiger</i>): https://www.bundesanzeiger.de/pub/publication/7BgfAWccBSjmOKWHcLw/content/7BgfAWccBSjmOKWHcLw/BAnz%20AT%2024.12.2020%20B3.pdf?inline. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A copy of the call for research and development proposals in the e-mobility sector. It defines all of the funding criteria for the submission of proposals and specifies the closing date for applications; ii. A copy of and link to the call for funding of e-vehicles and charging infrastructure. It defines all of the funding criteria for the submission of funding and specifies the closing date for applications. Link to call: https://www.ptj.de/lw_resource/datapool/systemfiles/cbox/8337/live/lw_file/foerderauf_ruf_bmvi_fahrzeuge_lis_2021_02.pdf; iii. A copy of and link to the call for funding of municipal and commercial e-mobility concepts. It defines all of the funding criteria for the submission of funding and specifies the closing date for applications. Link to call: https://www.wilhelmshaven.de/PDF/Infomaterial/36/36-04/Aufruf_Elektromobilitaetskonzepte_03.2021.pdf?m=1616651305&; iv. A copy of and link to the (second) call for research and development proposals in the e-mobility sector. It defines all of the funding criteria for the submission of proposals and specifies the closing date for applications. Link to call: https://www.ptj.de/lw_resource/datapool/systemfiles/cbox/3007/live/lw_bekdoc/aufruf_fu 	

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.

The funding guidelines have been published in the Federal Gazette (*Bundesanzeiger*) and have entered into force.

The German authorities provided a copy of the funding guidelines (Evidence No 1). They were published in the Federal Gazette (*Bundesanzeiger*) on 24 December 2020 (BAnz AT 24.12.2020 B3) and also on this link: <https://www.bundesanzeiger.de/pub/publication/7BgfAWccBSjmOKWHcLw/content/7BgfAWccBSjmOKWHcLw/BAnz%20AT%2024.12.2020%20B3.pdf?inline>.

The funding guidelines (Evidence No 1) on e-mobility entered into force on 25 December 2020, the day following the publication in the Federal Gazette (*Bundesanzeiger*), as specified in section 8 of the funding guidelines.

The funding guidelines cover the development of municipal and commercial e-vehicle fleets and charging infrastructure, as well as related applied R&D (e-mobility concepts/designs) and e-mobility concepts.

Section 2 of the guidelines specifies the coverage of the funding scheme:

- The development of municipal and commercial e-vehicle fleets and charging infrastructure is covered by section 2.2 *“E-vehicle fleets and charging infrastructure: switching to battery-electric vehicle fleets”*. Funding is provided for the procurement of electric vehicles and the charging infrastructure that ensures their operability.
- E-mobility concepts are covered by section 2.1 *“Municipal and commercial e-mobility concepts”*. Funding is provided for the preparation of e-mobility concepts (environmental studies). The concepts should include measures for the conversion of fleets to electromobility or for the support of electromobility in terms of environmental benefits and sustainability. In addition, concepts for the provision of innovative mobility services are also eligible for funding.
- Applied R&D (e-mobility concepts/designs) is covered by section 2.3 *“Research and development to support the integration of e-mobility into the market and innovative concepts for climate-friendly mobility as a contribution to highly functional mobility infrastructure.”* Funding is provided for e-mobility concepts/designs on topics such as improving charging technology, increasing the use of renewable energy by charging stations.

The publication of the funding guidelines enables eligible organisations/households to submit applications.

The eligible funding recipients are defined in section 3 of the funding guidelines and include **eligible organisations / households**.

- Recipients for e-mobility concepts are defined in section 3.1 of the guidelines as legal persons under public and private law as well as natural persons insofar as they are commercially active,
- Recipients for the e-vehicle fleets and charging infrastructure are defined in section 3.2 of the guidelines as legal persons under public and private law as well as natural persons insofar as they are commercially active,
- Recipients for research and development are defined in section 3.3 of the guidelines as commercial enterprises, universities, non-university research institutes, local authorities and non-profit organisations.

The German authorities also submitted copies and links to the four calls that have been launched based on the funding guidelines (Evidence No 2-5). Based on these calls, eligible recipients were able to submit applications/proposals:

1. The first call for proposals on research and development in the e-mobility sector (Evidence No 2) (according to section 2.3 of the funding guidelines) was published on 12 January 2021 on the websites of both the Federal Ministry for Transport and Digital Infrastructure (*BMDV*) and the project management organisation *Projektträger Jülich (PtJ)*. In section 2 of the call, the deadline for submissions was set as 15 February 2021 for electronic proposals (link provided in section 7) and 16 February 2021 for proposals by mail.
2. A second call on e-vehicles and the corresponding charging infrastructure (Evidence No 3) (according to section 2.2) was published on 02 February 2021 on the websites of both the Federal Ministry for Transport and Digital Infrastructure (*BMDV*) and the project management organisation *Projektträger Jülich (PtJ)*. The call was specifically addressed to municipal and commercial fleets that through the use of renewable energies and high mileage achieve significant environmental benefits. The call was open until 31 March 2021 (section 2 of the call) for the submission of electronic (link provided in section 3.2) or mailed applications.
3. A third call on municipal and commercial e-mobility concepts (Evidence No 4) was published on 9 March 2021 on the websites of both the Federal Ministry for Transport and Digital Infrastructure (*BMDV*) and the project management organisation *Projektträger Jülich (PtJ)*. The call was open for applications until 17 May 2021 (section 3), a link to the online platform for submission was provided in section 4.1 of the call.
4. A fourth call for proposals on research and development projects (Evidence No 5) was published on 10 August 2021 on the websites of both the Federal Ministry for Transport and Digital Infrastructure (*BMDV*) and the project management organisation *Projektträger Jülich (PtJ)*. In section 3.1 of the call, the deadline for submissions was set on 30 September 2021 for electronic proposals (link provided in section 6 of the call) and 1 October 2021 for proposals by mail.

Furthermore, in line with the description of the measure, **the general challenge addressed by this measure is also the need to develop clean mobility solutions to decarbonise the transport sector. In particular, the measure targets the further market development of electro-mobility and, in particular, the development of municipal and commercial vehicle fleets.**

In this regard, the funding guidelines (section 1.1) (Evidence No 1) define the aim of the funding scheme as the further market development of electro-mobility and establishing alternative technologies in the transport sector and to make it more energy-efficient, climate-friendly, and environmentally compatible, and to drive forward the energy transition in transport. Building on these objectives and requirements, the Federal Ministry of Transport and Digital Infrastructure (*BMVI*) supports the further market expansion of electromobility across the country with this funding guideline and provides a comprehensive range of support for all stakeholders (section 1.1, Evidence No 1). The funding is provided for the development of electric vehicle fleets in municipal, regional and commercial environments in order to make a significant contribution to the electrification of vehicle fleets (see section 1.1 and section 2).

Furthermore, in line with the description of the measure, **the measure consists of financial support given for the purchase of electric vehicles in municipal and commercial fleets and necessary charging infrastructure for the operation of these vehicles. In addition, application-oriented research and development projects, the development of electric mobility projects (municipal and commercial) and electro-mobility concepts shall be supported.** As mentioned above, section 2 of

the funding guidelines (Evidence No 1) lists the funded areas. This scope includes the development of e-mobility concepts/projects (municipal and commercial) (2.1), purchasing of electric vehicles in municipal and commercial fleets including the necessary infrastructure (2.2) and application-oriented research and development projects (2.3), as mentioned above.

Furthermore, in line with the description of the measure, **the support shall take the form of a grant scheme operated by the Ministry of Transport and Digital Infrastructure (BMVI)**. According to section 5 of the funding guidelines (Evidence No 1), the funding is awarded in the form of non-repayable grants for project support. As shown in the head and signature at the very bottom of the guidelines, the Ministry of Transport and Digital Infrastructure (BMVI) is the administrative authority responsible for the overall operation of the scheme. In section 7 of the funding guidelines, it is elaborated that the BMVI has commissioned the project operator in the city of *Jülich (Projektträger Jülich (PtJ))* to implement the funding scheme.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 29	Related Measure: DE-C[1.2]-I[3], Support for the replacement of the private vehicle fleet		
Name of the Target: Support for the purchase of 240 000 electric vehicles			
Quantitative Indicator: Number of e-vehicles purchased	Baseline: 0	Target: 240000	Time: Q1 2021
<p>Context:</p> <p>The measure addresses the need to develop clean mobility solutions to decarbonise the transport sector, similar to measure 1.2.2, which is about the funding for the development of electro-mobility. The measure focuses on the challenge represented by the very low share of pure e-cars in the total vehicle fleet in Germany. For this purpose, it reduces the purchase prices of electric vehicles, which is usually higher compared to those with internal combustion engines. Support shall be provided exclusively for the promotion of zero-emission vehicles and plug-in hybrids emitting less than 50g CO₂/km.</p> <p>Target 29 consists of confirming that beneficiaries have received grant support for the purchase of a total of 240 000 electric vehicles on the basis of the amended funding guidelines that entered into force on 8 July 2020.</p> <p>Target 29 is the first step of the investment that will be followed by target 30. Target 30 refers to confirming that beneficiaries have received grant support for the purchase of a (cumulative) total of 560 000 electric vehicles on the basis of the amended funding guidelines that entered into force on 8 July 2020. The investment has a final expected date for implementation in December 2022.</p>			
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. summary document duly justifying how the requirements of the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. the amended funding guidelines of 25 June 2020 that entered into force on 8 July 2020. These funding guidelines from 25 June 2020 on the Promotion of Sales of Electrically Powered Vehicles (Environmental Bonus) (<i>Richtlinie zur Förderung des Absatzes von elektrisch betriebenen Fahrzeugen (Umweltbonus) vom 25. Juni 2020</i>) were published on 7 July 2020 in the Federal Gazette (<i>Bundesanzeiger</i>, BAnz AT 07.05.2020 B1) and have entered into force the day after publication on 8 July 2020. [Evidence No 4]; iii. an Excel spreadsheet containing a list of 288 000 vehicles purchased with support by the measure [Evidence No 13]; iv. an extract of the Administrative Procedure Act (<i>Verwaltungsverfahrensgesetz (VwVfG)</i>) comprising section 41, which defines when and how a public administrative act is deemed to be disclosed [Evidence No 11]. <p>On the basis of a sample of 60 vehicles, for each vehicle selected:</p> <ol style="list-style-type: none"> v. a copy of the confirmation of truthful declaration of data by the applicant (filename: sample-[8-digit grant decision number]-bestaetigung angaben); vi. a copy of the registration data by the Federal Motor Transport Authority KBA 			

- (Kraftfahrtbundesamt) for each vehicle (filename: sample-[8-digit grant decision number]-KBA Daten);
- vii. a copy of the **purchase contract** for each vehicle supported by the grant decision (filename: sample-[8-digit grant decision number]-*Rechnung*);
 - viii. a copy of the relevant **grant decision** supporting the purchase (filename: sample-[8-digit grant decision number]-*Zuwendungsbescheid*);
 - ix. Explanation by car manufacturer VW, that shortened vehicle identification numbers were used during a short period of time (sample_Bestaetigung VW zu Fahrgestellnummer) [Evidence No 15].

The authorities also provided:

- x. The **amended funding guideline of 29 April 2020**. These were published on 7 May 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 07.05.2020 B1) and entered into force on 8 May 2020 [Evidence No 2];
- xi. A document with **track changes showing changes to the funding guideline between May 2020 and July 2020** [Evidence No 3];
- xii. A document with **track changes showing changes to the funding guideline between July 2020 and November 2020** [Evidence No 5];
- xiii. The **amended funding guidelines of 21 October 2020**. These were published on 5 November 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 05.11.2020 B1) and entered into force on 16 November 2020 [Evidence No 6];
- xiv. The **amended funding guidelines of 24 November 2021**. These were published on 30 December 2021 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 30.12.2021 B1) and entered into force on 1 January 2022 [Evidence No 7];
- xv. A document with **track changes showing changes to the funding guideline between November 2020 and December 2022** [Evidence No 8];
- xvi. The **amended funding guidelines of 17 November 2022**. These were published on 9 December 2022 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 09.12.2022 B1) and entered into force on 1 January 2023 [Evidence No 9].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the target.

Beneficiaries have received grant support for the purchase of a total of 240 000 electric vehicles on the basis of the amended funding guidelines that entered into force on 8 July 2020. The target in the Council Implementation Decision is further specified in the Operational Arrangements, which states that **for the purpose of these Operational Arrangements, beneficiaries shall be understood as recipients.**

The German authorities provided a list of 288.000 electric vehicles [Evidence No 13] for which recipients received funding under the grant support for purchase of electric vehicles. The grant support was granted on the basis of the amended funding guidelines of 25 June 2020 on the promotion of sales of electrically powered vehicles [Evidence No 4]. The amended funding guidelines were published on 7 July 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 07.05.2020 B1) and entered into force the day after publication on 8 July 2020. The earliest grant decision for grant support in this list dates back to 13 October 2020, which is after the entry into

force of the amended funding guidelines on 8 July 2020 [Evidence No 4]. The latest grant decision in this list dates to 22 December 2022. The beneficiaries have received the grant support, as the delivery of the grant decision officially creates the claim for this financial support. According to the Administrative Procedure Act [Evidence No 11] an official act is deemed officially announced to the recipient three calendar days after the date indicated on the official decision taken.

After the amendment that entered into force on 8 July 2020, the funding guidelines have been revised and updated multiple times, but having no impact on the implementation of target 29, as the core elements for the grant support remained unchanged. However, for transparency reasons the German authorities provided the subsequent amendments to the funding guidelines and the changes done to them [Evidence No 2-3 and No 5-9]. The German authorities thus provided the applicable funding guidelines for the whole period from 8 May 2020 to 1 January 2023 covering all provided grant decisions between 13 October 2020 and 22 December 2022.

The amended funding guidelines of 8 July 2020 [Evidence No 4] were the basis for the grant support. However, as the funding guidelines were regularly revised and updated without having an impact on the implementation of target 29, it is deducted that all later amended funding guidelines are also a valid basis for providing grant support under target 29.

On the basis of the list of 288.000 vehicles [Evidence No 13] the Commission drew a sample of 60 randomly selected vehicles. For each of the sampled vehicles the German authorities provided the documents listed under v. to viii. in the section "Evidence provided" above. These documents include a confirmation of truthful declaration of data by the applicant (Bestaetigung Angaben), registration data by the KBA (Kraftfahrtbundesamt) (KBA Daten), the purchase invoice (Rechnung) and the grant decision for financially supporting the vehicle (Zuwendungsbescheid). In total there are 60 times 4 documents, so 240 documents for the sample and they can be attributed to each vehicle by the 8-digit grant decision number.

Each of the 60 sampled vehicles was checked in the following way by linking each document to the information provided in the Excel list of 288.000 vehicles [Evidence No 13] and also linking the documents among each other. The checks done in detail are:

1. For the truthful declaration of data by the applicant (Bestaetigung Angaben):
 - Applicants name matches with name on the grant decision and on the purchase invoice and the registration data from KBA.
2. For the registration data by KBA (KBA Daten):
 - Vehicle identification number (VIN) of KBA data matches VIN on the purchase invoice, on the grant decision and in the excel list.
 - Name of the person/entity registering the vehicle matches applicant name and name on the purchase invoice.
 - Manufacturer and model of the vehicle matches the purchase invoice and the data in the excel list.
 - Engine type of vehicle is either pure electric or a plug-in hybrid and matches data in the Excel list.
 - CO₂ emission measured by the combined value according to the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) is below 50g per kilometre and matches data in the excel list.

3. For the purchase invoice (Rechnung):

- Vehicle identification number of the purchase invoice (VIN) matches VIN of the KBA data, on the grant decision and in the excel list.
- Name on the purchase invoice matches with applicant's name on the truthful declaration, the registration name in the KBA data and the name on the grant decision.

4. For the grant decision (Zuwendungsbescheid):

- Grant decision number matches with data in the Excel list.
- Name on the grant decision matches with name on the truthful declaration, the registration name in the KBA data and the name on the purchase invoice.
- Date of grant decision lies after February 2020 and the official announcement date to the applicant is exactly 3 calendar days after the grant decision date.
- Amount of grant support is not higher than the possible maximum of EUR 6.100,00 per vehicle.
- Vehicle identification number on the grant decision matches VIN of the KBA data, on the purchase invoice and in the excel list.
- The number of supported vehicles on the grant decision matches the number of supported vehicles in the Excel list.

The evidence provided for a sample of 60 units confirmed that the requirements of the target have been met. For all 60 vehicles in the sample the grant decision displays the grant support awarded to the applicant reducing the purchase price of the vehicle by the indicated amount. The grant support is based on the amended funding guidelines that entered into force on 8 July 2020 or of one of the revised and updated versions thereafter. All 60 vehicles in the sample were purchased as shown by the purchase invoices and pure electric cars with zero CO₂ emission per kilometre as confirmed by the KBA data.

For two samples (sample number 99653, grant decision number 60363521 and sample number 134682, grant decision number 60484770) the vehicle identification numbers on the purchase number were only displayed in a shortened form. Nevertheless, it was concluded that there are enough digits displayed to have reasonable assurance that the specific vehicle in question is properly identified. Moreover, the German authorities provided an explanation by the car manufacturer Volkswagen, that the missing digits are only filling letters and do not serve the purpose of identifying the vehicle [Evidence No 15] and that Volkswagen only did that during a short period of time and now always displays the full 17-digit vehicle identification number.

In a few cases the name of the applicant, on the grant decision, on the purchase invoice and on the KBA registration data could slightly be different for several reasons that were in all cases not deemed material for the implementation of target 29 and thus accepted.

As the registration data by the KBA was provided in the form of digital documents that were printed out of the software application FEMS at the Federal Office for Economic Affairs and Export Control BAFA (Bundesamt für Ausfuhrkontrolle), which manages the funding process of the electric vehicles, the Commission performed an online on-the-spot check on 9 November 2023. This was in order to obtain reasonable assurance that the received digital documents on the KBA registration data are correct and were retrieved from the application FEMS at BAFA. The on-the-spot check was finalised successfully without any issue found.

Furthermore, in line with the description of the measure, **the measure shall reduce the purchase prices of electric vehicles, which is usually higher compared to those with internal combustion engines, thereby stimulating the market. Support shall be provided exclusively for the promotion of zero-emission vehicles and plug-in hybrids emitting less than 50g CO₂/km.**

This measure reduces the purchase price of electric vehicles by providing the indicated grant support on the grant decision. The amount of the grant support can vary according to several conditions.

Grant support has been provided for zero-emission vehicles and plug-in hybrids emitting less than 50g CO₂/km as the whole list of 288.000 vehicles [Evidence No 13] only includes purely electric vehicles that have a CO₂ emission of zero gram per kilometre.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 31	Related Measure: DE-C[1.2]-R[4], Extension of the initial registration period for granting the ten-year tax exemption for purely electric vehicles
Name of the Milestone: Entry into force of the Seventh Motor Vehicle Tax Amendment Act	
Qualitative Indicator: Provision in the law indicating the entry into force of the Seventh Motor Vehicle Tax Amendment Act	Time: Q4 2020
<p>Context:</p> <p>The objective of this reform is to develop clean mobility solutions to decarbonise the transport sector and incentivise the purchase of e-vehicles. The reform consists of the amendment of the Sixth Motor Vehicle Tax Amendment Act and aims to set tax incentives by extending the period for starting a ten-year tax exemption for purely electric vehicles.</p> <p>Milestone 31 concerns the entry into force of the Seventh Motor Vehicle Tax Amendment Act, amending the Sixth Motor Vehicle Tax Amendment Act to grant this extension.</p> <p>Milestone 31 is the first step related to this measure and will be followed by milestone 32, related to an evaluation of the reform. The reform has a final expected date for implementation in Q1 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Copy of the Seventh Motor Vehicle Tax Amendment Act published in the Federal Law Gazette (<i>Bundesgesetzblatt</i>) on 22 October 2020 and entering into force the day after its publication, on 23 October 2020. <i>Siebttes Gesetz zur Änderung des Kraftfahrzeugsteuergesetzes</i>, BGBl. I 2020, Nr. 47 22.10.2020, S. 2184 [Evidence No 1]: https://www.bundesfinanzministerium.de/Content/DE/Gesetzestexte/Gesetze_Gesetzesvorhaben/Abteilungen/Abteilung_III/19_Legislaturperiode/2020-10-22-7-Aenderung-Kraftfahrzeugsteuergesetz/1-Gesetz.pdf?__blob=publicationFile&v=2. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. Explanatory memorandum and reasoned justification by the Federal Government for the Seventh Motor Vehicle Tax Amendment Act, published by the Federal Parliament (<i>Bundestag</i>) on 10 July 2020. <i>Bundestag Drucksache 19/20978. Gesetzentwurf der Bundesregierung: Entwurf eines Siebten Gesetzes zur Änderung des Kraftfahrzeugsteuergesetzes, of 10/07/2020</i> [Evidence No 2]. 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p> <p>The amendment to the Motor Vehicle Tax Act to extend the initial registration period for e-vehicles to obtain the ten-year tax exemption has entered into force.</p> <p>The Motor Vehicle Tax Act has been amended. The Seventh Motor Vehicle Tax Amendment Act as provided for in Article 3 of the Seventh Motor Vehicle Tax Amendment Act (Evidence No 1), the amending act entered into force the day after publication in the Official Journal. As the publication took place on 22 October 2020, the law entered into force on 23 October 2020.</p>	

The preamble of Article 1 of the Seventh Motor Vehicle Tax Amendment Act sets out that the Motor Vehicle Tax Act from 26 September 2002, last amended by the Sixth Motor Vehicle Tax Amendment Act on 6 July 2017 is amended by the Seventh Motor Vehicle Tax Amendment Act (page 1 of the Seventh Amendment to the Motor Vehicle Amendment Act, Evidence No 1).

The amendment has extended the initial registration period to obtain the ten-year tax exemption.

Article 1 of the Seventh Motor Vehicle Tax Amendment Act (Evidence No 1) extends the initial registration period to start benefiting from the exemption by five years. As a result, the initial registration period which started from 18 May 2011 and previously ended on 31 December 2020 is extended to 31 December 2025. As mentioned in the second sentence of subsection 1 of Section 3d of the Seventh Motor Vehicle Tax Act (Evidence No 1), the tax exemption is granted for a period of ten years at a maximum, starting from the date of initial registration of the electric vehicle, but ending at the latest by 31 December 2030. This is also in line with the further specifications included in the Operational Arrangements for this milestone, which requires that the exemption may last up to ten years but must end in 2030.

Furthermore, in line with the description of the measure, **the general challenge addressed by this measure is the same as for measure 1.2.2.**

Measure 1.2.2 of the German Recovery and Resilience Plan "Funding for the development of electromobility" aims to develop clean mobility solutions to decarbonise the transport sector. According to section A of the explanatory memorandum and reasoned justification by the Federal Government for the Seventh Motor Vehicle Tax Amendment Act (Evidence No 2), the tax exemption serves the same objective as its aims to provide a stronger incentive to reduce climate-damaging CO2 emissions in terms of emission potential when vehicles are purchased. This objective is reflected in the Articles of the Amendment Act (Evidence No 1) by the extension of the the period for which a 10 years tax exemption for the motor vehicle tax can be granted for electric vehicles. The exemption from the motor vehicle tax reinforces the incentive for the vehicle owner to purchase electric vehicles rather than combustion engine vehicles and thus emitting less climate-damaging CO2 emissions.

Furthermore, in line with the description of the measure, **the measure shall be limited to purely electric vehicles.** As mentioned in the second sentence of subsection 1 of Section 3d of the Seventh Motor Vehicle Tax Act (Evidence No 1), the measure applies only to electric vehicles, which are defined in subsection 2 of Section 9 (see https://www.gesetze-im-internet.de/kraftstg/_9.html). The definition covers only purely electric vehicles, vehicles driven exclusively by electric motors, where these motors are powered entirely or predominantly by mechanical or electrochemical energy storage or emissions-free energy converters (electric vehicles).

Furthermore, in line with the description of the measure, **the exemption shall apply to all natural and legal persons.** Section 7 of the Motor Vehicle Tax Act defines the taxpayer which can benefit from the exemption as the person for which the vehicle is registered (see https://www.gesetze-im-internet.de/kraftstg/_7.html). According to German domestic law, the person for which the vehicles is registered (and thus the entity to which the tax exemption applies) could be all natural or legal persons (subsection 1 of section 6 of the Vehicle Registration Regulation³).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 33	Related Measure: DE-C[1.2]-I[5], Support for purchases of buses with alternative propulsion	
Name of the Milestone: Publication of funding guidelines		
Qualitative Indicator: Publication in the Federal Gazette (Bundesanzeiger)		Time: Q3 2021
<p>Context:</p> <p>The measure aims to support the market circulation of low-emission buses in passenger transport in a shift away from diesel-engine-based busses.</p> <p>Milestone 33 concerns the publication of funding guidelines for supporting the purchase of busses and coaches for passenger transport with alternative propulsion.</p> <p>Milestone 33 is the first step of the implementation of the investment, and it will be followed by target 34, related to the approval of applications for bus purchase projects and target 35, related to orders of buses with alternative propulsion. The investment has a final expected date for implementation in Q3 2026.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A copy of the funding guideline on the support scheme for the purchase of buses and coaches for passenger transport with alternative propulsion by the Ministry for Transport and Digital Infrastructure, as published on 17 September 2021 in the Federal Gazette (<i>'Bundesanzeiger'</i> BAnz AT 17.09.2021) [Evidence No 1]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A copy of a call for tender for feasibility studies for the application of buses with alternative drive trains published in September 2021, based on the funding guideline, expiring after 30 November 2021 [Evidence No 2]; ii. A copy of a call for tender for project outlines for funding of passenger buses with climate-friendly alternative drive trains published in May 2022, based on the funding guideline, expiring after 15 July 2022 [Evidence No 3]; iii. A copy of a call for tender for feasibility studies of the application of buses with emission-free drive trains published in December 2022, based on the funding guideline, expiring after 28 February 2022 [Evidence No 4]. 		
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.</p> <p>The funding guidelines on the support scheme for the purchase of buses and coaches for passenger transport with alternative propulsion have been published in the Federal Gazette (Bundesanzeiger).</p> <p>The funding guidelines on the support scheme for the purchase of buses and coaches for passenger transport with alternative propulsion have been published on 17 September 2021 in the Federal Gazette (<i>'Bundesanzeiger'</i>).</p>		

The funding guidelines (Evidence No 1) cover the support scheme for the purchase of buses and coaches for passenger transport with alternative propulsion. The support scheme covers the purchase of buses/coaches ("*Busse für den Personenverkehr*") with alternative propulsion and related investments or activities, as stated in subsection 1 of section 1 of the funding guidelines (Evidence No 1).

The scope of funding is further detailed in section 2 of the funding guidelines. The guidelines support the acquisition of:

- battery-powered electric buses/coaches, battery trolley buses, (as per subsection 2.1.1);
- fuel cell buses/coaches (subsection 2.1.2);
- 100% biomethane-powered buses/coaches (subsection 2.1.3);
- operationally necessary infrastructure (subsection 2.2);
- feasibility studies on alternative drives in public transport (subsection 2.3).

Furthermore, in line with the description of the measure, **the aim of the measure is to support the market circulation of alternatively fuelled buses in passenger transport.** Subsection 1 of section 1 on the objective of the funding guidelines (Evidence No 1) states that the measure contributes to an increased use and the faster spread of environment-friendly low-emissions buses. As detailed in section 2, the funding guidelines support the roll out of electricity-, fuel cell and biomethane-propelled buses, to replace the predominantly diesel-powered passenger buses and coaches.

Furthermore, in line with the description of the measure, **the shift to low-emission buses shall contribute to a lower climate impact and less air pollution.**

Currently, the passenger bus fleet consists almost exclusively of diesel vehicles which generate significant CO₂ emissions, nitric oxide and particulate matter pollution. Subsection 1 of section 1 on the objective of the guidelines (Evidence No 1) states that the measure contributes to an increased use and the faster spread of environment-friendly and low-emissions buses and contribute to making air less polluted. In addition to subsection 1.1, section 5.1 of the guidelines (Evidence No 1) also sets out the "nature, extent and amount" of the supported investments. The section specifies notably that eligible investments classified under section 2.1 (investments that are not infrastructure-related) are those investments necessary to "improve environmental protection" and thus those that aim to improve environmentally friendly (less polluting and less emitting) transportation. Moreover, section 7.2.1 of the guidelines ("submission and selection of project outlines in the two-stage process") also lists the criteria that are used to select projects. One criterion is "the pollutant reduction potential through the substitution of existing conventional vehicles". (Other criteria include the proportion of buses with alternative propulsion in the total fleet, the local hydrogen production from renewable energies, the passenger transportation figures and the range of application for buses).

Furthermore, in line with the description of the measure, **the measure consists of grants attributed on the basis of calls for tenders.** Section 5 of the guidelines (Evidence No 1) states that support is provided in the form of non-repayable support (grants). Section 7 of the funding guideline sets out the tendering procedure which is a one-step process in the case of feasibility studies and a two-step process in the case of acquisition/retrofitting of vehicles and the installation of charging/filling infrastructure. Applicants are invited to submit project outlines (in the two-step procedure) or funding applications (in the one-step procedure) by separate calls for tenders on the respective cut-off date. The call for tenders (Evidence No 3, Evidence No 4 and Evidence No 5) publishes additional information on the requirements for applications in line with the Funding Guideline. Applications received are to be evaluated on the basis of the criteria defined in the calls for tenders. In

accordance with the assessment, a decision on funding is taken after final examination of the application. In the second stage of the two-step procedure, the authors of the positively assessed project outlines are invited to submit a formal application for funding, within a deadline.

Furthermore, in line with the description of the measure, **funds shall mainly be used for battery-powered electric buses/ coaches, battery trolley buses, fuel cell buses/ coaches and 100% biomethane-powered buses/ coaches.** The scope of funding is set out in the funding guidelines (section 2 on page 1, Evidence No 1) and defines for which purpose the funding can be used. The funding scope covers all elements set out in the measure description: It covers battery-powered electric buses and coaches (section 2.1.1 refers to *batterieelektrische Antriebe*), battery trolley busses (section 2.1.1 refers to *Batteriebusse auch mit Brennstoffzelle als Range-Extender und Batterie-Oberleitungsbusse*) fuel cell buses and coaches (section 2.1.2 refers to *brennstoffzellenbasierte Antriebe (Brennstoffzellenbusse)*) and bio-methane-powered buses and coaches (section 2.1.3 refers to *Antriebe, die bilanziell zu 100 % mit aus Biomasse erzeugtem Methan betrieben werden (Gasbusse)*).

Furthermore, in line with the description of the measure, **operationally necessary infrastructure, as well as feasibility studies on alternative drives in public transport, may also be supported.** The coverage of those aspects by the funding guidelines (Evidence No 1) is set out in subsections 2.2 for recharging and refuelling infrastructure and 2.3 for feasibility studies on alternative drives in public transport. Regarding operationally necessary infrastructure, the funding guidelines detail the types of infrastructure that is deemed operationally necessary as follows: Infrastructure to ensure the charging of battery units (section 2.2.1), refueling infrastructure for dispensing hydrogen for fuel cell buses (section 2.2.2), refueling infrastructure for dispensing methane produced 100% from biomass for gas buses (section 2.2.3) and maintenance infrastructure that must be additionally acquired for the operation of buses with alternative drives (section 2.2.4).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 36	Related Measure: DE-C[1.2]-I[6], Support to promote alternative rail propulsion
Name of the Milestone: Entry into force of the funding guidelines	
Qualitative Indicator: Entry into force	Time: Q1 2021
<p>Context:</p> <p>The objective of the measure is to decarbonise the transport sector with a focus on rail. The investment aims to modernise the portion of the German rail freight fleet which is particularly old by investing into new innovative rail vehicles or by upgrading existing rail freight vehicles to alternative engines that significantly reduce CO2-emissions compared to conventional diesel engines.</p> <p>Milestone 36 concerns the entry into force of the funding guidelines for the grant scheme to promote alternative rail propulsion.</p> <p>Milestone 36 is the first milestone of investment and is followed by target 37 related to the approval of application for the purchase of these vehicles and target 38 related to the number of ordered vehicles. The investment has a final expected date for implementation in Q4 2024.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copy of the funding guidelines for the grant scheme to promote alternative rail propulsion from the ministry for transport and digital infrastructure, as published in the Federal Gazette (<i>'Bundesgesetzblatt'</i>) on 17 February 2021 Richtlinie zur Förderung alternativer Antriebe im Schienenverkehr vom 3. Februar 2021, BAnz AT 17.02.2021 B5, [Evidence No 1], available online: https://www.bundesanzeiger.de/pub/publication/0Ma1yaNdo2Tp2D0dF1z/content/0Ma1yaNdo2Tp2D0dF1z/BAnz%20AT%2017.02.2021%20B5.pdf?inline. <p>The authorities also provided:</p> <ul style="list-style-type: none"> i. A call for tender for the promotion of climate-friendly alternative propulsion for rail transport issued by the Ministry of Transport and Digital Affairs on June 2021 (Aufruf zur Antragseinreichung für die Förderung von klimafreundlichen, alternativen Antrieben im Schienenverkehr (06/2021)) [Evidence No 2]; ii. A call for tender for the promotion of climate-friendly alternative propulsion for freight and local rail passenger transport issued by the Ministry of Transport and Digital Affairs in July 2022 (Aufruf zur Antragseinreichung für die Förderung von klimafreundlichen, alternativen Antrieben im Schienenpersonennah- und Güterverkehr (07/2022)) [Evidence No 3]. 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.</p> <p>The funding guidelines for the grant scheme to promote alternative rail propulsion have entered into force.</p> <p>The funding guidelines (Evidence No 1) were published on 17 February 2021 in the Federal Gazette (<i>Bundesanzeiger</i>) and have entered into force the day after publication on 18 February 2021. This is</p>	

laid out in section 8 on page 5 of the funding guidelines.

The funding guidelines (Evidence No 1) create a grant scheme to promote alternative rail propulsion. Section 5 of the funding guidelines specifies that the guidelines support is provided in the form of non-repayable grants. Section 2 of the guidelines provides that the grant scheme supports the procurement of innovative rail vehicles or their conversion to alternative propulsion systems that result in a significant reduction of CO2 emissions compared to conventional diesel vehicles on non-electrified tracks. The funding guidelines cover both freight- and passenger transport.

The funding guidelines have enabled eligible organisations to submit applications.

The funding guidelines (Evidence No 1) are the legal basis that enables eligible organisations to submit their applications for funding. Eligible entities are defined in section 3 page 2 of the funding guidelines where it is set out that entities eligible to apply are legal persons under public law and private law, as long as they are engaged in economic activities. The procedure for submitting applications is set out in subsection 2 of section 7: this subsection provides that support is granted on the basis of a call for tender. Germany has on that basis published two published calls for tender. The first call for tender for the promotion of climate-friendly alternative propulsion for rail transport (Evidence No 2) was published in June 2021 (call for tender of June 2021). The second call for tender for the promotion of climate-friendly alternative propulsion for freight and local rail passenger transport (Evidence No 3) was published in July 2022 (call for tender of July 2022).

Furthermore, in line with the description of the measure, **this measure aims to replace diesel locomotives of particularly old vehicles with high CO2-emission to achieve a significant reduction in CO2 emissions and air pollutants (such as nitrogen oxides and black carbon).** Section 2 of the guidelines (Evidence No 1) provides that grant support is provided for the replacement of diesel locomotives leading to significant reduction of all emissions including CO2. The aim of the measure to replace old diesel locomotive with high CO2-emissions is further operationalised in subsection 1 of section 6 of both calls for tender (2021 and 2022) (Evidence No 2 and Evidence No 3): applicants are asked to provide a comprehensive description of how many vehicles of each type (separated into freight and passenger transport) are substituted. This information is taken into account when selecting specific projects for funding, aiming to replace the most polluting ones based on their CO2-emission savings. The replacement of fossil fuel-based engines results in the reduction of air pollutants.

Furthermore, in line with the description of the measure, **the measure consists of financial support for the procurement of innovative rail vehicles (in terms of powertrain) or the conversion to alternative engines with significant CO2 savings on non-electrified lines compared to conventional diesel vehicles.** This objective is specified in the scope of funding in subsection 1 of section 2 on page 2 of the funding guidelines (Evidence No 1): support is granted for the procurement of innovative rail vehicles or conversion to alternative propulsion systems/powertrains that result in a significant reduction of CO2 emissions compared to conventional diesel vehicles on non-electrified tracks.

Furthermore, in line with the description of the measure, **applications are prioritised on the basis of environmental benefits.** A procedure to prioritise applications based on environmental benefits is applied by Germany in both calls for tender (2021 and 2022) in their section 6 (Evidence No 2 and Evidence No 3). The calls for tender for the promotion of climate-friendly alternative propulsion for rail transport 2021 (Evidence No 2) specifies that support is prioritised based on the achieved reduction of CO2 emissions and based on the share of renewable electricity or hydrogen that is used to supply the vehicles is considered. The call for tender 2022 (Evidence No 3) also prioritises support

based on CO2 emission savings (for both non-electrified and electrified distances).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 39	Related Measure: DE-C[1.2]-I[7], Promotion of the industries involved in hydrogen and fuel cell applications in transport
Name of the Milestone: Entry into force of amendment extending existing supporting guidelines (<i>Förderrichtlinien</i>) of the National Hydrogen and Fuel Cell Technology Innovation Programme (NIP) (or if not sufficiently covered by existing supporting guidelines, entry into force of new supporting guidelines).	
Qualitative Indicator: Publication in Federal Gazette (<i>Bundesanzeiger</i>)	Time: Q4 2021
<p>Context:</p> <p>The objective of the measure is to support a competitive supply industry for hydrogen and fuel cell technology in transport. This includes enabling the production of fuel cell components and the serial testing of hydrogen components and vehicles in Germany.</p> <p>The milestone consists of the entry into force of the extension in time of the relevant funding guidelines in the National Hydrogen and Fuel Cell Technology Innovation Programme (NIP) which were limited to 30 June 2021. If planned projects under the scope of the measure are not sufficiently covered by the existing supporting guidelines, separate complementary guidelines must be adopted.</p> <p>Milestone 39 is the first step of the implementation of the investment, and it will be followed by target 40 related to the approval of projects for the vehicle and supplier industry for hydrogen and fuel cell applications in transport and milestone 41 related to the partial entry into operation of a Technology and Innovation Centre for Hydrogen Technology. The investment has a final expected date for implementation in Q3 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. The new version of the funding guideline for investment aid for hydrogen applications published on 27 July 2021 in the Federal Gazette (BAZ AT 27.07.2021), [Evidence No 2] and a link to the guidelines: https://www.bundesanzeiger.de/pub/publication/g0HbmYApELAIcrkkTPq/content/g0HbmYApELAIcrkkTPq/BAZ%20AT%2027.07.2021%20B4.pdf?inline; iii. The new version of funding guideline for R&D projects in the context of hydrogen and fuel cell technology published on 27 July 2021 in the Federal Gazette (BAZ AT 27.07.2021), [Evidence No 4] and a link to the guideline: https://www.bundesanzeiger.de/pub/publication/NKOOSYB9EAsJs2hJLM6/content/NKOOSYB9EAsJs2hJLM6/BAZ%20AT%2027.07.2021%20B5.pdf?inline. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A copy of the former version of the funding guideline for investment aid for hydrogen applications published on 5 August 2020 in the Federal Gazette (<i>'Bundesanzeiger'</i>, BAZ AT 05.08.2020 B3), [Evidence No 1] and a link to the guideline: https://www.bundesanzeiger.de/pub/publication/rp3TOv4BA9IbOEdaGU/content/rp3TOv4BA9IbOEdaGU/BAZ%20AT%2005.08.2020%20B3.pdf?inline; ii. A copy of the former version of the funding guideline for R&D projects in the context of hydrogen and fuel cell technology published on 9 July 2020 in the Federal Gazette (BAZ 	

- AT 05.08.2020), [Evidence No 3] and a link to the guideline: <https://www.bundesanzeiger.de/pub/publication/U0BVzP07eia3X1MORng/content/U0BVzP07eia3X1MORng/BAanz%20AT%2005.08.2020%20B4.pdf?inline;>
- iii. **A letter by the Federal Ministry for Digital and Transport** of 31 January 2023 analysing whether there are planned projects under the measure that are not sufficiently covered by existing supporting guidelines [Evidence No 5];
 - iv. **A copy of the governmental programme entitled “Government program hydrogen and fuel cell technology 2016-2026** – from market preparation to competitive products to continue the national innovation program hydrogen and Fuel Cell Technology 2006-2016 (NIP)”, [Evidence No 6] and a link to the programme https://www.now-gmbh.de/wp-content/uploads/2020/06/2016-2026_regierungsprogramm_fortsetzung_nip.pdf;
 - v. A copy of the **action document on the implementation of the National Investment Programme for Hydrogen and Fuel cell technology 2016-2026** of the Ministry for Transport and Digital Affairs [Evidence No 7] and a link to the document: https://www.now-gmbh.de/wp-content/uploads/2020/06/2016-2026_fortsetzung_nip.pdf;
 - vi. A copy of the **Catalogue of measures developed for the National Investment Programme** published by the advisory board for science and industry of the NOW GmbH in December 2021 [Evidence No 8] and a link to the document: <https://www.now-gmbh.de/wp-content/uploads/2021/12/Massnahmenkatalog-NOW-Beirat-Fortsetzung-NIP.pdf>;
 - vii. A detailed **comparisons of each of the funding guidelines** in their former and revised versions showing that they are identical save for minor editorial changes [Evidence No 9];
 - viii. A copy of the **feasibility study issued by Prognos AG, Berlin/Stuttgart on the establishment of a Hydrogen Technology and Innovations Centre**, [Evidence No 10] and a link to it: https://bmdv.bund.de/SharedDocs/DE/Anlage/K/machbarkeitsstudie-wasserstofftechnologie.pdf?__blob=publicationFile#:~:text=Die%20Prognos%20AG%2C%20Berlin%2FStuttgart,Wasserstofftechnologien%20im%20Mobilit%C3%A4tssektor%20be%2D%20fassen.

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The relevant funding guidelines in the National Hydrogen and Fuel Cell Technology Innovation Programme (NIP), currently limited to 30 June 2021, has been extended in time [...] Only two funding guidelines are in the National Hydrogen and Fuel Cell Technology Innovation Programme (NIP) (as detailed in the governmental programme and the BMDV action document for the NIP phase II 2016 to 2026) and relevant (in the scope of the measure). The first guideline covers R&D projects in the context of hydrogen and fuel cell technology (this concerns both the original funding guidelines (Evidence No 3) and the slightly revised guideline (Evidence No 4)) and the second guideline covers investment aid for hydrogen applications (this concerns both the original funding guidelines (Evidence No 1) and the slightly revised guideline (Evidence No 2)). These guidelines were provided by Germany as evidence.

Both funding guidelines (and their revisions – Evidence No 1-4) expired on 30 June 2021. This date is set in section 8, page 5 for the funding guideline for investment aid for hydrogen applications and section 8, page 6 for the funding guideline for R&D projects in the context of hydrogen and fuel cell technology.

Both guidelines have been extended in time. On 27 July 2021, Germany has reissued both guidelines, entering into force on 28 July 2021 and with their expiry extended to 30 June 2024 (section 8, page 5 for the funding guideline for investment aid for hydrogen applications and section and section 8, page 6 for the funding guideline for R&D projects in the context of hydrogen

and fuel cell technology). Germany has reissued the guidelines rather than extended them through amendments for reasons of legal security and so that interested companies have all information in a single document.

The Council Implementing Decision required that the relevant funding guidelines in the National Hydrogen and Fuel Cell Technology Innovation Programme (NIP), currently limited to 30 June 2021, has been extended in time. There has been a gap between the expiry of the original guidelines (on 30 June 2021) and their reissuance (with the entry into force on 28 July 2021). Even though there was a time gap of one month between the expiry of the old- and the extension of the new funding guidelines, the CID does not require immediate extension of the funding guidelines. Moreover, the guidelines have been reproduced identically except for necessary formal updates, clarifications or corrections (see detailed comparisons of each of the funding guidelines in their former and revised versions). Moreover, the time lapse between the expiry of the previous deadline and the entry into force of the new guidelines was minimal (less than a month) and without impact for applicants (the number of applications has not dropped compared to other years). This is due to the fact that applications are not made immediately when the guidelines enter into force but based on calls following a yearly submission rhythm or through punctual calls for applications. Notwithstanding the time lapse, the regular planning of the calls could therefore be pursued further internally without delay. The requirement is therefore considered fulfilled.

[...] and this extension has entered into force. The new funding guideline for investment aid for hydrogen applications was published on 27 July 2021 in the Federal Gazette and has entered into force the day after its publication on 28 July 2021 (section 8, page 5). The funding guideline for R&D projects in the context of hydrogen and fuel cell technology was published on the 27 July 2021 in the Federal Gazette and has entered into force the day after its publication on 28 July 2021 (section 8, page 6).

If planned projects under the measure are not sufficiently covered by existing supporting guidelines, separate supporting guidelines shall be adopted. There are no planned projects under the measure that are not sufficiently covered by existing supporting guidelines, and therefore no separate supporting guidelines had to be adopted. Based on the catalogue of measures developed for the National Innovation Programme for Hydrogen used to design the guidelines (Evidence No 8), planned projects in the scope of the measure (the promotion of the industries involved in hydrogen and fuel cell applications in transport) are sufficiently covered by existing guidelines and this is further confirmed by the Federal Ministry of Digital and Transport in its letter (together with NOW Limited, which is responsible for the implementation of the programme, and the project carrier Jülich).

The federally-owned company NOW GmbH coordinates the NIP funding programme on behalf of the Federal Ministry of Digital and Transport. In 2020, the advisory board for science and industry of the coordinator NOW GmbH published a mapping of needs called Catalogue of planned measures developed for the National Innovation Programme for Hydrogen and Fuel Cell Technology and this mapping had been already taken into account when adopting the earlier version of the guidelines and their scope. The update in 2021 has also not changed that mapping and the needs identified in the mapping remained covered by the existing guidelines. Therefore, there are no planned projects under the measure which are not sufficiently covered by the existing supporting guidelines.

A new Hydrogen Technology and Innovation Centre shall focus on the hydrogen and fuel cell technology value chain for mobility applications. It shall also provide a development, certification and standardisation facility, which is not able to be carried out without public support due to the early stage of the market and the high costs involved. The measure shall also provide additional

funding opportunities for the vehicle and supply industry through the existing funding guidelines in the National Innovation Programme for Hydrogen and Fuel Cell Technology.

Furthermore, in line with the description of the measure, **this measure seeks to contribute to the decarbonisation of the transport sector in link with component 1.1 Decarbonisation using renewable hydrogen in particular.** Subsection 1 of section 1 of the funding guideline for investment aid for hydrogen applications recalls that decarbonised mobility can be achieved thanks to hydrogen and fuel cell technology. Its detailed requirements regarding eligible projects reflect this objective. Section 4.1 states that eligible projects linked to transport are required to show that funded innovative technology represent a verifiable environmental benefit compared to the operation of conventional technology. Section 4.2 states that projects linked to combined heat and power generation are required to lead to primary energy savings. Section 4.5 provides that studies can only be financed for investments that have a positive environmental contribution. This is consistent with the aim of decarbonising the economy using renewable hydrogen reflected in several measures of component 1.1 of the German Recovery and Resilience Plan. The objectives of this component are to support the use of hydrogen produced with energy from renewable sources and to contribute as a primary goal to GHG emission reduction.

The aim to use hydrogen is reflected in the funding guideline for investment aid for hydrogen applications. It requires that for projects linked to transport (section 4.1) and to electrolysis plants (section 4.4) only renewable hydrogen be used.

Furthermore, in line with the description of the measure, **the objective is to support a competitive supply industry for hydrogen and fuel cell technology.** This overall aim of the measure is confirmed in subsection 1 of section 1 of both funding guidelines which state that their aim is to make the next mobility solutions based on hydrogen and fuel cells competitive in the coming ten years. Subsection 1 of section 1 of the funding guideline for R&D projects in the context of hydrogen and fuel cell technology also identifies as a goal building up and strengthening value creation in Germany and Europe in the technology field of hydrogen and fuel cells. Subsection 1 of section 1 of funding guideline for investment aid for hydrogen define as an objective to activate the market for these which products as they have reached technical market maturity but are not yet competitive on the market.

Furthermore, in line with the description of the measure, **this includes enabling the production of fuel cell components.** Section 2 of the funding guideline for investment aid for hydrogen applications lists as eligible for funding investment in fuel-cell components for powered vehicles, vessels special vehicles and aircrafts. Fuel-cell powered electricity generation to ensure security of supply for critical infrastructure is also supported. Moreover, the future Technology and Innovation Centre for Hydrogen Technology in its antenna in Hamburg, Bremen/Bremerhaven, Stade) offers services for hydrogen and fuel cell applications in aviation and shipping (section 3 "Overview of the sites of the Center" on page 8 of the feasibility study).

Furthermore, in line with the description of the measure, **the measure provides additional funding opportunities for the vehicle and supply industry through the existing funding guidelines in the National Innovation Programme for Hydrogen and Fuel Cell Technology.** The extension of the two funding guidelines which are in the National Innovation Programme for Hydrogen and Fuel Cell Technology lead to additional funding opportunities in time and in the scope of the guidelines compared to the pre-existing situation (see Catalogue of measures developed for the National Investment Programme). The guidelines benefit the vehicle and supply industry which are the industry sector targeted for support (see preamble on page 1 of the funding guideline for R&D projects in the context of hydrogen and fuel cell technology).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 42	Related Measure: DE-C[1.3]-I[1], Support programme for the development of a climate-friendly timber construction sector
Name of the Milestone: Funding guidelines on the promotion of climate-friendly timber construction	
Qualitative Indicator: Publication in the Federal Gazette (Bundesanzeiger) and entry into force of the funding guidelines	Time: Q1 2021
Context:	
<p>The measure aims to accelerate the development, deployment and diffusion of innovative technologies and digital solutions to increase the use of timber in the construction sector.</p> <p>Milestone 42 concerns the publication of the funding guidelines to allow companies to start benefitting from the scheme.</p> <p>Milestone 42 is the first step of the implementation of the investment. It will be followed by Milestone 43 related to the approval of projects related to the development of climate-friendly timber construction. The investment has a final expected date for implementation in Q4 2021.</p>	
Evidence provided:	
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. Copy of funding guidelines on the promotion of climate-friendly timber construction published in the Federal Gazette (<i>'Bundesanzeiger'</i>) on 3 March 2021 and entering into force the day after its publication on 4 March 2021. Bekanntmachung der Richtlinie zur Förderung des klimafreundlichen Bauens mit Holz, BAnz AT 03.03.2021 B2, [Evidence No 1]. Link: https://www.bundesanzeiger.de/pub/publication/yXGotwAYPqts7zbQ9nL/content/yXGotwAYPqts7zbQ9nL/BAnz%20AT%2003.03.2021%20B2.pdf?inline. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. Amendment to the funding guidelines on the promotion of climate-friendly timber construction correcting a clerical mistake in section 6. This amendment was published in the Federal Gazette (<i>'Bundesanzeiger'</i>) on 14 April 2021. Erste Bekanntmachung zur Änderung der Richtlinie zur Förderung des klimafreundlichen Bauens mit Holz vom 31. März 2021, [Evidence No 2]. Link: https://www.bundesanzeiger.de/pub/publication/rICSabExoVvPUYvF4Qa/content/rICSabExoVvPUYvF4Qa/BAnz%20AT%2014.04.2021%20B7.pdf?inline. 	
Analysis:	
<p>The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.</p> <p>The guidelines have been published in the Federal Gazette (<i>'Bundesanzeiger'</i>) enabling companies and eligible organisations to apply for funding and have entered into force.</p> <p>The funding guidelines (Evidence No 1) have been published in the federal Gazette. The funding guidelines and their amendment (Evidence No 2) have been published in the Federal Gazette (<i>'Bundesanzeiger'</i>) on 3 March 2021 and 14 April 2021, respectively.</p>	

The funding guidelines (Evidence No 1 and 2) enable companies and eligible organisations to apply for funding. From the time of their entry into force on 4 March 2021 (Section 8 of the funding guidelines, Evidence No 1) and 15 April 2021 (Evidence No 2) respectively, the published funding guidelines (and their amendment) provide the legal basis to allow eligible entities to apply for funding. Eligible entities are defined in section 3 on page 4 of the funding guidelines (Evidence No 1 and Evidence No 2). This definition includes “companies and organisations”. Subsection 3.1. provides that companies can apply. Subsection 3.2 of Evidence No 1 provides that a broader definition of eligible organisations (“associations, associations of individuals, sole proprietorships, or corporations”) may apply. The procedural rules for the application for funding are set out in section 7 on page 6 of the Funding Guideline. According to this section, eligible entities are able to apply for funding.

Furthermore, in line with the description of the measure, **the measure is also intended to help overcome structural disadvantages and obstacles in order to be able to establish construction with timber on an equal footing in large-scale, multi-storey construction.**

The funding guideline’s purpose statement (‘Zweckzweck’), notably, subsection 1 of section 1 on page 1 of the funding guidelines (Evidence No 1 and Evidence No 2), mentions that the aim of the funding is to accelerate the development, introduction, and dissemination of innovative technologies, processes, products, and services (digital transformation) for the increased use of wood as a construction material. It also sets out that the funding aims to overcome structural disadvantages and barriers in order to establish wood construction on an equal footing in large-scale, multi-storey building projects.

Furthermore, in line with the description of the measure, **the measure shall focus support on advisory services (analysis, evaluations and recommendations) directed towards increasing the use of timber (coniferous/deciduous) and related to digitalisation, service and business innovation, business optimisation, and recyclability of construction products.**

The measure focuses on the support on advisory services directed towards increasing the use of timber. This follows from subsection 1.1.1 which declares that the main focus of the funding is “advisory services”. Subsection 2.1 (page 3) then lists all eligible services for this specific funding purpose (with the aim of increasing the use of wood (softwood/hardwood), in line with the description of the measure: digitalisation (*‘Einsatz von digitalen Lösungen’*), service and business innovation (*‘Aufzeigen von Potentialen und spezifischen Lösungsansätzen im Bereich von Produkt-, Verfahrens- und Serviceinnovationen.’*), business optimisation (*‘Analysen der betrieblichen Geschäfts- und Prozessabläufe zur Identifikation von Schwachstellen und Optimierungspotenzialen’*), and recyclability of construction products (*‘Analyse und Bewertung der Recycle- und Rückbaufähigkeit von Bauprodukten, Bauteilen und Bauten’*).

Furthermore, in line with the description of the measure, **the measure shall also focus on the development of innovation clusters related to innovation and development of climate-friendly timber construction.**

The second objective of the funding guideline is to support “innovation clusters” with the aim to strengthen innovation and development of climate-friendly timber construction. Innovation clusters are defined in subsection 1.1.2 of the funding guidelines (definition in footnote 1). They may be supported through funding according to subsection 2.2 (page 3) of the funding guidelines.

Furthermore, in line with the description of the measure, **given the structure of the sector, SMEs are expected to be the main beneficiaries of the support.**

The funding guideline’s purpose statement (*‘Zweckzweck’*) in subsection 1.1 sets out that the timber construction industry is “predominantly small and medium-sized structured”. Furthermore, the funding guidelines mentions specifically “small and medium sized companies” in footnote 1 of

subsection 1.1.2 which defines innovation clusters (page 2) as potential beneficiaries of the funding.

The milestone in the Council Implementation is further specified in the Operational Arrangements, **which requires that the application deadline for project owners shall be understood as mid-November 2021 to allow for the measure to be completed including applications being processed by 31 December 2021.** The amended funding guidelines (page 1, amended section 6) specify that payment requests are not to be accepted or processed after 15 November 2021.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 46	Related Measure: DE-C[1.3]-I[3], Building renovation: federal funding for energy-efficient buildings	
Name of the Milestone: Funding guidelines for the support of energy-efficient renovation of buildings		
Qualitative Indicator: Publication of funding guidelines in the Federal Gazette (Bundesanzeiger)		Time: Q3 2021
<p>Context:</p> <p>The measure aims at incentivising investments in the renovation of residential buildings in order to improve their energy efficiency and reduce greenhouse gas emissions in the building sector.</p> <p>Milestone 46 concerns the publication of guidelines for households and eligible organizations to apply for funding for the energy efficient renovation of residential buildings.</p> <p>Milestone 46 is the first step of the implementation of the investment and will be followed by targets 47 and 48, which are related to the renovation of 10 000 and 40 000 housing units, respectively, under the scheme. The investment has a final expected date for implementation in Q3 2026.</p>		
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A copy of the funding guidelines on the support scheme for the energy-efficient renovation of residential buildings by the Ministry for economy and energy (Bundesministerium für Wirtschaft und Energie), as published on 17 December 2020 in the Federal Gazette (<i>'Bundesanzeiger'</i> BAnz AT 01.02.2021), entering into force on 1 July 2021. Richtlinie für die Bundesförderung für effiziente Gebäude – Wohngebäude (BEG WG) vom 17. Dezember 2020 [Evidence No 1]: https://www.bundesanzeiger.de/pub/publication/XSftSZUPZT679EPY5iS/content/XSftSZUPZT679EPY5iS/BAnz%20AT%2001.02.2021%20B1.pdf?inline. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. A copy of the revised funding guidelines on the support scheme for the energy-efficient renovation of residential buildings by the Ministry for economy and energy (Bundesministerium für Wirtschaft und Energie), as published on 7 June 2021 in the Federal Gazette (<i>'Bundesanzeiger'</i> BAnz AT 01.02.2021) (available online) entering into force on 1 July 2021 [Evidence No 2]; ii. A copy of the revised funding guidelines (second revision) on the support scheme for the energy-efficient renovation of residential buildings by the Ministry for economy and energy (Bundesministerium für Wirtschaft und Energie), as published on 18 October 2021 in the Federal Gazette (<i>'Bundesanzeiger'</i> BAnz AT 18.10.2021 B3, available online, entering into force on 21 October 2021 [Evidence No 3]; iii. A copy of the revised funding guidelines (third revision) on the support scheme for the energy-efficient renovation of residential buildings by the Ministry for economy and energy (Bundesministerium für Wirtschaft und Energie), as published on 25 January 2022 in the Federal Gazette (<i>'Bundesanzeiger'</i> BAnz AT AT 18.10.2021 B3) (available online), entering into force on 1 February 2022 [Evidence No 4]; iv. A copy of the revised funding guidelines (fourth revision) on the support scheme for the energy-efficient renovation of residential buildings by the Ministry for economy and energy 		

(Bundesministerium für Wirtschaft und Energie), as published on 27 July 2022 in the Federal Gazette ('*Bundesanzeiger*' BAnz AT 25.01.2022) available [online](#), entering into force on 28 July 2022 [Evidence No 5];

- v. A track changed version of the first revision of the funding guidelines [Evidence No 6];
- vi. A track changed version of the second revision of the funding guidelines [Evidence No 7];
- vii. A track changed version of the third revision of the funding guidelines [Evidence No 8].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The guidelines have been published, enabling households and eligible organisations to apply for funding.

The funding guidelines have been published in the Federal Gazette (*Bundesanzeiger*). The funding guidelines for the support to energy-efficient renovations for residential buildings is based on funding guidelines which bundle various existing schemes under one support scheme. The guidelines (*Richtlinie für die Bundesförderung für effiziente Gebäude – Wohngebäude (BEG WG)*) were first published on 17 December 2020 in the Federal Gazette ('*Bundesanzeiger*' BAnz AT 01.02.2021), as set out in the third paragraph of the preamble of the original funding guidelines (Evidence No 1). The guidelines were then revised four times between February 2021 and July 2022 (Evidence No 2-5) in order to account for different changes for the support of renovations. None of the revisions has altered the objective of the scheme, the eligible applicants or the potential achievement of the measure targets, as set out in the next paragraphs. Concretely, the first as well as subsequent revisions concerned: formal elements (i.e. change of ministry names), some technical specifications and (for example, specifying that minor additional parts of renovation measures that were not clearly set out before are eligible) as well as some legal and financial elements regarding the application process, none of which affects the achievement of the measure. The application timeline was not altered by the revisions.

The guidelines enable households and eligible organisations to apply for funding. Section 6 of the funding guidelines (Evidence No 1) sets out which eligible beneficiaries can apply for funding. Notably, section 6 details that private persons and communities of homeowners, self-employed persons, local authorities, public corporations, non-profit organisations, companies and other legal bodies under private law can apply for funding. The application procedure for funding is set out in more detail in section 9 of the funding guidelines (Evidence No 1). It is notably a two-step procedure which is executed on behalf of the Federal Ministry Economic Affairs and Climate Action by the Federal Office for Economic Affairs and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle (BAFA)*) and by the Kreditanstalt für Wiederaufbau (*KfW*). Section 9 of the funding guidelines (Evidence No 1) sets out that the program starts on 1 July 2021 and that eligible organisations can apply as from this date.

Furthermore, in line with the description of the measure **this investment measure focuses on support to the energy-efficient renovation of residential buildings**. The focus of the measure is incentivising investments in energy efficiency and renewable energy for the renovation of residential buildings in order to reduce greenhouse gas emissions in the building sector. This is set out in the preamble of the original funding guidelines in section 4 on page 4 (Evidence No 1). This was not subject to change in the subsequent revisions of the guidelines.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 52	Related Measure: DE-C[2.1]-R[2], IPCEI Microelectronics and Connectivity
Name of the Milestone: Content design of the planned IPCEI	
Qualitative Indicator: Completion of national call for expression of interest process to identify projects in Germany	Time: Q2 2021
<p>Context:</p> <p>The measure aims to further strengthen the European semiconductor industry and thus also the resilience of the European economy as a whole. The investment consists of providing support to German participants in projects to be implemented as part of the planned IPCEI (Important Project of Common European Interest). The supported projects range from material production to chip design and the production of semiconductors to the integration of these into components and systems, and they thereby extend along the entire value chain. The participating German companies include industry giants, small and medium-sized enterprises and one start-up.</p> <p>Milestone 52 concerns the completion of a national call for expression of interest process to identify projects in Germany.</p> <p>Milestone 52 is the first step of the implementation of the investment and will be followed by target 53 related to the launch of projects and target 54 related to the disbursement of at least EUR 1.275 bn to the supported projects. The investment has a final expected date for completion in Q3 2026.</p> <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copies of 53 project sketches of companies expressing their interest [Evidence No 1]; iii. The call for expression of interest for the planned funding of research and investment projects in the field of microelectronics and communication technologies of 25 January 2021, published in the Federal Gazette (<i>Bundesanzeiger</i>) on 1 February 2021, BAnz AT 01.02.2021 B3 (copy of call for expression of interest) [Evidence No 2]; iv. A copy of the written replies by the funding agency on behalf of the Federal Ministry for Economic Affairs and Climate Action (BMWK) to identified potential projects (written replies by the funding agency on behalf of BMWK) [Evidence No 3]. <p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.</p> <p>The expression of interest procedure has been completed.</p> <p>The call for expression of interest on support measures for R&D in the field of microelectronics and communication technologies was published on 1 February 2021 in the Federal Gazette (<i>Bundesanzeiger</i>) (title on page 1 of the call for expression of interest). Interested enterprises were asked to send in their project concepts by 1 March 2021 at the latest (page 2 of call for expression of interest). After that date, the procedure was completed by the contracted funding agency funding agency VDI/VDE Innovatio + Technik GmbH which identified potential projects and project participants on behalf of the German Ministry for Economy and Climate Action (BMWK).</p> <p>Potential projects and project participants in Germany have been identified.</p> <p>Copies of all received project sketches by interested companies are provided by German authorities.</p>	

All of these projects would be located in Germany and participants active in Germany. It is specified in paragraph 10 of the call for expression of interest that support can only be provided to German participants of IPCEI projects and that projects must be carried out in the Federal Republic of Germany. Moreover, companies without a permanent establishment in Germany must finance their expenses without a federal grant (paragraph 10 on page 2 copy of call for expression of interest). Among the 53 projects that applied, one applicant was the Austrian company AT & S Austria Technologie & Systemtechnik AG. To obtain financial support this company would have to demonstrate that a German legal entity had previously been founded. This aspect was not assessed at this stage of the identification process.

The written electronic replies by the funding agency VDI/VDE Innovatio + Technik GmbH on behalf of BMWK to the potential project participants have been provided as evidenced by the written replies by the funding agency on behalf of BMWK, demonstrating that all 53 applicants had been identified as potential projects and project participants.

Furthermore, in line with the description of the measure, **the initiative is expected to be implemented through a planned Important Project of Common European Interest (IPCEI). The investment consists of providing support to German participants in projects to be implemented as part of the planned IPCEI.** The call for expression of interest explains that “[the support for research and investment projects] *is to be done in cooperation with several EU member states within the framework of an "Important Project of Common European Interest" (IPCEI).*” (copy of call for expression of interest) p. 1). It is also specified in paragraph 10 of the call for expression of interest that support can only be provided to German participants of IPCEI projects: “The project must be carried out in the Federal Republic of Germany. Companies without a permanent establishment in Germany must finance their expenses without a federal grant”(see paragraph 10 on page 2 of the copy of the call for expression of interest).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 59	Related Measure: DE-C[2.2]-I[1], Vehicle manufacturer/supply industry investment programme
Name of the Milestone: Publication of all funding guidelines	
Qualitative Indicator: Publication of the funding guidelines in the Federal Gazette (Bundesanzeiger)	Time: Q1 2021
<p>Context:</p> <p>The measure aims to support the digital and ecological transition of the automotive industry through a funding programme for future-oriented investments by vehicle manufacturers and the related supply industry. Projects will be selected through four calls for proposals. They will address:</p> <ol style="list-style-type: none"> 1. the aim to make production processes more energy efficient and digital; 2. research and development in the field of digitalisation of production processes and “industry 4.0” in the vehicle industry; 3. research and development in the field of automated driving, innovative powertrains and light building in vehicle technologies, and; 4. regional innovation clusters for the transformation of the vehicle industry. <p>Milestone 59 concerns the publication of the four funding guidelines linked to these four areas.</p> <p>It is the first step of the implementation of the investment and will be followed by targets 60 and 61, respectively related to the approval and successful completion of the projects under the call. The investment has a final expected date for implementation in Q3 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. The summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. The funding guideline “Digitalisation of vehicle manufacturer and the supply industry” (hereafter ‘funding guideline on digitalisation’, Evidence No 1). The guideline was published on 26 March 2021 in the Federal Gazette (<i>‘Bundesanzeiger’</i>) and has entered into force the same day [Evidence No 1]; iii. The funding guideline “Investment programme for modernisation of production of the vehicle manufacturer and supply industry” (hereafter ‘funding guideline on modernisation’, Evidence No 2). The guideline was published on 26 March 2021 in the Federal Gazette (<i>‘Bundesanzeiger’</i>) and has entered into force the day after [Evidence No 2]; iv. The funding guideline “Regional innovation cluster for transformation of the vehicle industry” (hereafter ‘funding guideline regional on innovation cluster’, Evidence No 3). The guideline was published on 26 March 2021 in the Federal Gazette (<i>‘Bundesanzeiger’</i>) and has entered into force the day after [Evidence No 3]; v. The funding guideline for the promotion of research and development projects within the framework of the programme “New vehicle and system technologies” (hereafter <i>funding guideline on research and development</i>, Evidence No 4). The basic guideline was published 15 June 2015. It was amended on 18 November 2018 and for the current purpose again on 16 March 2021, as published on 24 March 2021 in the Federal Gazette (<i>Bundesanzeiger</i>). Evidence No 4 provides a consolidated version of the funding guideline for convenience [Evidence No 4]. 	

The authorities also provided:

The latest amendment to the funding guideline research and development. The document submitted as Evidence No 4 is the consolidated version whereas this additional Evidence No 5 contains the publication on 24 March 2021 in the Federal Gazette (Bundesanzeiger) [Evidence No 5].

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.

All the funding guidelines for the four types of support measures under the programme have been published in the Federal Gazette (Bundesanzeiger) and have become legally binding.

German authorities have submitted copies of the four separate guidelines for the four types of support measures under the programme (Evidence No 1 – No 4).

Each of them has been published in the Federal Gazette and have become legally binding. The funding guideline on digitalisation (Evidence No 1) was published on 26 March 2021 in the Federal Gazette (*'Bundesanzeiger'*) and has entered into force the same day (see Section 7, page 9). The funding guideline on modernisation (Evidence No 2) was published on 26 March 2021 in the Federal Gazette (*'Bundesanzeiger'*) and has entered into force the day after (see Section 8, page 8). The funding guideline regional on innovation cluster (Evidence No 3) was published on 26 March 2021 in the Federal Gazette (*'Bundesanzeiger'*) and has entered into force the day after (see Section 8, page 10). The funding guideline on research and development (Evidence No 4) was originally published 15 June 2015. It was amended on 18 November 2018 and again on 16 March 2021, as published on 24 March 2021 in the Federal Gazette (*'Bundesanzeiger'*) and entered into force the day after (see Section 9, page 12). For the purposes of including the measure in the RRF. Evidence No 4 provides a consolidated version of the funding guideline.

In line with the description of the measure, the four funding guidelines (Evidence No 1 – No 4) correspond to the three modules and address the above-mentioned four objectives within these modules:

In line with the measure description, the investment consists of funding projects to be selected through four calls for proposals corresponding to three modules and addressing the four areas listed in the measure description. Germany has submitted the four funding guidelines, which contain four calls for proposals corresponding to three modules and addressing the four areas listed in the measure description as explained below.

In line with the measure description, **module (a) consists of investments in the vehicle sector, supporting in particular future-oriented investment projects by small and medium-sized enterprises in the vehicle industry, with the aim of making production processes more energy efficient and digital; and support to research and development projects in the field of digitalisation of production processes and industry 4.0 in the vehicle industry.**

- Through the funding guideline on modernisation (Evidence No 2), the Federal Government will award grants for the introduction or expansion of innovative, digital, efficient and ecologically sustainable production processes of vehicles. Accordingly, based on the guidelines, the funded future investments must support the transformation processes of the vehicle manufacturers and supplier industry in Germany and thus make a clearly identifiable contribution to a list of defined goals (Section 1 of the guideline). It addresses in

particular small- and medium-sized companies (Preamble, Section 1 and Section 3 of the guideline 2);

- Through the funding guideline on digitalisation (Evidence No 1), the Federal Government will provide grants for R&D on the digitisation of manufacturing and production processes in the vehicle and supplier industry (Section 1 of the guideline). The funding guideline serves to promote innovative, data-oriented production processes and the implementation of Industry 4.0 in the value creation systems of vehicle manufacturers and the supplier industry (see preamble of the guideline).

In line with the measure description, **module (b) covers support to research and development projects in the field of automated driving, innovative powertrains and light building in vehicle technologies.**

- Based on the funding guideline on research and development (Evidence No 4), Germany grants subsidies for the implementation of product- and application-related research and development projects as well as feasibility studies in the field of vehicle and system technologies. According to the guideline, the main objective of the research programme is to increase the innovative strength of companies in the commercial sector (Sections 1.1 and 1.2 of the guideline). The funding is aimed at technological innovations in the two pillars of (1) "Automated driving, including rail transport, and (2) "Innovative vehicles" (Section 2 of the guideline). Within the second pillar, the following main topics are being pursued:
 - increased efficiency through lightweight construction;
 - optimised aerodynamic properties;
 - reduced frictional resistance in the complete drive train;
 - innovative drive technology.

In line with the measure description, **module (c) covers support to regional innovation clusters for the transformation of the vehicle industry, addressing in particular the supply industry and focusing on technology transfer between enterprises from regions particularly affected by structural change, transition to climate-neutral propulsion and digitalisation and modernisation of industry production processes.**

Based on the funding guideline on regional innovation cluster (Evidence No 3), the Federal Government will provide grants for the establishment and operation of regional innovation clusters of the vehicle industry. According to the guideline, it is intended to support clusters that significantly promote the concrete, regional transformation process of the vehicle industry and act as a catalyst (Section 1 and 2 of the guideline). The aim is to reach a sustainable transformation of regions through an interlinkage of innovation, research and qualification initiatives, including the development of regional transformation strategies that integrate different approaches and activities in the areas of R&D, knowledge transfer and qualification, taking into account the specifics of the respective region (Section 1 of guideline). The funding guideline sets the promotion of new technologies as decisive factor for structural change and establishes the German vehicle industry's confrontation with structural change as starting point and main motivation. The funding guideline identifies as a priority applications that address the "fundamental change of the propulsion concept, new production processes, and sustainable materials" as well as "new business models in the context of digitalisation, automation, and interconnection" (Section 2). The measure has a dedicated focus on the supply industry as is demonstrated in the preambles of all four funding guidelines and more specifically formulated in Sections 1 and 2 of both, Evidence No 1 and 2.

In line with the measure description, **only future investments that make a significant contribution to the digitalisation and climate objectives of the programme** launched by Germany to support future-oriented investments by the vehicle manufacturers and supply industry shall be supported.

The funding guidelines stipulate that:

- *“Accordingly, the funded future investments must support the transformation processes of the vehicle manufacturers and supplier industry in Germany and make a clearly identifiable contribution to the following goals: [...] strengthening resilience in the funded companies (digitalisation and flexibility of supply chains and production networks), [...] improving resource and energy efficiency for ecologically sustainable production in the funded companies (reduction of greenhouse gas emissions and sustainable use of raw materials/value-added materials)”* (section 1 letter d) and f) of Evidence No 2 and section 1 letter c) and e) of Evidence No 1);
- *“Cluster approaches that contribute most to the objectives of the funding will be selected”* (section 1, last para of Evidence No 3);
“The projects must demonstrate significant progress compared to the current state of research and technology in the named programme pillars or associated thematic priorities” (section 2 para 4 of Evidence No 4).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 62	Related Measure: DE-C[2.2]-R[2], Federal programme ‘Building continuing education and training networks (CET networks)’
Name of the Milestone: Publication of the funding guidelines	
Qualitative Indicator: Publication of the funding guidelines in the Federal Gazette (Bundesanzeiger)	Time: Q2 2020
<p>Context:</p> <p>The measure aims to support ‘CET networks’ (continuing education and training networks) which promote the organisation of training activities, for employees of SMEs in particular. The establishment of such professional development networks aims to provide companies with the opportunity to benefit from the experience of other companies and of educational and advisory centers in order to help them develop their own strategic staff development and training plans.</p> <p>Milestone 62 consists of the publication of the funding guidelines, providing the basis for the support of ‘CET networks’, in the Federal Gazette (Bundesanzeiger) and its entry into force, ensuring it is legally binding.</p> <p>Milestone 62 is the first step of this reform. It will be followed by two targets, the first of which (target 63) refers to the participation of at least 200 additional enterprises participating in CET networks. Target 64, the last target of the measure, is related to the revision or redesign of at least 60 training measures. The reform has a final expected date for implementation in Q4 2024.</p> <p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. Copy of the funding guidelines "Continuing Education and Training Networks Centers" ("Förderrichtlinie Aufbau von Weiterbildungsverbänden", "the funding guidelines") published in the Federal Gazette on 1 July 2020, and the link [Evidence No 1]: https://www.bundesanzeiger.de/pub/publication/cwyEj8hrsPQXqK6Sn5N/content/cwyEj8hrsPQXqK6Sn5N/BAAnz%20AT%2001.07.2020%20B3.pdf?inline. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. List of supported projects under the federal programme “Building CET networks” [Evidence No 2]. <p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.</p> <p>The funding guidelines have been published in the Federal Gazette (Bundesanzeiger) and have become legally binding.</p> <p>The funding guidelines "Continuing Education and Training Networks Centers" (CET networks) were published in the Federal Gazette on 1 July 2020. Germany has provided a copy of the funding guidelines and a link to the Federal Gazette, where they can be accessed (https://www.bundesanzeiger.de/pub/publication/cwyEj8hrsPQXqK6Sn5N/content/cwyEj8hrsPQXqK6Sn5N/BAAnz%20AT%2001.07.2020%20B3.pdf?inline).</p> <p>The guidelines entered into force on 2 July 2020, the day following publication (section 7). With their entry into force, the funding guidelines have become legally binding.</p>	

Furthermore, in line with the description of the measure the aim is, more specifically **to support the establishment or development of professional development networks, in order to enable companies, among other things, to benefit from the experience of other companies and of educational and advisory centres and institutions, and thereby to develop their own strategic staff development and training planning.**

For the establishment or further development of CET networks non-repayable project financing of up to 70% and a maximum of EUR 1 000 000 may be granted (section 5.1) for a period of 36 months (section 5.4), as specified in the funding guidelines.

Companies are supported to set up or expand professional development networks, in order to draw on the experiences of other companies, educational and advisory centres and institutions for the design of their own strategic personnel development planning, in particular the continuing education planning (section 1.1).

Furthermore, in line with the description of the measure **these 'skills alliances' shall also enable participating training providers to adapt their offer.**

The funding guidelines (section 1.1) states as one of the goals of the programme that based on an exchange with network cooperation partners (skills alliances, "Weiterbündungsverbände") and the evaluation of their current continuing education offer, new training measures are introduced based on the companies' needs.

Furthermore, in line with the description of the measure, the **investment consists of supporting around 40 pilot projects, selected through one of the calls for proposals organised under the federal programmes 'Building CET networks'**. The target is further specified in the Operational Arrangements, which requires that for the purpose of these Operational Arrangements, **„Building further CET Networks“ shall be understood as „Continuing education and training networks (CET networks)“**.

Around 40 pilot projects have been selected through one of the calls for proposals organised under the federal programmes 'Building CET networks' to receive support under the investment.

The funding guidelines "Continuing Education and Training Networks Centers" (CET networks) were published in the Federal Gazette on 1 July 2020. Interested organisations could submit project sketches to receive support until 25 August 2020, based on the application procedure and requirements outlined in section 6 of the funding guidelines. The German authorities provided a list of 38 pilot projects (in line with the CID requirement of around 40) that have been selected for funding based on the call for proposals in the funding guidelines (section 6). For each project, the list includes the name of the CET network, the project leader, cooperation partners, the federal state ("Bundesland") and the regional scope of the CET network.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 65	Related Measure: DE-C[2.2]-I[3], Digitalisation and Technology Research Centre of the Bundeswehr (dtec.bw)		
Name of the Target: Launch of research projects			
Quantitative Indicator: Number of projects	Baseline: 0	Target: 68	Time: Q1 2021
Context:			
<p>Target 65 is part of investment 2.2.3 which aims at supporting research and innovation activities on strategic technological areas to strengthen German and European digital and technological sovereignty. The measure is led by the Digitalisation and Technology Research Centre of the Bundeswehr (dtec.bw) and finances research projects and projects for the transfer of knowledge and technology (especially to promote start-ups).</p> <p>Target 65 concerns the launch of at least 68 research projects.</p> <p>It is the first step of the implementation of the investment, and it will be followed by milestones and targets 66, 67, 68 and 69. These respectively relate to the publication of a report on the satisfactory continuation of projects, an interim report on the progress of the projects, the budgetary execution of the project and the publication of a report on research and transfer outputs. The investment has a final expected date for implementation in Q3 2026.</p>			
Evidence Provided:			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A list of projects HSU UniBw Hamburg. The list of approved projects of the University of the Federal Armed Forces in Hamburg (HSU UniBw Hamburg) as part of the economic plan 2021 [Evidence No 2]; iii. A list of projects UniBw München. The list of approved projects of the University of the Federal Armed Forces in München (UniBw München) as part of the economic plan 2021 [Evidence No 3]; iv. Decree of allocation. A formal email by the Federal Ministry of Defence, addressed to the dtec.bw, on the allocation of the budget resources to the projects of the two universities) [Evidence No 5]; v. Receipt of funding. 68 confirmations by project leaders on the receipt of funding for their respective project [Evidence No 7]; vi. Economic business plan 2021. Four pdf-files setting out the economic business plans 2021 [Evidence No 8]: <ol style="list-style-type: none"> a. the economic business plan for 2021 in total – (DTEC-Bw WiPlan 2021_ Gesamt), b. the business plan 2021 for the University of the Federal Armed Forces in München (UniBw München) – (DTEC-Bw WiPlan 2021_UniBw München), c. the business plan 2021 for the University of the Federal Armed Forces in Hamburg (HSU UniBw Hamburg) – (DTEC-Bw WiPlan 2021_HSU_UniBw Hamburg), and d. the business plan 2021 for the Digitalisation and Technology Research Centre of the Bundeswehr (dtec.bw) – (DTEC-Bw WiPlan 2021_Geschäftsstelle). <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. Evaluation report. A DARP Evaluation Report on measure 2.2.3 from 16 August 2021 by the Digitalisation and Technology Research Centre of the Bundeswehr [Evidence No 1]; 			

- ii. **Budget legislation.** A copy of the act of 21 December 2020 on the adoption of the Federal budget for the financial year 2021 (BGBl. I p. 3208), reflecting the resources dedicated to the Digitalisation and Technology Research Centre of the Bundeswehr [Evidence No 6];
- iii. **Check schemes.** 68 internal verification schemes / check lists (Prüfschemata) prepared by the Federal Ministry of Defence showing the positive assessment for each of the approved projects [Evidence No 4].

Analysis:

The justification and substantiating evidence provided by German authorities covers all constitutive elements of the target.

(i) At least 68 funding grants have been signed and (ii) the corresponding 68 projects have received funding and (iii) may start their research activity.

(i) At least 68 funding grants have been signed.

The Council Implementing Decision required that **at least 68 funding grants have been signed.**

Germany explained that the University of the Federal Armed Forces in München (UniBw M) and the University of the Federal Armed Forces in Hamburg (HSU/UniBw H) as well as the Digitalisation and Technology Research Centre of the Bundeswehr (dtec.bw) belong to the same business division and are integral parts of the Ministry of Defence and therefore public entities. All project leaders that received funding are members internal to the two universities of the Ministry of Defence. As a result, there were no (individual) 68 signed funding grants but financial allocations to the universities and the individual projects.

Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the elements provided by Germany to understand the set-up of the funding are sufficient and demonstrate that the funding grants concern 68 projects and are executed.

Germany presented two tables with the list of approved projects (see DE Evidence No 2 (list of projects HSU/UniBw Hamburg) and Evidence No 3 (list of projects UniBw München). It also provided 68 individual review and approval decisions endorsed by the Federal Ministry of Defence (Evidence No 4 (check schemes)) on the 68 projects listed in Evidence No 2 and No 3. Those set out the technical approval of the requested research funds. These pieces of evidence show that project leaders internal to both universities expressed their will to receive funding.

The legal basis for the funding of the projects is laid down in the financial allocation. Germany provided a decree in electronic format, a formal email of 29 January 2021, by the Federal Ministry of Defence, addressed to the Digitalisation and Technology Research Centre of the Bundeswehr, on the allocation of the budget resources to the projects of the two universities (Evidence No 5 (decree of allocation). This email states under *“2 Supplementary information on the further management procedure. The newly in 2020 established dtec.bw is to be financed (centrally) via [Budget] Chapter 1413, Title 544 01 and to be managed in principle at project level. In that context, the two UniBw will manage the projects approved by BMVg CIT I 2 [unit responsible in the Ministry of Defense] under their own responsibility. The basis for this is the business plan, which is updated annually and in which the necessary budgetary funds are presented down to the project level. [...]”*

The decree (Evidence No 5) sets out two elements for the funding of the projects, (1) the (approved) business plan, with the necessary budgetary funds presented at project level and (2) the approval of the projects by (the unit) BMVg CIT I 2.

Germany provided the business plans for 2021 (Evidence No 8) and the two tables where the budgetary funds are presented at project level (see DE Evidence No 2 (list of projects HSU/UniBw Hamburg) and Evidence No 3 (list of projects UniBw München)).

An evaluation report by the Digitalisation and Technology Research Centre of the Bundeswehr (dtec.bw) (Evidence No 1) confirms that the business plan has been confirmed by the Ministry of Defence (page 2 at the bottom).

Germany provided 68 individual review and approval decisions endorsed by the Federal Ministry of Defence (Evidence No 4 (check schemes)) on the 68 projects listed in Evidence No 2 and No 3. Those set out the technical approval of the requested research funds by unit BMVg CIT I 2. *“Fachliche Freigabe der beantragten Forschungsmittel [mit o.g. Auflagen] durch CIT I 2: Ja”* (page 2 of each decision in Evidence No 4).

Germany has, thus, provided evidence that the legal requirements to commit the funds for the 68 projects in question were given. By providing financial allocations to the project leaders internal to the universities that requested the funds, the same effect as signing funding grants was reached.

Finally, the receipts of funding show (see below under (ii)) that the funding was legally committed to the grant recipients even though funding grants had not been separately signed.

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. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

(ii) [...] the corresponding 68 projects have received funding [...]

Project leaders have confirmed the receipt of funding for the respective project in 68 individual statements which set out the project name, the signature and the date, Evidence No 7 (receipt of funding).

In line with the description of the measure, **the objective of the measure is to support research and innovation activities on strategic technological areas for the future, to contribute to strengthen the German and European digital and technological sovereignty**. According to the evaluation report submitted by Germany (Evidence No 1), the overarching objective of the measure is to enhance and strategically coordinate research by the universities of the Federal Armed Forces in the areas of digitalisation and related key and therefore strategic future technologies. Furthermore, its objective is to enable new cooperation in research between companies, science, administration and society, and to pave the way for nationwide availability of digital and technological innovation in the private and public sectors. All of these objectives shall contribute to the federal government’s high-tech strategy 2025 and to digital and technological sovereignty of Germany and Europe (see section 2 on page 3 of Evidence No 1 (evaluation report)).

Furthermore, in line with the description of the measure, **the corresponding research projects shall focus on digital fields and key technologies for the future, in line with the federal government’s high-tech strategy priorities (‘Sustainability’, ‘Climate Protection and Energy’, ‘Mobility’, ‘Security’ and ‘Economics and Work 4.0’):**

- Space research, aerospace engineering and space communications;
- Sensor technology and integrated sensor systems;
- Innovative, connected mobility;
- Cybersecurity, including quantum communications;
- Research on risk, critical infrastructures, security and conflict;

- Technologies, methods and impacts of digitalisation (e.g. additive manufacturing);
- Digitalisation of the energy and production sectors, sustainable infrastructure development;
- Artificial Intelligence, robotics and intelligent physical systems; and
- Skills for the digital world of work and leadership models of the future.

The lists of projects submitted and their descriptions (Evidence No 2 (list of projects HSU UniBw Hamburg) and Evidence No 3 (list of projects UniBw München)) show that the projects focus on digital fields and key technologies for the future, in line with the federal government's high-tech strategy priorities. The website of the Digitalisation and Technology Research Centre of the Bundeswehr (dtec.bw), illustrates the funded projects, information is publicly available.

The supported projects focus on each of the digital fields and areas of key technology for the future covered by this measure as evidenced by the below example projects:

- Space research, aerospace engineering and space communications **KIIPS_KISS, SeRANIS;**
- Sensor technology and integrated sensor systems **ROLORAN, Smart Health Lab, VITAL-SENSE, Voice of Wisdom;**
- Innovative, connected mobility **MORE, E&D_124_Emob;**
- Cybersecurity, including quantum communications **MuQuaNet;**
- Research on risk, critical infrastructures, security and conflict **RiskTwin, KOKO, LIONS, KIIPS_SHM;**
- Technologies, methods and impacts of digitalisation (e.g. additive manufacturing) **E&D_CT Centre, E&D_CoupleIT;**
- Digitalisation of the energy and production sectors, sustainable infrastructure development **ELAPSED, RISK, E&D_DMF;**
- Artificial Intelligence, robotics and intelligent physical systems **KISOFT, KIIPS_EKI, KIIPS_ESAS;**
- Skills for the digital world of work and leadership models of the future **E&D_Digi_Wertschöpfung, OPAL_DigiLead, OPAL_DigiTaKS.**

(iii) [...] and may start their research activity.

All projects have started their research activities in 2021, as stated in the second sentence in section 3a of the report (see page page 4 second sentence of Evidence No 1 (evaluation report)).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 70	Related Measure: DE-C[2.2]-I[4], Promotion of the digitalisation of rail by replacing conventional interlocking/fast-track programmes to speed up the roll-out of the ‘Digital Rail Germany’ (SLP)
Name of the Milestone: Signature of the financing agreement for the ‘fast track’ programme between the Federal Government and Deutsche Bahn AG	
Qualitative Indicator: Signed financing agreement between the Federal Government and Deutsche Bahn AG	Time: Q4 2020
<p>Context:</p> <p>This investment has the objective to support the digitalisation of the railway in the context of the ‘Digital Rail Germany’ initiative and the ‘fast track’ programme aiming at accelerating it. The goal is to develop standardised, interoperable, and modular components for the digitalisation of railway operations. Overall, the investment consists of funding seven pilot projects, aiming at developing solutions to replace old signal boxes and level crossing protection systems by security systems of the latest digital generation.</p> <p>Milestone 70 requires the financing agreement between the Federal Government and <i>Deutsche Bahn AG</i> to be signed.</p> <p>Milestone 70 is the first of four milestones and targets related to investment 2.2.4. It will be followed by milestone 71 that requires <i>DB Netz AG</i> to submit an interim report on implementation and by target 72 that involves the successful completion of six pilot projects. The final target 72A involves the successful completion of a seventh pilot project. The investment has a final expected date for implementation in Q1 2023.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled; ii. Financing agreement: The Financing Agreement of 8 December 2020 between the Federal Republic of Germany, represented by the Federal Ministry for Digital and Transport and <i>DB Netz Aktiengesellschaft</i>, <i>DB Energie GmbH</i>, and <i>DB Station&Service Aktiengesellschaft</i> (“<i>Financing Agreement</i>”) [Evidence No 1]; iii. Amendment of the financing agreement: The Amendment to the Financing Agreement of 23 December 2021 between the Federal Republic of Germany, represented by the Federal Ministry for Digital and Transport and <i>DB Netz Aktiengesellschaft</i>, <i>DB Energie GmbH</i>, and <i>DB Station&Service Aktiengesellschaft</i> to extend the project until end of 2022 (“<i>First Amendment to the Financing Agreement</i>”) [Evidence No 12]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. FA Annex I Ansbach-Triesdorf. Annex I of the Financing Agreement – pilot project Ansbach-Triesdorf [Evidence No 2]; ii. FA Annex I Finnentrop. Annex I of the Financing Agreement – pilot project Finnentrop [Evidence No 3]; iii. FA Annex I Gera-Weischlitz) Annex I of the Financing Agreement – pilot project Gera Weischlitz [Evidence No 4]; iv. FA Annex I Kleve-Kempen. Annex I of the Financing Agreement – pilot project Kleve-Kempen [Evidence No 5]; v. FA Annex I Lichtenfels-Coburg Sonneberg. Annex I of the Financing Agreement – pilot 	

- vi. project Lichtenfels-Coburg Sonneberg [Evidence No 6];
- vi. **FA Annex I Wörth (Rhein)-Speyer.** Annex I of the Financing Agreement – pilot project Wörth(Rhein)-Speyer [Evidence No 7];
- vii. **FA Annex I Zwieseler Spinne.** Annex I of the Financing Agreement – pilot project Zwieseler Spinne [Evidence No 8];
- viii. **FA Annex II signal boxes.** Annex II of the Financing Agreement, listing relevant signal boxes for each pilot project [Evidence No 9];
- ix. **FA Annex III digitalisation cluster.** Annex III of the Financing Agreement, describing innovations to be achieved by each pilot project [Evidence No 10];
- x. **FA Annex IV building schedule and financing.** Annex IV of the Financing Agreement, showing a raw building schedule combined with a cost share ratio for different engaged DB affiliates [Evidence No 11].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The signature of the financing agreement between the Federal Government and Deutsche Bahn AG.

The financing agreement for the ‘fast track’ programme was signed on 8 December 2020 by a representative of the Federal Ministry for Transport and Digital Infrastructure. It was countersigned by a representative of the Board of Directors of three 100% owned subsidiaries of *Deutsche Bahn AG* (page 9 DE 2.2.4 [M70] Evidence No 1 (financing agreement)). It was amended on 23 December 2021 to extend the project lifetime until end of 2022 (page 8, DE 2.2.4 [M70] Evidence No 12 (amendment financing agreement) due to unforeseeable reasons. Those unforeseeable reasons relate to the finding of hidden contaminants in the ground, followed by the finding of bombs and ammunition resulting in the need to change construction technology, and finally the extremely high temperatures in the summer of 2022, which hindered works close to and beneath the tracks and lead to delays.

The Council Implementing Decision required that the Deutsche Bahn AG signs the financing agreement. It was not *Deutsche Bahn AG* that signed the contract, but its three fully owned subsidiaries. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the three subsidiaries are the entities in the Deutsche Bahn group that are responsible for the practical implementation of the specific investment in this measure. Deutsche Bahn AG is a state-owned mobility and transport holding company, organised as public corporation and fully owned by the German federal state, represented by the Federal Ministry for Digital and Transport. It holds around 600 subsidiaries, among them railway infrastructure and traffic companies. The group therefore consists of many undertakings. The three countersigning subsidiaries of *Deutsche Bahn AG*, which are *DB Netz Aktiengesellschaft*, *DB Energie GmbH*, and *DB Station&Service Aktiengesellschaft* are part of the Deutsche Bahn Group and are the designated specialist subsidiaries of the holding company *Deutsche Bahn AG*, for the development and maintenance of railway infrastructure. Based on the financing agreement, they are provided with sufficient funding directly by the ministry, and accordingly on their side be obliged to implement digitalisation of railway operations as specified in the financing agreement. *DB Netz Aktiengesellschaft* is the rail infrastructure company of *Deutsche Bahn AG* and responsible for the rail network, including all facilities required for operations. *DB Energie GmbH* specialises in reliable, economical, and environmentally friendly energy supply. *DB Station&Service Aktiengesellschaft* operates the 5.400 train stations across Germany. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 71	Related Measure: DE-C[2.2]-I[4], Promotion of the digitalisation of rail by replacing conventional interlocking/fast-track programmes to speed up the roll-out of the 'Digital Rail Germany' (SLP)
Name of the Milestone: Interim report on implementation	
Qualitative Indicator: Interim report submitted by DB Netz AG to the Federal Ministry for Transport and Infrastructures (BMVI) and the Federal Railway Authority (EBA) on the implementation of the programme.	Time: Q2 2021
<p>Context:</p> <p>The objective of this investment is supporting the digitalisation of the railway in the context of the 'Digital Rail Germany' initiative and the 'fast track' programme aiming at accelerating it. The goal is to develop standardised, interoperable, and modular components for the digitalisation of railway operations. Overall, the investment consists of funding seven pilot projects, aiming at developing solutions to replace old signal boxes and level crossing protection systems by security systems of the latest digital generation.</p> <p>Milestone 71 requires the submission of an interim report on the implementation of the programme.</p> <p>Milestone 71 is the second milestone of investment 2.2.4, and it follows the completion of milestone 70, related to the signature of the financing agreement for the 'fast track' programme between the Federal Government and Deutsche Bahn AG (the national railway company of Germany). It will be followed by target 72 and target 72A, related to the successful completion of pilot projects, with target 72 related to completing six pilot projects and target 72A related to completing a seventh pilot project. The investment 2.2.4 has a final expected date for implementation in Q1 2023.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including the relevant elements of the milestone, as listed in the description of the milestone and of the corresponding measure in the CID annex) was satisfactorily fulfilled; ii. SLP 1st interim report 2022, fast-track programme to strengthen the railways, semi-annual report for quarter 1/2022 for information of the Federal Ministry of Transport and Digital Infrastructure (Schnellläuferprogramm zur Stärkung der Schiene, Halbjahresbericht Quartal 1/2022 zur Information des Bundesministeriums für Verkehr und digitale Infrastruktur): This document is the overall third interim report, depicting the situation as of Q1 2022 [Evidence No 3]; iii. Confirmation upgrade, confirmation of submission and technical upgrade issued by the Federal Railway Authority on 21 June 2022 confirming that DB Netz AG submitted its interim report of Q1 2022 to the Federal Ministry of Transport and Infrastructure and the Federal Railway Authority, and also confirming that the solutions developed through the programme will be upgradeable and compatible with ETCS (European Train Control System) [Evidence No 5]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. SLP 1st interim report 2021, fast-track programme to strengthen the railways, semi-annual report for quarter 1/2021 for information of the Federal Ministry of Transport and Digital Infrastructure (Schnellläuferprogramm zur Stärkung der Schiene, Halbjahresbericht Quartal 1/2021 zur Information des Bundesministeriums für Verkehr und digitale Infrastruktur): This document is the first interim report, depicting the situation as of Q1 2021 [Evidence No 1]; 	

- ii. SLP 2nd interim report 2021, fast-track programme to strengthen the railways, semi-annual report for quarter 3/2021 for information of the Federal Ministry of Transport and Digital Infrastructure (Schnellläuferprogramm zur Stärkung der Schiene, Halbjahresbericht Quartal 3/2021 zur Information des Bundesministeriums für Verkehr und digitale Infrastruktur): This document is the overall second interim report, depicting the situation as of Q3 2021 [Evidence No 2];
- iii. SLP 2nd interim report 2022, fast-track programme to strengthen the railways, semi-annual report for quarter 3/2022 for information of the Federal Ministry of Transport and Digital Infrastructure (Schnellläuferprogramm zur Stärkung der Schiene, Halbjahresbericht Quartal 3/2022 zur Information des Bundesministeriums für Verkehr und digitale Infrastruktur): This document is the overall fourth interim report, depicting the situation as of Q3 2022 [Evidence No 4].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

Interim report submitted to the Federal Ministry for Transport and Infrastructures (BMVI) and the Federal Railway Authority (EBA) on the implementation of the programme. As confirmed by the Federal Railway Authority on 21 June 2022 (see DE 2.2.4 [M71] Evidence No 5 (confirmation upgrade)), the *DB Netz AG* submitted an interim report of the implementation of the ‘fast track’ programme between the Federal Government and Deutsche Bahn AG (see Evidence No 3 (SLP 1st interim report 2022)) to the Federal Ministry of Transport and Infrastructure and the Federal Railway Authority. In line with the envisaged timeline for completion of the 7 pilot projects in Q1 2023, the report describes interim results depicting the situation as of Q1 2022. Beyond this interim report, Germany shared with the Commission another three interim reports covering the years 2021 and 2022 (see DE 2.2.4 [M71] Evidence No 1 (SLP 1st interim report 2021), DE 2.2.4 [M71] Evidence No 2 (SLP 2nd interim report 2021) and DE 2.2.4 [M71] Evidence No 4 (SLP 2nd interim report 2022)).

The submitted interim report focuses **on the implementation of the programme**. The interim report follows the structure set out in subsection 3 of section 4 of the financing agreement. It starts with an overview and a description of the goals of the SLP-Project in general (section 2), shows the financial status of implementation (section 3) and provides a detailed status report on each of the seven pilot projects (section 4). Furthermore, in line with the description of the measure, they **[the new solutions] are also expected to be upgradeable and compatible with a subsequent ETCS (European Train Control System) upgrade by means of uniform system interfaces**. The EBA confirmed this by letter of 21 June 2022 (see DE 2.2.4 [M71] Evidence No 5 (confirmation upgrade)), clarifying that the projects’ technical architecture using standardised interfaces is upgradeable and compatible with the European Train Control System (ETCS) and can be upgraded to full digital interlocking system and digital rail operations.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 72	Related Measure: DE-C[2.2]-I[4], Promotion of the digitalisation of rail by replacing conventional interlocking/fast-track programmes to speed up the roll-out of the ‘Digital Rail Germany’ (SLP)		
Name of the Target: Successful completion of pilot projects			
Quantitative Indicator: Number of pilot projects completed	Baseline: 0	Target: 6	Time: Q4 2021
<p>Context:</p> <p>The objective of this investment is to support the digitalisation of the railway in the context of the ‘Digital Rail Germany’ initiative and the ‘fast track’ programme aiming at accelerating it. The goal is to develop standardised, interoperable, and modular components for the digitalisation of railway operations. Overall, the investment consists of funding seven pilot projects, aiming at developing solutions to replace old signal boxes and level-crossing protection systems by security systems of the latest digital generation.</p> <p>Target 72 requires the successful completion of six pilot projects.</p> <p>Target 72 is the third of four milestones and targets related to investment 2.2.4. It follows milestone 70 that requires the signature of the financing agreement, and milestone 71 that covers the submission of the interim report on implementation. The final target 72A requires the successful completion of the final seventh pilot project. The investment has a final expected date for implementation on 31 March 2023.</p>			
Evidence Provided:			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. List of Projects: This document is a list of all pilot projects, including information on participating companies and project descriptions, [Evidence No 1]; iii. Evidences No 3 to 5 provide copies of the certificates of completion and operation regarding the project Finnentrop, one of the six pilot projects to be completed, for each of the three signal boxes of the project, with a separate certificate of completion issued for each signal box: <ol style="list-style-type: none"> a. Certificate Finnentrop Altena: Along with Evidence No 4 and 5, this document is a copy of part of the certificate of completion and operation regarding one of the six pilot projects to be completed, project Finnentrop. This project covers three separate signal boxes for each of which separate certificates of completion were issued. Evidence No 3 contains the certificate for one of the three signal boxes, Altena issued on 27 May 2022, [Evidence No 3]; b. Certificate Finnentrop Plettenberg: Along with Evidence No 3 and 5, this document is a copy of part of the certificate of completion and operation regarding one of the six pilot projects to be completed, the project Finnentrop. This project covers three separate signal boxes for each of which separate certificates of completion were issued. Evidence No 4 contains the certificate for Plettenberg issued on 27 May 2022, [Evidence No 4]; c. Certificate Finnentrop Altenhudem: Along with Evidence No 3 and 4, this document is a copy of part of the certificate of completion and operation regarding one of the six pilot projects to be completed, the project Finnentrop. This project covers three separate signal boxes for each of which separate certificates of completion were issued. 			

Evidence No 5 contains the certificate for Altenhudem issued on 27 May 2022 [Evidence No 5].

iv. **Evidences No 6 to 8** provide copies of the certificates of completion and operation regarding the project Wörth (Rhein)-Speyer, one of the six pilot project to be completed:

a. **Certificate Germersheim:** Along with document No 7 and 8, this document is a copy of the certificate of completion and operation regarding the project Wörth(Rhein)-Speyer. This project covers three separate railway lines for each of which separate certificates of completion were issued. Evidence No 6 contains the certificate for Germersheim comprising three signal boxes issued on 27 January 2023 [Evidende No 6];

b. **Certificate Speyer:** This document is a copy of the certificate of completion and operation regarding the project Wörth (Rhein)-Speyer. This project covers three separate railway lines for each of which separate certificates of completion were issued. Evidence No 7 contains the certificate for Speyer issued on 25 January 2023 [Evidence No 7];

c. **Certificate Wörth:** This document is a copy of the certificate of completion and operation regarding the project Wörth (Rhein)-Speyer. This project covers three separate railway lines for each of which separate certificates of completion were issued. Evidence No 8 contains the certificate for Wörth issued on 2 January 2023 [Evidence No 8].

v. **Evidences No 9 to 19** provide copies of the certificates of completion and operation regarding the project Kleve-Kempen, for each of the eleven signal boxes of the project, for which separate certificates of completion were issued:

a. **Certificate Kleve:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which separate certificates of completion were issued. Evidence No 9 contains the certificate for Kleve issued on 6 December 2021 [Evidence No 9];

b. **Certificate Bedburg-Hau:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which separate certificates of completion were issued. Evidence No 10 contains the certificate for Bedburg-Hau issued on 6 December 2021 [Evidence No 10];

c. **Certificate Goch:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which separate certificates of completion were issued. Evidence No 11 contains the certificate for Goch issued on 5 December 2021 [Evidence No 11];

d. **Certificate Weeze:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which separate certificates of completion were issued. Evidence No 12 contains the certificate for Weeze issued on 5 December 2021 [Evidence No 12];

e. **Certificate Kevelaer:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 13 contains the certificate for Kevelaer issued on 26 November 2022 [Evidence No 13];

f. **Certificate Geldern:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 14 contains the certificate for Geldern issued on 2 January 2023 [Evidence No 14];

g. **Certificate Venum:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 15 contains the certificate for Venum issued on 30 November 2022 [Evidence No 15];

h. **Certificate Nieuwerk:** This document is a copy of the certificate of completion and

operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 16 contains the certificate for Nieukerk issued on 30 November 2022, [Evidence No 16];

- i. **Certificate Aldekerk:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 17 contains the certificate for Aldekerk issued on 6 December 2022 [Evidence No 17];
 - j. **Certificate Kempen:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 18 contains the certificate for Kempen issued on 29 November 2022, [Evidence No 18];
 - k. **Certificate Benrad-St.Tönis:** This document is a copy of the certificate of completion and operation regarding the project Kleve-Kempen. This project covers eleven separate signal boxes for which several certificates of completion were issued. Evidence No 19 contains the certificate for Benrad-St.Tönis issued on 29 November 2022, [Evidence No 19].
- v. **Certificate Coburg-Sonneberg-Lichtenfels:** This document is a copy of the report certifying that validation in laboratory conditions has been reached for the pilot project Coburg-Sonneberg-Lichtenfels. It was issued on 13 December 2021, [Evidence No 21];
 - vi. **Certificate Gera-Weischlitz:** This document is a copy of the report certifying that validation in laboratory conditions has been reached for the pilot project Gera-Weischlitz. It was issued on 8 December 2021, [Evidence No 22];
 - vii. **Certificate Zwieseler Spinne:** This document is a copy of the report certifying that validation in laboratory conditions has been reached for the pilot project Zwieseler Spinne. It was issued on 15 December 2021, [Evidence No 23].

The authorities also provided:

- i. **Go-Live Procedure:** This document was issued by DB Netz AG on 24 January 2023 and contains a description of all steps necessary for cluster 1 projects starting with planning activities until the launch of the system, [Evidence No 2];
- ii. **Certificate Krefeld:** This document is a copy of the certificate of completion and operation regarding the connection of the project Kleve-Kempen to the digital interlocking of Krefeld. This interlocking was not part of the pilot project but affected by it. The evidence is provided for completeness. Evidence No 20 contains the certificate for this project called Krefeld issued on 30 November 2022, [Evidence No 20];
- iii. **Abbreviations:** Abbreviations used, listed, and explained, [Evidence No 24].

Analysis:

The justification and substantiating evidence provided by German authorities covers all constitutive elements of the target.

Six pilot projects of the programme have been completed successfully, with validation in operational conditions for at least three of them, and validation in laboratory conditions for the others.

The successfully completed six pilot projects of the ‘fast track’ programme are i) Finnentrop, ii) Wörth(Rhein)-Speyer, iii) Kleve-Kempen (all “Cluster 1”) and iv) Lichtenfels-Coburg-Sonneberg, v) Gera-Weischlitz and vi) Zwieseler Spinne (all “Cluster 2”) as evidenced by Evidence No 2 to Evidence No 23, more details below). The ‘Fast-Track Programme’ (Schnellläuferprogramm: SLP) – an initiative of the German federal government, the rail industry and Deutsche Bahn (DB) – is an economic stimulus programme designed to combat the consequences of the coronavirus pandemic, safeguard jobs and strengthen industry. The aim is to replace in a short time, in seven projects, existing signal

and switch technology by modern, digital technology. This is an important building block for the digitalisation of the rail network within the framework of the Digitale Schiene Deutschland (DSD)/Digital Rail Germany programme.

The three pilot projects included in Cluster 1 have achieved validation in operational conditions. The “validation in operational conditions” (“*Abnahme durch Prüfsachverständigen*”) is a necessary pre-condition for the entry into service for all pilot projects (see Evidence No 2 (Go-Live Procedure)). This entry into service is confirmed by the provided certificates of completion (“*Inbetriebnahme*”) for each of the three projects (see page 4 of Evidence No 3 (Certificate Finnentrop Altena); page 4 of Evidence No 4 (Certificate Finnentrop Plettenberg); page 4 of Evidence No 5 (Certificate Finnentrop Althenhudem); see page 2 of Evidence No 6 (Certificate Germersheim); see page 2 of Evidence No 7 (Certificate Speyer); page 2 of Evidence No 8 (Certificate Wörth); page 3 of Evidence No 9 (Certificate Kleve); page 3 of Evidence No 10 (Certificate Bedburg-Hau); page 3 of Evidence No 11 (Certificate Goch); page 3 of Evidence No 12 (Certificate Weeze); page 3 of Evidence No 13 (Certificate Kvelaer); page 3 of Evidence No 14 (Certificate Geldern); page 3 of Evidence No 15 (Certificate Vernum); page 3 of Evidence No 16 (Certificate Nieukerk); page 3 of Evidence No 17 (Certificate Aldekerk); page 4 of Evidence No 18 (Certificate Kempen); page 3 of Evidence No 19 (Certificate Benrad-St.Tönis).

The other three pilot projects in Cluster 2 have achieved validation in laboratory conditions. Germany has submitted corresponding test result reports (“*Testergebnisberichte*”) for all three projects. The goal of these tests has been to validate the projects by establishing their operability in a laboratory (“*Herstellung der Funktionsfähigkeit im Labor*”, “*HdF Labor*”). The different interlockings were tested and analysed in test campaigns. The reports certify that the test campaigns for Lichtenfels-Coburg (page 19 of Evidence No 21 (Certificate Coburg-Sonneberg-Lichtenfels)), Gera-Weischlitz (page 25 of Evidence No 22 (Certificate Gera-Weischlitz)) and Zwieseler Spinne (page 28 of Evidence No 23 (Certificate Zwieseler Spinne)) have been validated successfully (i.e., that none of the test cases were excluded when performing the tests and that there were no deviations from expected test results).

Furthermore, in line with the description of the measure, **this initiative [‘Digital Rail Germany’] gathers public and private stakeholders (including the Federal Railway Authority (EBA), research and technical organisations and industry, amongst others) in order to develop standardised, interoperable and modular components for the digitalisation of railway operations.**

All completed pilot projects made use of standardised, interoperable, and modular components for the digitalisation of railway operations. More details on how a specific pilot project contributed to this can be found in the third column of Evidence No 1 (List of Projects) that describes how each project contributes to the development of solutions to replace old signal boxes and level crossing protection systems by security systems of the latest digital generation. The second column of Evidence No 1 (List of Projects) shows which undertakings and providers are directly involved in the projects. The public website of the DSD initiative illustrates all cooperation partners to this initiative, e.g. the EBA, Fraunhofer (research), Hitachi (industry (<https://digitale-schiene-deutschland.de/en/partners>)).

The six pilot projects of the programme aim at developing solutions to replace old signal boxes and level crossing protection systems by security systems of the latest digital generation. Technically, the projects involve a ‘1:1 replacement’ of existing interlocking and level crossing protection technology with new, modern elements that are upwardly compatible with future DSD targets. The following defined, standardised interfaces were implemented: SCI-LX (interlocking-level crossing), SCI-ILS (interlocking-interlocking), SCI-CC (interlocking-control system) and SCI-RBC (interlocking-Radio Block Centre). With the help of this technology, the reliability of the rail network

is to be increased and maintenance effort reduced. The manufacturer-independent interfaces also enable a sustainable reduction in the number of different technologies. All six completed pilot projects made use of standardised, interoperable, and modular components for the digitalisation of railway operations. Germany has provided details on how individual projects contribute to the objective in the third column of Evidence No 1 (List of Projects).

Furthermore, in line with the description of the measure, **four of these projects shall enable established firms to certify new solutions in an operational context (Cluster 1), while the other three shall enable additional providers to validate their solutions in laboratory tests (Cluster 2).** Four of the pilot projects are designed to enable established firms to certify new solutions in an operational context. Out of these projects three are completed, namely Finnentrop, Wörth (Rhein)-Speyer and Kleve-Kempen and validation in operational conditions is confirmed by relevant certificates (see Evidence No 3 – Evidence No 20). The established firms participating in the relevant pilot project are shown in the second column of Evidence No 1 (List of Projects).

Three of these projects are designed to enable additional providers to validate their solutions in laboratory tests, namely Lichtenfels-Coburg Sonneberg, Gera-Weischlitz and Zwieseler Spinne. All projects are completed and validation in laboratory conditions is confirmed by relevant certificates (see Evidence No 21- Evidence No 23). The additional providers participating in the relevant pilot project are also shown in the second column of Evidence No 1 (List of Projects).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 73	Related Measure: DE-C[3.1]-I[1], Investment programme for teacher devices
Name of the Milestone: Administrative agreement	
Qualitative Indicator: Conclusion of the administrative agreement between the Federal Government of Germany and the governing bodies at Länder level	Time: Q1 2021
Context:	
<p>The objective of this investment is to support digital teaching and learning across all schools in Germany. It consists of equipping teachers with mobile digital devices on a lending basis. The measure shall be part of a bigger framework supporting digital education that is only partially supported by the German recovery and resilience plan.</p> <p>Milestone 73 consists of the conclusion and publication in the Federal Gazette (<i>Bundesanzeiger</i>) of the administrative agreement between the Federal Government of Germany and the governing bodies at Länder level regarding the implementation of the investment programme for teacher devices.</p> <p>Milestone 73 is the first step of the implementation of the investment and it will be followed by target 74 and milestone 75, related to the disbursement of at least EUR 475 000 000 to the supported projects and evaluation of changes in digital infrastructure and use of digital media in schools, respectively. The investment has a final expected date for implementation on 31 December 2025.</p>	
Evidence provided:	
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence, including an explanation of when the agreement is entering into force; ii. Copy of the administrative agreement as published in the Federal Gazette (<i>Bundesanzeiger</i>) on 18 January 2021 (<i>BAnz AT 18.02.2021 B3</i>), and a link where it can be accessed online (https://www.bundesanzeiger.de/pub/publication/BOwdh4Q0fflF55pcnF6/content/BOwdh4Q0fflF55pcnF6/BAnz%20AT%2018.02.2021%20B3.pdf?inline), including reference to the relevant provision indicating that the provision of digital devices shall be ensured by schools. 	
Analysis:	
<p>The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the description of investment 3.1.1 and has undertaken the assessment on a revised basis. In such description, it is stated that the implementation of the investment shall be completed by 31 December 2021.</p> <p>However, the Council Implementing Decision states that milestone 75 has an indicative timeline for completion in Q4 2025, which is also in line with Germany's national recovery and resilience plan (see p. 662 and p. 673). This latter expected completion date is the one considered relevant for the fulfilment of investment 3.1.1.</p> <p>Against this background, the justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p> <p>Publication in the Federal Gazette (<i>Bundesanzeiger</i>) of the administrative agreement between the Federal Government of Germany and the governing bodies at Länder level to implement this investment.</p>	

The administrative agreement between the Federal Government of Germany and the governing bodies at Länder level was published in the Federal Gazette (*Bundesanzeiger*) on 18 February 2021 (*BAnz AT 18.02.2021 B3*). The German authorities have provided a copy of the published agreement and a link where it can be accessed online in the Federal Gazette.

It is an agreement between the Federal Government of Germany and the governing bodies at Länder level as evidenced by the signatures of the Federal Minister of Education and Research Anja Karliczek on behalf of the Federal Government on 27 January 2021 and the representative of the responsible governing body in each of the 16 Länder between 10 December 2020 and 26 January 2021. The administrative agreement entered into force the day after the last signature (Article 13), and thus on 28 January 2021.

The agreement implements the investment programme for teacher devices. Article 2 stipulates the aim of the administrative agreement to enable schools to provide teachers with mobile digital devices (laptops, notebooks and tablets with the exception of smartphones) for lessons at school or distance learning as well as for general teaching and preparation of lessons.

Furthermore, in line with the description of the measure, **the measure shall be part of a bigger framework supporting digital education that is only partially supported by the German recovery and resilience plan**. The preamble and Article 1 of the administrative agreement outline that the administrative agreement on the investment programme for teacher devices with a volume of EUR 500 million constitutes an amendment to the existing digital education framework "*DigitalPakt Schule*" which aims at enhancing the digital education infrastructure in schools throughout Germany. The provision of the mobile digital devices for teachers, which is part of a bigger framework supporting digital education, supported by this measure is fully financed by the resources of the German recovery and resilience plan.

Furthermore, in line with the description of the measure, **the provision of digital devices shall be ensured by schools**. The milestone in the Council Implementation is further specified in the Operational Arrangements, which states that **the provision of digital devices by schools is considered fulfilled also if the digital devices are provided by the school authorities (Schulträger)**.

According to Article 5(2) of the administrative agreement, the mobile teacher devices are procured by the Länder, the school authorities or on their behalf in accordance with regulations to be enacted by the Länder. Further, according to Article 5(2) - in accordance with regulations to be enacted by the Länder - the schools, school authorities, Länder or entities commissioned by the school authorities or Länder are to make the mobile digital devices available to the teachers by way of a loan.

Whilst the provision of the devices also by other entities apart from schools constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 79	Related Measure: DE-C[3.1]-R[3], Educational centres of excellence
Name of the Milestone: Entry into force of the first funding guidelines and call for tenders for a project-executing agency for the overall programme	
Qualitative Indicator: Publication of the first funding guidelines in the Federal Gazette (Bundesanzeiger) and publication of a call for tenders on an award platform.	Time: Q4 2021
<p>Context:</p> <p>The measure aims to support the institutionalisation of digital education as part of the established teacher education and further education framework by providing scientific content for the development and set-up of competences centres for digital education. These competences centres will be based on a system of collaboration between the teacher education and in-service training institutions, universities, and research institutes.</p> <p>Milestone 79 concerns the (i) entry into force and publication of the first funding guidelines in the Federal Gazette (<i>Bundesanzeiger</i>) as well as (ii) selection of a project-executing agency based on applications received via a public call for tenders on an award platform.</p> <p>Milestone 79 is the first step of the implementation of the reform which will be followed by target 80 related to the approval of at least 45 research projects by the agency selected following the public call for tenders. This is then followed by milestone 81 related to the entry into force and publication of three additional funding guidelines, each of them with a specific thematic orientation, as well as by target 82 related to the completion of at least 45 research projects by the agency.</p> <p>The reform has a final expected date for implementation by 31 August 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. Copy of the publication in the Federal Gazette (<i>'Bundesanzeiger'</i>) on 21 June 2021 (<i>BAnz AT 21.06.2022 B6</i>) of the funding guidelines and reference to the relevant provisions indicating their entry into force: https://www.bundesanzeiger.de/pub/publication/bBp7UqypVR7FUo6VpY2/content/bBp7UqypVR7FUo6VpY2/BAnz%20AT%2021.06.2022%20B6.pdf?inline; iii. Copy of the call for tenders launched for the selection of the project-executing agency; iv. Copy of the decision of 30 August 2022 selecting the project-executing agency. <p>The authorities also provided:</p> <ol style="list-style-type: none"> v. Copy of the contract between the Federal Ministry of Education and Research (BMBF) and the selected project-executing agency, the Deutsches Zentrum für Luft- und Raumfahrt (DLR) (German Aerospace Center). 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p> <p>Under the lead of the Federal Ministry of Education and Research (BMBF), the first funding</p>	

guidelines have entered into force and have been published.

The first **funding guidelines** titled ‘Funding guideline for the promotion of joint projects as “competence centres for digital and digitally supported teaching in education and training in MINT disciplines (mathematics, computer science, natural sciences and technology)”’ (*‘Richtlinie zur Förderung von Verbundprojekten als „Kompetenzzentrum für digitales und digital gestütztes Unterrichten in Schule und Weiterbildung im MINT-Bereich“*’) were published in the Federal Gazette (*Bundesanzeiger*) on 21 June 2021 and according to section 8 of these guidelines, they entered into force on the day of publication. The publication of the funding guidelines took place under the lead of the BMBF, which was in the lead of adoption of the guidelines as mentioned on page 1 in the title of the guidelines.

A project-executing agency has been chosen based on applications received via a public call for tenders on an award platform.

A call for tenders for the selection of a project executing agency to implement the overall programme was published on an award platform and launched on 28 June 2022 with a deadline of 25 July 2022 (see Evidence iii).

A project-executing agency has been chosen by the Ministry of Education and Research (BMBF), based on applications received via a public call for tenders on an award platform. The decision to select the Deutsches Zentrum für Luft- und Raumfahrt (DLR) (German Aerospace Center) as the project-executing-agency was submitted to DLR via an online tender platform on 30 August (see copy of that decision (Evidence iv.) and Evidence v.).

Furthermore, in line with the measure description, **the objective of this measure is to improve and institutionalise digital education as part of the established teacher education and further education framework. The measure shall support by providing scientific content for the development and set-up of competence centres for digital education based on a system of collaboration between teacher education and in-service training institutions, universities, and research institutes.**

Art. 1.1 of the funding guidelines sets out the aim of the measure which is to develop and set-up competence centres which support digital education by providing scientific advice to schools on how to make use of digital education and by strengthening the use of digital education in the established teacher education and training framework.

As per Art. 1.1 of the funding guidelines, the competence centres for digital education, research institutes, universities, and institutions for the education of teachers are to be connected with one another to collaborate as well as to build and strengthen networks between stakeholders.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 83	Related Measure: DE-C[3.1]-I[4], Modernisation of the Federal Armed Forces' educational and training facilities
Name of the Milestone: Project contract signed	
Qualitative Indicator: Project contract signed with the IT service provider	Time: Q1 2021
<p>Context:</p> <p>The measure aims to equip 60 different education institutions of the Federal Armed Forces (<i>Bundeswehr</i>) with up-to-date information technology. The measure includes a thorough analysis of the state of play and upgrade needs in the different institutions and a subsequent roll out of the necessary equipment and systems.</p> <p>Milestone 83 consists of the signature of the project contract with the IT service provider for the initial phase for assessing the IT systems of the educational and training facilities.</p> <p>Milestone 83 is the first step of the investment that will be followed by two targets (targets 84 and 85). Target 84 refers to the analysis of 60 educational institutions and identification of their IT needs. This should be ensured through the adoption of an assessment report by the Federal Ministry of Defence (<i>BMVg</i>). This report should demonstrate that the IT environments and needs of the 60 initially designated educational institutions have been analysed, and the needs and implementation possibilities have been identified. Target 85 is related to the completion of the modernisation of the 60 educational institutions.</p> <p>The investment has a final expected date for implementation of 31 March 2023.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. Copy of the signed contract with the provider for the assessment of the IT systems of the educational and training facilities of the Federal Armed Forces (<i>Bundeswehr</i>), including provisions on the key steps in the future assessment work of the IT systems of the educational and training facilities, including <ol style="list-style-type: none"> a. Cover sheet of the contract; b. Annex I describing the services provided; c. Annex II specifying additional agreements. iii. List of the educational and training facilities to be analysed, specifying their names and addresses. 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p> <p>The project contract for the initial phase for assessing the IT systems of the educational and training facilities of the Federal Armed Forces (<i>Bundeswehr</i>) has been signed between the Federal Office of Federal Armed Forces Equipment, Information Technology and In-Service Support (<i>BAAINBw</i>), a civilian higher federal authority directly subordinate to the Federal Ministry of Defence (<i>BMVg</i>), and the IT provider, stipulating key steps in the future assessment work.</p> <p>The target in the Council Implementation is further specified in the Operational Arrangements, which requires that the contract shall contain the key assessment steps.</p>	

The project contract for the initial phase for assessing the IT systems of the educational and training facilities of the Federal Armed Forces (*Bundeswehr*) was signed on 16 March 2021 (see contract cover sheet). It has been signed between the Federal Office of Federal Armed Forces' Equipment, Information Technology, and In-Service Support (*Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr (BAAINBw)*), which is a civilian higher federal authority directly subordinate to the Federal Ministry of Defence (BMVg), and the IT provider BWI GmbH. The BAAINBw is, as indicated by its official name, a "Federal Office" and therefore a higher federal authority. It is civilian and subordinate to the Federal Ministry of Defence (BMVg).

The project contract stipulates key steps in the future assessment work. It clearly states that the listed deliverables constitute the first step of the measure and that further deliverables will follow (section 1 on pages 3 and 5 of Annex 1).

Annex 1 of the project contract further stipulates that the main element of the initial phase is the analysis and verification of the IT systems of the educational and training facilities of the Federal Armed Forces (page 3 of Annex 1 of the project contract).

The key steps in the future assessment work are specified in the performance requirements of the project contract (see subsections 1 to 3 of section 3 of Annex 1 of the project contract) comprising:

- a) analysis of the [IT-modernisation] needs;
- b) service and solution development for the education institution;
- c) intranet proxy for the education institution;
- d) development of solution, realisation and operation of SaCAN applications (self-administrated Campus Area Networks);
- e) inventory analysis and concept development for saCAN;
- f) examination of network architecture BAKS and operational performance mobile networks and server administration; and
- g) project management.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 86	Related Measure: DE-C[4.1]-I[1], Investment programme ‘Childcare-financing 2020/21’: special fund ‘Child Day-care Expansion’					
Name of the Milestone: Entry into force of the Childcare Financing Act and the Federal Financial Assistance Act and of the implementing regulations at Länder level						
Qualitative Indicator: Provision in the law indicating the entry into force of the Childcare Financing Act and the Federal Financial Assistance Act as well as the Länder-specific implementing regulations		Time: Q4 2020				
<p>Context:</p> <p>The measure aims to support investments that create additional childcare places. The objective is to create 90 000 places through the creation of new childcare facilities and the refurbishment of existing facilities. This will be ensured through support by the federal government to the Länder and local authorities to invest in new childcare buildings, extensions, conversions, refurbishments, renovations, and childcare equipment.</p> <p>Milestone 86 consists of the entry into force of amendments to the Childcare Financing Act and the Federal Financial Assistance Act (<i>‘KitaFinHG’</i>) and of the Länder-specific implementing regulations.</p> <p>Milestone 86 is the first step of the implementation of the investment, and it will be followed by one more milestone and a target: milestone 87 related to the publication of the interim report in compliance with the <i>KitaFinHG</i> and target 88 related to the creation of 90 000 newly funded childcare places for children prior to school entry in child day-care facilities and child day-care services throughout Germany. The investment has a final expected date of implementation in Q4 2022.</p>						
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled; ii. A copy of law on accompanying measures on the implementation of the economic stimulus and crisis response package (<i>Gesetz über begleitende Massnahmen zur Umsetzung des Konjunktur-und Krisenbewältigungspakets including in accordance with article 3 the amendment of the Child Care Financing Act</i> (<i>‘Kinderbetreuungs-finanzierungsgesetz’</i> or <i>‘KBFG’</i>), as well as in accordance with article 2 the amendment of the Act on Federal Financial Assistance for the Expansion of Day Care for Children (<i>‘KitaFinHG’</i>), [Evidence No 3]; iii. A list containing for each Land the title of the Länder-level implementing legislation and a reference to the relevant provisions indicating their entry into force, [Evidence No 4]; iv. A table setting out the financial resources that were granted to the federal states in 2020 under the 5th investment programme “Kinderbetreuungsfinanzierung 2020-2021, [Evidence No 4a]; v. A copy of Länder-level implementing legislation from each Land, [Evidence No 5]: 						
<table border="1"> <thead> <tr> <th data-bbox="228 1809 494 1854">Land</th> <th data-bbox="494 1809 1366 1854">Title of the legislation</th> </tr> </thead> <tbody> <tr> <td data-bbox="228 1854 494 2027">1. Baden-Württemberg</td> <td data-bbox="494 1854 1366 2027">Administrative provision of the Ministry of Culture on the implementation of the investment programme of the Federal “Childcare Financing” 2020 – 2021 (<i>Verwaltungsvorschrift des Kultusministeriums zur Umsetzung des Investitionsprogramms des Bundes „Kinderbetreuungsfinanzierung“ 2020 - 2021 (VwV Investitionen</i></td> </tr> </tbody> </table>			Land	Title of the legislation	1. Baden-Württemberg	Administrative provision of the Ministry of Culture on the implementation of the investment programme of the Federal “Childcare Financing” 2020 – 2021 (<i>Verwaltungsvorschrift des Kultusministeriums zur Umsetzung des Investitionsprogramms des Bundes „Kinderbetreuungsfinanzierung“ 2020 - 2021 (VwV Investitionen</i>
Land	Title of the legislation					
1. Baden-Württemberg	Administrative provision of the Ministry of Culture on the implementation of the investment programme of the Federal “Childcare Financing” 2020 – 2021 (<i>Verwaltungsvorschrift des Kultusministeriums zur Umsetzung des Investitionsprogramms des Bundes „Kinderbetreuungsfinanzierung“ 2020 - 2021 (VwV Investitionen</i>					

	<i>Kinderbetreuung 2020-2021))</i>
2. Bavaria	Amendment of the Directive on the promotion of investments under the Childcare Financing Investment Programme 2017 to 2021 (<i>Änderung der Richtlinie zur Förderung von Investitionen im Rahmen des Investitionsprogramms „Kinderbetreuungsfinanzierung“ 2017 bis 2021</i>)
3. Berlin	Funding Guidelines on the Granting of Federal Funds for Investment Measures for Need-based Expanding of Child Day Care (Investment Programme “Childcare Financing” 2020-2021) in Berlin in 2020-2021 (<i>Förderrichtlinie über die Gewährung von Bundesmitteln für Investitionsmaßnahmen zum bedarfsgerechten Ausbau der Kindertagesbetreuung (Investitionsprogramm „Kinderbetreuungsfinanzierung“ 2020-2021) in Berlin in den Jahren 2020-2021</i>)
4. Brandenburg	Guidelines of the Ministry of Education, Youth and Sport of the State of Brandenburg on the implementation of the Federal Investment Programme “Childcare Financing” 2020-2021 in the State of Brandenburg (U6 Expand Directive 2020-2021), (<i>Richtlinie des Ministeriums für Bildung, Jugend und Sport des Landes Brandenburg zur Umsetzung des Bundesinvestitionsprogramms „Kinderbetreuungsfinanzierung“ 2020–2021 im Land Brandenburg (U6-Ausbau-Richtlinie 2020–2021)</i>)
5. Bremen	Funding Directive on the granting of grants for investment measures in child day support to address the consequences of the coronavirus pandemic in the Land of Bremen within the framework of the investment programme “Childcare Financing” 2020 – 2021 (Federal Funding Directive for Investment Programme Childcare Financing 2020-2021), (<i>Förderrichtlinie über die Gewährung von Zuwendungen für Investitionsmaßnahmen in der Kindertagesförderung zur Bewältigung der Folgen der Corona-Pandemie im Land Bremen im Rahmen des Investitionsprogrammes "Kinderbetreuungsfinanzierung" 2020 - 2021 (Förderrichtlinie Investitionsprogramm Kinderbetreuungsfinanzierung 2020-2021)</i>)
6. Hamburg	Guidelines of the Authority for Labour, Health, Social Affairs, Family, and Integration (Social Authority) on the further expansion of child day care in Hamburg 2020-2021 (<i>Richtlinie der Behörde für Arbeit, Gesundheit, Soziales, Familie und Integration (Sozialbehörde) zum weiteren Ausbau der Kindertagesbetreuung 2020-2021 in Hamburg</i>)
7. Hesse	Directive amending the Supplementary Directive on the promotion of investments under the 2018-2020 Childcare Financing Investment Programme, in conjunction with the National Childcare Investment Programme 2020 to 2024 (<i>Richtlinie zur Änderung der Ergänzenden Richtlinie zur Förderung von Investitionen im Rahmen des Investitionsprogramms „Kinderbetreuungsfinanzierung“ 2018 bis 2020 in Verbindung mit dem Landesinvestitionsprogramm „Kinderbetreuung“ 2020 bis 2024</i>)
8. Lower Saxony	Directive on the granting of grants to encourage investments in day-care facilities for children aged three years up to enrolment (RL IKiGa), (<i>Richtlinie über die Gewährung von Zuwendungen zur Förderung von Investitionen in Tageseinrichtungen für Kinder im Alter von drei Jahren bis zur Einschulung (RL IKiGa)</i>)

9. Mecklenburg-Western Pomerania	<p>Directive on the granting of grants for the promotion of investments for the needs-based expansion of child day support for children until entry into school under the investment programme Childcare Financing 2017 – 2020 (Children’s Daycare Investment Promotion Directive 2017 – 2020 – KitalInvestFöRL M-V 2017 – 2020), (<i>Richtlinie über die Gewährung von Zuwendungen zur Förderung von Investitionen zum bedarfsgerechten Ausbau der Kindertagesförderung für Kinder bis zum Schuleintritt nach dem Investitionsprogramm Kinderbetreuungsfinanzierung 2017 - 2020 (Kindertagesinvestitionsförderrichtlinie 2017 - 2020 - KitalInvestFöRL M-V 2017 - 2020)</i>)</p> <p>First amendment to the childrens day care investment funding directive (<i>Erste Änderung der Kindertagesinvestitionsförderrichtlinie 2021-2022</i>)</p>
10. North Rhine-Westphalia	<p>Directive on the granting of allowances for investments for additional places in daycare facilities and daycare for children Circular of the Ministry of Children, Family, Refugees and Integration (<i>Richtlinie über die Gewährung von Zuwendungen für Investitionen für zusätzliche Plätze in Kindertageseinrichtungen und Kindertagespflege, Runderlass des Ministeriums für Kinder, Familie, Flüchtlinge und Integration</i>)</p>
11. Rhineland-Palatinate	<p>Grant of allowances for the construction costs of daycare centres Section 7: “7 Special Chapter” Childcare Financing Investment Programme 2020-2021“ (<i>„Gewährung von Zuwendungen zu den Baukosten von Kindertagesstätten, Section 7: "7 Sonderkapitel "Investitionsprogramm " Kinderbetreuungsfinanzierung" 2020-2021"</i>)</p>
12. Saarland	<p>Directive I on the promotion of investments under the investment programme “Childcare financing” 2020 – 2021 (Instant Pandemic-related equipment investment and qualitative improvement measures after 5. Federal Programme) (<i>Richtlinie I zur Förderung von Investitionen im Rahmen des Investitionsprogramms „Kinderbetreuungsfinanzierung“ 2020 – 2021 (Sofortprogramm für pandemiebedingte Ausstattungsinvestitionen und qualitative Verbesserungsmaßnahmen nach dem 5. Bundesprogramm)</i>)</p>
13. Saxony	<p>Funding guideline of the Saxon State Ministry for Culture for the granting of subsidies from the Federal Government’s “Childcare Financing” Investment Programme (FöriKiB) (<i>Förderrichtlinie des Sächsischen Staatsministeriums für Kultus zur Gewährung von Zuwendungen aus dem Investitionsprogramm „Kinderbetreuungsfinanzierung“ des Bundes (Förderrichtlinie Kinderbetreuungsfinanzierung Bund – FöriKiB)</i>)</p>
14. Saxony-Anhalt	<p>Guidelines on the granting of grants for the further quantitative and qualitative expansion of child day care from funds from the Federal Investment Programme “Childcare Financing 2020 – 2021” (<i>Richtlinien über die Gewährung von Zuwendungen zum weiteren quantitativen und qualitativen Ausbau der Kindertagesbetreuung aus Mitteln des Investitionsprogramms des Bundes "Kinderbetreuungsfinanzierung 2020 - 2021"</i>)</p>
15. Schleswig-Holstein	<p>Guideline of the State of Schleswig-Holstein on the implementation of the Federal Investment Programme “Childcare Financing” 2020 to 2021 (<i>Richtlinie des Landes Schleswig-Holstein zur Umsetzung des</i></p>

	Bundesinvestitionsprogramm „Kinderbetreuungsfinanzierung“ 2020 bis 2021)
16. Thuringia	Funding Directive on the investment programme “Childcare financing” 2020 to 2021 (Förderrichtlinie zum Investitionsprogramm „Kinderbetreuungsfinanzierung“ 2020 bis 2021)

The authorities also provided:

- i. A copy the original version of the Child Care Financing Act (*‘Kinderbetreuungsfinanzierungsgesetz’, ‘KBFG’*), as introduced in 2007, [Evidence No 1];
- ii. A copy of the original version of Act on Federal Financial Assistance for the Expansion of Day Care for Children (*‘KitaFinHG’*), as introduced in 2008, [Evidence No 2].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

Amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG) for the extension of day-care for children have entered into force.

The “Law on accompanying measures on the implementation of the economic stimulus and crisis management package” (Evidence No 3, *Gesetz über begleitende Maßnahmen zur Umsetzung des Konjunktur- und Krisenbewältigungspakets*) in its Article 3 amended the Childcare Financing Act (KBFG) and in its Article 2 amended the Federal Financial Assistance Act (KitaFinHG). This law was published in the Federal Gazette (BGBl. I 2020 S. 1683) on 16 July 2020. Both amendments entered into force the day after publication on 17 July 2020, in accordance with article 7 of the amendment package.

According to Article 3 covering the amendment of the Child Care Financing Act the federal government is providing EUR 1 billion to the Laender to finance the extension of day-care. According to Article 2 covering the Act on Federal Financial Assistance for the Expansion of Day Care for Children, the federal government supports investments creating new childcare facilities and the refurbishment of existing facilities, that create 90 000 additional childcare places, which were started in the period from 1 January 2020 to 31 December 2021 (Article 2, section 26, subsection 2).

The Länder have adopted the federal rules and made them more specific in their Länder regulations. Each Land has published individual specific regulations adopting the federal rules and specifying how the federal framework to support investments that create additional childcare places is to be implemented, by which making it more specific. The regulations define for example the conditions for recipients, the support process as well as volume and type of support. The table listed as evidence (Evidence No 4) lists regulations for all Länder and provides the links to them. All these Länder regulations have entered into force (see table below with title of the relevant legislation and the relevant provision indicating the entry into force):

Land	Relevant provision indicating entry into force	Title of legislation
Baden-Württemberg	Section 1.1 and 1.2 refer to the relevant federal legislation, the amendments to the Childcare Financing Act and the Federal Financial Assistance Act	Administrative provision of the Ministry of Culture on the implementation of the investment programme of the Federal “Childcare Financing” 2020 – 2021

	(KitaFinHG). Section 18 on page 16: <i>'18. Entry into force: This administrative provision shall enter into force with effect from 18 November 2020.'</i>	(Verwaltungsvorschrift des Kultusministeriums zur Umsetzung des Investitionsprogramms des Bundes „Kinderbetreuungsfinanzierung“ 2020 - 2021 (VwV Investitionen Kinderbetreuung 2020-2021))
Bavaria	The introductory paragraph of the directive refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG). Section 2 on page 1: <i>'2. This notice shall enter into force on 16 September 2021.'</i>	Amendment of the Directive on the promotion of investments under the Childcare Financing Investment Programme 2017 to 2021 (<i>Änderung der Richtlinie zur Förderung von Investitionen im Rahmen des Investitionsprogramms „Kinderbetreuungsfinanzierung“ 2017 bis 2021</i>)
Berlin	Section 1.1 refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG). Signed on 1 September 2020 (page 1) Section 8 on page 6: <i>'8. Period of validity 8.1 This funding directive is bound by the “Law on accompanying measures for the implementation of the economic and crisis management package” of 16 July 2020.'</i>	Funding Guidelines on the Granting of Federal Funds for Investment Measures for Need-based Expanding of Child Day Care (Investment Programme “Childcare Financing” 2020-2021) in Berlin in 2020-2021 (<i>Förderrichtlinie über die Gewährung von Bundesmitteln für Investitionsmaßnahmen zum bedarfsgerechten Ausbau der Kindertagesbetreuung (Investitionsprogramm „Kinderbetreuungsfinanzierung“ 2020-2021) in Berlin in den Jahren 2020-2021</i>)
Brandenburg	Section 1.1 refers to the federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG). Section 8 on page 7: <i>'8. Period of validity This Funding Directive shall enter into force from 1 November 2020 and shall apply until 31 November 2020. December 2021.'</i>	Guidelines of the Ministry of Education, Youth and Sport of the State of Brandenburg on the implementation of the Federal Investment Programme “Childcare Financing” 2020-2021 in the State of Brandenburg (U6 Expand Directive 2020-2021), (<i>Richtlinie des Ministeriums für Bildung, Jugend und Sport des Landes Brandenburg zur Umsetzung des Bundesinvestitionsprogramms „Kinderbetreuungsfinanzierung“ 2020–2021 im Land Brandenburg (U6-Ausbau-Richtlinie 2020–2021)</i>)

Bremen	<p>Section 1.1. refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG).</p> <p>Signed on 8 October 2020 (see page 1) Section 7 on page 7: <i>'7 Final provision, Period of Validity</i></p> <p><i>This funding guideline enters into force with effect from 1.1.2020 and expires with effect from 31.12.2022.</i></p>	<p>Funding Directive on the granting of grants for investment measures in child day support to address the consequences of the coronavirus pandemic in the Land of Bremen within the framework of the investment programme "Childcare Financing" 2020 – 2021 (Federal Funding Directive for Investment Programme Childcare Financing 2020-2021), (<i>Förderrichtlinie über die Gewährung von Zuwendungen für Investitionsmaßnahmen in der Kindertagesförderung zur Bewältigung der Folgen der Corona-Pandemie im Land Bremen im Rahmen des Investitionsprogrammes "Kinderbetreuungsfinanzierung" 2020 - 2021 (Förderrichtlinie Investitionsprogramm Kinderbetreuungsfinanzierung 2020-2021)</i>)</p>
Hamburg	<p>Section 0, page 2 refers to the Childcare Financing Act.</p> <p>Signed on 8 October 2020 (see page 1) Section 7 on page 12: <i>"7 Final provision</i> <i>The present Directive on 5. Investment programme as amended on 5.7.2021 shall apply until 30 June 2025 unless it is previously revised and/or renewed."</i></p>	<p>Guidelines of the Authority for Labour, Health, Social Affairs, Family and Integration (Social Authority) on the further expansion of child day care in Hamburg 2020-2021 (<i>Richtlinie der Behörde für Arbeit, Gesundheit, Soziales, Familie und Integration (Sozialbehörde) zum weiteren Ausbau der Kindertagesbetreuung 2020-2021 in Hamburg</i>)</p>
Hesse	<p>Section 1.1. refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG)</p> <p>Signed on 30 September 2020 (page 2 1132 of the Staatsanzeiger fuer das Land Hessen), entering into force the day after.</p>	<p>Directive amending the Supplementary Directive on the promotion of investments under the 2018-2020 Childcare Financing Investment Programme, in conjunction with the National Childcare Investment Programme 2020 to 2024 (<i>Richtlinie zur Änderung der Ergänzenden Richtlinie zur Förderung von Investitionen im Rahmen des Investitionsprogramms „Kinderbetreuungsfinanzierung“ 2018 bis 2020 in Verbindung mit dem Landesinvestitionsprogramm „Kinderbetreuung“ 2020 bis 2024</i>)</p>
Lower Saxony	Section 1.1. refers to the relevant	Directive on the granting of grants to

	<p>federal legal basis, of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG).</p> <p>Section 8 on page 2: '8. Final provisions This Erl. Enters on 1st 3. 2021 in force and at the end of 31. 12. 2024 out of force.'</p>	<p>encourage investments in day-care facilities for children aged three years up to enrolment (RL IKiGa), (<i>Richtlinie über die Gewährung von Zuwendungen zur Förderung von Investitionen in Tageseinrichtungen für Kinder im Alter von drei Jahren bis zur Einschulung (RL IKiGa)</i>)</p>
Mecklenburg-Western Pomerania	<p>Section 1.1. of the consolidated directive refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG). -</p> <p>Section 2 on page 1 of the first amendment to the childrens day care investment funding directive : 'Article 2, Entry into force: This administrative provision shall enter into force on the day following its publication (Date of publication: 4 January 2021)'</p>	<p>Consolidated Directive on the granting of grants for the promotion of investments for the needs-based expansion of child day support for children until entry into school under the investment programme Childcare Financing 2017 – 2020 (Children's Day Investment Promotion Directive 2017 – 2020 – KitaInvestFöRL M-V 2017 – 2020), (<i>Richtlinie über die Gewährung von Zuwendungen zur Förderung von Investitionen zum bedarfsgerechten Ausbau der Kindertagesförderung für Kinder bis zum Schuleintritt nach dem Investitionsprogramm Kinderbetreuungsfinanzierung 2017 – 2020 (Kindertagesinvestitionsförderrichtlinie 2017 – 2020 – KitaInvestFöRL M-V 2017 – 2020)</i>) .</p> <p>First amendment to the childrens day care investment funding directive (<i>Erste Änderung der Kindertagesinvestitionsförderichtlinie 2021-2022</i>)</p>
North Rhine-Westphalia	<p>Section 1.1.6 refers to relevant the federal legal basis of the Federal Investment programme "Kinderbetreuungsfinanzierung" 2020 bis 2021.</p> <p>Section 2 on page 4: 'The circular shall enter into force on the day following its publication.'" (Date of Publication: 9 July 2021)'</p>	<p>Directive on the granting of allowances for investments for additional places in daycare facilities and daycare for children Circular of the Ministry of Children, Family, Refugees and Integration (<i>Richtlinie über die Gewährung von Zuwendungen für Investitionen für zusätzliche Plätze in Kindertageseinrichtungen und Kindertagespflege, Runderlass des</i></p>

		<i>Ministeriums für Kinder, Familie, Flüchtlinge und Integration)</i>
Rhineland-Palatinate	<p>Section 7.7.1 refers to the federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG).</p> <p>Section 8 on page 8: <i>'8.1 Entry into force This administrative provision shall enter into force with effect from 1 July 2020.'</i></p>	<p>Grant of allowances for the construction costs of daycare centres Section 7: "7 Special Chapter" Childcare Financing Investment Programme 2020-2021 (<i>Gewährung von Zuwendungen zu den Baukosten von Kindertagesstätten</i> Section 7: „7 Sonderkapitel „Investitionsprogramm „Kinderbetreuungsfinanzierung“ 2020-2021“)</p>
Saarland	<p>Section 1 refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG).</p> <p>Directive I, Section 9 on page 3: <i>'3. Entry into force and expiry This Directive shall enter into force with effect from 1 November 2020. Decommissioned December 2023.'</i></p>	<p>Directive I on the promotion of investments under the investment programme "Childcare financing" 2020 – 2021 (Instant Pandemic-related equipment investment and qualitative improvement measures after 5. Federal Programme) (<i>Richtlinie I zur Förderung von Investitionen im Rahmen des Investitionsprogramms „Kinderbetreuungsfinanzierung“ 2020 – 2021 (Sofortprogramm für pandemiebedingte Ausstattungsinvestitionen und qualitative Verbesserungsmaßnahmen nach dem 5. Bundesprogramm)</i>)</p>
Saxony	<p>Section 1 refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG).</p> <p>Section VIII on page 5: <i>'VIII. Entry into force and expiry This Funding Directive enters into force upon its signature and expires on 1 January 2023. Dresden, 8 October 2020»</i></p>	<p>Funding guideline of the Saxon State Ministry for Cultus for the granting of subsidies from the Federal Government's "Childcare Financing" Investment Programme (FöriKiB) (<i>Förderrichtlinie des Sächsischen Staatsministeriums für Kultus zur Gewährung von Zuwendungen aus dem Investitionsprogramm „Kinderbetreuungsfinanzierung“ des Bundes (Förderrichtlinie Kinderbetreuungsfinanzierung Bund – FöriKiB)</i>)</p>
Saxony-Anhalt	<p>Section 1.1. refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG).</p>	<p>Guidelines on the granting of grants for the further quantitative and qualitative expansion of child day care from funds from the Federal Investment Programme "Childcare Financing 2020 – 2021" (<i>Richtlinien</i></p>

	<p>Section 9 on page 5: ‘9. Entry into force, expiry This RdErl. shall enter into force on the day following its publication (date of publication: 14.12.2020) and shall cease to apply at the end of 31.12.2023.’</p>	<p>über die Gewährung von Zuwendungen zum weiteren quantitativen und qualitativen Ausbau der Kindertagesbetreuung aus Mitteln des Investitionsprogramms des Bundes "Kinderbetreuungsfinanzierung 2020 - 2021"))</p>
Schleswig-Holstein	<p>Section 1.1. and Section 1.2 refer to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG). Section 8 on page 10: ‘8 Period of validity The Directive was published on 1 October 2020 [...]. It is temporary until 31. December 2024.’</p>	<p>Guideline of the State of Schleswig-Holstein on the implementation of the Federal Investment Programme "Childcare Financing" 2020 to 2021 (Richtlinie des Landes Schleswig-Holstein zur Umsetzung des Bundesinvestitionsprogramm „Kinderbetreuungsfinanzierung“ 2020 bis 2021)</p>
Thuringia	<p>Section 1 refers to the relevant federal legal basis of the amendments to the Childcare Financing Act and the Federal Financial Assistance Act (KitaFinHG). Section 8 on page 6: ‘8. Entry into force, time limit This Directive shall enter into force on the date of signature (1 September 2021) and on the expiry of the 31. Decommissioned December 2023.’</p>	<p>Funding Directive on the investment programme "Childcare financing" 2020 to 2021 (Förderrichtlinie zum Investitionsprogramm „Kinderbetreuungsfinanzierung“ 2020 bis 2021)</p>

The subsequent target 88 requires that Germany creates 90 000 additional childcare places for children. The Commission has identified that the Act on Federal Financial Assistance for the Expansion of Day Care for Children and the implementing Länder regulations, which entered into force on 17 July 2020 or after that date, allow eligibility of childcare places as of 1 January 2020. The German authorities presented evidence (Evidence No 4a - a table "setting out the financial resources that were granted to the federal states in 2020 under the 5th investment programme "Kinderbetreuungsfinanzierung 2020-2021") that no funds have been disbursed to the Länder prior to November 2020. Nevertheless, the German authorities should take all the necessary actions to ensure that any measure completed as part of target 88 are carried out after 1 February 2020.

Furthermore, in line with the description of the measure the **objective is to promote the creation of new childcare facilities and the refurbishment of existing facilities**, which shall create 90 000 additional places. **For this purpose, the federal government provides support to Länder and local authorities so that these invest in new buildings, extensions, conversions, refurbishments, renovations, and equipment.**

With the amendment of the Child Care Financing Act (Evidence No 3, Article 3), the federal government is providing the Länder EUR 1 billion to finance the creation of 90 000 additional childcare places for children up to the age of school entry. With the investment programme 'Childcare-financing 2020/21' (Evidence No 3, Article 2), the federal government supports the Länder and local authorities in the form of financial assistance according to Article 104b3 of the Basic Law. The financial assistance is to be used for investments in day-care facilities and day-care for children from birth to school age. Investments include new construction, extension, conversion, renovation, refurbishment, and equipment investments (Article 26).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 89	Related Measure: DE-C[4.1]-R[2], Social Guarantee 2021
Name of the Milestone: Verification of the average social security contribution rate for year 2021	
Qualitative Indicator: Total social security contribution rate calculated and it is established not having exceeded 40%	Time: Q4 2021
<p>Context:</p> <p>This reform has the objective to avoid that the financial impact of COVID-19 triggers extensive increases of social security contribution, reducing take-home pay and raising labour costs. For this purpose, the Federal Government shall provide fiscal transfers for the social security funds to fill their financing gap. This shall avoid that the contribution rate of social security contributions exceeds 40% in 2021.</p> <p>Milestone 89 requires calculating the total social security contribution rate and establishing that it has not exceeded 40%.</p> <p>Milestone 89 is the only milestone for reform 4.1.2, it reflects the attainment of the reform's objective. The investment has a final expected date for implementation of 31 December 2021.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A copy of the official notice on the total social security contribution rate for year 2021, as published in the Federal Gazette (<i>Bundesanzeiger</i>) on 17 December 2020. (<i>Bekanntmachung des Gesamtsozialversicherungsbeitragsatzes und des Faktors F für das Jahr 2021</i>; BAnz AT 17.12.2020 B5) [Evidence No 1]; iii. A copy of the Federal Budget Law 2023 and its Annex. The Annex provides detailed information on spending for the year 2023 as well as references to the budget in earlier years 2022 and 2021. (<i>Gesetz über die Feststellung des Bundeshaushaltsplans für das Haushaltsjahr 2023</i>, BGBl. I S. 2485) While the Operational Arrangements foresaw the submission of the Federal Budget Law 2021, which would include proposals for funding, the Federal Budget Law 2023 provides actually information on spending [Evidence No 4]; iv. A copy of Section 242a of the Social Code V (SGB V) published on 24 July 2014 in the Federal Law Gazette (<i>Bundesgesetzblatt</i>) and the relevant provision entering into force on 1 August 2014. This change was part of the Law for Further Development of the Financial Structure and Quality of the Public Healthcare System (<i>Gesetz zur Weiterentwicklung der Finanzstruktur und der Qualität in der gesetzlichen Krankenversicherung (GKV-Finanzstruktur- und Qualitäts-Weiterentwicklungsgesetz – GKV-FQWG</i>, BGBl 2014 Teil I Nr 33, 24 July 2014, p. 1133)) [Evidence No 7]; v. A copy of the notice on the average additional contribution rate under Section 242a of the Social Code V for 2021 published by the Federal Ministry of Health in the Federal Gazette (<i>Bundesanzeiger</i>) on 30 October 2020. (<i>Bekanntmachung des durchschnittlichen Zusatzbeitragsatzes nach § 242a Absatz 2 des Fünften Buches Sozialgesetzbuch für das Jahr 2021</i>, Banz AT 30.10.2020 B5) [Evidence No 8]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> vi. A copy of the official notice on the total social security contribution rates for year 2022, as published in the Federal Gazette (<i>Bundesanzeiger</i>) on 20 December 2021. 	

- (Bekanntmachung des Gesamtsozialversicherungsbeitragsatzes und des Faktors F für das Jahr 2022; BAnz AT 20.12.2021 B1) [Evidence No 2];
- vii. A copy of the **Federal Budget Law 2023** (Gesetz über die Feststellung des Bundeshaushaltsplans für das Haushaltsjahr 2023) published on 23 December 2022 in the Federal Law Gazette (*Bundesgesetzblatt, Jahrgang 2022 Teil I Nr. 54*), with reference to the relevant provisions indicating its entry into force on 1 January 2023, without annexes [Evidence No 3];
 - viii. A copy of the **Coalition Committee's decision of 3 June 2020**, including the agreement on the Social Guarantee 2021 that was aimed to ensure that the social security contribution rates do not exceed 40% until at least 2021 [Evidence No 5];
 - ix. A copy of the **Law to improve healthcare and long-term care** (*Gesundheitsversorgungs- und Pflegeversicherungsgesetz, GPVG*) published on 29 December 2020 in the Federal Law Gazette (*Bundesgesetzblatt, Jahrgang 2020 Teil I Nr. 66, p. 3299*), with reference to the relevant provisions on fiscal transfers to the health fund entering into force already on 26 November 2020 [Evidence No 6];
 - x. A copy of the **Section 153 of the Social Code XI (SGB XI)** published on 30 March 2021 in the Federal Law Gazette (*Bundesgesetzblatt, Jahrgang 2021 Teil I Nr. 12*) and has entered into force on 31 March 2021 [Evidence No 9];
 - xi. A copy of a **regulation specifying fiscal transfer for the year 2021 to cover pandemic-related additional costs in long-term care insurance** (*Verordnung zur Erstattung pandemiebedingter Kosten der sozialen Pflegeversicherung durch Bundesmittel (Pandemiekosten-Erstattungsverordnung – PKEV)*), published on 23 September 2021 in the Federal Gazette (*Bundesanzeiger, BAnz AT 23.09.2021 V1*) and has entered into force on 24 September 2021. According to section 153 of the Social Code XI the Federal Ministry of Health is authorized to issue a regulation specifying the fiscal transfer to long term care system [Evidence No 10].
 - xii. A copy of the **2022 annual report on statutory pension insurance** (*Rentenversicherungsbericht*), published by the Federal Ministry of Labour and Social Affairs, which shows revenues and expenditures of the fiscal year 2021. [Evidence No 11]
 - xiii. A copy of a **report on the budget of the healthcare fund for 2021** (*Begleitbericht des Bundesamtes für Soziale Sicherung zur Jahresrechnung des Gesundheitsfonds für das Geschäftsjahr 2021*), by the Federal Office for Social Security. [Evidence No 12]
 - xiv. A copy of a **statistical publication on the long-term care system** (*Zahlen und Fakten zur Pflegeversicherung*), as of 13 February 2023, by the. This statistical compendium was published at the website of the Ministry of Health, at its dedicated page for statistics: [Zahlen und Fakten zur Pflegeversicherung \(bundesgesundheitsministerium.de\)](https://www.bundesgesundheitsministerium.de) [Evidence No 13]
 - xv. A copy of the the **annual report of the federal employment agency for 2021**. [Evidence No 14]

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.

The total social security contribution rate shall be calculated for year 2021 and it is established that this has not increased above 40%. The total social security contribution rate shall be calculated as the sum of the contribution rates for pensions, unemployment, long-term care (without childless supplement) and healthcare insurance including the average additional contribution rate under § 242a Social Code V (SGB V).

The total social security contribution rate for the year 2021 was calculated by the Federal Ministry of Labour and Social Affairs, and published in the official notice on the total social security contribution rates for year 2021, in the Federal Gazette (*Bundesanzeiger*) on 17 December 2020

(Evidence 1: *Bekanntmachung des Gesamtsozialversicherungsbeitragssatzes und des Faktors F für das Jahr 2021*, Banz AT 17.12.2020 B5). The total social security contribution rate is defined in §28d of the Social Code IV (SGB IV), according to which contributions to health insurance, pension insurance as well as the contribution to the long-term care give the total social security contribution rate.

According to the official notice (Evidence 1, page 1, the only page), the total social security contribution rate for 2021 was calculated at 39.95%, which means it did not go above 40%. The official notice provides the following breakdown for the contribution rates altogether making up the total social security contribution rate:

- a 18.60 % contribution rate for pensions;
- a 2.40 % contribution rate for unemployment;
- a 3.05 % contribution rate for long-term care (without childless supplement);
- a 14.60 % contribution rate for healthcare insurance;
- a 1.30 % average additional contribution rate under § 242a Social Code V (*SGB V*).

These different rates add up to 39.95 %. Of these, the average additional contribution rate under § 242a Social Code V, represents an additional contribution for the healthcare insurance (Evidence No 7, Article 1(18)).

Furthermore, in line with the description of the measure, **the Federal Government shall provide fiscal transfers for the social security funds to fill their financing gap, and with this avoid that the contribution rate of social security contributions exceeds 40% in 2021.**

The Federal Government provided fiscal transfers for various social security funds to fill their financing gap in 2021:

- For the statutory pension insurance, the federal contribution amounted to EUR 100.8 billion, including federal transfers of EUR 83.9 billion and a federal compensation for rights given to parents raising children of EUR 16.9 billion. (Page 28, Evidence No 11: Pension report 2021) The EUR 83.9 billion itself represented 24.1% of the revenues of the statutory pension insurance which had total revenues of EUR 347.7 billion. Expenditures from the statutory pension insurance were very close to revenues, at EUR 346.5 billion (Ibid, pp. 28-30), with the financing surplus remaining well below federal transfers. Consequently, federal transfers played a key role in filling the financing gap of the statutory pension insurance.
- For the statutory healthcare fund the support amounts shown in Evidence No 4, the budget 2023, for 2021 were at EUR 32.5 billion: EUR 17.96 billion was provided to account for COVID-19-related additional expenditure (Evidence 4: page 2282, budget line 636 03-290), coming on top of a regular annual transfer of EUR 14.5 billion (Evidence 4: page 2283, budget line 636 06-224). This represented 11.0% of the revenues of the statutory healthcare fund which had total revenues of EUR 293.4 billion (page 15, Evidence No 12: Healthcare fund report). Expenditures from the statutory healthcare fund remained somewhat below revenues, coming to EUR 292.0 billion, with the surplus of EUR 1.4 billion remaining a fraction of federal transfers. (Ibid, page 15). Consequently, federal transfers played a key role in filling the financing gap of the statutory healthcare insurance.
- For the long-term care insurance, the documented federal transfers amounted to EUR 1.0 billion, representing an extraordinary, pandemic-related transfer (Evidence 4: budget line 636 02-290). This is aligned with the further evidence provided by Germany documenting that for 2021 the federal government provided an additional support of EUR 1 billion to cover pandemic-related additional costs (§2 of Evidence 10: regulation specifying fiscal transfer for the year 2021 to cover pandemic-related additional costs in long-term care

insurance). This EUR 1 billion represented 1.9% of the revenues of the long-term care system which had total revenues of EUR 52.5 billion. Expenditures from the long-term care insurance remained above the revenues, at EUR 53.9 billion (Page 5 of Evidence No 13 Long-term care statistics). Consequently, federal transfers played a key role in filling the financing gap of the long term care insurance.

- For the unemployment insurance, federal transfers were documented at EUR 16.9 billion. This represented 32% of the revenues of the unemployment insurance system including regular revenues of EUR 35.8 billion and this transfer. Expenditures amounted to EUR 57.6 billion, exceeding revenues. Consequently, federal transfers played a key role in filling the financing gap of the unemployment insurance. (Page 107 of Evidence No 14, report of the public employment office).

The evidence explained above demonstrates that federal transfers were instrumental in maintaining the financial balance of social security funds when the total social security contribution rate was just 0.05% away from 40%. As shown above, EUR 134.3 billion federal transfers (amounting to 3.7% of GDP) allowed financing an important share of social security expenditure.

The milestone in the Council Implementation is further specified in the Operational Arrangements, which requires that **the calculation method shall clearly demonstrate that the total social security contribution rate has not increased above 40%**. This was demonstrated by the German authorities by providing the total security contribution rate applicable for 2021, as well as its detailed breakdown (Evidence No 1, notice on the total social security contribution rate for 2021).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 90	Related Measure: DE-C[4.1]-I[3], Apprenticeship support
Name of the Milestone: Entry into force of the revised funding guidelines for the federal programme Ausbildungsplätze sichern	
Qualitative Indicator: Publication of revised funding guidelines	Time: Q2 2021
<p>Context:</p> <p>The objective of the investment is to counteract the reduction in the number of apprenticeships due to COVID-19. For this purpose, the government provides financial support to SMEs that take on apprentices and that maintain their current level of training, create additional apprenticeships, avoid short-time working (<i>Kurzarbeit</i>) for apprentices, or take on apprentices from companies that have become insolvent.</p> <p>Milestone 90 requires that the revised funding guidelines covering the whole federal programme Securing apprenticeships (<i>Ausbildungsplätze sichern</i>) have been published in the Federal Gazette (<i>Bundesanzeiger</i>), reflecting the cabinet decision taken on 17 March 2021.</p> <p>Milestone 90 is the first of three milestones and targets related to investment 4.1.3. It is followed by target 91 that requires the disbursement of at least EUR 652.5 million under the programme and target 92 that requires the funding of at least 70 000 eligible applications. The investment has a final expected date for implementation on 31 December 2022.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A copy of the second revision of the first funding guideline from the 23 March 2021, published on 26 March 2021 in the Federal Gazette (<i>Bundesanzeiger</i> BAnz AT 26.03.2021 B5). The revision entered into force on 27 March 2021, the day after publication [Evidence No 3]; iii. A copy of the first revision of the second funding guideline from the 19 April 2021 (<i>Änderung der Zweiten Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“</i>), published on 30 April 2021 in the Federal Gazette (<i>Bundesanzeiger</i>, BAnz AT 30.04.2021 B4). The revision entered into force on 1 May 2021, the day after publication [Evidence No 5]; iv. A copy of the ministries' proposal to update the funding directives, distributed to the cabinet on 12 March 2021, in preparation of the cabinet meeting for the 17 March 2021, containing the changes to the federal programme “Ausbildungsplätze sichern” [Evidence No 7]; v. A copy of a note by the German Federal Ministry of Education and Research explaining the changes to the federal programme “Ausbildungsplätze sichern”, sent on 12 March 2021, in preparation the cabinet meeting of 17 March 2021, with a stamp certifying that the proposal has been approved at the 134th meeting of the cabinet on 17 March 2021 [Evidence No 8]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> vi. A copy of the first funding guideline from the 29 July 2020 (<i>Erste Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“</i>), published on 31 July 2020 in the Federal Gazette (<i>Bundesanzeiger</i>, BAnz AT 31.07.2020 B1). The funding guideline entered into force on 1 August 2020, the day after publication [Evidence No 1]; 	

- vii. A copy of the **first revision of the first funding guideline** from the 7 December 2020 (*Erste Änderung der Ersten Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“*), published on 10 December 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 10.12.2020 B3). The revision entered into force on 11 December 2020, the day after publication [EvidenceNo 2];
- viii. A copy of the **second funding guideline** from the 23 October 2020 (*Zweite Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“*), published on 30 October 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 30.10.2020 B6). The funding guideline entered into force on 31 October 2020, the day after publication [Evidence No 4];
- ix. An archived **webpage of the German Federal Ministry of Education and Research describing the content of the federal programme “Ausbildungsplätze sichern”** [Evidence No 6].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The revised funding guidelines covering the whole federal programme *Ausbildungsplätze sichern* have been published in the Federal Gazette (*Bundesanzeiger*) reflecting the cabinet decision taken on 17 March 2021.

The whole federal programme *Ausbildungsplätze sichern* is governed by two funding guidelines.

- The first funding guideline (*Erste Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“*, Evidence No 1) offers subsidies for small and medium enterprises (SMEs) so that these maintain the number of apprenticeship places or increase the number of places, continue with their training activities also in the time of short time work arrangement (*‘Kurzarbeit’*), or take up apprentices whose earlier training partner became insolvent as a result of COVID-19 crisis and cannot continue training (page 1). This funding guideline was published on 31 July 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 31.07.2020 B1) and entered into force on 1 August 2020, the day after publication (page 6) It was subsequently revised by a first revision (*Erste Änderung der Ersten Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“*) published on 10 December 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 10.12.2020 B3). The revision entered into force on 11 December 2020, the day after publication.

The second funding guideline (*Zweite Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“*, Evidence No 4) makes it possible for SMEs or training service providers such as inter-company vocational training centers to apply for a subsidy for contract- or joint training (*Auftrags- oder Verbundausbildung*). This is the case when they temporarily train trainees who do not complete their training in their own company. [page 1]. This second funding guideline dates from the 23 October 2020 and was published on 30 October 2020 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 30.10.2020 B6). The funding guideline entered into force on 31 October 2020, the day after publication. [page 6].

The Ministry of Education and Research and the Ministry of Labour and Social Affairs proposed a revision of these two funding guidelines on 12 March 2021, with cabinet members receiving a detailed proposal (Evidence 7, *Kabinettsache 19/11162*) covering the extension of the implementation deadline, increasing the subsidy amount and other facilitations (see table below). After the agreement in the federal cabinet on 17 March 2021, the internal summary of the legal changes in the German Federal Ministry of Education and Research was stamped certifying that the proposal was approved at the 134th meeting of the cabinet on 17 March 2021 (Evidence No 8). The revised funding guidelines were published in the Federal Gazette (*Bundesanzeiger*) as follows:

- The latest (second) revision of the first funding guideline dates from 23 March 2021 and was

published on 26 March 2021 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 26.03.2021 B5). The revision entered into force on 27 March 2021, the day after publication (Evidence No 3, page 6).

- The latest (first) revision of the second funding guideline dates from the 19 April 2021 (*Änderung der Zweiten Förderrichtlinie für das Bundesprogramm „Ausbildungsplätze sichern“*), and was published on 30 April 2021 in the Federal Gazette (*Bundesanzeiger*, BAnz AT 30.04.2021 B4). The revision entered into force on 1 May 2021, the day after publication. [Evidence No 5, page 6]

The published funding guidelines (Evidence No 3 and 5) are aligned with the proposal submitted to the cabinet (Evidence No 7), providing further evidence that the published funding guidelines reflect the cabinet decision taken on 17 March 2021.

Content	Cabinet proposal (Evidence 7)	Related revision in the funding guidelines
Extension of programme implementation deadline for “Ausbildungsprämie” and “Ausbildungsprämie plus” from 31 March 2022 to 31 December 2022	Page 20 (out of 23)	Page 6 (Evidence No 3 second revision first funding guideline)
The subsidy amount for “Ausbildungsprämie” was doubled from EUR 2 000 to EUR 4 000 and that of “Ausbildungsprämie plus” doubled from EUR 3 000 to EUR 6 000 for training contracts where the training starts from 1 June 2021.	Page 19 (out of 23)	Page 5 and 6 (Evidence No 3 second revision first funding guideline)
The financial support for SMEs avoiding short-time working was expanded and extended from 31 March 2021 to 31 December 2021.	Page 2	Page 6 Section 33 and 35 (Evidence No 3 second revision first funding guideline)
New financial support of EUR 1 000 was introduced to micro-enterprises with not more than 4 employees (<i>Lockdown-II Sonderzuschuss</i>).	Pages 9, 10, 15, 16 and 20 (out of 23)	Pages 1,2,4,5, 6 (Evidence No 3 second revision first funding guideline)
SMEs became eligible for financial support up to a number of 499 employees, up from 249.	Pages 8, 22	Page 5 (Evidence No 3 second revision first funding guideline)
The subsidy for taking on an apprentice from another company (<i>Übernahmepremie</i>) was doubled from EUR 3 000 to EUR 6 000 and the deadline extended from 31 March 2022 to 31 December 2022.	Page 20, section 33 and 35	Page 6 Section 33 and 35 (Evidence No 3 second revision first funding guideline)
The minimum eligibility duration of an “Auftragsausbildung” when one company provides the training capacity for another company, and a “Verbundausbildung” when one company takes on an apprentice jointly with another company, was reduced (from six) to four weeks.	Page 22	Page 3, Section 2.5 (Evidence No 5 first revision of second funding guideline)
The financial support for a company with apprentices in “Auftragsausbildung” or	Page 22	Page 5, Section 5.2 (Evidence No 5 first

<p>“Verbundausbildung” was differentiated according to the duration, being EUR 450 per week and capped at EUR 8 100.</p>		<p>revision of second funding guideline)</p>
<p>The original company of the apprentice can under certain conditions be also eligible for support; not only the company taking on the apprentice.</p>	<p>Page 2</p>	<p><i>Page 3, section 3.4</i> (Evidence No 5 first revision of second funding guideline)</p>
<p>Financial support can be given for exam preparation courses for apprentices - 50 % of incurred expenses (at maximum EUR 500) can be granted to an SME which provides exam preparation courses for an apprentice.</p>	<p>Page 23</p>	<p><i>Page 4, section 3a</i> (Evidence No 5 first revision of second funding guideline)</p>
<p>Commission Preliminary Assessment: Satisfactorily fulfilled</p>		

Number: 93	Related Measure: DE-C[4.1]-R[4], Educational support for students with a learning backlog
Name of the Milestone: Agreement between the Federal Government and the Länder to provide learning support for learners with pandemic learning backlogs.	
Qualitative Indicator: Länder and the Federal Government adopt the funding agreement	Time: Q2 2021
<p>Context:</p> <p>The aim of this measure is to provide educational support to avoid that a temporary learning backlog due to COVID 19-related disruption becomes entrenched. For this purpose, the Federal Government shall provide financial support to the Länder so that these provide additional courses and mentoring to pupils, with a focus on core subjects and core competences such as German language, mathematics, and science.</p> <p>Milestone 93 requires the adoption of the funding agreement between the Länder and the Federal Government to provide learning support for learners with pandemic learning backlogs.</p> <p>Milestone 93 is the first step of the implementation of the investment, and it will be followed by one target, target 94 related to proving that at least 1 000 000 students having received learning support as part of the programme.</p> <p>The investment has a final expected date for implementation in September 2022.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. A copy of the amendment of the Financial Equalization Act (<i>Finanzausgleichsgesetz, FAG</i>) published in the Federal Law Gazette (<i>Bundesgesetzblatt, Jahrgang 2021 Teil I Nr. 46</i>) on 22 July 2021 with reference to entry into force the day after its publication, on 23 July 2021 [Evidence No 4]; iii. A copy of the signed funding agreement between the federal government and the Länder setting out the funding conditions of educational support for students with a learning backlog (<i>Vereinbarung zu Umsetzung des "Aktionsprogramms Aufholen nach Corona für Kinder und Jugendliche" für die Jahre 2021 und 2022 von Bund und Ländern</i>): This document shows the signed funding agreement/political memorandum between the Federal Government and the Länder, which sets out the conditions for the funding of learning support. Measure 4.1.4 relates to the first out of the three measures described in the document, hence to the measure "<i>Abbau von Lernrückständen</i>" (translatable as "Reduction of learning backlog" respectively "Educational support for students with a learning backlog"), described on page 3 [Evidence No 1]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. Planned measures of the Länder, annex to funding agreement between the federal government and the Länder (<i>„Aktionsprogramm Aufholen nach Corona für Kinder und Jugendliche, Anlage der Vereinbarung zwischen Bund und Ländern/Planungsstand“</i>). This document is an annex to funding agreement of the educational support for students with learning backlog (<i>„Vereinbarung zur Umsetzung des „Aktionsprogramms Aufholen nach Corona für Kinder und Jugendliche“</i>). It contains measures for the implementation of the action programme for educational support for children and young people with learning 	

- backlog after Corona for the school years 2021/2022 and 2022/2023 [Evidence No 2];
- ii. **Annex RRF Measures of the Länder-extract of Evidence No 2** (Annex to the funding agreement between the federal government and the Länder). This annex lists only those measures that are related to measure 4.1.4 “Educational Support for students with a learning backlog” as part of the German Recovery and Resilience Plan [Evidence No 2a];
 - iii. **Programme description for the action programme to catch up after Corona for children and adolescents for the years 2021 and 2022 (Aktionsprogramm Aufholen nach Corona für Kinder und Jugendliche für die Jahre 2021 und 2022)**: This document, published by the Federal Ministry of Education and Research and the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth, describes the background and contents of the programme “Aufholen nach Corona für Kinder und Jugendliche” for the years 2021 and 2022, of which the measure “Abbau von Lernrückständen” (“Reduction of learning backlog”) is relevant for the RRP, described at pages 3-4 [Evidence No 3].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The Federal Government and Länder have adopted the funding agreement setting out the conditions of funding learning support.

The milestone in the Council Implementation is further specified in the Operational Arrangements, which requires that **the funding agreement shall be understood as the political memorandum between the Federal Government and the Länder** (*Vereinbarung zur Umsetzung des “Aktionsprogramms Aufholen nach Corona für Kinder und Jugendliche” für die Jahre 2021 und 2022 von Bund und Ländern*), herein after political memorandum.

The political memorandum was signed by the federal Minister of Education and Research and the federal Minister for Family affairs, Senior citizens, Women and Youth on behalf of the Federal Government on 2 June 2021, as well as by representatives of the 16 *Länder* of Germany: by Baden-Württemberg, Bayern and Thüringen on 31 May 2021 and Berlin, Brandenburg, Bremen, Hamburg, Hessen, Mecklenburg-Vorpommern, Niedersachsen, Nordrhein Westfalen, Rheinland-Pfalz, Saarland, Sachsen, Sachsen-Anhalt, Schleswig-Holstein on 1 June 2021 (p. 6-23 of the political memorandum, Evidence No 1).

The political memorandum sets out the conditions on the learning activities supported under Section II (p.3 Evidence No 1) and specifies the objectives of the support provided. It also includes the funding conditions, including that the federal government is reducing the share that it collects from the revenues of the value-added tax in 2020 and 2021 by an amount of EUR 1290 million, but that *Länder* commit to spend EUR 1 000 million on reducing learning backlogs by providing learning support (page 4). To reflect the change in funding, the relevant primary piece of legislation, the Financial Equalization Act (*Finanzausgleichsgesetz, ‘FAG’*, Evidence No 4), was updated, as published in the Federal Law Gazette on 22 July 2021 (*Bundesgesetzblatt, Jahrgang 2021 Teil I Nr. 46*). This legal change set out a shift of funds of EUR 430 million in 2021 and EUR 860 million in 2022 from the Federal Government to the Länder (article 4 paragraph 6, p.2937). From those funds of EUR 1.290 bn, only EUR 1 bn refer to the measure 4.1.4 “Educational support for students with a learning backlog”. The remaining EUR 290 million refer to measures that are not subject to the German Recovery and Resilience Plan. Article 4 paragraph 6 also explicitly refers to the Implementation of the educational support for students with learning backlog (*Umsetzung des Aktionsprogramms „Aufholen nach Corona für Kinder und Jugendliche für die Jahre 2021 und 2022”*). This amendment to the Financial Equalisation Act entered into force the day after its publication, on 23 July 2021 (see Article 7 of the Financial Equalisation Act, Evidence No 4, p. 2938). In addition, according to the provision on page 4 of the political memorandum (Evidence No 1) each Land commits itself to provide its own funding. It is stated that each Land contributes with its own resources to the

implementation of the measure referred to in Section II (p.3), at least to the ones addressing the reducing in learning backlogs and to report on these measures.

The political memorandum also sets out conditions on the learning activities supported. According to the provision on page 4 of the political memorandum each Land commits itself, to implement the measures listed under Section II (p. 3, Evidence No 1), notably to take action to reduce learning backlogs. According to the provision on page 4 of the political memorandum, each Land commits to draw up an overview of the specific purposes for which the additional funds provided by the federal government should be used and what expenditure it has planned for it. These overview tables of all *Länder* are included as an annex to this agreement and were submitted as evidence (Planned measures of the Länder, annex to funding agreement between the federal government and the Länder, Evidence No 2). Finally, section IV (page 5) of the political memorandum sets out reporting requirements for Länder about the use of financial resources and on the implementation of measures.

Furthermore, in line with the description of the measure, **the Federal Government shall provide financial support to the Länder, so that these provide additional courses and mentoring to pupils.**

The aforementioned amendment in Article 4, paragraph 6 of the Financial Equalisation Act (Evidence No 4) ensures financial support to the Länder from the Federal Government through a shift of revenue from the value-added tax to fund the programme. The agreement between the federal level and Länder (political memorandum, Evidence No 1) declares that school-closures led to learning backlogs in core subjects and in core competences for a high number of pupils, and the federal government and Länder agree to support the affected pupils as soon as possible so that these can continue their educational pathways. The agreement declares that the objective of the measure is an individual/targeted support of all pupils to handle pandemic-related learning backlogs in core subjects and core competences, based on an assessment of learning backlogs, and to promote core competences (pp. 1-2, political memorandum, Evidence No 1). Accordingly, the Länder identified various forms of additional courses and mentoring to provide learning support to their pupils, detailed in the overview table annexed to the political memorandum (Evidence No 2a, RRF related measures of the Länder in the annex to funding agreement of the educational support for students with learning backlog).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 95	Related Measure: DE-C[4.1]-R[5], Digital Pension Overview
Name of the Milestone: Entry into force of the Digital Pension Overview Act	
Qualitative Indicator: Provision in the law indicating the entry into force of the law on the Digital Pension Overview.	Time: Q1 2021
<p>Context:</p> <p>The measure aims to create an online portal called “Digital Pension Overview” providing citizens information about their individual pension provision and current entitlements from all three pillars of the German pension system (statutory, company and private pensions). For this purpose, the German Pension Fund (<i>Deutsche Rentenversicherung Bund</i>) must establish a pension information portal involving the various stakeholders to ensure that it aggregates relevant pension information, and ensuring, through testing and development, that the portal is user-friendly.</p> <p>Milestone 95 consists of the publication of the law on the Digital Pension Overview (<i>RentÜG</i>) in the relevant legal journal (Federal Law Gazette (<i>Bundesgesetzblatt</i>) as specified in the operational arrangements) and the entry into force of the law.</p> <p>Milestone 95 is the first step of the reform that will be followed by two milestones (milestones 96 and 97). Milestone 96 refers to the completion of the development and of the first operational phase of the portal. The milestone includes the submission of an evaluation report prepared by the coordination body responsible for the digital pension overview (<i>ZfDR, Zentrale Stelle für die Digitale Rentenübersicht</i>) to the steering committee to discuss potential actions for improvements and new functionalities. Milestone 97 is related to the completion of the implementation of improvements, and where appropriate new functionalities, following the evaluation report and consultation with the steering committee.</p> <p>The reform has a final expected date for implementation in August 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. Copy of the law on the Digital Pension Overview (“Rentenübersichtsgesetz – RentÜG”) published in the Federal Law Gazette (“<i>Bundesgesetzblatt</i>”, Jahrgang 2021 Teil I Nr. 6) on 17 February 2021 as Article 1 of the Law for Improving Transparency on Old-age Provision and Rehabilitation and for Modernising Social Insurance Elections (“<i>Gesetz zur Verbesserung der Transparenz in der Alterssicherung und der Rehabilitation sowie zur Modernisierung der Sozialversicherungswahlen und zur Änderung anderer Gesetze - Gesetz Digitale Rentenübersicht</i>”), with reference to the relevant provisions indicating its entry into force the day after publication on 18 February 2021, and the link: https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBL&jumpTo=bgbl121s0154.pdf#_bgbl_%2F%2F%5B%40attr_id%3D%27bgbl121s0154.pdf%27%5D_1687876174111. 	
<p>Analysis:</p> <p>The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the milestone.</p>	

The law on the Digital Pension Overview has been published in the Federal Law Gazette (“Bundesgesetzblatt”) and has entered into force.

The law on the Digital Pension Overview (“Rentenübersichtsgesetz”) was published in the Federal Law Gazette (*Bundesgesetzblatt*, Jahrgang 2021 Teil I Nr. 6) on 17 February 2021 as Article 1 of the Law for Improving Transparency on Old-age Provision and Rehabilitation and for Modernising Social Insurance Elections (“*Gesetz zur Verbesserung der Transparenz in der Alterssicherung und der Rehabilitation sowie zur Modernisierung der Sozialversicherungswahlen und zur Änderung anderer Gesetze - Gesetz Digitale Rentenübersicht*”). Germany has provided a copy of the law and a link where it can be accessed online in the Federal Law Gazette.

The law on the Digital Pension Overview entered into force the day after publication on 18 February 2021 (Article 13(1)).

In line with the description of the measure, the **objective of this measure is to create a Digital Pension Overview, a portal to provide citizens information about their individual pension provision from all three pension pillars (statutory, company and private pensions):**

- The full title of the law on the Digital Pension Overview is law for the development and introduction of a Digital Pension Overview (*Gesetz zur Entwicklung und Einführung einer Digitalen Rentenübersicht - RentÜG*), as set out by Article 1 of the Law for Improving Transparency on Old-age Provision and Rehabilitation and for Modernising Social Insurance Elections. Indeed, this law governs the development and creation of the Digital Pension Overview. Section 1 of the law on the Digital Pension Overview stipulates the objective of the creation of a Digital Pension Overview portal is to improve citizens' knowledge of their respective old-age provision and contains information especially on its amount. This information should be reliable, comprehensible, and as comparable as possible;
- Section 2(1) defines which retirement provision products are covered: all insurance policies, commitments, and contracts on the basis of which benefits from all three pension pillars (statutory, occupational and private retirement provisions) are paid.

Furthermore, in line with the description of the measure, the Council Implementing Decision required that **the German Pension Fund (*Deutsche Rentenversicherung Bund*) shall establish a pension information portal.** The law on the Digital Pension Overview created a coordination body which operates an electronic portal through which the digital pension overview can be accessed (*Zentrale Stelle für die Digitale Rentenübersicht, ZfDR*) (Section 3(1)). The law establishes the coordination body at the German Pension Fund (Section 8(1)) and puts it under the legal supervision of the Ministry of Labour and Social Affairs (Section 8(3)). That coordination body, established within the German Pension Fund, was tasked to realise the law and thus to establish the portal. The establishment of the coordination body within the German Pension Fund ensures a strong link to the German Pension Fund including access to its expertise. Moreover, the involvement of the Ministry of Labour and Social Affairs, that oversees pension policies that go beyond those implemented by the German Pension Fund, contributes to a better consideration of the whole pension system, including all three pension pillars (statutory, company and private pensions). This demonstrates that the element was achieved in a better way than originally designed.

Furthermore, in line with the description of the measure, the German Pension Fund (*Deutsche Rentenversicherung Bund*) shall **involve various stakeholders to ensure that the pension information portal aggregates relevant pension information.** As set out in Sections 9 and 10 of the law, when developing the Digital Pension Overview, the coordination body at the German Pension Fund involves stakeholders in a Steering Committee (“*Steuerungsgremium*”) and may convene advisory boards (“*Fachbeiräte*”). Stakeholders in the Steering Committee are representatives of the statutory, occupational, and private retirement provisions schemes, consumer associations, the

Federal Ministry of Labour and Social Affairs and the Ministry of Finance (Section 9). Both the Steering Committee and advisory boards advise and support the *Zentrale Stelle für die Digitale Rentenübersicht (ZfDR)*. The involvement of stakeholders at the Digital Pension Overview, in combination with the objective of the law - Section 1 sets out that the Digital Pension Overview that this should serve to improve the level of knowledge of citizens about their respective old-age provision and contain information in particular about the amount of this provision, contribute to ensuring that the pension information portal aggregates relevant pension information. Members of the Steering Committee are representatives of the three pension pillars and of the consumer protection organisation as well as the Federal Ministry of Labour and Social Affairs and the Federal Ministry of Finance.

The coordination body may collect relevant information from pension institutions connected to the Digital Pension Overview about the pension entitlements of users. Pursuant to Section 5(1) of the law the following information is to be provided upon request:

- The latest available information sheet on pension entitlements (*Standmitteilung*);
- general information on the pension institution;
- general information on the pension product;
- value data regarding individual accrued and achievable pension entitlements;
- further information on the extent of benefits (e.g. survivors' insurance, tax liability).

This information is then aggregated in accordance with Section 5(3) to provide a general overview of pension entitlements. This enables users to assess the accrued and achievable individual pension entitlements.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 98	Related Measure: DE-C[5.1]-R[1], Strengthening of the digital and technical resources of the public health service		
Name of the Target: Comprehensive nationwide use of the German Electronic Reporting and Information System for Infection Protection (Deutsches Elektronisches Melde- und Informationssystem für den Infektionsschutz, DEMIS)			
Quantitative Indicator: Percentage of public health offices using DEMIS	Baseline: 0	Target: 100	Time: Q1 2021
<p>Context:</p> <p>The objective of this reform is to modernise the public health offices, in particular through increasing the level of their digitalisation and interoperability of IT systems to connect public health offices with other actors in the public healthcare system. The measure consists of the nationwide rollout of an IT system to track pandemic developments and increasing the overall level of digital maturity in the public health offices over the next years.</p> <p>Target 98 concerns the comprehensive nationwide use of the German Electronic Reporting and Information System for Infection Protection (<i>Deutsches Elektronisches Melde- und Informationssystem für den Infektionsschutz, DEMIS</i>).</p> <p>Target 98 is the first step of the implementation of the reform and it will be followed by targets 99 and 100, related to the share of public health offices that have improved their digital maturity. The reform has a final expected date for implementation in August 2026.</p>			
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. A list of all public health offices (<i>Gesundheitsämter</i>) with the date on which the German electronic reporting and information system for infection control (<i>Deutsches Elektronisches Melde- und Informationssystem für den Infektionsschutz, DEMIS</i>) was operational in the respective public health office [Evidence No 1]; iii. A copy of the Infection Protection Law (<i>Infektionsschutzgesetz, IfSG</i>), including its subsections (1) (2) of section 8 [Evidence No 2]. <p>On the basis of a sample of 62 public health offices, for each public health office selected:</p> <ol style="list-style-type: none"> iv. Anonymised case notifications sent via DEMIS, showing the registration of notified cases in the context of SARS-CoV-2 containing the name of the public health office and the date and time of the last update (referring to the date of the notification) [Evidence No 3]; v. A case notification sent via DEMIS with a time stamp and a unique identifier for the reporting process, containing also information on the date of birth and the gender of the infected person, in addition to the date and time of the last update which were visible in the strongly anonymised case notifications under Evidence No 3 [Evidence No 4]; vi. DEMIS authentication certificates for all sampled public health offices [Evidence No 5]; vii. DEMIS authentication certificate for the public health office of Hansestadt Lübeck with a date of issuance 22 September 2020 [Evidence No 6]; 			

- viii. **A copy of a declaration by Robert Koch Institute (RKI)**, the federal agency responsible for disease control and prevention, from 26 April 2023 confirming that the provided case notifications (Evidence No 3) are an authentic and original extract from the original extract from the DEMIS database and that the DEMIS certificates extracts (Evidence No 4) are based on digital documents taken from the self-service portal of the certificate service provider [Evidence No 7];
- ix. **A copy of a declaration by Robert Koch Institute**, from 26 June 2023, confirming for each sampled public health office separately that it is an active user of DEMIS [Evidence No 8];
- x. **A copy of a declaration by Robert Koch Institute**, from 14 September 2023, confirming that the provided anonymised case notifications (Evidence No 3) are an authentic and original extract from the original DEMIS database at Robert Koch Institute [Evidence No 9];
- xi. **A copy of a declaration signed by the contractor d-trust**, from 15 September 2023, confirming for each individual sampled public health office the creation of the electronic certificate for the DEMIS connection [Evidence No 10].

The authorities also provided:

- i. **A table listing the sampled public health offices with their unique identifier and the date** of the creation of the electronic certificate for the DEMIS connection [Evidence No 11];
- ii. **A list of all sampled public health offices containing information on the number of notifications per public health office per day** starting from the day of the DEMIS connection of the public health office until 21 April 2023 [Evidence No 12].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the target.

The competent authorities of the Länder are using DEMIS to register persons in the context of SARS-CoV-2 and to discharge the reporting requirements under § 8 (1) (2) of the Infection Protection Law. [*Gesetz zur Verhütung und Bekämpfung von Infektionskrankheiten bei Menschen (Infektionsschutzgesetz – IfSG), 20 July 2020 (BGBl. I p. 1045)*]

All public health offices are legally obliged to use DEMIS as of 1 January 2021 at the latest. This is set out by subsection 8 of section 14 of the Infection Protection Law "*From 1 January 2021, the competent authorities of the Länder must use the electronic reporting and information system.*" (p. 22 of Evidence No 2 *Infection Protection Law*).

According to subsections 1 and 2 of section 8 of the Infection Protection Law, medical institutes and professionals are obliged to report on specific diseases and pathogens including SARS-COV-2, thus discharging the reporting requirement (p. 15 of Evidence No 2 *Infection Protection Law*). According to subsection 3 of section 9, persons or organisations required to report on specific diseases and pathogens including SARS-COV-2 shall notify the public health offices withing 24 hours (p. 16 of Evidence 2 *Infection Protection Law*).

Laboratories testing for SARS-CoV-2 are obliged to use DEMIS to notify positive SARS-CoV-2 tests electronically as of 1 January 2021 according to subsection 8 of section 14. (p. 22 of Evidence No 2 *Infection Protection Law*).

The competent authorities of the Länder are using DEMIS ...

The competent authorities of the *Länder* are the public health offices (*Gesundheitsämter*). A public health office is defined in No 14 of section 2 of the Infection protection law (*Infektionsschutzgesetz, IfSG*) as follows: "the authority designated under *Land* law for the implementation of the Infection

Protection Law and staffed with a public health officer” (p.5 of Evidence No 2 *Infection Protection Law*).

The German authorities provided an Excel list of all public health offices (*Gesundheitsämter*) by their unique identifier (CodeSite/*GA-Kennung*) together with their location by Landkreis (district), Ort (place) and Bundesland (federal state). The list further contains for each public health office the date on which the German electronic reporting and information system for infection control (*Deutsches Elektronisches Melde- und Informationssystem für den Infektionsschutz, DEMIS*) was operational (date of the issuance of the certificate through the DEMIS office (*Bestätigung Zertifikatsbestellung durch DEMIS-Geschäftsstelle*)) (Evidence No 1, *List of public health offices*).

The evidence provided (Evidence No 1) shows that for the existing 375 public health offices the DEMIS certificates were issued in the period from June to December 2020.

To note that the public health office Uelzen-Lüchow-Dannenberg was split as of 1 January 2022 into two public health offices, increasing the total number of health offices from 375 to 376. The public health office Uelzen continued using the issued DEMIS certificate, whereas Lüchow-Dannenberg received a new certificate on 15 December 2021. This splitting of one public health office in two does not constitute a new or decisive element for the fulfilment of target 98 and should not be considered or play a role for the assessment or fulfilment of the target including all its resulting consequences like issuing a DEMIS certificate after the timeline for completion.

... to register persons in the context of SARS-CoV-2 and to discharge the reporting requirements under § 8 (1) (2) of the Infection Protection Law

DEMIS is used to register persons in the context of SARS-CoV-2 and to discharge the reporting requirements under § 8 (1) (2) of the Infection Protection Law.

The evidence provided for a sample of 62 units confirmed that the requirement of the target has been met. This included a random selection of 60 health offices from the list of public health offices provided by the German authorities (Evidence No 1). In addition, two more units (the split public health offices of Uelzen and Lüchow-Dannenberg which used to be one single public health office before 1 January 2022) were added to the randomly selected 60 public health offices to provide further reassurance.

The evidence provided for a sample of 62 units provides reasonable assurance that the competent authorities of the Länder are using *DEMIS* to register persons in the context of SARS-CoV-2 and to discharge the reporting requirements under § 8 (1) (2) of the Infection Protection Law.

The following evidence was considered relevant and the combination of the different types of evidence gave us reasonable assurance that the requirement of the target has been met:

- case notifications sent via *DEMIS* documenting the registration of notified cases in the context of SARS-CoV-2 (Evidence No 3 and No 4);
- declaration by Robert Koch Institute, confirming that the provided case notifications are an authentic and original extract from the original extract from the *DEMIS* database (Evidence 7 and 9).

The German authorities provided strongly anonymised case notifications, which contained information about the name of the public health office, date and time of the last update (referring to the date of the notification), the subject of reporting (such as COVID-19), the type of the laboratory test applied (such as nucleic acid amplification), the result of the test (such as positive) and an internal https link for actual *DEMIS* users mentioning *DEMIS* and Robert Koch Institut (RKI) (Evidence No 3).

Furthermore, the authorities provided a case notification containing in addition to the information

under Evidence 3 a time stamp and a unique identifier documenting the registration of a notified case in the context of SARS-CoV-2, and information on the date of birth, the gender of the infected person and three numbers of their postal code (Evidence No 4).

This evidence in combination with the declaration by Robert Koch Institute confirming that the provided data is an authentic and original extract from the original DEMIS database at Robert Koch Institute (Evidence No 7 and No 9) provides reasonable assurance that case notifications were made via the software DEMIS to register persons in the context of SARS-CoV-2 and to discharge the reporting requirements under §8 (1) (2) of the Infections Protection Law.

The additional evidence provided for the sample of 62 units, in particular the declaration signed by the contractor d-trust, confirming for each individual public health office from the sample the creation of the electronic certificate for the DEMIS connection (Evidence 10) and the declaration by the Robert Koch Institute from 26 June 2023 confirming for each of the sampled public health offices that it is an active user of DEMIS (Evidence 8), provides further assurance that the competent authorities of the Länder are using DEMIS to register persons in the context of SARS-CoV-2 and to discharge the reporting requirements under § 8 (1) (2) of the Infection Protection Law.

The provided evidence (Evidence No 3) was examined and for each sampled public health office at least two case notifications made via DEMIS could be found. The unique identifier of the public health office visible in the case notification could be attributed to the name of the public health office (in line with the information provided in Evidence No 1).

Furthermore, the information provided under Evidence No 5 (DEMIS authentication certificates) was compared with the information provided under Evidence No 1 (list of all public health offices) and found largely consistent. For four of the 62 sampled public health offices there is a few days' difference between the information provided in Evidence No 5 and Evidence No 1 with regard to the date on which the authentication certificate was issued. This, according to the German authorities, was due to a technical problem related to the certificate for the public health office of Lübeck (where the initial certificate which was issued on 22 September 2020 had to be suspended and a second certificate had to be issued on 14 October 2020) and to human errors for the remaining three public health offices. To prove that there was a technical problem with the certificate for the public health office of Lübeck, the authorities sent an authentication certificate (Evidence No 10) showing that the date of the first issuance of the authentication certificate for the public health office of Lübeck corresponds to the information in Evidence No 1. As all concerned dates were before the foreseen date of completion of the target (Q1 2021), the minor inconsistencies found were not considered decisive for the assessment or fulfilment of the target.

As a further check, the information provided under Evidence No 10 (declaration signed by the contractor d-trust) and Evidence No 8 (declaration by Robert Koch Institute) in particular the ID of the public health office and the date on which the authentication certificate was issued, was compared with the information provided under Evidence No 1 (list of all public health offices) for the entire sample, and no inconsistencies were found.

Furthermore, in line with the description of the measure, **the measure consists of a nationwide rollout of an IT system to track pandemic developments ...**

DEMIS is operational in all public health offices in Germany. All public health offices were connected to DEMIS before 1 January 2021 (Evidence No 1 *List of public health offices* and p. 22 of Evidence 2 *Infection Protection Law*). Also, laboratories testing for SARS-CoV-2 are obliged to use DEMIS to notify positive SARS-CoV-2 tests electronically as of 1 January 2021. (p. 22 of Evidence 2 *Infection Protection Law*). Since 2023 all stakeholders are obliged to use DEMIS, unless the regulation provides for an exception (p.22 of Evidence No 2 *Infection Protection Law*).

The COVID-19 pandemic accelerated the implementation of the electronic notification system. The electronic reporting and information system DEMIS should enable a faster and more effective control and prevention of infectious diseases through improved information exchange between the reporting parties, the competent state authorities, the health authorities and the Robert Koch Institute as well as through a comprehensive electronic information processing. Different infectious diseases can be reported via DEMIS (p.12 of Evidence No 2 *Infection Protection Law*).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 104	Related Measure: DE-C[5.1]-I[3], Special programme to accelerate research and development of urgently needed vaccines against SARS-CoV-2	
Name of the Milestone: Approval of a first vaccine against SARS-CoV-2 by the regulatory authority		
Qualitative Indicator: Recommendation for authorisation by the European Medicines Agency of a vaccine against SARS-CoV-2 developed by one of the three companies supported		Time: Q4 2020
Context:		
<p>The objective of this investment is to support the research and development of vaccines against SARS-CoV-2 in order to reduce the severity and duration of the pandemic. The investment consists of financial support to German vaccine producers to increase their development and production capacity, and to increase patient numbers for clinical trial phases.</p> <p>Milestone 104 concerns the recommendation for approval of a first vaccine against SARS-CoV-2 by the European Medicines Agency.</p> <p>Milestone 104 is the first step of the implementation of the investment, and it will be followed by target 106 related to the disbursement of the funding under the measure and milestone 107 related to the completion, submission and conclusive audit of the utilisation reports and of all final reports.</p> <p>The investment had a final expected implementation date in December 2022.</p>		
Evidence provided:		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Document issued on the recommendation for approval of a supported vaccine against SARS-CoV-2 by the European Medicines Agency (EMA), on 21 December 2020. This document is a press release, available online at https://www.ema.europa.eu/en/news/ema-recommends-first-covid-19-vaccine-authorisation-eu [Evidence No 1]; iii. Funding decision by the Federal Ministry of Education and Research for the company BioNTech SE (first notice of grants) (<i>Zuwendungsbescheid, Zuwendung aus dem Bundeshaushalf, Einzelplan 30, Kapitel 04, Titel 68530, Haushaltsjahr 2020, für das Vorhaben "BNT-Covid-19-Vaccine – Beschleunigte Entwicklung und Bereitstellung eines mRNA-basierten COVID-19-Impfstoffs (BNT 162)" Förderkennzeichen 01KI20700</i>) from 9 September 2020 [Evidence No 3]; iv. Funding decision by the Federal Ministry of Education and Research for the company BioNTech SE (second notice of grants) (<i>Zuwendungsbescheid, Zuwendung aus dem Bundeshaushalf, Einzelplan 30, Kapitel 04, Titel 68530, Haushaltsjahr 2020, für das Vorhaben "BNT-Covid-19-Vaccine-I – Beschleunigte Entwicklung und Bereitstellung eines mRNA-basierten COVID-19-Impfstoffs (BNT 162)" Förderkennzeichen 01KI20700I</i>) from 9 September 2020 [Evidence No 4]; v. Funding decision by the Federal Ministry of Education and Research for the company CureVac AG (<i>Zuwendungsbescheid, Zuwendung aus dem Bundeshaushalf, Einzelplan 30, Kapitel 04, Titel 68530, Haushaltsjahr 2020, für das Vorhaben "ACE-mR-CoV Entwicklung, Testung und Produktion eines SARS-CoV-2 Impfstoffes auf Basis der mRNA Technologie"</i> 		

- Förderkennzeichen 01KI20703) from 31 August 2020 [Evidence No 5];*
- vi. **Funding decision** by the Federal Ministry of Education and Research for the company **IDT Biologika GmbH** (*Zuwendungsbescheid, Zuwendung aus dem Bundeshaushalt, Einzelplan 30, Kapitel 04, Titel 68530, Haushaltsjahr 2020, für das Vorhaben "MSarsCoV2 – Entwicklung eines rekombinanten viralen Vektorimpfstoffes zur aktiven Immunisierung von Risikogruppen gegen klinische SARS-2 Coronavirus Infektion" Förderkennzeichen 01KI20702) from 29 September 2020 [Evidence No 6].*

The authorities also provided:

- i. **Assessment report by the EMA** on the COVID-19 mRNA vaccine Comirnaty, dated 19 February 2021. The document is available at: https://www.ema.europa.eu/en/documents/assessment-report/comirnaty-epar-public-assessment-report_en.pdf [Evidence No 2];
- ii. **Funding guidelines** (Guideline by the Federal Ministry of Education and Research for a special programme to accelerate research and development of urgently needed vaccines against SARS-CoV-2 from 11 June 2020 (*Richtlinie für ein Sonderprogramm zur Beschleunigung von Forschung und Entwicklung dringend benötigter Impfstoffe gegen SARS-CoV-2*), published in the Federal Gazette on 18 June 2020 (BAnz AT 18.06.2020 B6) [Evidence No 7].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

Approval of a first vaccine against SARS-CoV-2 by the regulatory authority. Recommendation for authorisation by the European Medicines Agency of a vaccine against SARS-CoV-2 developed by one of the three companies supported.

Approval recommended by the European Medicines Agency for a vaccine against SARS-CoV-2 (...)

Following a recommendation for authorisation by the European Medicines Agency (EMA), the European Commission, which is legally responsible for the marketing authorisation and thus the relevant regulatory authority, granted on 21 December 2020 a conditional marketing authorisation (a fast-track approval procedure for a medicine that fulfils an unmet medical need) for the vaccine Comirnaty, developed by BioNTech and Pfizer, as a vaccine against SARS-CoV-2 (p.1 of Evidence No 1 *EMA Recommendation*).

The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA), in the light of the overall data submitted and the scientific discussion within the Committee, issued a positive opinion for granting a conditional marketing authorisation to Comirnaty on 21 December 2020. (https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_2390)

The substantiated assessment report of the vaccine Comirnaty by the EMA from 19 February 2021, which recommends a conditional marketing authorisation, was published in February 2021 (p. 139 of Evidence No 2 *EMA Assessment Report*).

On 10 October 2022 the European Commission granted a standard marketing authorisation, on the basis of a recommendation by the EMA's Committee for Medicinal Products for Human Use (CHMP) (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C:2022:457:FULL>

<https://www.ema.europa.eu/en/news/ema-recommends-standard-marketing-authorisations->

comirnaty-spikevax-covid-19-vaccines)

https://www.ema.europa.eu/en/documents/variation-report/comirnaty-h-c-5735-r-0137-epar-assessment-report-renewal_en.pdf)

(...) developed by one of the three companies supported through measure 5. 1.3.

The vaccine was developed by the companies BioNTech and Pfizer (p.1 of Evidence 1 *EMA Recommendation*).

BioNTech is one of the three companies, next to CureVac and IDT, which were supported through the measure 5.1.3. BioNTech received two notices of grants. The first notice of grants supported BioNTech with funding amounting to 95% of the actual costs but at the most EUR 352 427 891.08 (p.2 of Evidence No 3 *Funding decision BioNTech 1*).

The second notice of grants supported BioNTech with funding amounting to 80% of the actual costs but at the most EUR 22 574 400 (p.2 of Evidence No 4 *Funding decision BioNTech 2*).

CureVac is one of the three companies, next to BioNTech and IDT Biologika, which were supported through the measure. The notice of grants for CureVac set out grants amounting to 80% of the actual costs but at the most EUR 251 612 248.35 (p.2 of Evidence No 5 *Funding decision CureVac*).

IDT Biologika is one of the three companies, next to BioNTech and CureVac, which were supported through the measure. The notice of grants for IDT Biologika set out grants amounting to 95% of the actual costs but at the most EUR 113 702 976.26 (p.2 of Evidence No 6 *Funding decision IDT Biologika*).

Furthermore, in line with the measure description, **the investment consists of financial support to German vaccine producers to increase their development and production capacity, and to increase patient numbers for clinical trial phases.**

The financial support consists of non-repayable grants to German vaccine producers (p.3 of Evidence No 7 *Funding guidelines*).

Furthermore, the funding guidelines demand that the vaccine producers eligible for financial support have a place of business or branch office in Germany and that the research takes place in Germany (p.2 of Evidence No 7 *Funding guidelines*). All three companies supported from the scheme have their headquarters in Germany. BioNTech has its headquarters in Mainz, Rheinland-Pfalz. CureVac has its headquarters in Tübingen, Baden-Württemberg. IDT Biologika has its headquarters in Dessau-Roßlau, Sachsen-Anhalt.

One goal of the funding programme is the increase of development and production capacity (p.1 of Evidence No 7 *Funding guidelines*).

Another goal of the funding programme is the increase of patient numbers for the clinical trial phases (p.2 of Evidence No 7 *Funding guidelines*).

Furthermore, in line with the measure description, **this aims to strengthen the pharmaceutical/biotech sector in Germany in the long term and provide a broader base and flexibility to respond to the current and future pandemics.**

The funding programme aims to ensure the earliest possible and most extensive provision of an effective and safe vaccine against SARS-CoV-2 in Germany by accelerating vaccine development.

The aim is to develop an effective vaccine by the end of 2021 and to make it available for pharmaceutical production. This is to be achieved by promoting clinical trials, expanding study capacities and increasing production capacities for the vaccine candidates to be tested (p.1 of Evidence No 7 *Funding Guidelines*). The funding is intended to support as many different technological approaches as possible in order to increase the likelihood of successful vaccine development up to approval (p.1 of Evidence No 7 *Funding Guidelines*) and it thus strengthens the pharmaceutical/biotech sector in Germany in the long term. Furthermore, the funding programme provides a broader base and flexibility to respond to the current and future pandemics, which are causing significant and long-lasting damage to global health and the world economy (p.1 of Evidence No 7 *Funding Guidelines*).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 108	Related Measure: DE-C[6.1]-R[1], European identity ecosystem		
Name of the Target: Launch of one pilot project for digital hotel check-in			
Quantitative Indicator: Number of hotels with digital check-in	Baseline: 0	Target: 100	Time: Q3 2021
Context:			
<p>The reform aims at enabling the establishment and verification of identities (persons, companies, devices) and personal documents (e.g., diplomas) online. The government subsidises and steers the development of the first applications as part of the measure, for the private sector to eventually develop its own applications independently as the ecosystem progresses.</p> <p>Target 108 requires a pilot project, a digital hotel check-in, to be put into operation.</p> <p>It is the first step of the implementation of the reform, and it will be followed by targets 109 and 110, related to completing four additional application cases (T109) and another five application cases which are less government-supported (T110). The reform has a final expected date for implementation in Q4 2025.</p>			
Evidence Provided:			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. A summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. A copy of a signed certificate issued by IBM, the technical project leader, from 15 July 2022, confirming that 112 hotels were connected with the system as of September 2021 [Evidence No 1]; iii. A spreadsheet comprising 112 hotels which have participated in the pilot project on digital hotel check-in, setting out the hotel group, the city and the name of the hotel [Evidence No 3]; iv. A description from 11 July 2023 of the legal obligations as set out in the Federal Registration Act (<i>Bundesmeldegesetz, BMG</i>) [Evidence No 4]; v. A report from 04 August 2023 by PwC as an independent expert, commissioned by the Federal Ministry of the Interior and Community (<i>BMI</i>), on the functionalities of the digital check-in system ("Statement on the functionality of the digital hotel check-in system") [Evidence No 5]; vi. A report by PwC as an independent expert from 04 August 2023, commissioned by the Federal Ministry of the Interior and Community (<i>BMI</i>), on the further development of the digital ecosystem ("Statement on the findings from the digital hotel check-in for the further development of the European identity system") [Evidence No 6]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. An annex to the certificate by the technical project leader (IBM), Evidence 1., sketching out the project participants, the technical functioning, and the launch of the pilot (Evidence No 2); ii. An opinion from 08 September 2023 by PwC, complementing the report by PwC on the further development of the digital ecosystem, Evidence No 6, by detailing further learnings through the pilot [Evidence No 6a]; iii. A license approval issued by the lead ministry, the Federal Ministry of the Interior (<i>BMI</i>) on 			

11 May 2021 for one of the participating hotels showing the temporary limit of the pilot [Evidence No 7];

- iv. A report by the Federal Government from September 2021 summarising preliminary results of the pilot [Evidence No 8].

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the target.

A pilot project has been put into operation, allowing employees of four large German companies to check-in digitally to three large German hotel chains, with at least 100 hotels participating.

A pilot project has been put into operation. The signed connection certificate by the technical project leader, IBM (Evidence No 1 (connection certificate)), proves that by September 2021, the pilot project allowing employees of four large companies to check-in digitally to three large German hotel chains was operational and had been scaled up to 112 connected hotels. The initial launch of the pilot took place on 17 May 2021 as proven by the annex to this certificate (Evidence No 2 (connection certificate – appendix), p. 3). The project was intended as a pilot, as a first application case for a future European identity ecosystem (Evidence No 6, pp. 9-10). The pilot had a six-month time limit (Evidence No 7 (license approval)) and was completed (Evidence No 5, p. 12). The German authorities informed the Commission services that due to the decentralized, privacy-ensuring architecture of the project, user information was not centrally recorded. A preliminary results report from September 2021 by the Federal Government noted the first 15 registration forms were issued as a result of the pilot in the week of 20 September 2021 (Evidence No 8 (preliminary results report), p. 3). The report also records results of a user survey that was conducted during a live event with the lead ministry in one of the participating hotels from 21 to 23 September 2021, during which 17 participants tried to use the pilot (15 successfully so) and two participants provided qualitative feedback; Evidence No 8, pp. 10-11). Therefore, the pilot project has been put into operation.

allowing employees of four large German companies to check-in digitally to three large German hotel chains [...] The annex to the connection certificate by the technical project leader (Evidence No 2, p. 1) shows that employees from four large German companies (namely (1) *Lufthansa AG*, (2) *Robert Bosch GmbH*, (3) *Deutsche Bahn AG* and (4) *BWI GmbH*) and three large German hotel chains (namely (1) *Steigenberger Hotels AG/Deutsche Hospitality* (Steinberger is pooled with two other hotel chains into Deutsche Hospitality), (2) *Lindner Hotels AG* and (3) *motel one GmbH*) participated in the project. This is consistent with the report on functionalities provided (Evidence No 5 (report on ecosystem functionalities), p. 4), where the same participants are listed. The four companies were large (in accordance with the Eurostat definition of a large company, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Enterprise_size each of these companies employs more than 250 persons) German companies at the time of the pilot project: The companies' size (measured by number of employees) and German ownership (as regards their headquarters) can be considered public knowledge https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Enterprise_size. The three hotel chains can be considered large based on the number of hotels participating in the pilot projects (per chain, 4, 42 and 66 hotels have been participating in the pilot project, respectively; Evidence No 2, pp. 6-9).

The annex to the connection certificate (Evidence No 2, p. 4) clarifies that confirmation allowing employees or a subset of employees of these four large companies to participate in the digital check-in pilot project has been obtained from the relevant bodies in each of the companies.

The fact that the pilot was functionally put into operation is corroborated by the connection certificate by the technical project leader, IBM (Evidence No 1), and further supported by the project documentation (Evidence No 2), which includes a link to the press release, which includes statements by all participating hotel chains and customer-group companies attesting the system's usability.

[...] with at least 100 hotels participating. At least 100 hotels have participated. As evidenced by the copy of the certificate provided by the technical project leader IBM, 112 hotels participated in the project "digital identities" ("*Digitale Identitäten*") by September 2021, based on data by IBM and McKinsey. The annex to the connection certificate (Evidence No 2, pp. 6-9) provided as additional evidence identifies each of the 112 participating hotels (as of September 2021) by chain, city, and name. This is consistent with the spreadsheet of participating hotels submitted by the lead ministry (Evidence No 3 (spreadsheet of hotels)).

The pilot provides first technical components as well as insights for the further development of the ecosystem.

The pilot provides first technical components [...] The report on functionalities (Evidence No 5, p. 10) points out three main technical layers of the pilot which are first technical components: (1) the digital wallet (app "ID-Wallet") where credentials are stored, (2) the back-end of each application case (here: check of credentials by the hotel), and (3) the decentralised network through which the validity of the credentials is being checked. The app "ID-Wallet" was introduced on 17 May 2021, the launch date of the pilot project.

That the pilot provides first technical components is supported by the description of legal obligations (Evidence No 4 (legal obligations), p. 1) and the report on functionalities (Evidence No 5, pp. 6-7, 10), which explain that a novel technical basis was put in operation for the pilot: on the basis of a self-sovereign identity (SSI) infrastructure, distributed ledger technology is used to create and fully control one's digital identity. No permission of an intermediary or central authority is required, and the user has control over personal data sharing and use. This is a significant change to the conventional hotel check-in process, during which personal data is shared ("*Hotelmeldeschein*") and the user does not retain technical control over the data's use. The description underlines the novelty of this approach, which required the introduction of an experimental clause in the Federal Registration Act (*Bundesmeldegesetz, BMG*) to legally allow digital hotel check-in based on the SSI infrastructure.

[...] as well as insights for the further development of the ecosystem. The following, plausible insights for the further development have been shared in the report by PwC as an independent expert from 4 August 2023, commissioned by the Federal Ministry of the Interior and Community (BMI), on the further development of the digital ecosystem (Evidence No 6 (report on ecosystem development), pp. 6-7):

- The technical basis, self-sovereign identity (SSI), has a high acceptance by users due to the decentralised architecture (Evidence No 6, p. 7).
- The success of the use case is an indicator that such a decentralised system could be scaled up, and thereby reduce the dependency on centralised administrative systems and risk of data forgery (Evidence No 6, p. 6).
- It also has economic potential, exemplified by the pilot, as it can serve to reduce costs, increase process efficiency, and improve the user and final application (here: hotel check-in) experience (Evidence No 6, p. 6). In particular, the interoperability of the technical

components and their automatised interaction (Evidence No 5, pp. 6-11), serving the user through one type of media alone (*'medienbruchfrei'*), can lead to greater efficiency (Evidence No 6, p. 6).

- Moreover, comprehensive databases become obsolete where users self-administer their data (Evidence No 6, p. 6).
- The hotel chains, or other use end providers, could benefit from shorter verification processes and higher customer satisfaction (Evidence No 6, pp. 6-7).

Components of the eID-system that were tested in the pilot, like the Smart-eID and open source eID-server, are being further developed based on the gained insights (e.g. towards a more user-friendly interface; Evidence No 6, pp. 9-10). As described in the report on the further development of the digital ecosystem (Evidence No 6, pp. 7-8), after the launch of this pilot project and one further pilot project (digital driver's license) using the same technical basis (SSI), it was concluded based on the experience of those pilots that for the exponential growth of the use of e-ID transactions envisioned, and to ensure nationwide usability, another, previously used technical basis, public key infrastructure (PKI) would instead be strengthened. Its benefits compared to the SSI basis are the better scalability due to high acceptance of PKI as a more established method and PKI's compatibility with essential security criteria.

The opinion by PwC complementing the report by PwC on the further development of the digital ecosystem (Evidence No 6a (amendment to report on ecosystem development), p. 2) contains the following additional major insights:

- The pilot's technical basis (SSI) has provided a basis for discussion on the development of the EUdi wallet, together with the other main technical basis considered in the German context (PKI).
- With this pilot, the collaboration between the public and private sector on the ecosystem has also been tested for the first time and the insight on the possibility of such a seamless collaboration is used for planning of activities on the European identity ecosystem and the EUdi wallet.
- The pilot has also been recognised as one of multiple application cases by the consortium "POTENTIAL" led by France and Germany to support the further development of the EUdi wallet.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 111	Related Measure: DE-C[6.1]-R[2], Digitalisation of the administration – implementation of the Online Access Act		
Name of the Target: Completion of individual agreements between the lead department and the lead Land			
Quantitative Indicator: Number of individual agreements	Baseline: 0	Target: 14	Time: Q3 2021
<p>Context:</p> <p>The measure aims to make digitally available to users (individuals and businesses) 100 of the most important public service “bundles” under the responsibility of the federal states (<i>Länder</i>) and 115 public service “bundles” under the responsibility of the federal government, in line with the Online Access Act (<i>Onlinezugangsgesetz</i>). “Bundles” are thematically consistent groups of public services grouped together for the purpose of digitalisation.</p> <p>Target 111 requires the conclusion of at least 14 individual agreements between the federal department and federal state (<i>Land</i>) providing the legal basis for cooperation and work -based implementation of the Online Access Act. The individual agreements are to set out the operational arrangements, including the requirement that the implementation be in accordance with the one-for-all principle.</p> <p>Target 111 is the first step of the implementation of the reform. It will be followed by targets 112 and 113 respectively related to the first public services bundles being available online to the general public and the final outcome, the nationwide implementation of 100 of the most important public service bundles of the federal states (<i>Länder</i>) and 115 public service bundles of the federal government. The reform has a final expected date for implementation in Q4 2022.</p>			
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copies of the main body of 14 individual agreements (<i>Einzelvereinbarung</i>) concluded to implement the Online Access Act (<i>Onlinezugangsgesetz (OZG)</i>, 14. August 2017 (<i>BGBl. I p. 3122, 3138</i>)), [Evidence No 1]: <ol style="list-style-type: none"> a. Individual agreement between the Federal Government (Federal Ministry of Labour and Social Affairs) and the State of Nordrhein-Westfalen (Ministry for Work, Health and Social Affairs) from 9 June 2021; b. Individual agreement between the Federal Government (Federal Ministry of the Interior) and the Free and Hanseatic City of Hamburg (Authority for Urban Development and Housing) from 19 July 2021; c. Individual agreement between the Federal Government (Federal Ministry of Education and Research) and the State of Sachsen-Anhalt (Ministry for Economy, Science and Digitalisation) from 26 March 2021; d. Individual agreement between the Federal Government (Federal Ministry of Education and Research) and the State of Sachsen-Anhalt (Ministry of Finance) from 10 August 2021; e. Individual agreement between the Federal Government (Federal Ministry of the 			

- Interior) and the State of Brandenburg (Ministry of Interior and Municipal Affairs) from 17 May 2021;
- f. Individual agreement between the Federal Government (Federal Ministry of the Interior) and the State of Schleswig-Holstein (Ministry for Energy Transition, Agriculture, Environment, Nature and Digitalisation) from 6 October 2021;
 - g. Individual agreement between the Federal Government (Federal Ministry of Family Affairs, Senior Citizens, Women and Youth) and the Free and Hanseatic City of Bremen (Senator of Finance) from 30 April 2021;
 - h. Individual agreement between the Federal Government (Federal Ministry of Health) and the State of Niedersachsen (Ministry for the Interior and Sports) from 8 June 2021;
 - i. Individual agreement between the Federal Government (Federal Ministry of Finance) and the State of Nordrhein-Westfalen (Ministry for the Economy, Innovation, Digitalisation and Energy) from 4 June 2021;
 - j. Individual agreement between the Federal Government (Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection) and the State of Schleswig-Holstein (Ministry for Energy Transition, Agriculture, Environment, Nature and Digitalisation) from 29 April 2021;
 - k. Individual agreement between the Federal Government (Federal Ministry for Economic Affairs and Energy (now Federal Ministry for Economic Affairs and Climate Action)) and the Free and Hanseatic City of Hamburg (Senate Chancellery Office for IT and Digitalisation) from 9 March 2021;
 - l. Individual agreement between the Federal Government (Federal Ministry for Transport and Digital Infrastructure) and the State of Baden-Württemberg (Ministry for the Interior and Municipal Affairs) from 6 July 2021;
 - m. Individual agreement between the Federal Government (Federal Ministry of the Interior) and the State of Berlin (Senate Chancellery for the Interior and Sports) from 5 July 2021;
 - n. Individual agreement between the Federal Government (Federal Ministry of the Interior) and the State of Nordrhein-Westfalen (Ministry for the Economy, Innovation, Digitalisation and Energy) from 14 June 2021.
- iii. Copies of an **annex (Anlage 2) to each of the 14 individual agreements** listing digital services affected, [Evidence No 2].

The authorities also provided:

- i. **Evidence No 3**: one Excel file provided by the lead ministry, the Federal Ministry of the Interior (BMI), with **two worksheets providing an overview of digital services**, one listing the digital services implemented (sheet *Nachweis T111*) and another one justifying if the actually implemented digital services differed from what was agreed in the annex to the individual agreements at the time of the conclusion of the individual agreements;
- ii. The **umbrella agreement** (first annexes to the 14 individual agreements) on the implementation of the Online Access Act (*Onlinezugangsgesetz*), [Evidence No 4], available online: https://www.onlinezugangsgesetz.de/SharedDocs/downloads/Webs/OZG/DE/dachabkommen-im-wortlaut.pdf?__blob=publicationFile&v=4;
- iii. A copy of the **Online Access Act** from 14 August 2017 published in the Federal Gazette part I No 57 on 17 August 2017 (*Onlinezugangsgesetz (OZG), 14. August 2017 (BGBl. I p. 3122, 3138)*), [Evidence No 5], available online:

https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBI&jumpTo=bgbl117s3122.pdf#_bgbl_%2F%2F*%5B%40attr_id%3D%27bgbl117s3122.pdf%27%5D_1686291946844;

- iv. A **decision** by the conference of the chancellery and the first ministers of the Länder (*Ministerpräsidentenkonferenz*) from 10 June 2021 **confirming implementation in accordance with the one-for-all principle**, [Evidence No 6];
- v. **A table including all services to be digitized** as part of the Online Access Act at the time of the payment request, [Evidence No 7].

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the target.

At least 14 individual agreements to implement the Online Access Act have been concluded between the lead department and the lead federal state, in which the operational arrangements are defined.

At least 14 individual agreements to implement the Online Access Act [...] Germany provided evidence for 14 individual agreements (*Einzelvereinbarungen*) to implement the Online Access Act. In each of the agreements (Evidence No 1 (individual agreements), p. 2), the purpose of the agreement is defined as implementing the Online Access Act (*Onlinezugangsgesetz, OZG*; Evidence No 5 (Online Access Act)), in accordance with the umbrella agreement for implementation (Evidence No 4 ('roof deal')).

[...] have been concluded [...] That the agreements have been concluded is evidenced by the date and signature to each of the agreements (p. 6, 7, 8 or 9 of the agreements, Evidence No 1, respectively): the agreements have been signed by both parties and the dates of signature are between Q1 and Q4 2021.

[...] between the lead department and the lead federal state [...] The Council Implementing Decision required the conclusion of at least 14 individual agreements between the lead department and the lead federal state. Instead, the copies of the 14 individual agreements were signed by representatives of the responsible federal ministry (i.e., not necessarily the lead department within the responsible federal ministry) and of the lead federal state. In each of the agreements, the parties to the agreement who also signed the agreements are defined: (1) the Federal Republic of Germany represented by the responsible Federal Ministry, and (2) a federal state (*Land*) represented by the responsible Federal State Ministry (Evidence No 1, p. 1). Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, a signature by a representative of the responsible federal ministry is a binding agreement by the same entity as in the case of the signature by the lead department of that ministry, and thus a purely formal choice. As of this, this minimal deviation does not affect the progress towards the achievement of the reform that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

[...] in which the operational arrangements are defined. The operational arrangements are defined in each of the individual agreements (Evidence No 1). They set out:

1. the scope of the public services to be digitalised, in annex 2 to each of the individual agreements (Evidence No 2 (annexes of individual agreements)). All of them contain as key information columns with the name of the implementation project, the names of the service bundles (*OZG-Leistungen*) to be digitalised, the financial envelope requested per service bundle, and identifiers that link each service bundle to the global implementation catalogue

for the Online Access Act (*OZG-Umsetzungskatalog*), for which a copy of the most recent version has also been provided as evidence (Evidence No 7 (OZG implementation catalogue)).

2. the reason and objective of the individual agreement, the provisions and performance of the contractors, the organisation, financing, coming into effect and ending of the contract, changes and supplements to the agreement. (“§1 *Gegenstand und Ziel der Vereinbarung*; § 2 *Leistungen und Aufgaben der Vertragspartner*; § 3 *Organisation*; § 4 *Finanzierung*; § 5 *Inkrafttreten und Beendigung der Vereinbarung*; § 6 *Änderungen und Ergänzungen der Einzelvereinbarung*“; Evidence No 1).
3. the one-for-all/one-for-many principle („*Einer für Alle/Einer für Viele*“), set out in annex 1 to each of the individual agreements (preamble to the umbrella agreement; Evidence No 4, pp. 5-6). The umbrella agreement sets out the one-for-all/one-for-many principle, which requires that the digital services be developed and used in one place by the lead federal state may also be used by all cooperation partners without creating a high cost to these partners (Evidence No 4, pp. 5-6), that is, by the Federal Government and the *Länder* (Evidence No 4, p. 1).

The implementation shall be in accordance with the one-for-all principle. The umbrella agreement sets out the meaning of the one-for-all/one-for-many (*Einer für Alle/Einer für Viele*) principle: it requires that the digital services developed and used in one place by the lead Land can also be used by all cooperation partners without creating a high cost to these partners (preamble; Evidence No 4, pp. 5-6), that is, by the Federal Government and the *Länder* (Evidence No 4, p. 1). ‘One-for-all’ and ‘one-for-many’ are reflecting the same principle as it is up to each of the *Länder* to decide whether or not to adopt a digital service that was developed by another *Land*. The principle’s consequences for the development of the digital services, the enabling of a low-cost general provision by the lead *Land* to the other *Länder* and to the Federal Government remains the same.

That the implementation shall be in accordance with the one-for-all principle has been confirmed by a binding resolution of the Federal Chancellor and the heads of government of the *Länder* within the framework of a Minister President’s Conference (*Ministerpräsidentenkonferenz*); in the decision, the *Länder* commit to the operation and reusability of the services they develop in accordance with the one-for-all (*Einer für Alle*) principle (Evidence No 6 (MPK Beschluss), p. 1).

The individual agreements provide the legal basis for cooperation and work-based implementation. The individual agreements legally set out the operational arrangements for implementation of the Online Access Act according to thematic areas. The areas covered by the 14 individual agreements (IAs) are, as detailed in the respective annexes (Evidence No 2): ‘work and retirement’ (IA 1), ‘construction and housing’ (IA 2), ‘education’ (IA 3 and 4), ‘immigration and emigration’ (IA 5), ‘engagement and hobby’ (IA 6), ‘family and child’ (IA 7), ‘health’ (IA 8), ‘taxes and customs’ (IA 9), ‘environment’ (IA 10), ‘business management and development’ (IA 11), ‘mobility and travel’ (IA 12), ‘cross-sectional services’ (IA 13), and ‘naturalisation’ (IA 14). For the scope of these thematic areas, the contractual partners of the individual agreements (the Federal Government and the lead *Land*) have agreed to cooperate on implementing the Online Access Act. As set out in the umbrella agreement (Article 5; Evidence No 4, pp. 9-10), each individual agreement is to specify the contributions to implementation to be made by the contractual partners. The individual agreements each have a section on the expected performance and duties of the contractual partners; the work to be done by each (Article 2 ‘performance and duties of the contractual partners’; Evidence No 1). Thus, the individual agreements provide the legal basis for cooperation and work-based implementation.

The individual agreements have been adjusted over time, as shown by the table of changes provided by the German authorities (Evidence No 3) and the comparison between the table of the

implementation state-of-play detailing the scope of and responsibilities over public services under digitalisation (Evidence No 7) and the original annexes of the individual agreements (Evidence 2). Article 8(2) of the umbrella agreement ('general provisions; Evidence No 4, p. 12) and the individual agreements (Article on 'modifications and additions to the individual agreements' – which is Article 7 for IA 1, Article 6 for all other IAs, Evidence No 1) clarify that changes to the agreements are permissible.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 112	Related Measure: DE-C[6.1]-R[2], Digitalisation of the administration – implementation of the Online Access Act		
Name of the Target: Go-Lives of online access act service bundles (Onlinezugangsgesetz-Leistungen)			
Quantitative Indicator: Number of online services going live	Baseline: 0	Target: 70	Time: Q4 2021
<p>Context:</p> <p>The measure aims to make digitally available to users (individuals and businesses) 100 of the most important public service “bundles” under the responsibility of the federal states (<i>Länder</i>) and 115 public service “bundles” under the responsibility of the federal government, in line with the Online Access Act (<i>Onlinezugangsgesetz</i>). “Bundles” are thematically consistent groups of public services grouped together for the purpose of digitalisation.</p> <p>Target 112 requires at least 70 public service bundles to be live (available online to the general public). As such, it concerns the first digital launch of these public service bundles ahead of their further development.</p> <p>Target 112 is the second and intermediary target of the reform, and it follows the completion of target 111, related to setting out the legal basis for implementation. It will be followed by target 113, which consists of the finalisation of the digitalisation of public service bundles. The target 113, with a baseline set at zero, entails the nationwide roll out of 100 of the most important public service bundles of the federal states (<i>Länder</i>) and of 115 public service bundles of the federal government. The reform has a final expected date for implementation in Q4 2022.</p>			
<p>Evidence Provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the target (including all its constitutive elements, as set out in the description of the target and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence. ii. A list of at least 70 public service bundles that have gone live, sorted by responsibility of Federal Government vs <i>Länder</i>, stating the name of each public service bundle, the go-live date for each public service bundle, a copy of a link to each of the public service bundles, and additional identifiers (evidence No 1); iii. For each go-live date of the federal states (<i>Länder</i>) public service bundles, a confirmation by the implementing federal state (<i>Land</i>) and corresponding certification by the Federal Government (evidence No. 2): <ol style="list-style-type: none"> a. confirmation by Hessen and corresponding certification by the Federal Government for the go-live date of public service bundle #10082 on 10 June 2020; b. confirmation by Nordrhein-Westfalen and corresponding certification by the Federal Government for the go-live dates of public service bundles #10745 on 30 October 2021, #10719 on 13 April 2021 and #10082 on 10 June 2020; c. confirmation by Mecklenburg-Vorpommern and corresponding certification by 			

the Federal Government for the go-live date of public service bundle #10745 on 1 January 2021;

- d. confirmation by Hessen and Rheinland-Pfalz and corresponding certification by the Federal Government for the go-live date of public service bundle #10725 on 30 November 2021;
- e. confirmation by Sachsen-Anhalt and corresponding certification by the Federal Government for the go-live date of public service bundle #10056 on 13 April 2021;
- f. confirmation by Brandenburg and corresponding certification by the Federal Government for the go-live dates of public service bundles #10355 on 3 December 2020 and #10596 on 28 August 2021;
- g. confirmation by Hessen and corresponding certification by the Federal Government for the go-live date of public service bundle #10273 on 1 September 2020;
- h. corresponding certification by the Federal Government for the go-live date of public service bundle #10713 in July 2020 (confirmation by Bayern missing, however, go-live after 1 February 2020 also certified via evidence No. 4);
- i. confirmation by Niedersachsen and corresponding certification by the Federal Government for the go-live dates of public service bundles #10190, #10235, #10237 and #10486 on 13 April 2021 and #10608 on 2 July 2021;
- j. confirmation by Hessen and corresponding certification by the Federal Government for the go-live date of public service bundle #10169 on 13 April 2021;
- k. confirmation by Baden-Württemberg and corresponding certification by the Federal Government for the go-live date of public service bundle #10419 on 30 June 2022;
- l. confirmation by Hessen and corresponding certification by the Federal Government for the go-live dates of public service bundles #10359 on 4 December 2021, #10364 on 20 August 2021, #10372 on 7 December 2021 and #10629 on 14 September 2021;
- m. confirmation by Nordrhein-Westfalen and corresponding certification by the Federal Government for the go-live dates of public service bundles #10294 on 28 April 2021 and #10293 on 1 July 2021;

The authorities also provided:

- i. A copy of the **Federal Government resolution** on the economic stimulus package from 3 June 2020, allocating budget resources to the implementation of the *Online Access Act* (evidence No. 3);
- ii. A **certificate** of 31 October 2023 issued by one of the technical project leaders (*init*) of the implementation of the Online Access Act confirming (i) the go-live dates for each of the 79 service bundles, (ii) the new development or substantial redevelopment of all 79 public service bundles through which for the first time, the technical requirements of the Online Access Act are met, and (iii) that all 79 public service bundles are live and accessible online through a link (evidence No. 4).

Analysis:

The justification and substantiating evidence provided by the German authorities cover all constitutive elements of the target.

At least 70 public service bundles are live (available online to the general public). Go-Lives of online access act service bundles (Onlinezugangsgesetz-Leistungen). The target is further specified in the Operational Arrangements, which requires that **available online to the general public shall be understood as being accessible online through a link.**

The Online Access Act (*Onlinezugangsgesetz (OZG)*, 14. August 2017 (BGBl. I p. 3122, 3138)) is Germany's law mandating the digitalisation of user-facing public services across administrative levels (Online Access Act, evidence No. 5 of target 111). To operationalise this goal, the authorities have grouped individual public services into thematically consistent groups for the purpose of digitalisation, the “public service bundles” (evidence No. 4, p. 4).

The German authorities provided evidence for 79 public service bundles, which included links to 79 public service bundles (evidence No. 1 (table of public service bundles)). The evidence is sorted by responsible administrative level into (a) public service bundles under the exclusive responsibility of ministries of the Federal Government (sheet 1, ‘*Bundesprogramm Go-Lives*’) and (b) public service bundles under the joint responsibility of the Federal Government and the Länder ministries (sheet 2, ‘*Programm Föderal Go-Lives*’; evidence No. 1).

The certificate of technical project leader *init* confirms that all 79 public service bundles are live and accessible online through a link (evidence No. 4). All public service bundles allow for user authentication and digital application submission, (evidence No. 4, p. 5).

Each of the public service bundles contains one or multiple individual services (‘*Leistungskatalog Leistungen*’), (evidence No. 4 and evidence No. 7 of target 111 (*Online Access Act* implementation catalogue).

The Council Implementing Decision states at least 70 **public service bundles** are live. The recovery and resilience plan of Germany provides that target 112 is an intermediary target and entails the ‘go-live’ of a corresponding online service for each of the aforementioned 70 public service bundles (Component 6.1 “modern public administration”, section 9 “milestones, targets and timeline”, p.939). The term ‘go-live’ is defined as the beginning of the online availability for a central individual service that embodies the essence of the specific public service bundle. The go-live of the central individual services serves thus as an intermediary step to implementing the Online Access Act (evidence No. 4, p. 9) ahead the finalisation of public service bundles as part of target 113. In line with this, the Commission considered whether Germany had sufficiently demonstrated the online availability to the general public of one standalone service per public service bundle. Germany has provided a link to 79 central individual services, which are available online and constitute the core of the specific public service bundle (evidence No. 4). The public service bundles obtained live status once a minimum of one central service belonging to them became accessible online through a link. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

Public service bundles provided as evidence for target 112 constitute elements of a clearly defined subphase of the implementation of the Online Access Act. While the CID Annex does not outline this subphase, the Online Access Act does: it requires that individual services are developed to function ‘without media discontinuity’ (‘*medienbruchfrei*’; Article 3(1) of the Online Access Act, evidence No. 5 of target 111), meaning every step of the service process can be done digitally by

the user. The technical readiness to reaching such online versions is a necessary precondition to the 'nationwide rollout' that will be assessed as part of the following target 113. In line with this information, the Commission assessed whether all public service bundles technically fulfil the requirement 'without media discontinuity' of the *Online Access Act*. All 79 public service bundles submitted as evidence fulfil this technical readiness for the first time is certified by technical project leader *init* (evidence No. 4).

For the 23 public service bundles contributing towards this target that are implemented under the joint responsibility of the Federal Government and one of the 16 *Länder* ('*Programm Föderal*'), the responsible *Länder* confirmed that those public service bundles' go-live date was after 1 February 2020. The Federal Government certified this confirmation by signature (evidence No. 2 (confirmation)) in all cases but one (public service bundle #10713 under the responsibility of Bavaria, for which confirmation from Bavaria is lacking). For this one case, the Commission considers it is sufficient to rely on the certification of go-live date by one of the technical project leaders (*init*), which is available for all 79 public service bundles (evidence No. 4 (technical certificate)).

For the 56 public service bundles for which there is a Federal Government ministry in the lead ('*Bundesprogramm*'), the go-live dates have been certified as being after 1 February 2020 by one of the technical project leaders (*init*) (evidence No. 4). Further, the table provided as evidence No. 1 confirms these go-live dates by the Federal Government (column E).

Regarding the 79 public service bundles:

- the Commission has checked the names of the individual services accessible without authentication (column 'H' sheet 1 and 'K' sheet 2, evidence No. 1) correspond to the names of the services accessible through links.
- for 27 public service bundles under the responsibility of the Federal Government, the German authorities have indicated in a table (evidence No. 1) that an online version existed before 1 February 2020. They have explained the need for a substantial redevelopment in each case to reach technical readiness for a go-live in line with the *Online Access Act*, i.e. technical availability without break in media ('*Medienbruchfreiheit*'; columns 'I' and 'J' sheet 1, evidence No. 1). The certification by one of the technical project leaders specifies which substantial, technical redevelopments were performed for each public service bundle (evidence No. 4). The online availability after the substantial redevelopments constituted the go-live of these services subsequent to 1 February 2020. Nonetheless, the Commission is aware of reports regarding one service (LeiKa ID 99102021241000, '*Umsatzsteuer Voranmeldung*') existing via the application *ElsterFormular*, which enabled users to electronically fill in and transfer tax declarations to the tax authorities before 2020. On the basis of this information, although the technical characteristics of this service and the redevelopments it underwent were not assessed, as a precautionary measure, also taking into consideration the target of 70 and the submission of 79 service bundles, the Commission excluded this public service bundle from its consideration.
- for three public service bundles, German authorities provided links to individual services planned to be discontinued because they are linked to temporary services which were only needed during the Covid-19 pandemic (OZG IDs #10627, #10719 and #10713) and

one link to an individual service that goes live on a needs basis, only when there is an active public consultation (OZG ID #10668). As the Online Access Act requires the Federal Government and the Länder to digitalise their public services without specifying any limitations to this task (Art. 1(1); evidence No. 5 (Online Access Act) of target 111, p. 17), and as the German recovery and resilience plan makes explicit reference to a Covid-related, non-permanent individual services, they are considered to be eligible and included in the assessment of this target. All four public service bundles have been active during the time of assessment of the first payment request and could thus be assessed as in line with the criteria outlined above.

- for public service bundle #10008, the Commission tried to access the online service through the link (evidence 1) but identified that it does not lead to an active website.

Considering that the satisfactory fulfilment of this target requires the go-live of 70 public service bundles and that the German authorities have adequately demonstrated the go-live status of 77 of these service buntarget is considered as satisfactorily fulfilled.

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 117	Related Measure: DE-C[6.2]-R[1], Joint programme of the federal government and the Länder for an efficient administration that benefits citizens and businesses
Name of the Milestone: First progress report for the Conference of Minister-Presidents (MPK)	
Qualitative Indicator: First progress report published	Time: Q2 2021
<p>Context:</p> <p>This measure aims to make the German administration more efficient and innovative. The measure aims to accelerate planning and approval procedures, to streamline the requirements for lower levels of government to request financial subsidies in order to ensure a quicker outflow of funds, to accelerate housing construction, and to increase the number of successful transfers of business ownership to the next generation.</p> <p>Milestone 117 requires the publication of a first progress report for the heads of government of the Federal Government and the Länder. The report should include a list of those specific measures from the Federal/Länder programme that fall into the 11 areas detailed in the description of the milestone.</p> <p>Milestone 117 is the first step of the implementation of this reform. It will be followed by milestone 118 (related to the publication of a second progress report) and target 119 (related to the completion of 80% of measures identified in the second progress report). The reform has a final expected date for implementation in March 2025.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. a summary document duly justifying how the requirements of the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID annex) have been satisfactorily fulfilled; ii. a copy of the decision to reduce bureaucracy by the heads of government of the Federal Government and the Länder (TOP 5, 2 December 2020) (<i>Besprechung der Bundeskanzlerin mit den Regierungschefinnen und Regierungschefs der Länder am 2. Dezember 2020 - Maßnahmenprogramm von Bund und Ländern für Bürokratieabbau und Verwaltungsmodernisierung</i>) [Evidence No 1]; iii. a copy of the first progress report (<i>Bericht an die Konferenz des Chefs des Bundeskanzleramtes und der Chefinnen und Chefs der Staats- und Senatskanzleien der Länder über die Umsetzung des Gemeinsamen Programm von Bund und Ländern für eine leistungsstarke, bürger- und unternehmensfreundliche Verwaltung vom 2. Dezember 2020</i>), in its final version of 6 May 2021, published and the link to the website where it can be accessed: https://www.bundesregierung.de/resource/blob/974430/1973528/63eaef028b8a01481c52cb9284794a81/2021-10-29-buerokratieabbau-verwaltung-2020-data.pdf?download=1 [Evidence No 3]; iv. an excerpt from the progress report which lists the eleven areas of action flagged as relevant in the milestone description [Evidence No 3a]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. the programme to reduce bureaucracy (<i>Anlage zum Beschlussvorschlag Bund Fassung MPK, TOP 1.5 (Stand 2. Dezember 2020); Gemeinsames Programm von Bund und Ländern für eine leistungsstarke, bürger- und unternehmensfreundliche Verwaltung</i>) [Evidence No 2]. This was annexed to the decision to reduce bureaucracy by the heads of government of the Federal Government and the Länder [Evidence No 1]; 	

- ii. an **invitation to a meeting of the working group** on 13 October 2022 comprised of the federal level, the Länder and municipalities working on improvements of the efficiency of the public administration [Evidence No 4].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The first report to the heads of government of the Federal Government and the Länder has been published.

The report provided as Evidence No 3 (first progress report) summarises the state of play of the joint programme to reduce bureaucracy which has been agreed by the heads of government of the Federal Government and the Länder in December 2020, through the decision to reduce bureaucracy (Evidence No 1) and the programme annexed to the decision that describes the agreed areas in which bureaucracy shall be reduced and is the baseline for the two progress reports under M117 and M118 (Evidence No 2). This first progress report was adopted on 6 May 2021 by the head of the Federal Chancellery and the heads of Länder Chancelleries,¹ and was subsequently made available at the webpage of the federal government. The Council Implementing Decision required that the report is addressed to the heads of government of the Federal Government and the Länder. The report published in fact was addressed to the conference of the head of the Federal Chancellery and the heads of the Länder Chancelleries. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the addressees of the report, who also adopted it, the head of the Federal Chancellery and the heads of the Länder Chancelleries, are relevant operational senior management responsible for the implementation of the Joint programme of the federal government and the Länder for an efficient administration that benefits citizens and businesses. 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 this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

and shall encompass a list of those measures from the Federal/Länder programme of measures which shall be further examined and processed.

The first progress report (Evidence No 3) gives an overview of the implementation of the programme to reduce bureaucracy (Evidence No 1). Section 1 contains a summary of the progress for each of the six thematic sections that have been identified in the programme to reduce bureaucracy (Evidence No 2). Section 2 of the report contains a detailed list of all the 49 individual measures belonging to these six sections that are from the Federal/Länder programme of measures which should be further examined and processed. The list allocates responsibility for the implementation of each measure, summarises its current status, and sets a deadline for implementation. Two measures had already been completed at the time the report was written, two measures had not been started, and the remaining 45 measures were in progress, with the federal government and Länder examining and processing them.

The starting point of the report are the following eleven areas of action:

- i. Accelerating the outflow of grants;
- ii. Identifying obstacles to the outflow of grants and reporting them to the Federal Ministry of Finance;
- iii. Improving the financial support of municipalities;
- iv. Streamlining and making grants from the Federal Government to the Länder and municipalities as uniform as possible;

- v. Improving transfer of business ownership through a dedicated task force;
- vi. Revising the *Musterbauordnung* (model building code; *Musterbauordnung – zuletzt geändert durch Beschluss der Bauministerkonferenz, 27 September 2019* (<https://www.bauministerkonferenz.de/verzeichnis.aspx?id=991&o=75909860991>));
- vii. Strengthening planning and approval authorities;
- viii. Improving recruitment of skilled staff and ensuring an improved staffing situation;
- ix. Accelerating planning, in particular rail, local public and private transport;
- x. Streamlining the consultation process and public participation procedures and simplifying participation through digitalisation;
- xi. Further accelerating planning and approval processes.

The eleven areas of action outlined in the description of M117 are a starting point for the first progress report (Evidence No 3), as all eleven areas are covered by the report, with respective measures matching each area. The table below provides a matching of the eleven areas of action with specific measures. The listed measures clearly relate to the areas of actions that served as starting point, while the measures focus the content further. As the report's coverage extends beyond these eleven areas, Germany submitted a list of the areas and measures directly relevant for the plan (Evidence No 3a).

Area of action	Measure in the report and its identifier
Accelerating the outflow of grants	[20] Grants: Accelerating outflows of federal grants
Identifying obstacles to the outflow of grants and reporting them to the Federal Ministry of Finance	[23] Grants: Identifying obstacles to the outflow of federal grants
Improving the financial support of municipalities	[25] Grants: Supporting municipalities with federal grants
Streamlining and making grants from the Federal Government to the Länder and municipalities as uniform as possible	[35] Setting up federal grants in a uniform way
Improving transfer of business ownership through a dedicated task force	[46] Task force company succession
Revising the <i>Musterbauordnung</i> (model building code)	[79] Revising the <i>Musterbauordnung</i>
Strengthening planning and approval authorities	[184] Strengthening planning and approval authorities
Improving recruitment of skilled staff and ensuring an improved staffing situation	[189] Determining the need for skilled staff, timely improvement of recruitment and staff availability
Accelerating planning, in particular rail, local public and private transport	[201] Further legal changes to support acceleration of planning, in particular for rail and local public transport
Streamlining the consultation process and public participation procedures and simplifying participation through digitalisation	[196] Exploring the potential of digitalisation in public participation processes
Further accelerating planning and approval processes	[208] Further verification of accelerating planning and infrastructure initiatives

Furthermore, in line with the description of the measure, **the measure consists of establishing a working group comprised of the federal level and the Länder...**

The Council Implementing Decision required the establishment a working group comprised of the federal level and the Länder. This working group was tasked to develop proposals to improve the efficiency of public administration. The heads of the German federal and regional governments have decided to adopt a programme (Evidence No 1 and Evidence No 2) which lists specific sections in which proposals for the achievement of the stated goal (improve the efficiency of public administration) are supposed to be developed. It is not clear whether a working group was established formally but the representatives from the federal government and the Länder met regularly (see invitation submitted as Evidence No 4). The agenda for the meeting on 13 October 2022 demonstrates that the programme, which the formal working group was tasked to implement, was indeed discussed (agenda point 2). In addition, the first report (Evidence No 3) demonstrates that the federal government and the Länder worked together, and progress towards the achievement of the 11 areas of action which Germany has committed to was under way.

...which shall develop proposals to improve the efficiency of public administration in 11 areas (as detailed in the milestones)

The decision by the Heads of the Federal government and the Länder governments from 2 December 2020 (Evidence No 1) sets out a programme for a more efficient public administration. The programme is detailed in an annex to this decision (Evidence No 2) which identifies six thematic sections for which proposals for improvement had to be developed. These six sections comprise all 11 areas of actions set out in the milestone description. The proposals to improve the efficiency of public administration in 11 areas which were indeed described in the first progress report, aAs demonstrated in the table above. The implementation of this programme is monitored by means of a progress report (Evidence No 3).

Commission Preliminary Assessment: Satisfactorily fulfilled

Number: 128	Related Measure: DE-C[6.2]-R[3], Acceleration of planning and approval procedures in the transport sector
Name of the Milestone: Entry into force of the Investment Acceleration Act, the Planning Acceleration Act III, and the measure-act-preparatory-act	
Qualitative Indicator: Provision in the law indicating the entry into force of the Investment Acceleration Act, the Planning Acceleration Act III, and the measure-act-preparatory-act.	Time: Q4 2020
<p>Context:</p> <p>The objective of this reform is to substantially accelerate the planning and approval procedures in the transport sector. This aims to increase the capacity of transport routes, as well as facilitating the expansion of climate-friendly modes of transport in order to reach Germany’s climate goals.</p> <p>Milestone 128 requires the entry into force of the Investment Acceleration Act, the Planning Acceleration Act III, and the Measure Act Preparatory Act (<i>Investitionsbeschleunigungsgesetz, Planungsbeschleunigungsgesetz III, Maßnahmengesetzvorbereitungsgesetz</i>).</p> <p>Milestone 128 is the first step of the implementation of the reform, and it will be followed by milestone 129 related to the evaluation of the three laws. The reform has a final expected date for implementation on 31 August 2026.</p>	
<p>Evidence provided:</p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> i. Summary document duly justifying how the milestone (including all its constitutive elements, as set out in the description of the milestone and of the corresponding measure in the CID Annex) was satisfactorily fulfilled, with appropriate links to the underlying evidence; ii. Copy of the Investment Acceleration Act (<i>Gesetz zur Beschleunigung von Investitionen</i>) published in the Federal Law Gazette (“<i>Bundesgesetzblatt</i>”, Jahrgang 2020 Teil I Nr. 59, pp. 2694 - 2701) on 9 December 2020 [Evidence No 1]; iii. Copy of the Planning Acceleration Act III (<i>Gesetz zur weiteren Beschleunigung von Planungs- und Genehmigungsverfahren im Verkehrsbereich</i>) published in the Federal Law Gazette (“<i>Bundesgesetzblatt</i>”, Jahrgang 2020 Teil I Nr. 11, pp. 433-436) on 12 March 2020 [Evidence No 3]; iv. Copy of the Measure Act Preparatory Act (<i>Gesetz zur Vorbereitung der Schaffung von Baurecht durch Maßnahmengesetz im Verkehrsbereich (Maßnahmengesetzvorbereitungsgesetz – MgvG)</i>) published in the Federal Law Gazette (“<i>Bundesgesetzblatt</i>”, Jahrgang 2020 Teil I Nr. 15, pp. 640-643) on 31 March 2020 [Evidence No 5]. <p>The authorities also provided:</p> <ol style="list-style-type: none"> i. The draft law of the Investment Acceleration Act (<i>Gesetzesentwurf der Bundesregierung; Entwurf eines Gesetzes zur Beschleunigung der Investitionen</i>): The draft law of the Investment Acceleration Act served as basis for the discussion of the law in the federal parliament (<i>Bundestag</i>). In addition to the amendment act itself this document contains a comprehensive reasoning to the Investment Acceleration Act 	

- [Evidence No 2];
- ii. The **draft law of the Planning Acceleration Act III** (*Gesetzesentwurf der Bundesregierung; Entwurf eines Gesetzes zur Beschleunigung von Planungs- und Genehmigungsverfahren im Verkehrsbereich*): The draft law of the planning acceleration act III served as a basis for the discussion of the law in the federal parliament (*Bundestag*) along the attached document. In addition to the amendment act itself this document contains a comprehensive reasoning to the Planning Acceleration Act III [Evidence No 4];
 - iii. The **draft law of the Measure Act Preparatory Act** (*Gesetzesentwurf der Bundesregierung; Entwurf eines Gesetzes zur zur Vorbereitung der Schaffung von Baurecht durch Massnahmengesetz im Verkehrsbereich*): The draft law of the planning acceleration act III served as a basis for the discussion of the law in the federal parliament (*Bundestag*) along the attached document. In addition to the amendment act itself this document contains a comprehensive reasoning to the Planning Acceleration Act III [Evidence No 6];
 - iv. The **climate protection programme 2030** (*Klimaschutzprogramm 2030*)¹ is part of the implementation of the climate protection plan 2050 (*Klimaschutzplan 2050*) and set out what actions the German Government takes in order to reduce its greenhouse gas emissions [Evidence No 7].

Analysis:

The justification and substantiating evidence provided by the German authorities covers all constitutive elements of the milestone.

The Investment Acceleration Act, the Planning Acceleration Act III, and the Measure Act Preparatory Act (*Investitionsbeschleunigungsgesetz, Planungsbeschleunigungsgesetz III, Maßnahmengesetzvorbereitungsgesetz*) **have entered into force.** The Investment Acceleration Act (*Gesetz zur Beschleunigung von Investitionen*) was published on 9 December 2020 in the Federal Law Gazette (*Bundesgesetzblatt* Jahrgang 2020 Teil I Nr. 59 pp. 2694 – 2701), and most provisions entered into force the day after publication on 10 December 2020 (Article 11, paragraph 1). The remaining provisions, No 1 of Article 5 amending section 15 of the Spatial Planning Act (*Raumordnungsgesetz*) and Article 6 amending the Directive on the Spatial Planning Act (*Raumordnungsverordnung*) entered into force on 9 June 2021 (Article 11, paragraph 2) [Evidence No1].

The Planning Acceleration Act III (*Gesetz zur weiteren Beschleunigung von Planungs- und Genehmigungsverfahren im Verkehrsbereich*) was published on 12 March 2020 in the Federal Law Gazette (*Bundesgesetzblatt*, Jahrgang 2020 Teil I Nr. 11, pp. 433-436) and entered into force the day after publication on 13 March 2020 (Article 5) [Evidence No 3].

The Measure Act Preparatory Act (*Gesetz zur Vorbereitung der Schaffung von Baurecht durch Maßnahmengesetz im Verkehrsbereich (Maßnahmengesetzvorbereitungsgesetz – MgvG)*) was published on 31 March 2020 in the Federal Law Gazette (*Bundesgesetzblatt*, Jahrgang 2020 Teil I Nr. 15, pp. 640-643) and entered into force the day after publication on 1 April 2020 (Section 16 on page 643) [Evidence No 5].

Furthermore, in line with the description of the measure, the objective of the measure is to substantially accelerate the planning and approval procedures in the transport sector. **This aims to increase the capacity of transport routes, as well as facilitating the expansion of climate-friendly modes of transport in order to reach Germany's climate goals.**

The Investment Acceleration Act contributes to the above-mentioned objective with the following provisions:

Article 1 of the Investment Acceleration Act (*Gesetz zur Beschleunigung der Investitionen*, Evidence No 1) amends the administrative procedural law, laid down in the Administrative Court Proceedings Regulations (*Verwaltungsgerichtsverordnung*). The explanations included in the draft law of the Investment Acceleration Act (*Gesetzesentwurf der Bundesregierung; Entwurf eines Gesetzes zur Beschleunigung der Investitionen*) elaborate that those changes aim at concluding the official admission procedure quicker, hence helping to realise significant infrastructure projects more quickly and increase the capacity of transport routes.

Article 2 of the Investment Acceleration Act [Evidence No 1] amends the General Railway Act (*Allgemeines Eisenbahngesetz*) and introduces an exemption of the electrification of existing railway lines and other smaller construction measures from the authorisation requirement in the General Railway Act (*Allgemeines Eisenbahngesetz*). If there is no requirement for an environmental impact assessment (Article 4), there will be an exemption from the planning approval and planning permit procedure to facilitate a faster implementation of those projects. The explanations included in the draft law of the Investment Acceleration Act p. 13 and 14 elaborate that due to those changes, the planned projects can be implemented substantially faster. This facilitates the expansion of climate-friendly modes of transport in order to reach Germany's climate goals.

Article 5 of the Investment Acceleration Act [Evidence No 1] amends the spatial planning act (*Raumordnungsgesetz*), and Article 6 of the Investment Acceleration Act amends the Directive on the Spatial Planning Act in a way that simplifies spatial planning procedures. The aim is to design the spatial planning procedure as an optional provision, to simplify it and to better integrate it with the planning approval procedure as described in the objectives of the law included in the draft law of the Investment Acceleration Act (p.12).

The Planning Acceleration Act III contributes to the above-mentioned objectives with the following provisions:

The Planning Acceleration Act III [Evidence No 3] entails targeted adjustments to the General Railway Act (*Allgemeines Eisenbahngesetz*), the Federal Highway Act (*Bundesfernstrassengesetz*), the Railway Crossing Act (*Eisenbahnkreuzungsgesetz*), and the Passenger Transportation Act (*Personenbeförderungsgesetz*).

Article 1 of the Planning Acceleration Act III [Evidence No 3] contains an amendment of the General Railway Act (*Änderung des Allgemeinen Eisenbahngesetzes*) simplifying and streamlining the procedures related to replacement construction for rails.

Article 2 of the Planning Acceleration Act III [Evidence No 3] contains an amendment of the Federal Highway Act (*Bundesfernstrassengesetz*) simplifying and streamlining the procedures related to the replacement construction for streets.

Article 3 of the Planning Acceleration Act III [Evidence No 3] contains an amendment of the the Railway Crossing Act (*Eisenbahnkreuzungsgesetz*) relieving municipalities from their contribution to railway crossings, when they cross a communal road. This should accelerate investments in the railway infrastructure, as municipal decision-making procedures are reduced or no longer required.

The explanations included in the draft law of the Planning Acceleration Act III (*Gesetzesentwurf der Bundesregierung zur weiteren Beschleunigung von Planungs- und Genehmigungsverfahren im Verkehrsbereich*) [Evidence No 4] elaborate that the aim of those changes is to further accelerate the planning and adoption procedures of the transport infrastructure projects (p.8, draft law of the Planning Acceleration Act III, [Evidence No 4]). The law includes regulations for simplifying procedures for replacement construction for rail and streets as well as provisions for relieving municipalities of contributions related to the Railway Crossing Act, which should accelerate investments in the rail infrastructure as

explained in the draft law of the Planning Acceleration Act III (p.8), [Evidence No 4] and should also increase the capacity of the railway as explained on p.12 in the draft law of the Planning Acceleration Act III.

The Measure Act Preparatory Act [Evidence No 5] contributes to the above-mentioned objective with the following provisions:

Article 1 of the Measure Preparatory Act [Evidence No 5] specifies that the purpose of this Act is to establish a procedure in order to subsequently permit the renewal or expansion and modification of transport infrastructure by law instead of an administrative act. Article 2 of the Measure Preparatory Act [Evidence No 5] specifies the different transport infrastructure projects planned also aiming to increase the capacity of the transport routes and facilitating the climate friendly expansion of transport routes. The subsequent Article 3-16 specify the different steps to put this procedure in place.

In line with the explanations provided for the draft law of the Measure Act Preparatory Act (*Gesetzesentwurf der Bundesregierung; Entwurf eines Gesetzes zur zur Vorbereitung der Schaffung von Baurecht durch Massnahmengesetz im Verkehrsbereich*, p. 11), the law as adopted aims to accelerate the public participation in the designated projects and the project's realisation. The explanation further states that the acceleration is important as the government envisages comprehensive measures to shifting transport to environmentally friendly modes of transport in line with the climate protection programme 2030 of the federal government (p.11 draft law of the Measure Act Preparatory Act), [Evidence No 6]. The adopted Measure Act Preparatory Act creates a new streamlined administrative procedure for transport infrastructure projects hereby accelerating the planning and approval procedures in the transport sector (p.11, draft law of the measure act preparatory act).

Furthermore, the drafts of the Planning Acceleration Act III as well as Measure Act Preparatory Act explicitly reference the Climate Action Programme 2030 of the Federal Government (p. 1 of the draft of the Planning Acceleration Act III [Evidence No 5] as well as p. 1 of the draft of the Measure Act Preparatory Act [Evidence No 6]) as part of their policy objective. Notably, through these two acts, the federal government intends to implement the Climate Action Programme 2030 in the field of climate-friendly transportation by accelerating planning and approval procedure in that area, thereby contributing to reaching Germany's climate goals (p. 64 of the Climate Action Programme 2030 [Evidence No 7]).

Commission Preliminary Assessment: Satisfactorily fulfilled