

Report submitted by the Member States in accordance with Article 9 of the SGEI Decision for the period from 31 January 2012 to 31 December 2013

1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION

Provider: Slovak Ministry of Health

- aid co-financed by EU funds

1) Hospitals (Article 2(1)(b))

Clear and comprehensive description of how the respective services are organised in your Member State	
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.	<p>Health care.</p> <p>Health care is defined as a service of general economic interest by Act No 576/2004 on health care and health care-related services and amending certain acts. Section 4(1) lays down that: 'Health care in a health care facility for out-patient care and in a health care facility for in-patient care shall be a service of general economic interest'.</p>
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	In accordance with Article 4 of the decision, the provision of services of general economic interest is entrusted to a health care provider on the basis of a decision licensing the operation of a health care facility pursuant to Sections 11-26 of Act No 578/2004 on health care providers, health workers and professional organisations in the health care field and amending and supplementing several acts.
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	The commitment begins when the decision licensing the operation of a health care facility enters into force and effect and, except for the operation of ambulances, is issued for an indefinite period (Section 15 of the Act). The public service obligation ends with the suspension, revocation or termination of the licence (Section 18, 19 and 20 of the Act).
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	<p>The decision licensing the operation of a health care facility specifies the facility for which the licence is issued and its place(s) of operation.</p> <p>All rights relating to the type of health care</p>

	<p>facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.</p>
<p>Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>	<p>In applying the decision to provide aid from the Structural Funds and the state budget from the Operational Programme 'Health', when state aid is provided for modernising the infrastructure required for providing public services the provisions of Article 4(d) and (e) of the decision do not form part of the decision licensing the operation of a health care facility but are laid down by the rules governing aid from Structural Fund resources, defined in the relevant call for grant applications. The rules are then reflected in the grant contract.</p> <p>The Ministry of Health has drawn up a method which it follows in establishing the amount of compensation provided from EU funds and the state budget. It verifies the amount of compensation established by the applicant.</p> <p>The parameters for calculating and assessing compensation in connection with health facility infrastructure investments are included in the relevant call for grant applications.</p> <p>The method for establishing the amount of compensation provided from EU funds and the state budget forms part of each call. URL:</p> <p>http://opz.health-sf.sk/vyzvy</p> <p>The method applied is based on Article 5(1) and (2) of the Commission Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest – net costs are calculated as the difference between costs, as defined in paragraph 3, and revenue, as defined in paragraph 4.</p>
<p>Explanation of the (typical) arrangements for avoiding and repaying any overcompensation.</p>	<p>The process of monitoring the amount of compensation in accordance with the Decision is part of the project approval and selection process, which follows the method for establishing the amount of compensation provided from EU funds and the state budget. Verifying the calculation of the amount of compensation established on the basis of the method by the applicant (the verification is set out in the form attached to the method)</p>

	<p>prevents overcompensation ex ante. If overcompensation is found, the Ministry of Health reduces the amount of the grant before the grant contract is signed. If overcompensation is found after the grant contract is signed (dual financing or misleading information provided by the applicant during verification of the amount of compensation in the assessment and selection process), the grant contract defines a mechanism for refunds. The refund mechanism was not applied in connection with overcompensation during the period under review as the circumstances did not arise.</p> <p>In order to prevent overcompensation and cross-subsidisation from other sources in implementing investment projects for modernising health care facility infrastructure under the Operational Programme 'Health', the following rules and guidelines were issued:</p> <ul style="list-style-type: none"> • The method for establishing the amount of compensation provided from EU funds and the state budget has been in effect since 24 March 2009. The procedure for establishing overcompensation is binding on applicants. The Ministry of Health verifies the amount of compensation established by the applicant. • The obligation for health care facilities to act in accordance with the rules in the Decision and the guidelines on the non-overlapping of expenditure are set out in the grant contract. <p>During project implementation, the purpose of administrative and on-the-spot checks is to verify the eligibility of expenditure and its conformity with the approved investment project under the rules in the grant contract. Once projects are completed, subsequent monitoring focuses on the sustainability of the project, whether the project shows evidence of ineligible revenue and whether all the conditions for granting aid are met. This is settled by means of an administrative check (of output from the accounts) as well as an on-the-spot check.</p> <p>If the recipient is found to have ineligible revenue, he is obliged to return it to the provider.</p>
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Amount of aid granted	
Total amount of aid granted. This includes <u>all aid paid in your territory, including aid paid by regional and local authorities.</u>	2012 - EUR [...] (EU source + SR source)
	2013 - EUR [...] (EU source + SR source)
	Total for 2012 and 2013
	EUR [...] (EU source + SR source)
Other quantitative information	For the period under review, financial aid was provided to 11 recipients (11 hospitals) for services of general economic interest under projects totalling EUR [...], with an average of EUR [...] per recipient. This represents the total provided throughout the implementation of the project.

Provider: Slovak Ministry of Health

- aid co-financed by EU funds

2) Social services (Art. 2(1)(c))**a) Health care and long-term care**

Clear and comprehensive description of how the respective services are organised in your Member State	
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.	Health care. Health care is defined as a service of general economic interest by Act No 576/2004 on health care and health care-related services and amending certain acts. Article 4(1) lays down that: 'Health care in a health care facility for out-patient care and in a health care facility for in-patient care shall be a service of general economic interest'.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	In accordance with Article 4 of the decision, the provision of services of general economic interest is entrusted to a health care provider on the basis of a decision licensing the operation of a health care facility pursuant to Sections 11-26 of Act No 578/2004 on health care providers, health workers and professional organisations in the health care field and amending and supplementing several acts.
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	The commitment begins when the decision licensing the operation of a health care facility enters into force and effect and, except for the operation of ambulances, is issued for an indefinite period (Section 15 of the Act). The public service obligation ends with the suspension, revocation or termination of the licence (Section 18, 19 and 20 of the Act).
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	The decision licensing the operation of a health care facility specifies the facility for which the licence is issued and its place(s) of operation. All rights relating to the type of health care facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.
Explanation of the (typical) compensation mechanism as regards the respective	In applying the decision to provide aid from the Structural Funds and the state budget from the Operational Programme 'Health', when

<p>services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>	<p>state aid is provided for modernising the infrastructure required for providing public services the provisions of Article 4(d) and (e) of the decision do not form part of the decision licensing the operation of a health care facility but are laid down by the rules governing aid from Structural Fund resources, defined in the relevant call for grant applications. The rules are then reflected in the grant contract.</p> <p>The Ministry of Health has drawn up a method which it follows in establishing the amount of compensation provided from EU funds and the state budget. It verifies the amount of compensation established by the applicant.</p> <p>The parameters for calculating and assessing compensation in connection with health facility infrastructure investments are included in the relevant call for grant applications.</p> <p>The method for establishing the amount of compensation provided from EU funds and the state budget forms part of each call. URL:</p> <p>http://opz.health-sf.sk/vyzvy</p> <p>The method applied is based on Article 5(1) and (2) of the Commission Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to state aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest – net costs are calculated as the difference between costs, as defined in paragraph 3, and revenue, as defined in paragraph 4.</p>
<p>Explanation of the (typical) arrangements for avoiding and repaying any overcompensation.</p>	<p>The process of monitoring the amount of compensation in accordance with the Decision is part of the project approval and selection process, which follows the method for establishing the amount of compensation provided from EU funds and the state budget. Verifying the calculation of the amount of compensation established on the basis of the method by the applicant (the verification is set out in the form attached to the method) prevents overcompensation ex ante. If overcompensation is found, the Ministry of Health reduces the amount of the grant before the grant contract is signed. If overcompensation is found after the grant contract is signed (dual financing or misleading information provided by the applicant during verification of the amount of</p>

	<p>compensation in the assessment and selection process), the grant contract defines a mechanism for refunds. The refund mechanism was not applied in connection with overcompensation during the period under review as the circumstances did not arise.</p> <p>In order to prevent overcompensation and cross-subsidisation from other sources in implementing investment projects for modernising health care facility infrastructure under the Operational Programme 'Health', the following rules and guidelines were issued:</p> <ul style="list-style-type: none"> • The method for establishing the amount of compensation provided from EU funds and the state budget has been in effect since 24 March 2009. The procedure for establishing overcompensation is binding on applicants. The Ministry of Health verifies the amount of compensation established by the applicant. • The obligation for health care facilities to act in accordance with the rules in the Decision and the guidelines on the non-overlapping of expenditure are set out in the grant contract. <p>During project implementation, the purpose of administrative and on-the-spot checks is to verify the eligibility of expenditure and its conformity with the approved investment project under the rules in the grant contract. Once projects are completed, subsequent monitoring focuses on the sustainability of the project, whether the project shows evidence of ineligible revenue and whether all the conditions for granting aid are met. This is settled by means of an administrative check (of output from the accounts) as well as an on-the-spot check.</p> <p>If the recipient is found to have ineligible revenue, he is obliged to return it to the provider.</p>
Amount of aid granted	
<p>Total amount of aid granted. This includes <u>all aid paid in your territory, including aid paid by regional and local authorities.</u></p>	<p>2012 - EUR [...] (EU source + SR source)</p> <p>2013 - EUR [...] (EU source + SR source)</p> <p>Total for 2012 and 2013</p>

	EUR [...] (EU source + SR source)
Other quantitative information	For the period under review, financial aid was provided to 28 recipients (outpatient care facilities) for services of general economic interest under projects totalling EUR [...], with an average of EUR [...] per recipient. This represents the total provided throughout the implementation of the project.

Provider: Slovak Ministry of Health**- aid financed by the Slovak national budget****1) Hospitals (Article 2(1)(b))**

Clear and comprehensive description of how the respective services are organised in your Member State	
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.	Health care. Health care is defined as a service of general economic interest by Act No 576/2004 on health care and health care-related services and amending certain acts. Article 4(1) lays down that: 'Health care in a health care facility for out-patient care and in a health care facility for in-patient care shall be a service of general economic interest'.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	In accordance with Article 4 of the decision, the provision of services of general economic interest is entrusted to a health care provider on the basis of a decision licensing the operation of a health care facility pursuant to Sections 11-26 of Act No 578/2004 on health care providers, health workers and professional organisations in the health care field and amending and supplementing several acts.
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	The commitment begins when the decision licensing the operation of a health care facility enters into force and effect and, except for the operation of ambulances, is issued for an indefinite period (Section 15 of the Act). The public service obligation ends with the suspension, revocation or termination of the licence (Section 18, 19 and 20 of the Act).
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	The decision licensing the operation of a health care facility specifies the facility for which the licence is issued and its place(s) of operation. All rights relating to the type of health care facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.
Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost	In applying the decision to provide aid from state budget resources, the state aid is granted for modernising the infrastructure required for providing public services. The compensation mechanism is in the form of

allocation or the net avoided cost methodology is used.	<p>a subsidy and a contribution within the meaning of Act No 523/2004 on the budgetary rules of public administration and Act No 525/2010 on granting subsidies within the competence of the health sector.</p> <p>The Ministry of Health has drawn up a method which it follows in establishing the amount of compensation provided from the state budget. It verifies the amount of compensation established by the applicant.</p> <p>The method applied is based on Article 5(1) and (2) of the Commission Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest – net costs are calculated as the difference between costs, as defined in paragraph 3, and revenue, as defined in paragraph 4.</p>
Explanation of the (typical) arrangements for avoiding and repaying any overcompensation.	<p>The Ministry of Health verifies the amount of compensation established by the applicant. The parameters for calculating and assessing compensation in connection with the provision of state budget resources are submitted to individual health care facilities by the Ministry of Health at the beginning of the financial year.</p> <p>The processes for granting aid from state budget resources follow the method for establishing the amount of compensation provided from EU funds and the state budget, and the amount of compensation granted to the applicant is verified. No overcompensation was identified under the provision of state budget resources.</p>
Amount of aid granted	
Total amount of aid granted. This includes <u>all aid paid in your territory, including aid paid by regional and local authorities.</u>	<p>In 2012: EUR [...] million</p> <p>In 2013: EUR [...] million</p> <p>This is the total amount of aid granted.</p>
Other quantitative information	<p>number of beneficiaries:</p> <ul style="list-style-type: none"> • in 2012: 15 • in 2013: 11 <p>Average total compensation:</p> <ul style="list-style-type: none"> • in 2012: EUR [...] • in 2013: EUR [...] <p>Maximum annual total compensation for services of general economic interest:</p>

	<ul style="list-style-type: none">• in 2012: EUR [...]• in 2013: EUR [...]
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Provider: Ministry of the Economy of the Slovak Republic**5) Other compensation for the provision of services of general economic interest for an annual amount of less than EUR 15 million (Article 2(1)(a))****a) energy sector**

Clear and comprehensive description of how the respective services are organised in your Member State	
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.	In Slovakia, 'general economic interest' applies to electricity generation from indigenous coal since 2005, as the electricity market operator concerned has obligations to ensure the generation and supply of electricity from indigenous coal and the priority transmission, distribution and supply of electricity generated from indigenous coal.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	In the context of administrative proceedings, the Ministry of Economic Affairs takes decisions imposing obligations on the electricity market operator concerned to ensure the generation and supply of electricity from indigenous coal and the priority transmission, distribution and supply of electricity.
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	In the context of administrative proceedings, the Ministry of Economic Affairs takes decisions imposing obligations on the electricity market operator concerned to ensure the generation and supply of electricity from indigenous coal and the priority transmission, distribution and supply of electricity for a period of one year.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	The Ministry of Economic Affairs does not grant the electricity market operator concerned exclusive or special rights when imposing a general economic interest obligation.
Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	Every year, on the basis of a decision by the Ministry of Economic Affairs, Slovenské elektrárne, a.s. submits to the independent regulator (the Office for the Regulation of Network Industries (<i>Úrad pre reguláciu sieťových odvetví</i>)) a budget for costs for the quantity of electricity generated from indigenous coal for the following year and a budget for revenues from the sale of electricity supplied at market prices plus a reasonable profit. The compensation mechanism uses a cost

	allocation calculated on the final consumption of electricity, expressed as a system operating tariff.
Explanation of the (typical) arrangements for avoiding and repaying any overcompensation.	The national independent regulator has powers under Act No 250/2012 on the regulation of network industries, under which the approval process takes place and all cost items are monitored.
Amount of aid granted	
Total amount of aid granted. This includes <u>all aid paid in your territory, including aid paid by regional and local authorities.</u>	Actual situation for 2012 – EUR [...] Plan for 2013 – EUR [...]
Other quantitative information	

2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

No difficulties have been identified.

3. COMPLAINTS BY THIRD PARTIES

No complaints have been received.

4. MISCELLANEOUS

A. (non-compulsory)

B. (non-compulsory)

C. (non-compulsory)