

**Report of the Czech Republic under Article 9 of the
Services of General Economic Interest Decision and
point 62 of the Services of General Economic Interest
Framework**

Office for the Protection of Competition

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I. Introduction

The legal regulations **Commission Decision** 2012/21/EU of 20 December 2011 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, together with **Communication from the Commission – European Union framework** for State aid in the form of public service compensation (2011) were published in the Official Journal on 11 January 2012 and became valid on 31 January 2012.

Before their adoption, respectively application, a decision from 2005¹ applied in the Czech Republic to providers in the area of the financing of services of general economic interest. The Community framework for State aid in the form of public service compensation (2005/C 297/04) was not applied in a single case.

As regards the usability of the decision from 2005 and Commission Decision No 2012/21/EU, it is appropriate to state that it was possible to use both regulations concurrently for a certain period of time, and this with reference to a transitional provision indicated in Article 10 of Decision 2012/21/EU. On the basis of the indicated provision, the aid regimes put into effect before Commission Decision No 2012/21/EU came into effect and also compatible with the decision from 2005, continued to be considered as compatible for another two years.

With reference to the above it is therefore appropriate to clarify that the data presented in this report relate only to the performance of Decision 2012/21/EU, and not Decision No 2005/C 297/04, although this decision could still be used by aid providers for the financing of aid regimes introduced earlier for a period of two years from Decision 2012/21/EU entering into effect.

Finally, the report does not contain data relating to the performance of the Communication from the Commission – Framework for services of general economic interest, as it was not used in the monitored period.

Structure of the report

The submitted report respects not only the “basic” format given through Article 9 of Decision 2012/21/EU, but also the requirements elaborated through letter of the European Commission of 25 February 2013. The Czech Republic in this connection greatly appreciates how far in advance the information about the required format was presented to Member States, as well as the clarity and comprehensibility of the data that should be included in the report, including their required breakdown.

The report is broken down into four parts. The first is the most extensive and contains information about individual sectors, while each of them has its own section. The first part is thus split into a total of nine sections describing the situation in the following sectors: hospitals (1); social services - medical and long-term care (2), social services - child care, (3) social services – entry onto the labour market and reintegration into it (4), social services - social housing (5), social services - care and social inclusion of vulnerable groups (6), social services - other (7); airports and ports (8); and other compensation of not more than EUR 15 million (9).

¹ Commission Decision of 28 November 2005 on the application of Article 86(2) of the EC Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (2005/842/EC)

As has already been described in the introduction, in view of the lack of use of the framework for services of general economic interest, a section that would be reserved for this modification was not included in the report. The report also does not contain data about compensation in the area of aviation and maritime links to islands in view of the geographic location of the Czech Republic, which in and of itself excludes any possibility for using this area.

The following three parts summarise the very concise statements received from compensation providers relating to difficulties in the application of Decision 2012/21/EU (2) and relating to complaints submitted to these providers (3). The last part “Various” is then reserved for a presentation of other methods of financing services of general economic interest used in the Czech Republic, and for other notes arising in particular from difficulties during the application of the decisions indicated in part 2 of the report.

1. Description of the use of the services of general economic interest decision and the services of general economic interest framework and the provided amount

1.1 Hospitals

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

The subject of the indicated services is medical services based on national legislation, in the form of preventive, inpatient (acute and long-term) and outpatient care, including pharmaceutical care, providing emergency medical services and securing people under the influence of alcohol and intoxication, and in the following medical areas:

anaesthesiology and intensive care medicine, surgery, internal medicine, neonatology, internal medicine, gynaecology and obstetrics, paediatrics, neonatology, orthopaedics, traumatology, urology, neurology, rehabilitation and physical medicine, vascular surgery, internal medicine, anaesthesiology and intensive care medicine, pain management, gynaecology and obstetrics, paediatrics, neonatology, orthopaedics, traumatology, urology, neurology, radiology and imaging, pulmonology and phtisiology, rehabilitation and physical medicine, rheumatology, haematology and transfusion medicine, nutritional therapist, clinical oncology, nephrology, gastroenterology, cardiology, diabetology, endocrinology, paediatric neurology, paediatric nephrology, paediatric rheumatology, paediatric gastroenterology and hepatology, clinical biochemistry, medical microbiology, haematology and transfusion medicine, general outpatient internal medicine, intensive care unit, outpatient allergy and immunology, outpatient travel medicine, outpatient endocrinology, central outpatient internal medicine, rheumatology, nephrology - dialysis department, cardiology, echocardiology laboratory, catheter laboratory, laboratory for electrophysiology and cardiostimulation, cardiac laboratory, coronary care unit, diabetology, gastroenterology, department of functional diagnostics, outpatient angiology, surgery, trauma-injury surgery, spondylosurgery , oncosurgery-mammography, oncosurgical, outpatient proctology, vascular surgery and general surgery, neurosurgery, neurology, urology, tuberculosis and respiratory diseases, communicable diseases, sexology, psychiatry, detoxification centre, paediatric psychiatry, paediatrics, outpatient-paediatric gastroenterology, paediatric neurology, paediatric nephrology, paediatric diabetology and endocrinology, paediatric allergy and clinical immunology, neonatology, gynaecology and obstetrics, anaesthesiology and resuscitation, orthopaedics, otorhinolaryngology, department of oral and maxillofacial surgery, ophthalmology, dermatovenerology, clinical oncology, radiotherapy/radiation oncology – irradiation, geriatrics, rehabilitation, department of clinical biochemistry, clinic for hyperlipidemia, department of nuclear medicine, department of radiology, department of clinical haematology, transfusion service, pathology, clinical and forensic toxicology, department of clinical microbiology and immunology, department of home care, department of occupational diseases, department of hygiene and epidemiology, acute outpatient care for children and adolescents, acute outpatient care for adults, professional pharmacy.

2. Form of entrustment

Local authority resolution, contract, deed of foundation

3. Duration of entrustment

As a rule 1 year, 5 years, 10 years

- a) The shortest – 9 months
- b) The longest – 10 years
- c) Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted to the given entities in the indicated services.

5. Compensation mechanism

Provision of annual compensation based on the planned calculation of individual activities and usually based on an approved budget and concluded contract. After the end of the year a final calculation of the individual activities and a supplementary payment or, vice-versa, refund of an excess payment.

The beneficiary is required to submit a statement of compensation within the deadline set by the provider. The relevant costs and revenues must be accounted for, paid and reflected in the accounts of the beneficiary, and demonstrated to the provider, not later than at the deadline set by the provider. In some cases, moreover, it is stated that payment is provided only up to the level of the economically justified costs. The compensation beneficiary is required to demonstrate, through its profit and loss account and, in some cases, also a report on the activities of the organization, the fact that all the funds provided by the provider were exclusively used for services of general economic interest in accordance with the act of entrustment and applicable legal regulations.

If the beneficiary receives compensation that exceeds the difference between the costs and revenues that beneficiary demonstrably incurred in connection with the provision of a public service in accordance with the act of entrustment, it must return the excess amount paid to the provider.

Aid instruments used: Grant, contribution, simple payment of net costs

Method/methodology used: cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

The measures are usually contractually based in the entrustment/contract in the form of obligations of the beneficiary:

- To maintain separate accounting records of revenues and costs.
- To submit the grant settlement and return any excess payment by the predetermined deadline.
- To enable a check of the amount of compensation provided based on the resulting calculation, respectively the accounting for the compensation after the end of the calendar year (check at least once every three years)

Compensation providers are entitled, under Act No 320/2001, on financial control in public administration and amending certain laws, as amended, and in accordance with the entrustment act, to verify the efficiency and effectiveness of drawdown payments by performing checks.

In the case of contributory organizations established by the compensation provider, checks of excessive compensation payments are ensured through approval of the financial statements of the beneficiary pursuant to Act No 563/1991, as amended, and Decree No 220/2013, as amended.

In many cases net income is monitored throughout the year - usually on a monthly basis – and the amount of the contribution is, based on the results, flexibly reduced, respectively the indicators for calculating the compensation are updated so that the creation of any excessive compensation is excluded in the future. In addition, the beneficiary shall submit an annual final report on the accounting for the compensation (see the third bullet point above).

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Hospitals	78	722 745.714	1 135 546.851	1 461 536.101	42 561.906

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Hospitals	49			5	24

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Hospitals	14	19	45

1.2 Social services – medical and long-term care

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

In the medical and long-term care sector, medical and social services were identified as services of general economic interest. Specific examples are as follows:

- Provision of respite services - outreach, outpatient or residential services for people with reduced self-sufficiency due to age, chronic illness or disability, and who are otherwise cared for in their natural social environment, where the goal of the service is to provide the caring natural person with essential rest;
- Provision of services provided by “Homes for the Elderly” (under Section 49 of Act No 108/2006, on social services, as amended), the provision of respite services (under

Section 44 of Act No 108/2006, on social services, as amended), the provision of care services (under Section 40 of Act No 108/2006, on social services, as amended), the provision of emergency assistance (under Section 41 of Act No 108 / 2006, on social services, as amended), the provision of social activation services for the elderly and disabled persons (in the sense of the provisions of Section 66 of Act No 108/2006, on social services, as amended) and the provision of rehabilitation and pedicure for the residents of homes for the elderly;

- Day care service;
- Special regime home service;
- Respite service in the scope and capacity according to registration;
- Personal assistance service in the scope and capacity according to registration;
- Day care service in the scope and capacity according to registration;
- Weekly care service in the scope and capacity according to registration;
- Emergency assistance for adults;
- Emergency assistance for children;
- Nursing services under Section 6 of Act No 108/2006, and day care centre under Section 12 of Act No 108/2006;
- Nursing service, day care, seniors club;
- Operation of clinics for children and adolescents with mental disabilities and the elderly;
- Provision of respite care in a hospice;
- Follow-on inpatient and long-term inpatient care.

2. Form of entrustment

In the medical and long-term care sector the usual types of entrustment have been contracts. Specifically, the Contract on the public service obligation to provide services of general economic interest, on the basis of which the provider is charged with providing a service of general economic interest for a client, and the Contract for a financial contribution to offset the costs of the public service obligation - the provision of services of general economic interest, on the basis of which the provider is charged with providing a service of general economic interest for a client. In the given area the service providers were also entrusted through a decision to provide a grant, or through a local government resolution.

3. Duration of entrustment

In the medical and long-term care sector the normal duration of entrustment has been 1 year (85*), while this period was also the shortest entrustment period. The longest entrustment period in the given sector was for ten years (4*). No entrustment has yet been arranged for more than ten years.

4. Exclusive or special rights

No exclusive or special rights were granted in the medical and long-term care sector.

5. Compensation mechanism

The amount of compensation for each calendar year is usually based on the draft budget that the provider of the services of general economic interest submits to the compensation provider. The draft budget is based on an assessment of anticipated costs and revenues. The compensation provider evaluates the submitted draft, while based on the inputs (overview of anticipated costs and revenues) it then determines the anticipated amount of compensation for the following calendar

year. After a discussion of the draft budget and its possible adaptations, the modified draft is submitted to the compensation provider's bodies for approval.

Payment is therefore provided on the basis of the approved budget of the compensation provider and the concluded contract for the provision of compensation. It is possible in certain cases to obtain the main parameters for the calculation of the payment from the information supplied by the compensation provider, including the number of clients, and the cost efficiency and effectiveness of the service. The amount of the financial contribution is then determined as the difference between the costs incurred by the service provider connected with the public service obligation, net of any related revenue from this obligation.

The actual total entitlement to financial compensation for the costs incurred in meeting the public service obligation is calculated in the final accounting. The beneficiary is required to submit a statement of compensation within the deadline set by the provider. The relevant costs and revenues must be accounted for, paid and reflected in the accounts of the beneficiary, and supported by the provider, not later than by the deadline set by the provider.

The beneficiary of a compensation payment must, as a rule, demonstrate through its profit and loss statement and report on the activities of the organisation that all the financial resources provided by the provider were exclusively used for services of general economic interest in accordance with the act of entrustment and with valid legal regulations.

If a beneficiary receives compensation that exceeds the difference between the costs and revenues that the beneficiary demonstrably incurs in connection with the provision of the public service under the act of entrustment, it must return the excess paid amount to its provider.

In some cases the amount of the compensation payment only covers part of the costs for the given service. In all cases the cost allocation method was used.

Aid instruments used: Grant, contribution, simple payment of net costs

Method/methodology used: cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

In the case of contributory organisations where the provider of the compensation is concurrently the founder of the financed organisation, as a rule the measures can be summarised as follows: the compensation provider regularly stipulates binding indicators for the provider of a service of general economic interest for each calendar year. According to the binding indicators the compensation provider sends to the organisation a proportional part of the compensation payment in monthly payments until September. Its provider allocates the other part of the payment on the basis of need after a regular verification of the financial performance for the preceding calendar month. The compensation for services is thus provided in advance, while its amount is corrected during the year depending on the development of the actual costs.

In the case of contributory organisations the compensation provider also stipulates the purpose of the financing of the individual provided financial amounts. The binding indicators define the financial relationship between the compensation provider and the provider of the services of general economic interest for the given calendar year. The binding indicators determine the financial performance and stipulate an obligation for the beneficiary (organisation) to submit an evaluation of the net income for the first half of the year at the level of utility and material performance, the balance sheet, and the income statement up to the specified day of the given calendar year. The

actual total entitlement to the financial compensation of invested costs connected with the public service obligation is calculated on the basis of the final settlement. If the contribution was higher than the actual entitlement, this was an excess contribution and the contract stipulated the obligation to return it to the payment provider.

If the beneficiary is a contributory organisation founded by the payment provider, the check of excessive compensation payments is provided through the approval of the financial statements of the beneficiary under Act No 563/1991, as amended, and Decree No 220/2013, as amended. In other cases the efficiency and effectiveness of the drawing of the payment is verified under Act No 320/2001, on financial control in public administration, and on amendments to some laws, as amended, and in accordance with the act of entrustment.

In all cases, however, the obligation is stipulated for the beneficiary to return any excessive paid amount if it receives compensation that exceeds the difference between the costs and revenues that beneficiary demonstrably incurred in connection with the provision of public services in accordance with the act of entrustment.

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Social services – medical and long-term care	91	15 338.000	50 198.246	61 123.000	1 391.860

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Social services – medical and long-term care	65			25	1

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Social services – medical and long-term care	47	38	6

1.3 Social services – care for children

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

The majority of beneficiaries in this sector provide social services under Act No 108/2006, on social services, as amended. In the given area these are the following services:

- Day care for people with chronic mental illness, with chronic disease, with other disabilities, with multiple disabilities, with hearing impairments, mental disabilities, physical disabilities, disabled persons, persons requiring increased individual care unable to integrate at a normal kindergarten, namely children before they enter the first grade of primary school, i.e., up to 7 years of age. These people are mainly provided with assistance in managing routine tasks relating to self-care, personal hygiene or the provision of conditions for personal hygiene, providing meals, during educational and motivational activities, in mediating contact with the community, in social and therapeutic activities, during the exercise of rights and legitimate interests and when arranging personal matters. The provided services may also include preventive and curative health care as defined by medical expertise under valid legal regulations under Act No 95/2004, on the conditions for acquisition and recognition of the professional qualifications of doctor, dentist and pharmacist, as amended, Act No 96/2004, on the conditions for acquisition and recognition of the professional qualifications of non-medical healthcare professions and performance of activities associated with the provision of healthcare, as amended, and Act No 372 / 2011, on health services and conditions of their provision, as amended, and by providing rehabilitation, health, psychological, speech therapy and skin preventive care, and also outpatient rehabilitation for children and adolescents;
- Respite service in the scope and capacity according to registration
- Personal assistance in the scope and capacity according to registration
- Operation of nurseries with daily operations
- Social activation services for families with children
- Provision of personal assistance services
- Operation of drop-in centres for children and adolescents
- Operation of family centres – activation of families with children

2. Form of entrustment

In the area of care for children services, entrustment was exclusively in the form of a contract.

3. Duration of entrustment

As a rule 1 year, 6 years (two cases), 10 years (one case)

- a) The shortest – 1 year
- b) The longest – 10 years
- c) Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted to the given entities in the given sector.

5. Compensation mechanism

Payment is provided on the basis of the approved budget of the payment provider and a concluded contract for the provision of compensation. The main parameters for the calculation of the payment are as a rule the number of clients, the cost and the effectiveness of the service. The beneficiary must submit the accounting for the compensation within a deadline stipulated by the provider. The relevant costs and revenues must be accounted for, paid and reflected in the accounts of the beneficiary and demonstrated to the provider, and this at the latest by the deadline stipulated by the provider. The compensation beneficiary must demonstrate, using its profit and loss statement and the report on the activity of the organisation, the fact that all the financial resources transferred by the provider were exclusively used for services of general economic interest in accordance with the act of entrustment and with valid legal regulations. The actual total entitlement to financial compensation of invested costs connected with the public service obligation is calculated on the basis of the final settlement.

If the beneficiary receives compensation that exceeds the difference between the costs and revenues that the beneficiary demonstrably incurred in connection with the provision of the public service in accordance with the act of entrustment, it must return the excess amount paid to the provider.

Aid instruments used: Grant, financial contribution towards staffing and operational costs of the service

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

The actual total entitlement to financial compensation of invested costs connected with the public service obligation is calculated in the final accounting (through the submission of the profit and loss statement, the annual report and the financial statements). If the payment is higher than the actual entitlement, it is an excess payment and the contract stipulates the obligation to return it to the payment provider.

The provider is entitled, under Act No 320/2001, on financial control in public administration and on amendments to some acts, as amended, and in accordance with the act of entrustment, to verify the efficiency and effectiveness of the drawing down of the payment.

If the beneficiary is a contributory organisation founded by the payment provider, the check of excessive compensation payments is provided through the approval of the financial statements of the beneficiary under Act No 563/1991, as amended, and Decree No 220/2013, as amended

Amount of aid provided**7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount**

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Social services – care for children	74	9 884.000	14 624.849	11 723.000	489.620

8. Other quantitative information**Number of beneficiaries per aid instrument**

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Social services – care for children	71			3	

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Social services – care for children	58	11	5

1.4 Social services – entry onto the labour market and reintegration into it**A clear and full description of how the relevant services are organised in the Member State****1. Subject of the services provided as services of general economic interest**

In the given area of services the subject of the commitments was described largely uniformly as a social rehabilitation service, or a social service under Act No 108/2006, on social services, as amended.

2. Form of entrustment

In all cases entrustment was exclusively in the form of a contract.

3. Duration of entrustment

Entrustment was granted only for a period of 1 year.

- a) The shortest – 1 year
- b) The longest – 1 year
- c) Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted to the given entities in the given sector.

5. Compensation mechanism

The main parameters for the calculation of the payment are as a rule the number of clients, the cost and effectiveness of the service. The amount of the payment was stipulated as the difference between the costs incurred by the provider connected with the public service obligation after deduction of all related revenues arising from that commitment. The actual total entitlement to financial compensation of incurred costs connected with the public service obligation was calculated in the final accounting. If the payment was higher than the actual entitlement, this was an excess payment that the beneficiary was obligated to return to the account of the payment provider.

Aid instruments used: Grant, contribution

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

The amount of the payment was stipulated as the difference between the costs incurred by the provider connected with the public service obligation after deduction of all related revenues arising from that commitment. The actual total entitlement to financial compensation of incurred costs connected with the public service obligation was calculated in the final accounting. If the payment was higher than the actual entitlement, this was an excess payment and the contract stipulated the obligation to return to the payment provider.

If the beneficiary is a contributory organisation founded by the payment provider, the check of excessive compensation payments is provided through the approval of the financial statements of the beneficiary under Act No 563/1991, as amended, and Decree No 220/2013, as amended. In other cases the efficiency and effectiveness of the drawing of the payment is verified under Act No 320/2001, on financial control in public administration, and on amendments to some laws, as amended, and in accordance with the act of entrustment.

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	

Social services – entry onto the labour market and reintegration into it	22		1 412.000	1 965.000	153.500
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8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Social services – entry onto the labour market and reintegration into it	21			1	

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Social services – entry onto the labour market and reintegration into it	15	7	

1.5 Social service – social housing

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

In the social housing sector, accommodation services of a social nature were defined as services of general economic interest. Specifically the following services:

- Asylum housing for women
- Dormitory for men and women
- Asylum housing for mothers with children
- Asylum housing for women and mothers
- Drop-in day centre for homeless people
- Asylum housing for men
- Sheltered housing

2. Form of entrustment

In the social housing sector the usual types of entrustment were – contracts. Specifically these were Contracts on the public service commitment to provide services of general economic interest, on the basis of which the provider is entrusted to provide clients with services of general economic interest, and Contracts for a financial contribution to compensate the costs of the public service commitment – providing services of general economic interest, on the basis of which the provider is entrusted to provide clients with services of general economic interest.

3. Duration of entrustment

In the social housing sector the usual duration of entrustment is 1 year (10*), while this period was also the shortest entrustment period. The longest entrustment period in the given sector was five years (2*). No entrustment was arranged for a period of longer than ten years.

4. Exclusive or special rights

No exclusive or special rights were granted in the social housing sector.

5. Compensation mechanism

In some cases the main parameters for calculating the payment were – the number of clients, the costliness and effectiveness of the service. The amount of the financial contribution was set as the difference between the costs incurred by the provider in connection with the public service obligation after the deduction of all related revenues arising from this commitment. The actual total entitlement to financial compensation of incurred costs connected with the public service obligation was calculated in the final accounting. In some cases the compensation payment only covered part of the costs for the given service.

Aid instruments used: Grant, contribution

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

In some cases the compensation payment only covered part of the difference between the costs and revenues that arose during the implementation of the public service obligation. Within the framework of some entrustments it was expressly stipulated that public financial resources (grants from the state budget, e.g., the Ministry of Labour and Social Affairs, grants from municipalities; grants from Operational Programmes, etc.) would be deducted from the compensation and this in any form.

The amount of the financial contribution was stipulated in each case as the difference between the costs incurred by the provider connected with the public service obligation after the deduction of all related revenues from that commitment. The actual total entitlement to financial compensation of incurred costs connected with the public service obligation as calculated in the final accounting. If the payment was higher than the actual entitlement, this was an excess financial contribution and the contract stipulated an obligation to return it to the client.

A provider is authorised, under Act No 320/2001, on financial control in public administration and on the amendment of some acts, as amended, and in accordance with the act of entrustment, to check the efficiency and effectiveness of the drawing down of the payment.

If the beneficiary is a contributory organisation founded by the provider, the check of excessive compensation payments is provided through the approval of the financial statements of the beneficiary under Act No 563/1991, as amended, and Decree No 220/2013, as amended.

According to the submitted data the checks performed are intended to establish whether the provider is receiving compensation that exceeds the stipulated amount, and this at least every three years during the period of validity of the contract and at the end of the period of validity of the contract.

7. Amount of aid provided

Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Social services – social housing	12	205.000	934.000	825.000	163.667

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Social services – social housing	7			5	

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Social services – social housing	10	1	1

1.6 Social services – care for and social integration of vulnerable groups

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

The providers of compensation submitted the following overview of services that were the subject of public service obligations in the given area:

- Social integration and equal opportunities
- Ensuring the provision of a care service for citizens
- Day care service for the elderly
- Drop-in day centre service
- Outreach service
- Care for people in difficult social situations
- Expert social counselling
- Providing social rehabilitation services
- Personal assistance
- Daily services centre

2. Form of entrustment

Entrustment in the form of a contract, or a combination of a contract and a resolution.

3. Duration of entrustment

In the great majority of cases the entrustment was arranged for a period of 1 year while there were also cases of entrustment for 2 years and 10 years.

- a) The shortest – 1 year
- b) The longest – 10 years
- c) Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted in the given sector.

5. Compensation mechanism

The compensation is usually paid in advance during the year, while the payment indicators are regularly monitored. The main parameters for the calculation of the payment, elaborated only for some beneficiaries, were the number of clients, the costliness and effectiveness of the service.

The amount of the financial contribution was set as the difference between the costs incurred by the provider connected with the public service obligation after the deduction of all related revenues from that commitment. The actual total entitlement to financial compensation of incurred costs connected with the public service obligation was calculated in the final accounting. If the payment was higher than the actual entitlement, this was an excess payment that the beneficiary had to return to the payment provider. If the payment was lower than the actual entitlement, the total amount of the actually provided compensation did not exceed the stipulated amount of the

payment. In some cases the compensation payment then covered only part of the differences between the costs and revenues.

Aid instruments used: Grant, contribution, simple payment of net costs

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

The amount of the payment was stipulated as the difference between the costs incurred by the provider connected with the public service obligation after deduction of all related revenues arising from that commitment. The actual total entitlement to financial compensation of incurred costs connected with the public service obligation was calculated in the final accounting. If the payment was higher than the actual entitlement, this was an excess payment and the arranged contract stipulated the obligation to return it to the compensation payment provider.

The provider is entitled, under Act No 320/2001, on financial control in public administration and on amendments to some acts, as amended, and in accordance with the act of entrustment, to verify the efficiency and effectiveness of the drawing down of the payment.

If the beneficiary is a contributory organisation founded by the payment provider, the check of excessive compensation payments is provided through the approval of the financial statements of the beneficiary under Act No 563/1991, as amended, and Decree No 220/2013, as amended.

On the side of the beneficiary there is as a rule an annual check for the purpose of verifying the efficiency and effectiveness of the provided financial resources. According to the submitted data, checks focusing primarily on establishing whether the provider is receiving compensation exceeding the stipulated amount are performed at least every three years during the period of validity of the entrustment and at its end.

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Social services – care for and social integration of vulnerable groups	89	1 950.000	162 450.365	149 832.865	3 530.710

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Social services – care for and social integration of vulnerable groups	51			8	30

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Social services – care for and social integration of vulnerable groups	65	24	

1.7 Social services – other subcategories of services

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

Providers of compensation also concluded public service obligations for other activities in the area of social services that did not fall, from their perspective, into any of the subcategories defined by Decision 2012/21/EU. This section was therefore earmarked for the indicated types of activity. Providers thus place the following services under other social services (these are generally services falling under Act No 108/2006, on social services, as amended):

- Basic activities in the provision of social services
- Homes for the elderly
- Homes for persons with disabilities
- Care service
- Sheltered housing
- Day service centres
- Support for independent living
- Day care
- Week care
- Special regime homes
- Expert social counselling
- Telephone-based crisis support
- Intervention centres
- Social activation services for families with children
- Provision of catering and accommodation services, social services and health care

- The provision of outpatient services for the disabled
- Providing professional social counselling
- Operation of care services in the organisation's buildings and on an outreach basis
- Provision of accommodation services for homeless people
- Providing rehabilitation and educational care for children with disabilities
- Lending compensation, rehabilitation and medical aids
- Providing social activation activities to users of residential, outpatient and outreach services
- Provision of club activities for the elderly and disabled
- Providing day care for a child under three years of age
- Providing dormitory services for homeless people
- Providing transport for users of the organisation's social services and for children to educational facilities.

2. Form of entrustment

Entrustment was arranged in the form of a deed of foundation, a contract, or a combination of both.

3. Duration of entrustment

As a rule 1 year; 5 years (one case), 10 years (2 cases).

- a) The shortest – 1 year
- b) The longest – 10 years
- c) Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted in the given sector.

5. Compensation mechanism

The framework for the annual compensation is the financial resources of the approved budget of the payment provider for the given calendar year. The amount of the provided payment (monthly, quarterly) is set according to the negative difference between the revenues and costs from the authorised activity, which is based on the submitted accounts during the year. If a payment is made only once a year, the beneficiary must as a rule submit – by the end of January of the following calendar year (unless a different deadline is stipulated) – an evaluation of the financial performance, meaning the material evaluation of the financial performance from the position of the stipulated indicators, balance sheet and profit and loss statement, with a proposal for financial settlement. The payment provider is authorised to examine these materials and the beneficiary must provide it with cooperation for this purpose.

The payment is thus set as the difference between the costs and revenues that arise for the beneficiary in connection with the provision of the public service, while any excess paid amount is, as part of the settlement, returned at the previously arranged deadline to the account of the payment provider.

Aid instruments used: Grant, financial contribution

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

The payment provider forces the beneficiary to secure multi-source financing, and the payment is thus restricted to a specific percentage of the total eligible costs. The actual amount of the compensation is stipulated on the basis of the running and annual accounting, checked by the internal audit of the payment provider.

The check of the financial performance and also compliance with the level of the compensation payment is performed every year under Act No 320/2001, on financial control in public administration, as amended.

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Social services – other subcategories of services	158	266 902.846	256 809.814	237 044.860	4 814.921

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Social services – other subcategories of services	124			34	

Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Social services – other subcategories of services	92	64	2

1.8 Airports and ports

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

Only data relating to airports were submitted for services in the area of airports and ports. Ports are thus not the subject of a single public service obligation in the Czech Republic. The subject of services related to airports within the framework of public service obligations was thus specified as follows:

- Construction of infrastructure and the airport's own facilities
- Operation of infrastructure (management and maintenance)
- Provision of airport services associated with air transport (guidance, handling and check-in)
- Work in the area of administrative activities
- Operation of an international non-public and domestic public airport.

2. Form of entrustment

Entrustment was most often arranged in the form of a contract or resolution of a body of the payment provider, or through a combination of the indicated acts.

3. Duration of entrustment

1 year (two cases), 3 years (two cases), 10 years (one case)

- a) The shortest – 1 year
- b) The longest – 10 years
- c) Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted in this sector.

5. Compensation mechanism

The exact amount of the compensation payment for each calendar year is based on a draft budget that the services of general economic interest provider submits in the third quarter of the calendar year to the relevant financial body. The draft budget is derived from an evaluation of anticipated costs and revenues. The submitted draft budget for the relevant calendar year is discussed by the relevant bodies of the payment provider. On the basis of the inputs (overview of anticipated costs and revenues) the payment provider subsequently stipulates the anticipated amount of the compensation payment for the subsequent calendar year. After the discussion of the draft budget and its potential amendments, the amended draft is submitted to the bodies of the payment provider for approval.

The amount of the compensation is stipulated through the difference between the demonstrable revenues and costs connected with the public service obligation. After the end of the year the beneficiary submits its accounts (together with the final report), while any excess or undrawn payment is returned to the budget of the payment provider by the contractually stipulated deadline.

Aid instruments used: Grant (contribution in the form of a direct grant)

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

The payment provider regularly stipulates binding indicators for the provider of services of general economic interest for each calendar year. The payment provider sends a proportion of the compensation to the provider in monthly payments according to these binding indicators. The authoriser allocates the next part of the payment on the basis of need after the regular verification of the financial performance for the preceding calendar month. The payment provider also stipulates the purpose of the financing of the individual provided financial amounts. The binding indicators define the financial relationship between the payment provider and the provider of the services of general economic interest for the given calendar year. The binding indicators stipulate the net income and stipulate the obligation for the service provider to submit an evaluation of the net income from the level of targeted and material performance, the balance sheet and the income statement. It must submit the evaluation of the financial performance, meaning the material evaluation of the management from the position of the stipulated indicators, balance sheet and income statement with a proposal for financial settlement the services of general economic interest provider by the end of January of the following calendar year. The settlement takes place on the basis of the accounting documents under Act No 250/2000 and on the basis of the final report. In the event of the finding of an excessive payment it is transferred to the budget of the payment provider.

This means that regular checks are performed on the beneficiary during the year and also a final check always at the end of the calendar year in question.

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Airports and ports	5	20 174.433	33 681.891	43 900.000	19 551.265

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
Airports and	5				

ports					
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Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
Airports and ports	5		

1.9 Other compensation payments for services of general economic interest not exceeding EUR 15 million

A clear and full description of how the relevant services are organised in the Member State

1. Subject of the services provided as services of general economic interest

The last section provides a summary of public service obligations that were not placed into any of the categories of services provided above by the compensation providers. Mostly, the subject of these services can be summarized in the following list:

- Provision of library, information and educational services for the general public
- Collection, storage, expert processing and provision of access to museum collections
- Provision of lifelong learning, preparation, coordination, implementation of regional, national and international programmes and projects, it consulting, brokerage activities, services to schools and educational facilities
- Implementation of training and educational events and programmes of environmental education, rural development and agriculture (for schools and the public), operation of premises, holding of exhibitions and cultural events, publication and distribution of own publications, educational materials and tools, ensuring the management of natural areas, providing information and advisory services, and consulting services
- Preparation and production of theatrical performances and other cultural events performed by own or external artistic ensembles or artists, as well as in the organization of various cultural and arts festivals, organizing exhibitions, and publishing and sale of related printed materials
- Providing public skating, skating for primary and secondary school pupils, and providing other services (concerts, exhibitions etc., to the public)
- Theatre operation (puppet theatre) and other cultural activities
- Operation of a musical body - philharmonic and other cultural activities
- Implementation of other cultural events - festivals, exhibitions, competitions, social events, information centre
- Support for research and development, collaboration with universities, business incubator
- Development of the business environment; activities associated with the operation of the organization
- Development of agriculture; activities associated with the operation of the organization
- Creation of conceptual and strategic documents, holding professional courses and training, creation and implementation of innovative policies
- Support for regional development

- Support for innovation
- Operation of gym and sports facilities and facilities used for regeneration and reconditioning, and the provision of physical education services
- Operation of an outdoor swimming pool
- First aid
- Breeding animals, preventing the escape of farmed animals, record keeping, research for the protection of animals, public education for nature conservation, related activities
- Public skating, sports courses, swimming lessons
- Creation of conditions for cultural, educational and training activities
- Organizing exhibitions, training, educational and retraining courses
- Creation of conditions for art-related leisure activities and local culture
- Cinema operation (regular film screenings for the public for an admission fee)
- Mediating cultural programs, agency activities, other non-artistic activities and club activities
- Organizing cultural and entertainment programmes
- Ensuring the activities of museums and galleries and for the provision of public services under Act No 122/2000, on the protection of museum collections, and the provision of public library and information services under Act No 257/2001, the Library Act
- Collection of documents on the development of the region with the appropriate documentation
- Protecting collections from damage, preparation, conservation and restoration of collections, records of collections, standardized public services under Sections 2, 9, 10b, and 12 of Act No 122/2000, on the protection of museum collections and their use, including the provision of research services
- Creation of exhibitions of the general and cultural history of the area, thematic exhibitions from own collections or borrowed collections, provision of own gallery activities through the organizing of art exhibitions, organizing educational events in subjects in accordance with the subject of activity, popularizing and promoting the results of own work in the media, publishing catalogues and guides on expositions and exhibitions, publication of printed promotional materials related to the activities of museums and galleries and arranging their sale
- Management and supplementation of library collections, collection of documents of an archival nature
- Professional information service through making accessible library materials from a library collection in the form of on-site loans
- Exchange of publications with domestic and foreign institutions
- Mediating information from external information sources and access to external sources of information under Section 12 and 13 of Act No 257/2001, on libraries and conditions for the operation of public library services
- Provision of public library and information services to citizens, while maintaining equal conditions for all citizens and general assistance for all forms of public education under applicable laws and the use of entrusted and own property and activities related to it
- Building a universal library and information fund with respect to the cultural values and information needs of citizens
- Lending library collections, other documents and data carriers and sound carriers, providing services in a reading room and study room
- Mediation of literature and information as part of interlibrary loan services

- Guaranteeing, acquiring, processing, preservation and utilization of the regional literature fund
- Provision of bibliographic and information services and research to its collective and individual users
- Organizing public exhibitions, lectures and discussions in connection with the main purpose
- Preservation and development of local, national and international cultural values in the area of literary and musical arts
- Acquisition, issuance and sale of items in accordance with the main purpose
- Publishing and public dissemination of periodic and non-periodic printed materials and publications related to the main purpose
- Cultural education of children and adolescents
- Creating an appropriate cultural environment
- Enabling access to paid or unpaid external information sources by means of telecommunications equipment
- Providing reprographic services
- Performance of regional functions under Act No 257/2001, on libraries and conditions of operation of public libraries and information services (Library Act), as amended, and the related Guideline of the Ministry of Culture (the creation of swap library collections, their circulation and distribution , assistance in revising and updating the library collections of basic libraries, advisory and consulting services designed for basic libraries, statistical activities of libraries in the region, training of librarians, seminars and conferences, purchase and processing of library collections of basic libraries
- Providing information to the public from external information sources, particularly in the area of state administration and local government
- Management and operation of sports grounds and sports facilities
- Holding sports and cultural events
- Ensuring activities in the field of education under Act No 561/2004, on preschool, primary, secondary, tertiary vocational and other education (Education Act), as amended
- Hobby-related education of children and adolescents
- Basic art education in the individual fields
- City cleaning, care for greenery, waste collection
- Ensuring activities related to the business incubator and centre for technology transfer
- Securing contacts with research and development centres, universities in the Czech Republic and providing innovation-related assistance
- Permanent regional development conference (contact platform for communication between the municipality and entrepreneurs)
- Operation of a public cemetery
- Disposal of municipal waste
- Maintenance of public property
- Coordination and promotion of PI (project incubator), VTP (science/technical park) and CTT (technology transfer centre) networks in the region - Innovative infrastructure of the region (2012-14)
- Providing an information service, presentation and promotion of tourism for the territory of the region
- Promotion and presentation of the region, increasing its economic potential

- Preparation, coordination and implementation of development projects to support tourism in the region, including activities to obtain subsidies, grants and other sources of funding for these projects
- Professional participation in drawing up conceptual documents in the field of regional development
- Support for the development of the region
- Development and support of international cooperation at regional level relating to support for tourism in the region
- Promotion and cooperation in implementing major cultural and sports events held in the region
- Providing advisory and consultancy activities in the field of tourism
- Consulting activity and energy consulting to improve energy efficiency and self-sufficiency
- Promotion and publication of best practices, analytical and conceptual work, initiation and preparation of projects in the area of energy, promotion of energy management in the regions, cities and municipalities, international cooperation in the preparation and promotion of energy consulting and projects
- Leisure activities

For the sake of clarity, the following table presents information about the number of entities according to the most frequently occurring “other” areas of services

Specification of the “other” area of services	Number of beneficiaries
Culture	55
Sport	8
Education	3
Communal services	11
Other – tourism, health service, leisure activities, energy saving	17

2. Form of entrustment

Entrustment in the form of a contract, resolution, or a combination of these.

3. Duration of entrustment

In the vast majority of cases the duration of the entrustment is 1 year, while commitments also appear for 4 years, 5 years and 10 years

- The shortest – 1 year
- The longest – 10 years
- Share of entrustments over 10 years – none

4. Exclusive or special rights

No exclusive or special rights were granted in the area of “other” services.

5. Compensation mechanism

The amount of compensation for each calendar year is based on a draft budget that the provider of the services of general economic interest submits to the relevant body of the payment provider. The draft budget is based on an assessment of anticipated costs and revenues. In some cases the compensation is derived from the results indicated in the annual report of the service provider for the previous year. The submitted draft budget for the relevant calendar year is discussed by the relevant bodies of the payment provider. The payment provider evaluates the submitted draft, while based on the inputs (overview of anticipated costs and revenues) it then determines the estimated amount of compensation for the following calendar year. After a discussion of the draft budget and its possible adaptations, the modified draft is submitted to the aid provider's bodies for approval.

The payment of compensation then takes place as a rule on a monthly basis, and this on the basis of the planned calculation of the individual activities. After the end of the year the service provider submits its accounting according to the actual costs and revenues, while the compensation is only used to pay the difference between the costs and revenues that the beneficiary incurs in connection with the provision of the public service. The submitted results are recorded in separate records of costs and revenues.

The beneficiary must submit the accounting for the compensation by the deadline stipulated by the provider. The relevant costs and revenues must be accounted for, paid and reflected in the accounts of the beneficiary and submitted to the payment provider, and this at the latest by the deadline stipulated by the payment provider. The compensation beneficiary must demonstrate, through its profit and loss statement and report on activities, the fact that all the financial resources provided by the payment provider were exclusively used for services of general economic interest in accordance with the act of entrustment and with valid legal regulations.

The actual total entitlement to financial compensation of incurred costs connected with the public service obligation is then stipulated on the basis of the final settlement. If the beneficiary receives compensation that exceeds the difference between the costs and revenues that the beneficiary demonstrably incurs in connection with the provision of the public service under the act of entrustment, it must return the excess paid amount to the payment provider by a previously stipulated deadline.

Aid instruments used: Grant, contribution, simple payment of net costs

Method/methodology used: Cost allocation method used in all cases

6. Measures to prevent and return any excessive compensation

Under the indicated measures the compensation providers indicated in particular:

- A detailed discussion of the itemised budget of the payment beneficiary
- Regular (quarterly/monthly) monitoring of the management of the payment beneficiary
- The obligation to maintain separate accounting regarding the activities with the nature of a public service, and economic (supplementary) activities, so that at any moment of the duration of the entrustment it is clear that the compensation in the form of financial transfer from the budget of the payment provider was designated only and exclusively for services of general economic interest
- The performance of public control under national legislation (in particular under Act No 320/2001, on financial control in public administration and on amendments to some acts, as amended) at least every year after the end of the accounting period. If the beneficiary was established by the payment provider, the control of excessive compensation

is ensured through the approval of the financial statements of the beneficiary under Act No 563/1991, as amended, and Decree No 220/2013, as amended.

- The regular stipulation of binding indicators for the provider of services of general economic interest by the payment provider, where the payment provider is the founder of the beneficiary. According to the binding indicators the payment provider sends to the beneficiary a proportional part of the compensation, as a rule in monthly payments. The provider allocated the other part of the payment on the basis of need after the regular verification of the net income for the previous stipulated period (this verification is performed for monthly payments every calendar month). The payment provider also stipulates the purpose of the financing through the individual financial amounts provided. The binding indicators stipulate the financial performance and impose on the payment beneficiary the obligation to submit the evaluation of the financial performance at the level of targeted and material performance, balance sheet and income statement within a previously stipulated deadline in the relevant calendar year. The provider of services of general economic interest must submit the evaluation of the net income, meaning the material evaluation of the management from the position of the stipulated indicators, balance sheet and income statement with a proposal for financial settlement, by the end of January of the subsequent calendar year.
- The obligation to submit an annual report
- The obligation to perform an audit focusing on compliance with the contract
- If the beneficiary receives compensation that exceeds the difference between the costs and revenues that the beneficiary demonstrably incurred in connection with the provision of the public service under the act of entrustment, it must return the excess payment.

Amount of aid provided

7. Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
"Other" services	94	589 888.020	824 437.259	886 886.721	24 480.979

8. Other quantitative information

Number of beneficiaries per aid instrument

SECTOR – aid instruments	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
"Other"	78			8	8

services					
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Number of beneficiaries per enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
“Other” services	85	9	

Amount of aid provided – summary tables for the services indicated in the previous sections

Total amount of provided aid broken down by calendar year, including the number of beneficiaries and the average aid amount

Sector	Number of beneficiaries	Aid amount (CZK thousands)			Average aid amount (CZK thousands)
		2012	2013	2014 (estimate)	
Hospitals	78	722 745.714	1 135 546.851	1 461 536.101	42 561.906
Social services. of which	446	294 279.846	486 429.274	462 513.725	2 787.495
a) medical and long-term care	91	15 338.000	50 198.246	61 123.000	1 391.860
b) child care	74	9 884.000	14 624.849	11 723.000	489.620
c) entry onto the labour market and reintegration into it	22	-	1 412.000	1 965.000	153.500
d) social housing	12	205.000	934.000	825.000	163.667
e) care and social inclusion of vulnerable groups	89	1 950.000	162 450.365	149 832.865	3 530.710
f) other subcategories of social services	158	266 902.846	256 809.814	237 044.860	4 814.921
Airports and ports	5	20 174.433	33 681.891	43 900.000	19 551.265
Other sectors	94	589 888.020	824 437.259	886 886.721	24 480.979
TOTAL	623	1 627 088.013	2 480 095.275	2 854 836.547	11 174.992

Overview of the number of beneficiaries according to aid instrument

Sector/aid instrument	Grant	Loan	Guarantee	Contribution	Simple payment of net costs
hospitals	49	-	-	5	24
long-term care	65	-	-	25	1
child care	71	-	-	3	-
entry onto the labour market	21	-	-	1	-
social housing	7	-	-	5	-
vulnerable groups	51	-	-	8	30
other subcategories	124	-	-	34	-
airports and ports	5	-	-	-	-
other services	78	-	-	8	8

Overview of number of beneficiaries by enterprise size category

SECTOR – number of enterprises by size	Small enterprise	Medium-sized enterprise	Large enterprise
hospitals	14	19	45
long-term care	47	38	6
child care	58	11	5
entry onto the labour market	15	7	-
social housing	10	1	1
vulnerable groups	65	24	-
other subcategories	92	64	2
airports and ports	5	-	-
other services	85	9	-

2. Difficulties with applying the Services of General Economic Interest Decision or the Services of General Economic Interest Framework

As is clear from the scope of the information submitted to compensation providers, the application of the Services of General Economic Interest Decision is not linked to significant difficulties. This is largely thanks to the extensive educational activity by the Office for the Protection of Competition and the guidelines focusing on services of general economic interest, which were prepared with

cooperation from the Office for the Protection of Competition after a request from the Ministry of Regional Development.

In spite of the above, the compensation providers note minor difficulties related in particular to the calculation of reasonable profit, specifically in relation to paid social services, where the risk of providing the service is partially transferred to the provider, and for all other services if the entrustment stipulates that the provider must secure co-financing of the compensation (multi-source financing of social services).

The complicated method for setting the parameters for the calculation of the compensation is also considered problematic. This is specifically mentioned in connection with social services in the area of social housing.

3. Complaints from third parties

The sectors subject to potential complaints were not elaborated by the compensation providers, nevertheless complaints have been recorded, and this in connection with the level and thoroughness of monitoring and control of the compensation. The compensation providers adopted a measure in the form of issuing a methodology for checks.

4. Various (voluntary)

A. In addition to the Services of General Economic Interest Decision, during the financing to secure these services public entities use the following instruments:

- Grants under the de minimis regime to providers of cultural services (e.g., theatres)
- De minimis support in the social area (personal assistance, care service, emergency assistance, outreach hospice care) and in the culture area (operation of cultural facilities)
- De minimis support to cover investment costs for the construction of sports grounds
- De minimis support in leisure activities, cultural events, sports events, monument support, environmental protection, direct support (top level sport), and social services sectors
- De minimis support - especially insulation of buildings within the framework of in-house and sales / rentals at a price lower than the market price - utilities; regional investment support - tourism projects co-financed from an Operational Programme

B. Where the use of the 2011 Decision is easier/more suitable than the 2005 Decision

No comments registered by the compensation provider.

C. Other

Compensation providers would welcome the preparation of a more detailed methodology and calculation of reasonable profit in relation to the risk taken by an entity entrusted with the provision of services (see question 2 above – difficulties with applying the Services of General Economic Interest Decision or the Services of General Economic Interest Framework).