

**Format of the report from Member States under Article 9 of the SGEI  
Decision and paragraph 62 of the SGEI Framework**

Article 9 of the SGEI Decision reads:

*Each Member State shall submit a report on the implementation of this Decision to the Commission every 2 years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

- (a) a description of the application of this Decision to the services falling within its scope, including in-house activities;*
- (b) the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*
- (c) an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties;*
- and*
- (d) any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

*The first report shall be submitted by 30 June 2014.*

Paragraph 62 of the Framework sets in principle identical reporting obligations for aid granted under the SGEI Framework.

Please structure your report as follows:

**1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNT GRANTED**

**Please structure this part of your report by the following sections:**

- 1) Hospitals (Art. 2(1)(b))
- 2) Social services (Art. 2(1)(c))
  - a) Health and long term care
  - b) Child care
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
- 3) Air or maritime links to islands (Art. 2(1)(d))

Airports and ports (Art. 2(1)(e))

Decision to keep Zračna luka Osijek d.o.o. open for public air transport in the period 2014-2018

The undertaking tasked under this Decision with the provision of a service of general economic interest is Zračna luka Osijek d.o.o.

The Airports Act (NN Nos 19/98 and 14/11) lays down the ownership structure of Zračna luka Osijek d.o.o., and partners enjoy rights and obligations in proportion to their ownership shares: Republic of Croatia 55 %, Osijek-Baranja County 20 % and City of Osijek 25 %. The share capital of Zračna luka Osijek d.o.o. is HRK 26 208 000.00.

According to NACE classification (rev. 2), the economic activity of the state aid beneficiary is:  
5223 – Service activities incidental to air transportation

The business activities of Zračna luka Osijek d.o.o. comprise primary and secondary activities.

The primary activities of Zračna luka Osijek d.o.o. comprise all activities relating to aircraft ground handling, aircraft parking, passenger services, goods handling and activities aimed at providing scheduled and charter routes in domestic and international transport.

The secondary activities of Zračna luka Osijek d.o.o. comprise activities aimed at providing end users with comprehensive services and include car rental, accommodation and food services, leasing of office and advertising space, duty-free sales, etc.

- 4) Other SGEI compensation not exceeding EUR 15 million (Art. 2(1)(a))
  - a) (please specify the respective sector)
  - b) ...
- 5) SGEI compensation under the Framework
  - a) (please refer to the Commission decision approving each measure)
  - b) .

**For each of the items outlined above please provide information in the form of the following table:**

<b>Clear and comprehensive description of how the respective services are organized in your Member State<sup>1</sup></b>	
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI as clearly as possible.</b></p>	<p>In order to keep Zračna luka Osijek d.o.o. open for public air transport, the airport operator must provide a SGEI comprising a series of technical and technological tasks and operations required for the safe provision of air transport involving aircraft, passengers, luggage, goods, items and post, and remain open for public air transport in accordance with directives laying down times when the airport is open for public air transport.</p> <p>Zračna luka Osijek d.o.o. will provide the SGEI during the airport's operational period as laid down in the Directive on airport operational time (NN No 133/2013), according to which the airport must be open from 27 October 2013 to 29 March 2014, 06:30–12:00 and 17:00–18:00 on Mondays, Wednesdays and Thursdays, and 08:00–15:00 on Tuesdays and Fridays. Under this Directive, Zračna luka Osijek d.o.o. must also</p>

<sup>1</sup> If in a given sector only a small number of individual SGEIs exist in your Member State, please provide a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each specific measure.

	<p>be open outside the indicated opening hours upon request, which must be submitted during the working hours and notified through the SITA communication system 24 hours in advance.</p> <p>All other activities of Zračna luka Osijek d.o.o., including the secondary activities, are not considered as SGEIs.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	Entrustments in the form of a Decision. Specifically: The Decision to keep Zračna luka Osijek d.o.o. open for public air transport in the period 2014–2018 of 16 April 2014; please find a copy of the Decision enclosed.
Explanation of the (typical) <b>duration of the entrustment</b> and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	The duration of the entrustment is five years. Under the Decision, Zračna luka Osijek d.o.o. will provide the SGEI from 2014 to 2018.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
Explanation of the (typical) <b>compensation mechanism</b> 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>The compensation is a subsidy covering lost earnings in relation to expenses. The compensation covers all direct variable and fixed costs as well as a proportionate share of common overheads incurred in the provision of the SGEI.</p> <p>The compensation does not cover the reasonable profit arising from the provision of the SGEI.</p> <p>The calculation of the compensation, i.e. the difference between expenditure and revenue, is based on all revenue (including revenue from the primary and secondary activities and extraordinary and financial revenue) but only on direct expenses incurred in the provision of the services of general economic interest and a corresponding share of expenses that are common to both services of general economic interest and other services.</p>

<p>Explanation of the (typical) <b>arrangements for avoiding and repaying any overcompensation.</b></p>	<p>Under the Decision, Zračna luka Osijek d.o.o. may not be granted other forms of state aid, irrespective of the provider (national, regional or local level), without obtaining a prior opinion from the competent body. In order to avoid overcompensation, the Ministry of Maritime Affairs, Transport and Infrastructure shall carry out regular inspections. If these reveal that <i>de minimis</i> aid has been granted (irrespective of administrative level), the Ministry will reduce the compensation by the amounts of any <i>de minimis</i> aid granted to Zračna luka Osijek d.o.o. under Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to <i>de minimis</i> aid (OJ L 352, 24.12.2013, p. 1) and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to <i>de minimis</i> aid granted to undertakings providing services of general economic interest (OJ L 114, 26.4.2012, p. 297).</p>
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted<sup>2</sup></b> <u>This includes all aid paid in your territory, including aid paid by regional and local authorities.</u></p>	<p>On 2 May 2014 the Ministry and Zračna luka Osijek d.o.o. signed agreement No 13/SZP/2014 on joint financing of costs in the amount of HRK 3 300 000.00 associated with the provision of a SGEI in 2014.</p> <p>The total amount of state aid granted to Zračna luka Osijek d.o.o. between 1 January and 20 June 2014 was HRK 1 634 476.67:</p> <p>21 May – HRK 385 146.00;  3 June – HRK 850 000.00;  17 June – HRK 399 330.67;</p>
<p><b>Other quantitative information<sup>3</sup></b></p>	

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

<sup>2</sup> As stipulated in Article 9(b) of the SGEI Decision and Para. 62(b) of the SGEI Framework. Please provide a breakdown by calendar year.

<sup>3</sup> The Commission would welcome data that you might have on aid granted under the SGEI Decision and the SGEI Framework, for example number of beneficiaries per sector, average amount of aid, amount per aid instrument (direct subsidy, guarantee, etc.), size of the undertakings, etc. Should such other quantitative information data not be readily available in a Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

Please be as specific as possible and include, if applicable, the sector for which the difficulties are relevant.

### **3. COMPLAINTS BY THIRD PARTIES**

Please be as specific as possible and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities.

**THERE HAVE BEEN NO COMPLAINTS BY THIRD PARTIES**

### **4. MISCELLANEOUS**

#### **A. (non-compulsory)**

If your Member State has **not** granted State aid for the provision of SGEI in certain sectors, information regarding other instruments to ensure the provision of those services (direct aid to users, compensation complying with all four Altmark criteria, *de minimis* aid, etc.) could be useful. Please feel free to provide a brief description of these instruments and the areas in which they are used.

#### **B. (non-compulsory)**

Please describe in what respect the SGEI Decision and the SGEI Framework are easier to apply or more appropriate than the 2005 SGEI Decision and 2005 SGEI Framework.

#### **C. (non-compulsory)**

If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions please feel free to provide them within your report.

**MINISTER**