

Baden-Württemberg

1. Expenditure overview

According to the information made available to the Land Government by the authorities, aid granted in Baden-Württemberg on the basis of the SGEI Decision amounted to approximately EUR 385.43 million in 2016 and EUR 448.37 million in 2017. A gross subsidy equivalent was not available for individual sureties, which have therefore been omitted (see further details below).

2. Description of the application of the 2012 SGEI Decision

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

Contents of the services entrusted as SGEI

According to § 3 of the Land Hospital Act (*Landeskrankenhausgesetz*, LKHG), the rural districts must ensure needs-based care of the population by efficient hospitals. The service of general economic interest consists of the operation of hospitals to ensure hospital services to provide the needs-based medical care of the population of rural and urban districts. The medical services offered are based on the currently valid hospital plan of Baden-Württemberg. The needs-based care of the population by efficient hospitals is defined as SGEI in accordance with § 1(1), third sentence, LKHG and includes the following services in particular:

- Medical care services: internal medicine, surgery, nephrology, urology, orthopaedics, gynaecology/obstetrics, ENT, neurology, psychotherapy, eyes, paediatrics, radiotherapy, oral and maxillofacial surgery, dialysis, pain management, neurosurgery, anaesthesia, radiology and pathology.
- Emergency services: participation in the emergency service.
- Ancillary services directly associated with these principal activities: preadmission services, post-discharge services, outpatient services
- Operation of the hospitals in accordance with the provisions of the Baden-Württemberg Land Hospital Act and the Hospital Financing Act (*Krankenhausfinanzierungsgesetz*), including the Baden-Württemberg hospital plan.
- Outpatient care in the respective departments.
- Socio-paediatric services.
- Ancillary services directly associated with these principal activities, such as:
 - a) Training of nurses and healthcare workers;
 - b) Operation of a hospital pharmacy;
 - c) Operation of a blood bank for patients of the entrusted undertaking;
 - d) Catering for patients of the entrusted undertaking;
 - e) Letting and leasing of accommodation and parking facilities for staff, visitors and patients.

Forms of entrustment

There is no typical form of entrustment. Entrustments are made by a variety of means including administrative acts, (shareholder) agreements, legislation, by-laws and decisions by the relevant municipal decision-makers.

Duration of the entrustment

10 years.

Exclusive or special rights

None.

Aid instruments

Investment subsidies, the underwriting of sureties and compensation of annual shortfalls were granted and recapitalisations financed. In addition, cash advances were provided.

Compensation mechanism

Usually cost allocation methodology, but also net avoided cost methodology.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out using statements of expenditure, which form part of audited annual financial statements.

Transparency requirements

In the event that aid of more than EUR 15 million is granted, the transparency requirements are met in particular through publication on the Internet of budget legislation and budget plans adopted by the urban or rural districts and decisions adopted by the relevant municipal decision-makers.

Amount of aid granted

According to the information made available to the Land Government by the authorities, aid granted by Länder and municipalities amounted to approximately EUR 171 million (2016) and EUR 198 million (2017). Sureties, letters of comfort and cash advances amounting to approximately EUR 216.7 million (2016) and EUR 209.5 million (2017) were also granted in the reporting period, although no information is available on the gross subsidy equivalent.

2) Social services (Article 2(1)(c))

a) Health and long-term care

Contents of the services entrusted as SGEI

Provision and operation of care institutions for elderly persons and persons requiring care, in particular retirement homes and nursing homes for the elderly, including short-term care and day care; services in the field of elderly care and operation of an inpatient hospice.

§ 1. Land Care Act (*Landespflegegesetz*): local, efficient, economic care supply structure

Home nursing pursuant to Book V of the Social Code (SGB V)

Maintenance of a palliative care team

Construction and operation of a public meeting centre

Forms of entrustment

Entrustments are made in particular by means of administrative acts, agreements and (municipal) decisions.

Duration of the entrustment

10 years.

Exclusive or special rights

None.

Aid instruments

Subsidies.

Compensation mechanism

Particular use is made of annual loss compensation mechanisms or the compensation of specific expenditure. Cost allocation methodology is used in the majority of cases.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out using the statements of expenditure which form part of audited annual financial statements, with separate accounts being kept if necessary.

Transparency requirements

No aid of more than EUR 15 million was granted.

Amount of aid granted

According to the information made available to the Land Government by the authorities, aid granted by Land and municipal authorities amounted to approximately EUR 2.59 million (2016) and EUR 2.06 million (2017). Sureties amounting to approximately EUR 8.85 million (2016) and EUR 13.3 million (2017) were also granted in the reporting period, although no information is available on the gross subsidy equivalent.

Childcare

Contents of the services entrusted as SGEI

Upbringing and education of children and their families.

Forms of entrustment

Municipal decision.

Duration of the entrustment

Usually 10 years.

Exclusive or special rights

None.

Aid instruments

Subsidy.

Compensation mechanism

Cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Business plan, evidence which forms part of drawing up and audit of the annual financial statements.

Transparency requirements

Under EUR 15 million.

Amount of aid granted

According to the information made available to the Land Government by the authorities, aid granted by Land and municipal authorities amounted to approximately EUR 1.04 million (2016) and EUR 1.17 million (2017).

b) Access to and reintegration into the labour market

Contents of the services entrusted as SGEI

ESF Federal programme 'Education, Economy, Work in the Neighbourhood' (BIWAQ); support for stabilisation, qualification and integration of (long-term) unemployed persons; the funded project offers the opportunity to introduce socio-spatial working with the aim of integration into the labour market.

Skills development measures and projects for helping people to enter and re-enter the labour market including the creation and/or stabilisation of employability.

Support and care for young people transitioning from school to work, especially to avoid school failure and school drop-outs including school social work.

Public service employment offers for asylum seekers.

Employment and skills development programmes for job seekers from a migrant background.

Employment and skills development programmes for job seekers with physical and/or mental disabilities.

Forms of entrustment

Administrative act or through multistage entrustment acts (in some cases also termed as 'company law solution'.

Duration of the entrustment

One year or 3.5 years.

Exclusive or special rights

None.

Aid instruments

Subsidy.

Compensation mechanism

Cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

The subsidy is subject to strict ring-fencing. According to the ancillary provisions of the forwarding notice, the recipient of the subsidy must also provide a statement of expenditure relating to the costs incurred. An interim statement must be produced each year. In the event that, after the approval, the total expenditure estimated in the financing plan for the intended purpose of the grant is decreased or the cover funds are increased or new cover funds are added, the grant is reduced accordingly. Furthermore, under certain conditions, the withdrawal or cancellation of the grant is also possible and interest is payable on a reimbursement claim pursuant to § 49a of the Land Administrative Procedure Act (LVwVfG).

Transparency requirements

Under EUR 15 million.

Amount of aid granted

According to the information made available to the Land Government by the German authorities, aid granted amounted to approximately EUR 2.4 million (2016) and EUR 2.38 million (2017).

Social housing

Contents of the services entrusted as SGEI

Promotion of social housing; measures to secure and improve the supply of housing for population groups with market access difficulties; here: provision of housing in the subsequent accommodation of refugees based on the Baden-Württemberg Land funding programme: 'Housing for refugees'.

Reliable supply of citizens with affordable housing, in Baden-Württemberg this task is presented and outlined in the Land Housing Funding Act (*Landeswohnraumförderungsgesetz*).

Forms of entrustment

Entrustments are generally made by means of administrative acts.

Duration of the entrustment

The duration of entrustments in the promotion of social housing for rent is generally between 10 and 25 years due to the high investment sums involved and the long refinancing term.

In the Exemption Decision (recital 12), social housing construction is explicitly cited as an example of when application of the Decision does not have to be limited to a maximum of ten years due to the high investment sums involved.

Exclusive or special rights

None.

Aid instruments

Loans and subsidies.

Compensation mechanism

Usually net avoided cost methodology, but also cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

The subsidy is subject to strict ring-fencing. According to the ancillary provisions, the recipient of the subsidy must provide a statement of expenditure for the costs incurred. The funding regulations preclude additional support for the subsidised housing with funds from the Land housing funding programme or EU funds. The ancillary provisions determined, as a condition subsequent, that the grant becomes invalid for the past if and to the extent that the underlying eligible expenses are subsequently reduced or the cover assets are increased or new cover assets are added and the grant is reduced accordingly. Furthermore, under certain conditions, the withdrawal or cancellation of the grant is also possible and interest is payable on a reimbursement claim pursuant to § 49a LVwVfG.

The published funding programmes and the Land Act contain the stipulations regarding both the public service obligations (described above) and the calculation of compensation payments. Within this framework, the granting authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the recipient has not been overcompensated for the public service obligations described.

At regular intervals (in each case after three years), the compensation payment is reviewed by the granting authority on the basis of the information from the recipient to avoid the subsequent occurrence of overcompensation. The parts representing overcompensation must be repaid.

Typical precautionary measures include not only the imposition of particular public service obligations on the undertaking, but also the *ex-ante* establishment of a legal basis either in legislation or in the funding notice, with a view to ensuring strict compliance with these obligations towards other undertakings and social tenants and taking action in the event of a failure to do so. These actions include obligations to provide information, to allow the inspection of documents and to grant access to land, buildings and apartments. It is also possible to initiate administrative proceedings to enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy.

Statutory time periods for the rent and occupancy commitments are specified in advance to cover instances where loans are repaid prematurely or an undertaking becomes insolvent.

Transparency requirements

The level of aid is below EUR 15 million.

Amount of aid granted

According to the information made available to the Land Government by the authorities, aid granted amounted to approximately EUR 63.15 million (2016), with a further EUR 35 537.64 notified by the municipalities, and EUR 72.05 million (2017), with a further EUR 2.48 million notified by the municipalities.

Care and social inclusion of vulnerable groups

Contents of the services entrusted as SGEI

According to the information made available to the Land Government by the authorities, entrustments were made in the following areas in particular:

- Inclusion-related projects.
- Promotion of social infrastructure; promotion of elderly and youth welfare services; projects to support vulnerable persons; social inclusion, anti-poverty and antidiscrimination measures.
- Institutions providing care, support and education for various socially disadvantaged groups.
- Establishment, operation and maintenance of decentralised urban services and facilities for the provision of youth welfare services; basic and advanced training, skills development, counselling and advisory services, care and employment support, in particular for disadvantaged persons.

Forms of entrustment

Municipal council/district council decision.

Duration of the entrustment

10 years.

Exclusive or special rights

None.

Aid instruments

Subsidies and loans.

Compensation mechanism

Cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Statement of expenditure as part of the annual financial statements.

Transparency requirements

No aid exceeding EUR 15 million was granted.

Amount of aid granted

According to the information made available to the Land Government by the German authorities, aid granted amounted to approximately EUR 0.15 million (2016) and EUR 0.15 million (2017). In addition, loans amounting to EUR 80 000 (2016) and EUR 80 000 were provided.

5) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

ii) Energy

Contents of the services entrusted as SGEI

Securing the energy supply through renewable energy sources.

Provision of advice and services to achieve optimum energy-saving and use of renewable energies in the construction and renovation sector and reduction of greenhouse gases.

Forms of entrustment

According to the information made available to the Land Government by the authorities, entrustments are made by means of administrative acts, (shareholder) agreements or (municipal) decisions.

Duration of the entrustment

10 years.

Exclusive or special rights

None.

Aid instruments

Subsidies and surety.

Compensation mechanism

Cost allocation methodology and net avoided cost methodology.

Arrangements for avoiding and repaying any overcompensation

Checks are frequently carried out on the basis of statements of expenditure, often as included in audited annual financial statements.

Transparency requirements

Not applicable, since Article 7 of the SGEI Decision applies only if the compensation for an individual SGEI exceeds EUR 15 million, which is not the case for 'other' compensated services (Article 2(1)(a)).

Amount of aid granted

According to the information made available to the Land Government by the authorities, the aid granted at Land and/or municipal level amounted to approximately EUR 0.125 million (2016) and EUR 0.112 million (2017).

v) Culture

Contents of the services entrusted as SGEI

Provision and operation of public facilities for cultural and sporting activities.

Planning, support and organisation of cultural events.

Maintenance of historical gardens.

Forms of entrustment

Municipal decision

Administrative act

Duration of the entrustment

10 years.

Exclusive or special rights

None.

Aid instruments

Subsidies.

Compensation mechanism

Cost allocation methodology and net avoided cost methodology.

Arrangements for avoiding and repaying any overcompensation

The amount of compensation is determined on the basis of the business plan adopted by the supervisory board and statement as part of the preparation and audit of the annual financial statements.

Transparency requirements

No aid has been granted which exceeds EUR 15 million.

Amount of aid granted

According to the information made available to the Land Government by the authorities, the aid granted amounted to approximately EUR 15.95 million (2016) and EUR 15.25 million (2017). Furthermore a surety amounting to EUR 12 300 (2017) was underwritten.

vii) Other sectors

Contents of the services entrusted as SGEI

According to the information made available to the Land Government by the authorities, entrustments are made in the following areas:

- Promotion of economic development (including location marketing; market research; advice and support for companies; establishment and operation of centres for commerce, technology, business start-ups and science; measures to support inner-city development, in particular in the retail sector; activities aimed at business start-ups; holding of exhibitions, conferences and trade fairs and the establishment and operation of buildings and spaces suitable for such events).
- Promotion of tourism (including marketing; market research; operation of tourist facilities; running tourist activities, events, conferences and congresses; cultural attractions, provision of tourism agency services; operation of spa resorts).
- Management of parking spaces (including providing and operating non-profitable parking facilities, such as car parks, multi-storey car parks and underground car parking).

- Establishment and operation of traffic infrastructure (bicycle rental system, park & ride systems, multi-storey car parks).
- Trade fairs and congresses (holding trade fairs, city and public festivals, event management, providing and renting premises).
- Provision and operation of meeting and event premises.
- Promotion of commercial districts (planning, purchase, development, maintenance and marketing).
- Support services for start-up biotech companies.
- Establishment of a collaboration platform for companies, universities and other institutions aimed at projects, research and basic and advanced training in the field of logistics and mobility (providing real estate and funding for research projects).
- Implementation of an urban mobility plan (including maintenance of infrastructure for public urban transport, provision of transport services in the form of 'dial-a-ride' taxis, public urban transport advice).
- Implementation of transport operations (providing transport services, procurement and repairs); transport management (timetabling, operational transport organisation, consultancy on mobility matters, marketing, sales); planning and provision of fixed infrastructure.
- Provision of public transport services.
- Promotion of sports (including promoting mass and elite sport, providing sports facilities and stadiums, sports marketing, operating a residential sports academy, developing projects aimed at creating structures for the use of 'new media' and establishing their application).
- Swimming pools (e.g. operating indoor swimming pools, leisure pools and outdoor swimming pools with affordable entrance charges; providing facilities for school and club swimming sessions).
- Operation of adult education centres.
- Youth hostels (investment incentives).
- Education (ensuring that young unemployed people with no vocational qualifications are able to learn and become employable).

- Further training after completion of an initial period of education at school, a vocational training institution or university.
- Urban redevelopment and regeneration
- Operation of festival halls, culture and leisure parks (e.g. for concerts, carnival events, exhibitions, shows, conferences, markets and trade fairs).
- Nature and landscape conservation.
- Climate protection (including providing information, developing educational programmes, PR activities and networking).
- Expansion of broadband services.

Forms of entrustment

Entrustments are typically made in the form of administrative acts, agreements, by-laws or (municipal) decisions.

Duration of the entrustment

Usually 10 years.

Exclusive or special rights

Undertakings are not generally granted exclusive or special rights.

Aid instruments

Particular use is made of subsidies, sureties, loans, capital contributions, membership fees, letters of comfort and the provision of staff and premises.

Compensation mechanism

There is no typical compensation mechanism. In many cases, an (annual) loss is compensated on the basis of separate accounting, or specific expenses are compensated. Cost allocation methodology is followed in the vast majority of cases.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out on the basis of statements of expenditure, frequently within the framework of audited annual financial statements.

Transparency requirements

Not applicable, since Article 7 of the SGEI Decision applies only if compensation for a single SGEI exceeds EUR 15 million, which is not the case for other compensation (Article 2(1)(a)).

Amount of aid granted

According to the information made available to the Land Government by the authorities, aid granted by Federal Government, Länder and municipalities amounted to approximately EUR 128.92 million (2016) and EUR 157.2 million (2017). Sureties, and loans amounting to approximately EUR 16.2 million (2016) and EUR 25.74 million (2017) were also granted in the reporting period, although no information is available on the gross subsidy equivalent.

3. Description of the application of the 2012 SGEI Decision

So far, the Commission has not approved any measures under the 2012 SGEI Framework.

4. Complaints by third parties

None.

5. Miscellaneous questions

None.

Bavaria

1. Expenditure overview

According to the information made available by the Bavarian authorities, aid granted on the basis of the SGEI Decision amounted to approximately EUR 820 million in 2016 and EUR 778 million in 2017 in the form of subsidies, sureties, capital contributions, land concessions and loans. In particular the transfer of land, the value of which could not be quantified, was reported in individual cases.

Since its introduction, there have been no notifications – and so no expenditure – based on the SGEI Framework in Bavaria.

2. Description of the application of the 2012 SGEI Decision

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

A. Funding in the context of local self-government

Contents of the services entrusted as SGEI

Entrustments were made in the following areas:

- Medical care services in the field of inpatient, part-time inpatient, pre-admission and post-discharge and outpatient hospital care with all associated individual services,
- Emergency services,
- Ancillary activities directly associated with these principal activities (e.g. accommodation and meals, laboratory, radiology, physiotherapy, cleaning of buildings, technical service, administration, but also basic and advanced training in hospital professions, hospital fire department, provision of accommodation and parking facilities for staff, provision of staff meals, operation of canteens, hospital kitchens, central pharmacies, cafeterias and kiosks, property administration, operation of day nurseries, medical opinions),
- Accommodation and care for people suffering from mental or neurological disorders and integration assistance services,

- Day and night care for elderly people,
- Psychiatric treatment under a hospital order (delegated sovereign activity),
- Polyclinic with research and teaching and
- Emergency services.

Forms of entrustment

The vast majority of entrustments (60 cases) are made by means of an act of entrustment, but some also by means, for example, of decision of the shareholders bound by instruction (of the respective municipal decision-maker) or administrative act.

Duration of the entrustment

The duration of the entrustment ranges from 1 year to – in most cases – 10 years, with some entrustments for (considerably) longer terms from 20 to 32 years due to high investment sums involved and the long depreciation periods or, as a result of the terms of [...], one entrustment was made for an indefinite period.

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies (in the form of investment, repayment, operating cost, interest, liquidity and construction cost subsidies, assumption of pre-financing interest) are frequently used and annual shortfalls are compensated (deficit compensation, loss compensation). The following are also used:

- Transfer without consideration of land/buildings
- Underwriting of sureties
- Partial reimbursement of pension costs
- Investment grants
- Granting of low-interest/interest-free loans
- Reimbursement of interest/redemption payments
- Assumptions of debt servicing
- Letters of comfort
- Capital contributions

- Management of the hospital's current accounts in the municipality's interest compensation network without the municipality charging the interest to the hospital.

Compensation mechanism

Compensation takes place in particular on the basis of the respective (annual) business plan.

In addition, the following compensation mechanisms are used:

- Investment cost subsidies corresponding to costs incurred
- Loss compensation corresponding to proof of deliverables achieved
- Compensation of net costs or individual costs which can be derived from the financial accounting
- Determination of overheads on the basis of an appropriate allocation formula (e.g. areas, full-time staff, internal performance figures, fee schedules, sales revenues) or realistic estimates
- Allocations to own funds/building maintenance.

The cost allocation methodology is used in most cases; the net avoided cost methodology is also used in individual cases.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out through the presentation of the annual financial statements and audit (by municipality, auditor, auditing association) and through statements of expenditure, but also through

- Provision of expenses only according to the business plan adopted by the municipality for the institution
- Enforcement of any recoveries through existing authority of the municipality in relation to the institution
- Presentation of separate accounting with audit
- Conclusion of a contract for the use of land/buildings
- Final account for measure

- Issue of notice with indication of intended use and repayment obligation in the event of misuse.

Transparency requirements

Not applicable.

Amount of aid granted

2016		2017
EUR 401 354 892.97		EUR 330 573 880.57
	2016	2017
Subsidies in various forms, e.g. (investment) subsidy, loss compensation/compensation of annual shortfalls, reimbursements, interest subsidy and reimbursement	EUR 133 638 366.48	EUR 154 941 934.52
Transfer land/building	unquantified	unquantified
Sureties	EUR 270 016 526.48	EUR 175 699 946.05
	3 x unquantified	3 x unquantified
(Liquidity) loans	EUR 23 680 000	EUR 25 820 000
Issue of letter of comfort	EUR 3 000 000	EUR 3 000 000
Capital contribution	EUR 1 000 000	EUR 1 000 000

B. Funding by the Land of Bavaria in the area of competence of the Land Ministry of Health and Care

Contents of the services entrusted as SGEI

Entrustments as SGEI were made in the following areas:

- Telemedicine projects
- Poisons information centre Munich/poisons hotline

Forms of entrustment

The entrustment was made by grant notice or approval.

Duration of the entrustment

The duration of the entrustment is between 1 and 3 years.

Exclusive or special rights

No exclusive or special rights were granted to the undertakings.

Aid instruments

Subsidies and allocations were used.

Compensation mechanism

The grant notices, including requirements, conditions and indications, establish the compensation mechanism and the parameters for the calculation, monitoring and modification of compensation, especially on the basis of the financing plan. The grant notices include in particular regulations on the type of financing, subsidy rate, expenditure and financing plan, personnel expenses, application of the general ancillary provisions for grants for project financing (ANBest-P), audit rights, disbursement and statement of expenditure. The approvals include, in particular, regulations on expenditure and financing plan, personnel expenses, audit rights, allocation and statements of costs.

The cost allocation methodology was used.

Arrangements for avoiding and repaying any overcompensation

The grant notices contain measures to avoid and recover overcompensation payments and in particular regulations in the case of infringement of ancillary provisions, to check applications for disbursement and for recovery. Proof of the appropriate use of the grant (statement of expenditure) by means of written confirmation of use is also required. This ensures that the appropriate use can be checked (check of statement of expenditure).

Approvals contain regulations on proof of the use of funds and on the consequences of non-use within a specific timeframe and requirements to provide proof of the project deliverables achieved.

Transparency requirements

Not applicable.

Amount of aid granted

2016	2017
EUR 529 586.09	EUR 385 061.22

2) Social services (Article 2(1)(c))

a) Health and long-term care

A. Funding in the context of local self-government

Contents of the services entrusted as SGEI

Entrustments are made in the following areas:

- Nursing care services, such as inpatient and part-time inpatient care, but also short-term and day care of elderly people, long-term care for people with incurable, progressive illness with all associated individual services to allow a dignified end of life (hospice), provision and operation of retirement and nursing homes,
- Directly associated necessary ancillary services, including psychological support, catering, provision of garden for guests, reflection and prayer room, as well as room-cleaning, pocket money administration for the residents of the institutions,
- Services in the field of care for the elderly, such as inpatient care, home care if the carer is unable to attend, social station, residential groups for dementia patients, meeting places, programme for the elderly, sheltered housing, cross-generational neighbourhood concept, residential communities, residential care communities, 4th generation residential area for persons with severe disabilities,
- Interdisciplinary outpatient treatment of people with illnesses in need of assistance in rural areas,
- Preventive healthcare in rural areas,

- Promotion of medical care for patients from a single source by coordinating the existing inpatient hospital operation with the outpatient sector,
- Provision of emergency doctors in accordance with the Emergency Services Act of the Land of Bavaria (*Rettungsdienstgesetz des Freistaates Bayern*),
- Outpatient psychiatric care, outpatient addiction care, self-help,
- Health promotion and health advice services,
- Pregnancy advice centres,
- Establishment and operation of a Health Region Plus branch to strengthen health care.

Forms of entrustment

Entrustments are generally made by means of an entrustment act, in individual cases by means of an administrative act or agreement.

Duration of the entrustment

The duration of the entrustment is generally 10 years; in a few cases between 1 and 5 years. In one case, the duration of the entrustment amounts to 30 years, due to the refinancing of the necessary investments.

Exclusive or special rights

Not relevant.

Aid instruments

The compensation often takes the form of underwriting the annual shortfalls or subsidies (in the form of investment and repayment subsidies). The following are also used:

- Capital contributions
- (Loan) guarantees
- Use and transfer without consideration of land and buildings.

Compensation mechanism

Annual loss compensation in particular is used, but also specific expenditure is reimbursed. Cost allocation methodology is used in most cases.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out through the presentation of the annual financial statements and audit (by municipality, auditor, auditing association) and through statements of expenditure, but also through

- Provision of expenses only according to the business plan adopted by the municipality for the institution
- Enforcement of any recoveries (through existing authority of the municipality in relation to the institution)
- Presentation of separate accounting with audit (by municipality)
- Monthly checks.

Transparency requirements

Not relevant.

Amount of aid granted

2016		2017	
EUR 11 060 219.34		EUR 12 484 094.66	
	2016	2017	
Subsidies in various forms (subsidy or loss compensation/compensation of annual shortfalls)	EUR 10 188 961.34	EUR 10 955 049.66	
Capital contributions	EUR 800 000	EUR 1 459 921	
Surety	EUR 71 258	EUR 69 124	
Use of land and buildings without consideration	unquantified	unquantified	

In one case, it was not yet possible to provide information for 2017 as the annual financial statements for the undertaking were not yet available.

B. Funding by the Land of Bavaria in the area of competence of the Land Ministry of Health and Care

Contents of the services entrusted as SGEI

Entrustments as SGEI occurred in the following areas:

- Telemedical projects and centres
- Measures and projects for addiction prevention and addiction counselling to prevent risks of addiction through information and counselling
- Measures and projects for HIV/AIDS prevention and AIDS counselling to provide information on the risks of the immunodeficiency syndrome AIDS, on how it is transmitted and avoidance of infection with HIV
- Establishment and operation of health regions. The pooling and further development of existing regional networks is to contribute to the improvement of local medical care and prevention
- Establishment of a nursing training centre in the rural district of Rhön-Grabfeld to support persons in need of care and carers at home when a nursing situation arises
- '9x independent living in Oberfranken': study on the acceptance of the use of technical assistance solutions by persons in need of care, their relatives and nursing staff and the integration of such solutions in everyday nursing care and their effects
- Dementia-compatible expansion of facilities for short-term, day and night care based on the Care Support Directive – WoLeRaF No 2 on creating and improving a dementia-compatible environment
- Professional development in palliative care
- Office of the Bavarian Hospice and Palliative Alliance (*Bayerisches Hospiz- und Palliativbündnis*, BHPB)
- MiMi Health Project Bavaria: With Migrants for Migrants (MiMi) – intercultural health in Bavaria 2016-2018 for improved access by migrants to the German healthcare system in Bavaria, including its offers for health promotion and prevention through multilingual, culturally aware communication of information.

Forms of entrustment

The entrustment was made by grant notice and in the case of MiMi by additional subsequent private law agreements.

Duration of the entrustment

The duration of the entrustment is between 1 and 5 years.

Exclusive or special rights

No exclusive or special rights were granted to the undertakings.

Aid instruments

Subsidies were used.

Compensation mechanism

The grant notices, including requirements, conditions and indications, establish the compensation mechanism and the parameters for the calculation, monitoring and modification of compensation, especially on the basis of the costs and financing plan and in the case of funding under the Care Support Directive – WoLeRaF No 2, under §§ 74 *et seq.* of the Act on the Implementation of Social Legislation (AVSG) (approval procedure). The grant notices include in particular regulations on the type of financing, approval period, funding amount/subsidy rate, costs/expenditure and financing plan, personnel expenses, application of the general ancillary provisions for grants for project financing (to municipal authorities) or institutional funding (ANBest-P, ANBest-K and ANBest-I), audit rights, disbursement (terms) and statement of expenditure.

Cost allocation methodology is used in most cases.

Arrangements for avoiding and repaying any overcompensation

The grant notices and ancillary provisions contain measures to avoid and recover overcompensation payments and in particular regulations in the case of infringement of ancillary provisions, to check applications for disbursement, for the statement of expenditure and for recovery or invalidity, withdrawal or cancellation of the grant. This ensures that the appropriate use of the grant can be checked (check of statement of expenditure). In the case of funding under the Care Support Directive –

WoLeRaF No 2, overcompensation is also avoided through the approval procedure under §§ 74 *et seq.* AVSG.

Close monitoring of subsidy recipients.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 10 143 043.24	EUR 13 198 273.29

C. Funding in the area of competence of the Finance Department (State-owned spas)

Contents of the services entrusted as SGEI

The spa management companies are responsible for the operational conduct of spa business in the area in each case designated in Annex 1 to the Ordinance on the collection of spa tax (*Verordnung über die Erhebung der Kurtaxe*), including the provision of natural local remedies and the operation of appropriate spa facilities for the information, entertainment, accompanying therapeutic care and sports activities of spa guests.

Forms of entrustment

There is no typical form of entrustment. Entrustments are made by administrative act, (shareholder) agreement or contractually agreed consortium arrangement with municipal co-shareholders.

Duration of the entrustment

The duration of the entrustment varies between 8 years and an unlimited period.

The duration of the entrustment exceeds the period of 10 years in 80 % of cases since, due to substantial investments, integration of municipal co-shareholders in the spa management companies would not have been feasible with a shorter duration of entrustment. It proved impossible to attract private co-shareholders in any State-owned spa.

In some cases, the Land bears sole responsibility for the operational spa business. Involvement of further co-shareholders is not obvious in the medium term. In this respect, the entrustments typically were made for an unlimited period.

Exclusive or special rights

The undertakings, as appointed entrepreneurs, are entitled to collect the spa tax under the Ordinance on the collection of spa tax.

Aid instruments

The undertakings receive subsidies.

Compensation mechanism

Net avoided cost methodology was used.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out using statements of expenditure, which form part of audited annual financial statements.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 4 676 000	EUR 5 893 000

b) Childcare (in the broad sense, here catering)

Contents of the services entrusted as SGEI

The following entrustments have been made:

- Operation of commercial kitchens with delivery of food, operation of sales points during breaks to supply healthy meals for schoolchildren, supervisors and teachers.
- Operation of a school canteen with a specified range of services.

Forms of entrustment

Entrustments are made by means of an act of entrustment (on one occasion under a concession).

Duration of the entrustment

The duration of entrustment is between 4 and 10 years.

Exclusive or special rights

Not relevant.

Aid instruments

Generally losses are compensated and substantiated costs assumed or the necessary premises and utility services (electricity, water, waste collection) are made available.

Compensation mechanism

Compensation is based on the audited annual financial statements. Cost allocation methodology and net avoided cost methodology are used or the advantage is established by the concession.

Arrangements for avoiding and repaying any overcompensation

Checks take place through the presentation of the annual financial statements and audit by the Bavarian municipal audit association.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 655 202.50	EUR 390 970.00

c) Access to and reintegration into the labour market***Contents of the services entrusted as SGEI***

Entrustments are made in the following sectors:

- Generally, introduction to and integration into the labour market of the most vulnerable groups in the labour market and the long-term unemployed,
- Opportunities close to the real world in the neighbourhood meetings (e.g. information evening on unemployment benefit II, women's breakfast, consultation hour and information, Nordic walking group, open cooking group for healthy eating),
- Continuous outreach counselling and work with participating citizens (clearing and identification of skills and resources, goal-setting, self-motivation, job application training),
- Continuous case management based on concrete objectives of the participants (guidance, networking in relation to personal goals, placement in work, in internships, in course formats and further offers, such as addiction counselling, recognition of qualifications from abroad),
- Development and stabilisation of networks with relevance to the labour market, acquisition of cooperating undertakings for internships,
- Job training as transfer of skills,
- Support for asylum seekers in looking for work, integration and qualification for the German labour market.

Forms of entrustment

Entrustments are made by means of act of entrustment and grant notice.

Duration of the entrustment

Entrustments are made for between one and two years. (In one case, the duration was not specified.)

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies were granted.

Compensation mechanism

The specific expenditure is reimbursed after the annual statement of the funds received and revenue and after providing evidence of the deliverables achieved. Cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out using statements of expenditure based on the audited annual financial statements, annual reporting on any overcompensation and repayment obligations.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 19 585 007.90	EUR 20 245 220.60

d) Social housing

Contents of the services entrusted as SGEI

Promotion of social housing is a service of general economic interest.

The promotion of social housing involves measures aimed at safeguarding and improving the supply of housing for population groups who are unable to provide themselves with accommodation on the open housing market and therefore rely on support. These groups include in particular low-income households, families with

children, single parents, pregnant women, elderly and disabled persons, and other people in need of help. Target groups are defined on the basis of income thresholds in the vast majority of cases, with proof of compliance requested on a case-by-case basis.

The service of general economic interest is aimed at increasing the supply of social housing through building new stock or purchasing and modernising existing rental stock, resulting in a lasting increase in the practical value of rented apartments or buildings, long-term improvements in general living conditions and reduced consumption of energy and water, which also reduces the amount paid for utilities. In view of the ageing structure of society, the promotion of social housing also covers support for accessible buildings and living environments appropriate for the elderly, such as housing for groups with particular care needs or sheltered housing.

In order to further benefit the groups targeted by measures to promote social housing, agreements can also be reached to take over responsibility for other commercial housing, construction and social measures, in particular those aimed at improving living environments, eliminating social problems and developing neighbourhoods.

The provider of the service of general economic interest (commercial housing company/landlord) makes available housing which is rented out at a discount to the aforementioned target group.

The Länder have been competent for the implementation of the promotion of social housing in Germany since 2007, following the first reform of the federal system. The statutory provisions are to be found in the Land promotion laws, where the Länder have availed themselves of their legislative competence. In Bavaria, the Bavarian Housing Promotion Act (*Wohnraumförderungsgesetz*) has been adopted for this purpose.

The replies below show that the promotion of undertakings entrusted with the promotion of social housing is covered by the regulations of Exemption Decision 2012/21/EU. The promotion is therefore in principle exempt from the notification obligation in so far as it constitutes aid.

Forms of entrustment

Entrustment is made on a legal basis.

Undertakings receiving funding for the promotion of social housing are entrusted with a clearly defined public service obligation. Within their respective field of competence, the funding bodies grant approval on the basis of the necessary application from the recipient by means of an executive decision, usually an administrative act. The entrustment also contains a reference to the Decision in accordance with Article 4(f) of Exemption Decision 2012/21/EU.

The funding decision specifies in particular the purpose of the funding, the amount and type of grants, in the case of loans, the terms for repayment and the form and duration of the quid pro quo to be observed/provided by the recipient.

The specific special regulations applied to social housing, presented here for the operation of services of general economic interest, differ from those of other sectors, such as the hospital sector.

Duration of the entrustment

In the construction of rental properties, the duration of entrustments is generally between 10 and 30 years due to the high investment sums involved and the long refinancing term.

In Exemption Decision 2012/21/EU (recital 12), social housing is explicitly named as an example of when application of the Decision does not have to be limited to a maximum of ten years due to the significant investment involved.

The funding is organised differently in the Länder, so the duration of the entrustment may differ in Bavaria.

Since the duration of the entrustment for loans and subsidies for construction of rental properties in principle is not less than 10 years, the proportion of entrustments with a duration exceeding 10 years is very high. Precise quantification is not possible, since some of the funding is provided by cities and municipalities.

Exclusive or special rights

Compared to other housing companies, these companies are not generally granted any special or exclusive rights.

The funding system is market-oriented. Any natural or legal person carrying out a building project described in the funding programme and complying with the required occupancy and rent commitments is in principle entitled to the funding in the context of the promotion of social housing at the same conditions – irrespective of their other business field. In this respect, domestic and foreign companies/investors are treated equally. One of the advantages – without prejudice to the focusing of the funding on the respective demand – is the opportunity for local dispersal of social housing, which avoids spatial concentration of socially disadvantaged groups (ghettoisation).

The rents for these rental properties are generally below the market rents.

Aid instruments

Funding is granted on the basis of low-interest loans, partial construction subsidies, the underwriting of sureties and other guarantees, the provision of low-cost land for building or a combination of these funding methods. The most frequently used funding instruments are long-term low-interest loans or subsidies.

Compensation mechanism

The promotion of social housing is not company-related but property-related.

Occupancy and rent commitments are accepted as a public service obligation, i.e. the properties are rented exclusively to households meeting the respective income limits and the rent levels are capped. The rent levels are capped to ensure affordability of the living costs for the target groups. They are generally below the market level.

Net avoided cost methodology is generally followed to calculate the compensation.

Compensation payment levels are based on an objective and transparent *ex ante* procedure as follows: when funding programmes are adopted, the conditions which are put in place in order to calculate the level of net compensation costs in each individual case are designed in such a way that the economic disadvantages incurred as a result of the public service obligation associated with the funding are offset throughout the term of the rent and occupancy commitment. Compensation is provided for the revenue losses caused by the difference between capped rent levels and market rates, the increased costs associated with tenant services, maintenance and administration as result of the occupancy commitment and any increased costs due to special design requirements at the construction stage (e.g. accessible housing). The level of aid is determined on the basis of the conditions in the relevant housing market. All available data and research reports on land prices, construction costs and market rents are used as a basis.

As a result, this method is used for each individual funding project to compensate for the net costs of the public service obligation and overcompensation is excluded through the funding, since the funding is market-based and has been organised so that the profitability of the investment in social housing construction is equal to that of an investment in private residential construction without public service obligation.

Arrangements for avoiding and repaying any overcompensation

The published funding programmes stipulate the general requirements to be met as regards both public service obligations (described above) and the calculation of compensation payments. Within this framework, the granting authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the recipient has not been overcompensated for the public service obligations described.

Typical precautionary measures include not only the imposition of particular public service obligations on the undertaking, but also the *ex-ante* establishment of a legal basis, either in legislation or in the funding notice, with a view to ensuring strict compliance with these obligations towards other undertakings and social tenants and taking action in the event of a failure to do so. This includes obligations to provide information, to allow the inspection of documents and to grant access to land, buildings and apartments. It is also possible to initiate administrative proceedings to

enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is also possible to revoke (in part) the funding and to claim back funding which has already been approved.

Statutory time periods for the rent and occupancy commitments are specified in advance to cover instances where loans are repaid prematurely or an undertaking becomes insolvent.

Transparency requirements

No funding exceeding EUR 15 million was granted under the housing construction programme during the reporting period.

Amount of aid granted

2016		2017	
EUR 273 641 218		EUR 256 831 674	
<u>Land:</u>		<u>Land:</u>	
Low-interest loans:	EUR 42 996 000	Low-interest loans:	EUR 42 385 000
Subsidies:	<u>EUR 159 651 000</u>	Subsidies:	<u>EUR 156 216 000</u>
Total:	EUR 202 647 000	Total:	EUR 198 601 000
<u>Municipalities:</u>		<u>Municipalities:</u>	
Low-interest loans:	EUR 66 570 000	Low-interest loans:	EUR 52 920 000
Subsidies:	EUR 4 330 000	Subsidies:	EUR 3 890 000
Reduced ground rent:	EUR 93 500	Reduced ground rent:	EUR 94 998
Land subsidy:	-	Land subsidy:	EUR 1 325 000
Sureties:	<u>EUR 718</u>	Sureties:	<u>EUR 676</u>
Total:	EUR 70 994 218	Total:	EUR 58 230 674
Grand total:	EUR 273 641 218	Grand total:	EUR 256 831 674

e) Care and social inclusion of vulnerable groups

Contents of the services entrusted as SGEI

Entrustments are made in the following areas:

- Socio-therapeutic care services, such as psycho-social care for the disabled in accordance with Book XII of the Social Code, including integration assistance and day-structuring measures,
- Institutions providing care, support and education for various socially disadvantaged groups (mentally ill and disabled, young people and the elderly)
- Establishment and operation of accommodation and meeting place for refugees and continuation of four housing tenancies.

Forms of entrustment

The entrustments are made by means of act of entrustment.

Duration of the entrustment

The duration of the entrustment of 10 years is exceeded in some cases, due to the fact that the lease contract of the undertaking entrusted had a corresponding term, provision is made for use and write-down of the investments over the corresponding term or alignment of the term with that of the leasehold contract has been undertaken and also due to substantial investments and long depreciation period (between 12 years and max. 40 years). In individual cases, the duration of the entrustment is 1 year and 10 years respectively.

Exclusive or special rights

Not relevant.

Aid instruments

Undertakings are granted subsidies (in the form of investment cost, construction cost and repayment subsidies) and reductions in ground rent, annual shortfalls are compensated and land and buildings are assigned for use without consideration.

Compensation mechanism

Compensation takes place annually on the basis of the annual business plan.

Cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out on the basis of statements of expenditure. In addition, a specific use agreement for the land/buildings was concluded, an annual report on the implementation of the tasks assumed was requested from the municipality, a repayment obligation in the case of overcompensation was agreed or the possibility exists to increase the ground rent in accordance with a revaluation.

Transparency requirements

Not relevant.

Amount of aid granted

2016		2017
EUR 1 928 879.98		EUR 3 259 478.78
	2016	2017
Subsidies	EUR 1 768 479.98	EUR 3 099 078.78
Calculated reduction in ground rent	EUR 110 000	EUR 110 000
Use of land and buildings without consideration	EUR 50 400 1 x unquantified	EUR 50 400 1 x unquantified

In one case, an unquantified share in repayment subsidy and in an operating cost subsidy was granted.

- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d) (no notification)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)

Contents of the services entrusted as SGEI

An entrustment is made for the construction and operation of a commercial airport.

Forms of entrustment

The entrustment is made by means of an act of entrustment.

Duration of the entrustment

The entrustment is made for 10 years.

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies are granted.

Compensation mechanism

Net costs are compensated by means of investment and operating cost subsidies in accordance with the annual business plan.

Cost allocation methodology is used as a basis.

Arrangements for avoiding and repaying any overcompensation

Checks for overcompensation are carried out by the municipality; there is a claim for reimbursement in the case of overcompensation.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 150 000.00	EUR 413 056.20

...

5) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

- i) Postal services (no information)
- ii) Energy

Contents of the services entrusted as SGEI

- Supply of the population with electricity, gas, heat and district heat, and all activities associated with the production, procurement, supply and distribution of energy and district heat,
- Promotion of the rational use of energy and provision and use of energy from renewable sources,
- Energy advice (free of charge) (including with regard to efficiency and environmental compatibility) for end users as well as public relations work with regard to energy saving, energy efficiency and use of renewable energies and municipal climate protection work,
- Operation of renewable energy generation plants,
- Consulting services and pre-financing for the installation of combined heat and power plants and energy-saving measures for municipal buildings,
- Financing of battery storage under the Smarter Together EU project.

Forms of entrustment

Entrustments are made by means of act of entrustment, shareholder agreement, articles of association and administrative act.

Duration of the entrustment

Entrustments are generally made for between 10 years and 20 years, in one case for an unlimited period. Long-term assets are involved.

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies (in the form of operating cost, rent and investment cost subsidies), sureties and loss compensation are used.

Compensation mechanism

Compensation is paid predominantly in accordance with the approved annual business plan or according to the net costs incurred. Cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out on the basis of statements of expenditure and presentation of the audited annual financial statements and municipality resolutions addressed to the management and the conclusion of repayment obligations, where appropriate.

Transparency requirements

Not relevant.

Amount of aid granted

2016		2017
EUR 9 767 052.40		EUR 9 084 093.40
	2016	2017
(Operating cost) subsidy or loss compensation	EUR 53 384	EUR 370 425
Surety	EUR 9 713 668.40	EUR 8 713 668.40

iii) Waste collection (no information)

iv) Water supply

Contents of the services entrusted as SGEI

Entrustments are made in the areas of the supply of the population with water and the operation of sewage disposal plants.

Forms of entrustment

The entrustment is made by means of articles of association.

Duration of the entrustment

When articles of association are adopted, the entrustment is made for an unlimited period.

Exclusive or special rights

Not relevant.

Aid instruments

Compensation payments and sureties are used.

Compensation mechanism

Cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

No information has been provided on this subject.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 45 366 (surety)	EUR 45 366 (surety)

v) Culture

A. Information in the context of local self-government

Contents of the services entrusted as SGEI

Entrustments are made in the following areas:

- Operation of theatres or renting of venues for theatre and other cultural events, such as drama, opera, operetta/musical, dance, children's and youth theatre, symphony orchestra, literature, cinema, educational theatre, festivals, balls, exhibitions, as well as meetings, conferences and congresses of all kinds and practicable sizes, as well as bowling events in the existing complex, as well as management of the theatre operation, the functions room operation and the associated ancillary operations,

- Realisation and organisation of cultural events, such as, for example, folklore events, exhibitions, concerts and guest performances,
- Operation of a wildlife park and the associated institutions and institutes.

Forms of entrustment

With entrustments in the form of an act of entrustment, municipal decision or conclusion of a shareholder agreement, the typical forms of entrustment are used.

Duration of the entrustment

The duration of the entrustments varies between one and ten years. In two cases, the entrustment was for an unlimited period on the grounds that a shareholder agreement (for an unlimited period) has been concluded.

Exclusive or special rights

Not relevant.

Aid instruments

Capital contributions, (operating cost) subsidies and the transfer of land and buildings without consideration are used.

Compensation mechanism

Compensation payments are made on the basis of the annual business plan.

Cost allocation methodology is generally used.

Arrangements for avoiding and repaying any overcompensation

Checks take place by means of the presentation and audit of the annual financial statements and of separate accounting, as well as through recovery, where appropriate, of excess amounts paid.

Transparency requirements

The amount covers an abundance of measures which are not generally subject to the transparency requirements. The Land capital Munich, as the largest granting authority, publishes all relevant financial data, irrespective of the amount, in its council information system and in the financial data and participation system of the Munich City Treasury.

Amount of aid granted

2016		2017
EUR 23 139 092.71		EUR 22 027 197.29
	2016	2017
Capital contribution current deficit	EUR 12 550 092.71	EUR 13 637 485.29
Subsidies	EUR 10 589 000	EUR 8 389 712
Transfer of land/buildings	-	unquantified
Drawing up of an events programme	-	unquantified

B. Information from the public administration sector (local TV)***Contents of the services entrusted as SGEI***

Production and technical distribution of local and regional television programmes in Bavaria.

Forms of entrustment

Entrustments are made under Article 23 and Article 41(2)(3) of the Bavarian Media Act (*Bayerisches Mediengesetz*, BayMG), in conjunction with decisions by the media council; implementation by public law agreements between the Bavarian media authority *Bayerische Landeszentrale für neue Medien* (BLM) and the programme providers.

Duration of the entrustment

4 years.

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies.

Compensation mechanism

Cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Check of statement of expenditure.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
EUR 9 000 000.00	EUR 10 695 249.74

vi) Financial services

Contents of the services entrusted as SGEI

One entrustment is made through funding an SGEI task by taking on debt on the capital market and channelling the relevant funds to infrastructure projects or to municipal companies carrying out public tasks such as the supply of electricity, heat and gas.

Forms of entrustment

The entrustment is made by means of an act of entrustment.

Duration of the entrustment

The duration of entrustment is 10 years.

Exclusive or special rights

Not relevant.

Aid instruments

A capital contribution was used as an aid instrument.

Compensation mechanism

Cost allocation methodology was used.

Arrangements for avoiding and repaying any overcompensation

Avoiding and repaying overcompensation is ensured by the submission of annual financial statements and auditing by the municipal auditing association.

Transparency requirements

Not relevant.

Amount of aid granted

No aid was granted in 2016 and 2017.

vii) Other sectors

A. Youth hostels

Contents of the services entrusted as SGEI

Like all youth hostels in Bavaria and Germany, the funded youth hostel sees itself as a target group-specific out-of-school and extracurricular place of learning with corresponding educational programmes. The funded service provider has been recognised as a non-profit organisation and assumes public service obligations within the scope of Book VIII of the Social Code.

Forms of entrustment

A sample act of entrustment for youth hostels agreed with the Commission is used (already available to the Commission).

Duration of the entrustment

25 years.

Exclusive or special rights

Not applicable.

Aid instruments

Subsidy.

Compensation mechanism

The grant recipient records costs and revenues on the one hand for the SGEI incumbent on it and on the other hand for each further activity internally in separate accounts (separate accounting). All costs and revenues are to be allocated to the respective fields according to objectively justified and uniformly applied cost accounting principles. The underlying cost accounting principles must be clearly defined. The grant recipient keeps records of the allocation of the costs and revenues to the respective fields and of the cost accounting principles applied and

in particular of the standards for the categorisation of such costs and revenues (cost allocation methodology).

Arrangements for avoiding and repaying any overcompensation

Checks every three years by the granting authority, taking into consideration Article 6 of the SGEI Exemption Decision.

Transparency requirements

Not applicable.

Amount of aid granted

2016	2017
EUR 100 000.00	-

B. Advisory services in various fields, especially in the field of consumer advice

Contents of the services entrusted as SGEI

- Consumer education, advice and information by the Bavarian consumer organisations 'Verbaucherzentrale Bayern e.V.' and 'Verbraucherservice Bayern im KDFB e.V.';
- Operation of consumer education support bases with consumer education events by adult education institutions;
- Operation of an online conciliation body for consumer disputes arising from e-commerce contracts;
- Provision of independent consumer information and consumer education in the field of nutrition;
- Patent information and advice for inventors.

Forms of entrustment

Administrative act or agreement.

Duration of the entrustment

Between 1 and 2 years.

Exclusive or special rights

None.

Aid instruments

Subsidies.

Compensation mechanism

Shortfall financing (net avoided cost methodology) or cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Checks on the basis of statement of expenditure.

Transparency requirements

Not applicable.

Amount of aid granted

2016	2017
EUR 657 000.00	EUR 6 896 000.00

C. Adult education and educational theory (also in nature)

Contents of the services entrusted as SGEI

Entrustments take place in the following areas:

- Promotion and maintenance of adult education centres in the usual local range of services
- Establishment and operation of a treetop path including an integrated educational concept.

Forms of entrustment

Entrustments are made in the forms of act of entrustment, partnership agreement or administrative act and district and municipal council decisions.

Duration of the entrustment

The duration of entrustments is generally 10 years.

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies are granted.

Compensation mechanism

Compensation is based on the annual financial statements. Cost allocation methodology is applied.

Arrangements for avoiding and repaying any overcompensation

Checks are made by means of approval and audit of the annual financial statements by auditors and statements of expenditure, but also by means of any repayment obligation of the entrusted undertaking in the event of overcompensation.

Transparency requirements

Not relevant

Amount of aid granted

2016	2017
EUR 3 284 664.00	EUR 1 637 250.40

D. Transport (without land transport pursuant to Article 2(5) SGEI Exemption Decision)

Contents of the services entrusted as SGEI

An entrustment is made for the provision of e-carsharing offers (granting possibilities of generally short-term use to various users in return for payment) at locations in the immediate vicinity of local public transport routes to supplement an integrated mobility offer and reduce private transport powered by internal combustion engines in urban areas (pilot phase).

Forms of entrustment

The entrustment is made by means of act of entrustment.

Duration of the entrustment

The duration of entrustment is 4 years.

Exclusive or special rights

Not relevant.

Aid instruments

Capital contributions are granted.

Compensation mechanism

Compensation takes the form of deficit compensation by means of capital contributions.

Cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Checks take place through the presentation of annual financial statements and separate accounting and their audit (by municipalities, auditors) and through recovery of any surplus amounts paid.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
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NB:

The amount of the capital contribution cannot yet be quantified since the deficit compensation is granted in arrears after presentation of the 2017 annual financial statements.

E. Promotion of economic development and infrastructure and tourism (municipal level)

Contents of the services entrusted as SGEI

Entrustments are made in the following areas:

- Promotion of economic development and of all associated services contributing to the strengthening and promotion of the economic area (including creation of adequate infrastructure and framework conditions for positive economic development; location marketing; market research; advice and support for companies; establishment and operation of centres for commerce, technology, business start-ups and science; development and marketing of commercial property; measures to support inner-city development, in particular in the retail sector; activities aimed at business start-ups and young companies in the IT sector, including in the form of renting office infrastructure, advice, networking, organisational assistance; holding of exhibitions, conferences and trade fairs and establishment and operation of buildings and spaces suitable for such events; development of an information system of an economic-structural nature at rural district level (area database), contact point for questions relating to the energy transition),
- Management of parking spaces (including construction, provision and operation of parking facilities such as car parks, multi-storey car parks and underground car parking, and bicycle parking),
- Establishment, operation and maintenance of traffic infrastructure (park & ride and bike & ride systems),
- Trade fairs and congresses (holding of trade fairs, city and public festivals, event management, providing and renting premises),
- Provision and operation of meeting and event premises,
- Municipal promotion of tourism (including marketing; regional development of tourism; marketing concepts; market research; operation of tourist facilities; provision of tourism-promoting infrastructure, running tourist activities, (spa treatment-accompanying) events, conferences and congresses; cultural attractions, provision of tourism agency services; operation of tourist information, press and public relations work; arranging accommodation

(inbound procurement in the region); looking after tourist interests for the municipality and representation of the municipality in tourist associations, development of quality assurance management and quality campaigns for landlords, innkeepers and tradesmen in the local tourism sector; distribution of local tourist products),

- Advice and representation of the interests and coordination of local and regional operators in the tourist sector (internal marketing).

Forms of entrustment

Entrustments are made generally by means of an act of entrustment.

Duration of the entrustment

An entrustment is usually made for between 5 and 10 years.

Exclusive or special rights

Not relevant.

Aid instruments

Frequently, subsidies are granted and annual shortfalls are compensated (deficit compensation, loss compensation). The following are used in addition:

- Capital contributions
- Compensation for costs incurred
- Granting of loans
- Leasing of land/buildings at a reasonable price.

Compensation mechanism

Compensation based on the respective (annual) business plan.

Cost allocation methodology is usually used, in some cases also net avoided cost methodology.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out by means of the presentation of the annual financial statements and audit (by the municipality, auditor, audit association) and by means of statements of expenditure, but also by means of

- Report to the responsible body and the supervisory board of the company
- Presentation of final accounts
- Statement of actual costs.

Transparency requirements

Not relevant.

Amount of aid granted

2016		2017
EUR 13 782 490.53		EUR 18 806 012.10
	2016	2017
Capital contribution	EUR 4 214 300	EUR 6 906 000
Loans	EUR 35 000	-
Subsidies/loss compensation	EUR 9 454 190.53	EUR 11 821 012.10
Transfer of land/buildings (subsidised)	EUR 79 000	EUR 79 000

F. Tourism (without municipalities)

Contents of the services entrusted as SGEI

Promotion of tourism and general destination marketing, e.g. in the form of

- Measures generally aimed at raising awareness and highlighting the advantages as an attractive travel destination (e.g. organising events, conferences, congresses and trade fairs)
- Development and implementation of marketing concepts for general image advertising for tourism
- Cooperation with other tourism marketing organisations for the purpose of general promotion of tourism in the field of competence

- General market research on tourism topics
- Awareness campaigns for individual tourism themes and fields of tourism in the interests of promoting tourism

both for the Land of Bavaria as a whole and also in the context of regional tourism associations.

Forms of entrustment

Entrustment is made by administrative act in the context of the grant notice.

Duration of the entrustment

Entrustment usually takes place for one year.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

Subsidy.

Compensation mechanism

Compensation is based on the cost and financing plan of the respective tourist association/tourism marketing organisation. Separate accounting is undertaken. (Cost allocation methodology.)

Arrangements for avoiding and repaying any overcompensation

Check of statement of expenditure.

Transparency requirements

Not applicable.

Amount of aid granted

2016	2017
EUR 9 596 796.12	EUR 11 419 043.00

G. Spas, therapeutic and thermal baths and other leisure facilities

Contents of the services entrusted as SGEI

Entrustments are made in the following areas:

- Proper administration of spa resources in the context of the operation of a spa centre; operational conduct of the spa business,
- Construction and operation of a thermal bath with sports and family area,
- Use of the thermal spring opened up to promote health and tourism,
- Ancillary services directly associated with the principal activity, such as physical therapy, provision of parking space for cars and motorhomes, saunas, wellness baths, Dead Sea salt grotto, spa treatments
- Maintenance and operation of leisure facilities (including ice sports facilities, saunas and thermal baths, outdoor and indoor swimming pools, ski lift, camping site, conference centres, in so far as cultural events take place there) and corresponding auxiliary and supporting facilities.

Forms of entrustment

Entrustment is made generally by means of an act of entrustment, in individual cases also by (public law) agreement and by articles of association.

Duration of the entrustment

Entrustment generally amounts to 10 years, in two cases for an unlimited period.

Exclusive or special rights

Not relevant.

Aid instruments

- Subsidies granted (also in the context of the special purpose association levies)
- Deficit compensation payments
- Sureties
- Capital contributions
- Retention of income from investments.

Compensation mechanism

Cost allocation methodology is generally used and only exceptionally net avoided cost methodology. The respective (annual) business plans serve as a basis.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out through the presentation of the annual financial statements and audit (by municipality, advisory board of the contracting parties), through statements of expenditure, reservation of the right of recovery and the annual settlement of the account in the context of the preparation of the annual financial statements.

Transparency requirements

Not relevant.

Amount of aid granted

2016		2017
EUR 23 101 023.44		EUR 23 462 289.77
	2016	2017
Sureties	EUR 1 343.30	EUR 1 343.30
Subsidies/retention of income from investments/loss compensation	EUR 23 099 660.14	EUR 23 450 946.47

H. Basic and further training of emergency personnel (disaster protection and preparedness)

Contents of the services entrusted as SGEI

The entrustment covers:

- An inventory of the training capacities and needs of the Civil Protection Working Group (*Arbeitsgemeinschaft Bevölkerungsschutz*) (ARGE; this includes all organisations active in the field of disaster protection in Bavaria) with regard to 'special deployment situations' (i.e. climate disasters or terrorist attacks, for example).

- The development of a networking concept (needs analysis) as a basis for a future specialised training centre for all participants
- Project office.

Forms of entrustment

Grant notice (administrative act).

Duration of the entrustment

The duration of the entrustment corresponds to the project length of the individual project components within the reporting period (2016-2017).

Exclusive or special rights

Not relevant.

Aid instruments

Subsidies are granted.

Compensation mechanism

Cost allocation methodology is used as a basis.

Arrangements for avoiding and repaying any overcompensation

Checks take place through the approval and audit of the annual financial statements and statements of expenditure, but also through any repayment obligation. The project is subject to separate accounting.

Transparency requirements

Not relevant.

Amount of aid granted

2016	2017
-	EUR 339 036.86

3. Description of the application of the 2012 SGEI Framework

So far no measures have been approved by the Commission under the 2012 SGEI Framework.

4. Complaints by third parties

No complaints by third parties were reported.

5. Miscellaneous questions

No information.

Berlin

A. Promotion of employment relationships

1. Expenditure overview

2016: EUR 16 168 723.94 (disbursements from Land funds to the employment institutions)

2017: EUR 14 920 822.83 (ditto)

2. Description of the application of the 2012 SGEI Decision

2) Social services (Article 2(1)(c))

c) Access to and reintegration into the labour market

Contents of the services entrusted as SGEI

According to § 16e of Book II of the Social Code (SGB II) (Promotion of employment relationships), a job centre can pay an employer up to 75 % of the eligible remuneration if a long-term unemployed beneficiary, for whom it is particularly hard to find a job and who is not expected to have any prospect of integration in the general labour market within the allocation period, is placed. The subsidised activities do not have to meet the criteria of additionality, public interest and competition neutrality. The Land of Berlin is participating with a project lump sum which, in terms of amount, ties in with the funding applicable until 2016 of 25 % of the personnel costs of the participants in the measure and material cost subsidies for the employment institutions. The projects must be services of general interest and therefore are not implemented in the unsubsidised primary labour market. As an annual average, 2 411 participants in the financial year 2016 and 2 320 participants in the financial year 2017 were co-financed by the Land of Berlin.

Forms of entrustment

These are grant notices under § 44 of the Land Financial Regulation (*Landeshaushaltsordnung*).

Duration of the entrustment

The appropriation periods in each case cover up to a maximum of two years.

Exclusive or special rights

No such rights are granted.

Aid instruments

These are non-repayable subsidies (grants).

Compensation mechanism

The grants are awarded by means of lump-sum financing (project lump sums for the participating institutions).

Arrangements for avoiding and repaying any overcompensation

The project lump sums are based in terms of amount on the funding granted until autumn 2016. Until then, under the co-financing, the costs of the participants in the measure were determined by the job centres in the application and settlement process and the Land of Berlin paid 25 % of them in the reporting years. Supplementary subsidies for material costs are calculated in such a way that only the most significant expenditure in implementing the instrument by the employment institutions is covered.

Transparency requirements

The requirements apply only if a limit value of EUR 15 million is exceeded. The grants to undertakings (participating institutions) do not exceed the value of EUR 15 million.

Amount of aid granted

2016: EUR 16 168 723.94 (disbursements of Land funds to the employment institutions).

2017: EUR 14 920 822.83 (ditto)

Material cost lump sums to carry out measures account for about 30 % of the amount and participants' costs for the rest. From autumn 2016, a differentiation is no longer made in the funding, although the amount of the subsidies has remained unchanged. These are pure subsidies granted by Berlin (Land/municipality).

B. Supplementary wage cost subsidies

1. Expenditure overview

2016: EUR 1 662 161.58 (disbursements from Land funds to the employment institutions)

2017: EUR 2 047 889.51 (ditto)

2. Description of the application of the 2012 SGEI Decision

2) Social services (Article 2(1)(c))

c) Access to and reintegration into the labour market

Contents of the services entrusted as SGEI

The Land of Berlin grants supplementary wage cost subsidies to the integration subsidies for older employees in accordance with §§ 88 *et seq.* Book III of the Social Code (SGB III) and supplementary material cost subsidies for the employment institutions. The employees to be hired must be at least 50 years of age and the employment institution must receive funding of 50 % of the eligible remuneration pursuant to §§ 88 *et seq.* SGB III from a Berlin employment agency (*Agentur für Arbeit*) or a job centre or contribute this amount from own

funds/third-party funds. The subsidy is granted as shortfall financing. The funding supplements the wage cost subsidy of the employment agency or job centre to 100 % of the eligible remuneration. The employment institution must operate according to not-for-profit principles.

As an annual average, 152 participants in the financial year 2016 and 158 participants in the financial year 2017 were co-financed by the Land of Berlin.

Forms of entrustment

These are grant notices under § 44 of the Land Financial Regulation (*Landeshaushaltsordnung*).

Duration of the entrustment

The duration of the funding by the Land of Berlin is in line with the funding period of the employment agency/job centre pursuant to §§ 88 *et seq.* SGB III. The total funding period may amount to up to 36 months. In the case of severely disabled people, the support can amount to up to 60 months and from the age of 55 to up to 96 months.

Exclusive or special rights

No such rights are granted.

Aid instruments

These are non-repayable subsidies (grants).

Compensation mechanism

The grants are awarded by means of shortfall financing (remuneration of the participants in the measure) and lump-sum financing (material costs lump sum for the employment institutions).

Arrangements for avoiding and repaying any overcompensation

Under co-financing, the costs of the participants in the measure are determined by the job centres in the application and settlement process and the Land of Berlin pays the costs of the employment agencies or job centres and the employment institutions which they do not cover themselves as shortfall financing. Supplementary subsidies for material costs are calculated in such a way that only the most significant expenditure on implementing the instrument by the employment institutions is covered.

Transparency requirements

The requirements apply only if a limit value of EUR 15 million is exceeded. The grants to undertakings (participating institutions) do not exceed the value of EUR 15 million.

Amount of aid granted

2016: EUR 1 662 161.58 (disbursements from Land funds to the employment institutions)

2017: EUR 2 047 889.51 (ditto)

Material cost lump sums to carry out measures account for about 7 % of this amount and participants' costs for the rest. These are pure subsidies granted by Berlin (Land/municipality).

C. Description of the application of the 2012 SGEI Framework

So far no measures have been approved by the Commission under the 2012 SGEI Framework.

Brandenburg

1. Expenditure overview

According to the information made available to the Ministry of Economy and Energy by the competent authorities of the Land of Brandenburg, aid granted on the basis of the SGEI Decision amounted to approximately EUR 16 412 916 in 2016 and EUR 18 876 691 in 2017. In addition there are sureties on a small scale, on which no information on gross subsidy equivalent is available.

2. Description of the application of the 2012 SGEI Decision

2) Social services (Article 2(1)(c))

c) Access to and reintegration into the labour market

Contents of the services entrusted as SGEI

Entrustments were made in the following areas:

Social-pedagogical counselling and professional instruction in social enterprises;

Reintegration of the long-term unemployed into the labour market;

Organisation of support and training opportunities.

Forms of entrustment

Entrustment is made by administrative act.

Duration of the entrustment

The duration of the entrustment is a maximum of 36 months.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

Subsidies are granted to the undertakings.

Compensation mechanism

Compensation is based on the respective business plan. Net avoided cost methodology is used.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out using statements of expenditure.

Transparency requirements

No aid is granted in excess of EUR 15 million.

Amount of aid granted

No aid was granted in 2016.

Aid amounting to EUR 719 219 was granted in 2017.

d) Social housing

Contents of the services entrusted as SGEI

Entrustments were carried out in relation to measures to maintain and procure a supply of renovated, low-cost housing, with a view to easing tight housing markets. The measures aim to create and ensure affordable housing. The target groups are persons with low income who have considerable difficulties in finding accommodation alone on the free housing market.

Forms of entrustment

Entrustments are made in a loan contract.

Duration of the entrustment

The duration of entrustments is 20 years.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

The funding takes place in the form of loan repayment subsidies.

Compensation mechanism

Cost allocation methodology is applied.

Arrangements for avoiding and repaying any overcompensation

Checks are typically made using statements of expenditure.

Transparency requirements

No compensation exceeding EUR 15 million is granted.

Amount of aid granted

Aid amounting to EUR 1 677 600 (2016) and EUR 1 165 045 (2017) was granted.

- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)

Contents of the services entrusted as SGEI

Entrustments were made in the following areas:

Promotion and improvement of civil aviation for better accessibility of the region by operating an airfield;

Maintenance and extension of the infrastructure necessary for this purpose;

General advice to public institutions on aviation industry issues;

Public relations work on airport-relevant topics.

Forms of entrustment

Entrustments are made by means of municipal decision and administrative act.

Duration of the entrustment

The duration of the entrustment amounts to ten years.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

Subsidies are granted.

Compensation mechanism

Cost allocation methodology is used to calculate the compensation.

Arrangements for avoiding and repaying any overcompensation

Checks are made on the basis of the statement of expenditure as part of the annual financial statements.

Transparency requirements

No compensation exceeding EUR 15 million is granted.

Amount of aid granted

In 2016, aid amounting to EUR 597 000 was granted.

For 2017, appropriations amounting to EUR 594 000 were made.

5) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

vii) Other sectors

Contents of the services entrusted as SGEI

Entrustments were made in the following areas:

- Swimming pools (operating indoor swimming pools, leisure pools and lidos with affordable entrance charges; providing adequate facilities for school swimming sessions and mass and club sport).
- Operation of thermal baths.
- Operation of wildlife parks.
- Consumer protection (promoting consumer advice centres; consumer education and advice; exercise of consumer rights including in court proceedings).
- Promotion of economic development (location marketing; general advice and support for companies; public relations work).
- Promotion of tourism (general destination marketing; operation of information facilities).
- Trade fairs and congresses (organisation and holding of trade fairs, exhibitions, conferences and other events with cultural, sporting, social and general economic objectives).

- Support services for start-up biotech companies (incubator, provision of premises and other infrastructure).
- Maintenance, expansion and operation of a museum and industrial memorial.
- Operation of a youth hostel.

Forms of entrustment

Entrustments are made mostly in the form of administrative acts, and/or municipal decisions. In individual cases, entrustments are also made on the basis of a public law agreement.

Duration of the entrustment

There is no typical average duration of entrustment. The duration of the entrustment is at least one year, but at most ten years.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

Predominantly subsidies are granted, as well as in some cases sureties and loans. Beyond these, however, a large number of other aid instruments are also used.

Compensation mechanism

There is no typical compensation mechanism. An annual loss compensation based on business plans of the undertaking and separate accounting are generally carried out. Cost allocation methodology is used in most cases.

Arrangements for avoiding and repaying any overcompensation

Checks are typically carried out using statements of expenditure, often as part of audited annual financial statements.

Transparency requirements

No aid exceeding EUR 15 million is granted.

Amount of aid granted

Aid amounting to EUR 14 138 316 in 2016 and EUR 16 398 427 in 2017 was granted in the Land of Brandenburg.

In the reporting period – where no information on the gross subsidy equivalent is available – deficiency guarantees of up to EUR 2 900 000 (2016) and EUR 16 484 400 (2017) were granted.

3. Description of the application of the 2012 SGEI Framework

So far no measures have been approved by the Commission under the 2012 SGEI Framework.

Bremen

1. Expenditure overview

According to the information made available by the Bremen authorities, aid granted on the basis of the SGEI Decision amounted to a total of EUR 48.22 million in 2016 and EUR 21.76 million in 2017. Alongside subsidies and capital contributions, these amounts also include sureties and loans (current account credit) at their nominal amount, since no information is available on gross subsidy equivalents.

2. Description of the application of the 2012 SGEI Decision

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

Contents of the services entrusted as SGEI

The entrustments include in particular:

- Medical care services, for example
 - Appropriate, adequate medical care for inpatients treated, with all associated individual services.
 - Appropriate, adequate medical investigations and treatment for outpatients treated with all associated individual services, in so far as such outpatient treatment is part of the range of services offered by the hospital for maximum care.
 - Emergency services, e.g. ensuring permanent admission and standby service.
- Ancillary services directly associated with these principal activities, e.g.
 - basic and advanced training in hospital professions;
 - training of medical students in their practical year as part of recognition as an academic teaching hospital;
 - operation of hospital pharmacies;
 - letting and leasing of housing and parking facilities for employees, visitors and patients

Forms of entrustment

Entrustments are made by decision of the municipal decision-maker and by administrative act.

Duration of the entrustment

The duration of the entrustment is 10 years.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

Provision is made for instruments including subsidies, sureties and loans and capital contributions. In the reporting period, only the above-mentioned instruments were used.

Compensation mechanism

The maximum amount of compensation is determined on the basis of the annual business plan, using cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

The recipients are required, annually after the end of the financial year, to provide the statement of expenditure. This takes place in the context of the drawing up of the annual financial statements, with separate accounting. If overcompensation of more than 10 % of the amount to be compensated results, it must be repaid.

Overcompensation of up to 10 % can be carried forward to the next period.

Transparency requirements

In so far as aid exceeding EUR 15 million is granted, transparency is ensured in particular through the publication of the budget legislation and budget plans of the municipality of Bremen and/or the decisions of the Budget and Finance Committee.

Amount of aid granted

2016:	
- Loans (current account)	EUR 3 million
- Surety	EUR 31.3 million
- Capital contribution	EUR 5 million
2017:	
- Loans (current account)	EUR 3 million
- Surety	EUR 4.4 million
- Capital contribution	EUR 5 million

The figures are nominal amounts. No information is available on gross subsidy equivalents.

2) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

a) Culture

Contents of the services entrusted as SGEI

Provision of a civic hall with ice rink and all associated services which serve the well-being of the inhabitants in all economic and social, but also cultural matters, in particular:

- Operation and provision of the civic hall with ice rink,
- Maintenance of own properties,
- Organisation and holding of trade fairs, congresses, exhibitions and social, cultural and sporting events,
- Letting of premises and facilities, in so far as is necessary to fulfil special public service missions.

Forms of entrustment

Entrustments were made by decision of the municipal decision-makers.

Duration of the entrustment

The duration of the entrustment is 10 years.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

Compensation is granted in the form of subsidies and loans (current account credit).

Compensation mechanism

The compensation is determined in principle on the basis of a shareholder decision based on the business plan of the respective year using cost allocation methodology. Higher costs due to unforeseen events can be compensated on application, supported by substantiating documents.

Arrangements for avoiding and repaying any overcompensation

The recipient provides the statement of expenditure annually in the context of drawing up the annual financial statements, with separate accounting applied. Overcompensation of up to 10 % can be carried forward to the following year. Overcompensation of more than 10 % of the amount to be compensated must be repaid.

Transparency requirements

No compensation exceeding EUR 15 million was granted.

Amount of aid granted

2016:	
- Subsidy	EUR 5.030 million
- Loans (current account credit)	EUR 1.6 million
2017:	
- Subsidy	EUR 5.030 million
- Loans (current account credit)	EUR 2.0 million

The figures are nominal amounts. No information is available on gross subsidy equivalents.

b) Tourism

Contents of the services entrusted as SGEI

General promotion of tourism; general tourist services.

Forms of entrustment

Entrustment is made by grant notice.

Duration of the entrustment

The duration of the entrustment is 2 years.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

Compensation is granted in the form of non-repayable subsidies.

Compensation mechanism

The amount of compensation is determined on the basis of the business plan, using cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out to avoid overcompensation using statements of expenditure. The separate accounting is audited in the context of the audit of the annual financial statements.

Transparency requirements

No compensation exceeding EUR 15 million is granted.

Amount of aid granted

<u>2016:</u>	
- Subsidy	EUR 2.291 million
<u>2017:</u>	
- Subsidy	EUR 2.331 million

3. Description of the application of the 2012 SGEI Framework

So far no measures have been approved by the Commission under the 2012 SGEI Framework.

4. Complaints by third parties

No information exists on complaints by third parties.

5. Miscellaneous questions

None.

Hamburg

1. Expenditure overview

Hamburg granted aid on the basis of the SGEI Decision amounting to a total of approximately EUR 21.2 million in 2016 and EUR 19.4 million in 2017.

2. Description of the application of the 2012 SGEI Decision

2) Social services (Article 2(1)(c))

e) Care and social inclusion of vulnerable groups

Contents of the services entrusted as SGEI

An entrustment was made for the operation of an easily accessible meeting place for adult drug addicts under medical substitution therapy.

Forms of entrustment

The entrustment was made in the form of a written entrustment act.

Duration of the entrustment

The duration of the entrustment was in each case one year.

Exclusive or special rights

No exclusive or special rights are granted to the undertaking.

Aid instruments

Subsidies are awarded to the undertaking.

Compensation mechanism

The amount of compensation is calculated according to the net costs incurred for the SGEI. Cost allocation methodology. The compensation payment must be calculated annually in advance on the basis of the respective business plan.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out on the basis of statements of expenditure.

Transparency requirements

Not applicable, since the conditions of Article 7 of the SGEI Decision are not met.

Amount of aid granted

In both 2016 and 2017, aid amounting to approximately EUR 0.5 million was granted.

5) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

vii) Other sectors

Contents of the services entrusted as SGEI

Entrustments were made in the following areas:

- Consumer advice centre (comprehensive advice and enforcement of consumer interests including in the fields of trade, services, telecommunications, financial services, housing loans and environmental and energy advice).
- Promotion of tourism, marketing of Hamburg as an attractive travel destination and raising Hamburg's profile (including development and implementation of marketing measures, monitoring according to tourist topics, presentation of tourist attractions on a multilingual website, ongoing dialogue with tourist service providers, establishing cooperative agreements with tourism partners, presentation at leading tourism trade fairs, press and public relations work).
- Marketing of Hamburg and the metropolitan region as a trade fair, conference and congress venue (including overarching marketing aspects of the public image of Hamburg and the metropolitan region, strategic orientation of the marketing of Hamburg and preparation and implementation of strategic communication concepts, advertising and marketing services, for example by producing publications, interlinking of tourism marketing and economic development, production of image films, development and implementation of international online communication, operation of a brand management portal for exchanges among all participants in the marketing of Hamburg).

- Location marketing for the Hamburg metropolitan region (including acquisition of events, presentation of the location at trade fairs, provision of information, free advice to potential organisers, website, development of events).
- *Studierendenwerk* (student services provider) (support and promotion of students. Service and advisory services in the social and economic field and canteen management and housing subsidies).
- Promotion of cooperation between business, science, politics and administration in the field of green/clean and digital technologies by establishing an Innovation Campus for Green Technologies.

Forms of entrustment

The entrustment is made in the form of written entrustment acts, as well as in the form of grant notices and goal and performance agreements.

Duration of the entrustment

The duration of the entrustment amounts to 1 to 2 years or 10 years.

Exclusive or special rights

No exclusive or special rights are granted to the undertakings.

Aid instruments

Subsidies are awarded by means of grant notices.

Compensation mechanism

The amount of compensation is calculated according to the net costs incurred in meeting the public service obligations. Cost allocation methodology. In most cases, the calculation is made annually in advance on the basis of the respective business plan.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out regularly using statements of expenditure, often on the basis of the annual financial statements.

Transparency requirements

Not applicable, as the conditions of Article 7 of the SGEI Decision are not met.

Amount of aid granted

Aid amounting to approximately EUR 20.7 million was granted in 2016 and EUR 18.9 million in 2017.

3. Description of the application of the 2012 SGEI Framework

So far no measures have been approved by the Commission under the 2012 SGEI Framework.

4. Complaints by third parties

No complaints have been made by third parties.

5. Miscellaneous questions

There are no other questions.

Hessen

1. Expenditure overview

Total SGEI Land government expenditure by legal basis (million EUR)		
Compensation for Services of General Economic Interest	2016	2017
Compensation granted on the basis of the SGEI Decision (compensation)	EUR 356 154 781	EUR 408 198 673

2. Description of the application of the 2012 SGEI Decision

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

Contents of the services entrusted as SGEI

a. Inpatient hospital services with the specialist departments of surgery, gynaecology, internal medicine, geriatrics, orthopaedics/accident surgery and intensive care

- Part-time inpatient geriatrics (day-care hospital)
- Outpatient treatment in the institution's outpatient departments
- Outpatient operations
- Integrated care services under Book V of the Social Code (SGB V)

b. Emergency services

The hospital participates in emergency care. This includes, in particular, round-the-clock availability on all days and the provision of intensive medical, internal and surgical/accident surgery treatment capacities.

c. Elderly care

Operation of homes and elderly care facilities, outpatient, part-time inpatient and inpatient care of elderly people, including their social and cultural care and the offer of accommodation in accordance with the principles of elderly care.

d. Ancillary services directly linked to these main activities

- Operation of pharmacies for hospital patients and residents of retirement and nursing homes, including their outpatient and home care with prescribed medicinal products
- Consultation within hospitals and nursing homes
- Catering and operation of Casino (canteen), cafeteria and kiosk for patients, residents of retirement and nursing homes, staff and visitors of hospitals
- Kitchen services
- Central sterilisation unit
- Operation of a training facility for healthcare and nursing, care assistants, measures in cooperation with the employment agency
- Operation of a laboratory
- Workshop services
- Rental services in the context of asset management (renting of patient cafeteria, renting to the board of trustees for home dialysis, renting of staff apartments, renting to the health authority and to medical practices, renting of premises to emergency service centre of statutory health insurance registered doctors, renting of an apartment in the Fellersborn Centre for Senior Citizens (sheltered housing)
- Parking space management for patients, residents of retirement and nursing homes, staff and visitors
- Operation of a radiography department/CT
- Staff residence

- Accommodation of accompanying persons pursuant to § 2 of the Hospital Fees Act (*Krankenhausentgeltgesetz*)
- Zentrale Errichtungsgesellschaft mbH with the ancillary services of conversion, renovation, maintenance and energy contracting of the hospital buildings.

Forms of entrustment

Public entrustment acts in the form of administrative acts (notices)/entrustment act.

Duration of the entrustment

10 years.

Exclusive or special rights

-

Aid instruments

Compensation for the annual shortfall, transfer of assets without consideration, underwriting of surety without consideration, subsidies and guarantees, payments into capital reserves.

Compensation mechanism

Net cost methodology according to Article 5 of the Exemption Decision 2012/C8/02, cost allocation methodology, compensation for annual shortfall by the rural district.

Arrangements for avoiding and repaying any overcompensation

Presentation of the full annual financial statements after the end of the financial year.

Separate accounting between beneficiaries and non-beneficiaries of services.

Annual audit of compliance with the conditions of the entrustment act by an auditor and the entrustment authority.

If the review results in overcompensation of more than 10 % of the average annual compensation, the municipality calls on the undertaking as a whole to repay the surplus amount. If the review results in overcompensation of no more than 10 %, the surplus amount may be offset against the following compensation period.

Transparency requirements

Aid exceeding EUR 15 million has not been granted so far.

Amount of aid granted

Aid:

2016 EUR 98 470 414

2017 EUR 114 115 201

Plus

Declarations of surety:

2016 EUR 129 695 310

2017 EUR 90 962 885

2) Social services (Article 2(1)(c))

a) Health and long-term care

Contents of the services entrusted as SGEI

- Social, nursing and therapeutic services
- Offers of accommodation, care and assistance with everyday living to elderly people in the institutions

- Solitary short-term care, day care, night care, sheltered housing, day care centre for the elderly, all ancillary and auxiliary facilities which serve or are conducive to the business purpose
- Operation of medical care centres.

Forms of entrustment

Entrustment act/public entrustment act in the form of administrative acts (notices).

Duration of the entrustment

10 years.

Exclusive or special rights

-

Aid instruments

Compensation, subsidy and guarantees, declarations/underwriting of sureties, cash advances, capital contribution

Compensation mechanism

Compensation and guarantees.

Arrangements for avoiding and repaying any overcompensation

- Statement of expenditure on any compensation after the end of the respective financial year.
- Separate accounting. Determination of the actual need for compensation on the basis of the respective annual financial statements. If overcompensation results, a carryover to the following financial year is possible only to the amount of 10 % of the maximum admissible compensation. Otherwise, a repayment occurs.

- Charging of guarantee fees

Transparency requirements

Aid exceeding an annual amount of EUR 15 million is not granted.

Amount of aid granted

2016:

EUR 6 213 061 operating cost/investment cost subsidies and/or loss compensation.

EUR 26 787 848 sureties for loans underwritten; in some cases no claims and further declarations of surety without concrete figures for the loan amounts.

2017:

EUR 6 320 000 operating cost/investment cost subsidies and/or loss compensation.

EUR 23 127 312 sureties for loans underwritten; in some cases no claims and further declarations of surety without concrete figures for the loan amounts.

b) Childcare

Contents of the services entrusted as SGEI

- Provision of childcare places and facilities for children of 0 to 10 years of age; integration measures, financial support by three church organisations of day-care facilities.
- All-day or half-day care, depending on the model chosen.

- Subsidy for kindergartens sponsored by the local parishes and municipalities.
- Childcare (all day) in community facilities. Childcare for the under-3s – as well as integration measures in some cases – are also available.
- Basic and advanced training, skills development, counselling, support and employment promotion of disadvantaged young people.
- School social work.
- Renting of childcare facilities.
- Promotion of youth welfare.

Forms of entrustment

Entrustment act, grant agreement, informal entrustment by decision of the representative body and individual contractual arrangements with various sponsors of childcare facilities.

Duration of the entrustment

Contracts with various private or church operators for 1 to 2 years, which are extended automatically by 1 to 2 years if they are not cancelled.

Rental or lease agreements for durations of up to 10 years, in individual cases also 20 years (with own housing association).

10 years

Day-care facilities for an indefinite period of time.

Exclusive or special rights

Aid instruments

Subsidy (partly in the form of deposits), coverage of shortfalls, freely agreed fixed monthly rents based on rents for comparable properties.

Compensation mechanism

Advance payments and final account, compensation for annual shortfall, investment subsidies, co-financing, compensation payment based on cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

- Separate accounting for the budget and actual accounts. The separate accounting must satisfy the requirements of Article 5(9) of the Exemption Decision.
- Statement of expenditure.

Transparency requirements

No aid exceeding an annual amount of EUR 15 million is granted

Amount of aid granted

2016 EUR 146 464 042

2017 EUR 167 988 988

c) Access to and reintegration into the labour market

Contents of the services entrusted as SGEI

- Promotion of youth welfare, as well as education, adult education and vocational training in order to take preventive action against youth and adult unemployment, to promote the integration of the unemployed and of young people and adults at risk of unemployment into the labour market, to improve equal opportunities for disadvantaged persons in working life and to improve the situation on the labour and training vacancy market as a whole.
Development and testing of new and innovative fields of work and employment especially in renewable energies, healthcare and nature and environmental protection; implementation of projects in the context of public employment.

- Promotion of projects to improve the living conditions of the long-term unemployed.
- Operation of a counselling centre for the long-term unemployed and low-skilled.
- Human resources development, provision of information and advice for companies, employees and unemployed. Skilled employment for the unemployed and recipients of basic social benefits. Further training and retraining measures. Mobile educational measures.
- Business start-ups by skills development of people wishing to start up a business. In particular for disadvantaged groups of the labour market.

Forms of entrustment

Entrustment act, administrative act.

Duration of the entrustment

10 years/6 years

Exclusive or special rights

Aid instruments

Subsidies, compensation, capital increase.

Compensation mechanism

Cost allocation methodology and net avoided cost methodology, separate accounting.

Arrangements for avoiding and repaying any overcompensation

Reports and annual financial statements, separate accounting.

Transparency requirements

No aid exceeding an annual amount of EUR 15 million is granted

Amount of aid granted

2016	EUR 758 327
2017	EUR 1 435 858

d) Social housing

Contents of the services entrusted as SGEI

- Provision of housing and social infrastructure for vulnerable groups, refugees, the homeless and other eligible groups who do not have the means of procuring appropriate housing on the open housing market.
- Provision, development and site development of building land based on urban development contracts to be concluded with the city and, where applicable, other contracts for the provision of publicly subsidised housing subject to occupancy and/or rent commitments;
- Construction, acquisition, renovation, modernisation, renting, letting of publicly subsidised housing, including garages and parking spaces, to persons entitled at socially acceptable conditions; management and maintenance of publicly subsidised housing; acquisition of tenancy rights.

Forms of entrustment

Entrustment act.

Duration of the entrustment

10 years.

Exclusive or special rights***Aid instruments***

- The city can pay compensation to the undertaking, i.e. all benefits of any kind granted by the State or from State resources (e.g. capital contributions, operating and investment subsidies, a loan granted at non-market conditions and disposal or transfer of land and buildings at reduced price or without consideration).
- Subsidised loans, subsidies based on the Hessen Housing Support Act (HWoFG).

Compensation mechanism

- The respective amount of the compensation (benefits) is estimated in a city budget and results from the respective annual business plan, drawn up and adopted in accordance with the statutory provisions and the parameters provided for in them, or other relevant evidence provided by the undertaking. The maximum amount of the compensation (benefits) within the meaning of the SGEI Decision results in turn from the respective city budget.
- Cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

The undertaking provides the city with a statement of expenditure each year after the close of the financial year. This is undertaken through the respective annual financial

statements and other evidence to be checked by the city for overcompensation from the funds made available, notably the separate accounting to be drawn up by the undertaking.

Transparency requirements

The subsidised undertakings did not receive on average more than EUR 15 million in compensation (benefits) in the social housing field in either 2016 or 2017.

Amount of aid granted

2016:

EUR 1 005 994

+ EUR 500 000 in sureties for loans underwritten; no claims made.

2017:

EUR 3 973 500

+ EUR 2 900 000 in sureties for loans underwritten; no claims made.

e) Care and social inclusion of vulnerable groups

Contents of the services entrusted as SGEI

Qualifying employment under the Second and Third Books of the Social Code (SGB II and SGB III);

Employment of unemployed persons who are difficult to place under employment measures and wage cost subsidies;

Training and retraining;

Measures for (re)integration of women and men into the labour market;

Further training and skills development measures;

Vocational and training preparation measures;

Socio-educational support and intervention under the measures listed under points (a) to (f);

The provision of accommodation and care services for asylum seekers and other persons entitled under the Asylum Procedure Act (*Asylverfahrensgesetz*).

Forms of entrustment

Act of entrustment.

Duration of the entrustment

10 years.

Exclusive or special rights

...

Aid instruments

Compensation for losses incurred, sureties or comparable declarations of liability to secure loans and credits, capital contributions and contributions in kind and operating and investment cost subsidies, for granting loans at non-market conditions or for transfer of land at reduced price or without consideration.

Compensation mechanism

Compensation for annual shortfall according to budget.

Arrangements for avoiding and repaying any overcompensation

Statement of expenditure. This is based on the respective annual financial statements and other evidence to be examined by the district administration for overcompensation from the funds made available. The undertaking keeps separate accounts which are audited by an auditor and submitted to the district administration.

Transparency requirements

...

Amount of aid granted

2016: EUR 300 000

2017: EUR 300 000

5) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

ii) Energy

Contents of the services entrusted as SGEI

Acquisition of a 50 % stake in a district heating company for the operation and extension of the district heating network and for supplying other parts of the town with district heating.

Forms of entrustment

Public entrustment (notice).

Duration of the entrustment

10 years.

Exclusive or special rights

...

Aid instruments

Surety

Compensation mechanism

No legal claim of the undertaking as a whole to compensation (benefits) derives from the act of entrustment.

Arrangements for avoiding and repaying any overcompensation

Obligation of the municipal utility undertaking as a whole to provide a statement of expenditure; request to repay excessive amounts; check of compensation in the context of the annual financial statements.

Transparency requirements

No aid exceeding EUR 15 million has been granted to date.

Amount of aid granted

2016: EUR 0

2017: EUR 1 900 000

iii) Waste collection

Contents of the services entrusted as SGEI

Organisation and carrying out of collection, transport, material flow management and recycling of waste.

Forms of entrustment

Public entrustment (notice).

Duration of the entrustment

10 years

Exclusive or special rights

...

Aid instruments

Surety.

Compensation mechanism

No legal claim for the undertaking as a whole to compensation (benefits) derives from the act of entrustment.

Arrangements for avoiding and repaying any overcompensation

Obligation of the municipal utility undertaking as a whole to provide a statement of expenditure; request to repay excessive amounts; check of compensation in the context of the annual financial statements.

Transparency requirements

No aid exceeding EUR 15 million has been granted to date.

Amount of aid granted

2016: EUR 0

2017: Declaration of surety EUR 933 500

iv) Water supply

Contents of the services entrusted as SGEI

Taking over the water supply / operation of the water supply

Forms of entrustment

Public entrustment (notice).

Duration of the entrustment

10 years.

Exclusive or special rights

Compensation payments, municipal sureties.

Aid instruments

...

Compensation mechanism

No legal claim for the undertaking as a whole to compensation (benefits) derives from the act of entrustment.

Arrangements for avoiding and repaying any overcompensation

Obligation of the municipal utility undertaking as a whole to provide a statement of expenditure; request to repay excessive amounts; check of compensation in the context of the annual financial statements.

Transparency requirements

No aid exceeding EUR 15 million has been granted to date.

Amount of aid granted

2016: Declaration of surety approx. EUR 0.3 million

2017: Declaration of surety approx. EUR 4.0 million

v) Culture

Contents of the services entrusted as SGEI

- Operation of a municipal culture office;
- Development of cultural concepts and their implementation;
- Promotion of art, culture, education and sport in the catchment area of the city, music, dance, visual arts, literature, cinema, adult education, museums and exhibitions;
- Libraries, socio-culture, cultural education;
- Holding of concerts, festivals, exhibitions, theatre and dance performances
- Maintaining contacts with the relevant citizens and regional institutions (clubs, associations, adult education centres, churches, etc.) for cultural issues
- Operation of an adult education centre, music school with early musical education. The task includes the fields of general, political, vocational and cultural further education in connection with exercising an honorary office and ends with a school-leaving certificate, amongst other things;
- Maintenance of theatres and orchestras; acquisition, renovation, modernisation and repair, as well as letting, leasing and management of real estate with a view to ensuring the availability of cultural attractions and tourist information services for the public;
- Establishment, maintenance and operation of a museum;
- Event organisation, organisation of trade fairs, exhibitions, congresses, conferences and events.

Forms of entrustment

Act of entrustment, partnership agreement (act of entrustment planned for 2018).

Duration of the entrustment

The entrustment took place initially until 31 March 2019/10 years/for an unlimited period.

Exclusive or special rights

...

Aid instruments

Annual compensation payments, subsidies, underwriting of sureties.

Compensation mechanism

Cost allocation methodology; offsetting of the surplus through reduction in the following year.

Arrangements for avoiding and repaying any overcompensation

Annual financial statements with reporting, separate accounting.

Transparency requirements

No aid exceeding EUR 15 million is granted under the entrustment act.

Amount of aid granted

2016	EUR 5 436 078
2017	EUR 8 102 796

vii) Other sectors

A. Teaching hospitals

Contents of the services entrusted as SGEI

According to § 5(1) of the Hessen Teaching Hospitals Act (*Gesetz für die hessischen Universitätskliniken, UniKlinG*) of 26 June 2000 in the current version, the primary task of teaching hospitals is to support the Faculty of Medicine in

fulfilling its tasks in research and teaching. It follows from this that the teaching hospitals focusing on research and teaching carry out their tasks in medical care.

According to § 5(2) UniKlinG – at Giessen und Marburg Teaching Hospital (UKGM), § 5(1) and (2) UniKlinG applies via § 25a(1) UniKlinG – teaching hospitals perform tasks or ensure that they are fulfilled with respect to medical care, basic and advanced training for members of non-physician professions, the public health service, the further and advanced training of doctors and further public health service tasks transferred to them.

§ 15 UniklinG regulates the details of the close cooperation between the university, and especially its Faculty of Medicine, and the teaching hospital through a public-law agreement. This agreement mainly contains provisions on the fulfilment of the tasks in research, teaching, administration and medical care.

Considering this primary task of the teaching hospitals, the following should be specified in the context of the services to be provided in medical care and associated services:

According to § 3(1) of the Second Act on the Further Development of the Hospital System in Hessen (2011 Hessen Hospitals Act (*Hessisches Krankenhausgesetz*), HKHG 2011) of 21 December 2010 in the current version, the guarantee of demand-oriented care of the population by efficient hospitals is a task of general public interest of the Land, the rural district and the urban districts (service guarantee). The Land fulfils this task in particular by drawing up the Land hospital plan and the investment programme, as well as through the public funding of hospitals. In the teaching hospitals sector, entrustment with medical care tasks occurred directly through the UniKlinG and the cooperation agreement to be concluded under public law in accordance with § 15 UniklinG. The hospital plan includes the teaching hospitals, taking into account their tasks in research and teaching, and the hospitals listed in § 3, first sentence, point 4, of the Hospital Financing Act (*Krankenhausfinanzierungsgesetz*), in so far as they serve the inpatient care of the population in general (§ 18(2) HKHG 2011).

Forms of entrustment

In the teaching hospital field, entrustment with medical care tasks occurred directly through the Hessen Teaching Hospitals Act (UniKlinG) and the cooperation agreement to be concluded under public law in accordance with § 15 UniKlinG.

Duration of the entrustment

The entrustment of the teaching hospitals with medical care tasks is for an unlimited period.

Exclusive or special rights

Particularities result from the academic life associated with medical care.

According to § 5(1), third sentence, UniKlinG, the teaching hospital preserves the freedom in research and teaching granted to the university and ensures that the members of the university can exercise the fundamental rights guaranteed by Article 5(3), first sentence, of the Basic Law (*Grundgesetz*) and the freedoms guaranteed in Article 10 of the Constitution of the Land of Hessen.

Aid instruments

1. Subsidies

The teaching hospitals receive Land subsidies according to the Land budget.

2. Guarantor liability of the Land

According to § 4(1) UniKlinG, in addition to the Frankfurt teaching hospital itself, the Land also has unlimited liability for this hospital's commitments if and to the extent that satisfaction could not be obtained from the assets of the teaching hospital (guarantorship).

In the field of clinical medicine, ensuring medical care is a prerequisite for maintaining the academic work. According to the report of the University Medicine Subcommittee of the Conference of Education Ministers, comparable regulations have also been adopted in other Länder of the Federal Republic of Germany for university medical facilities.

The UKGM is a limited liability company (GmbH).

Compensation mechanism

Cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Statements of expenditure must be provided to the Land. If it emerges from the compulsory checking of the statements that subsidies were not used within the framework of the specified use of funds, these funds are to be reclaimed by the Land.

Transparency requirements

Reference is made to the respective Finance Act (*Haushaltsgesetz*) in conjunction with the budget of the Land of Hessen.

Amount of aid granted

2016: EUR 15 198 000

2017: EUR 6 148 000

B. Land bank for public and agricultural structure purposes

Contents of the services entrusted as SGEI

Land bank for public and agricultural structure purposes:

The object and purpose of the company is the activity of the non-profit settlement company within the meaning of the Reich Settlement Act (*Reichssiedlungsgesetz*, RSG), and especially the carrying out of settlement, agricultural structure improvement and land development measures.

Forms of entrustment

- Contract between the Land of Hessen and the company on the land bank of 24 March 1975;
- (Land Bank Directive): Directive on the promotion of the land bank for public and agricultural structure purposes in the rural area (*Richtlinie zur Förderung der Bodenbevorratung für öffentliche und agrarstrukturelle Zwecke im ländlichen Raum*) of 10 December 2015 (entry into force on 1 January 2016), published in the *Staatsanzeiger* 53/2015, p. 1426;
- Supplement to the public act of entrustment of 14 December 2012;
- Land bank contracts with municipal authorities (Annex 2 to the Directive on the promotion of the land bank for public and agricultural structure purposes in the rural area of 10 December 2015).

Duration of the entrustment

The Land Bank Directive of 10 December 2015 has a maximum duration of 10 years (until 31 December 2025 at the latest).

Exclusive or special rights

See § 3 of the supplement to the public act of entrustment of 14 December 2012:

- The company is entrusted with the implementation of the land bank for public purposes for the Land of Hessen (point 2 of the Directive on the promotion of the land bank for public purposes in the rural area of 10 December 2015).
- Municipal authorities may charge the company with the provision of specific land on the basis of land bank contracts (points 2 and 7 of the Directive on the promotion of the land bank for public purposes in the rural area of 10 December 2015).

Aid instruments

Provision of deficiency guarantees without consideration to secure capital market loans for the carrying out and financing of real estate transactions under the land bank measures.

Compensation mechanism

The basic mechanism of the compensation for the provision of the deficiency guarantees without consideration is defined transparently.

According to § 4(2) of the supplement to the public act of entrustment, capital market loans with Land guarantee may be taken out only with the agreement of the Hessen Ministry of the Economy, Energy, Transport and Land Development. Furthermore, the land bank plots may be financed to a maximum of 85 % of the acquisition price and of 90 % of the market value (§ 4(3) of the supplement to the public act of entrustment).

With reference to the Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees (2008/C 155/02; OJ C 155/10 of 20 June 2008, 'Guarantee Notice'), a market-oriented price for the guarantee amounting to 0.5 % of the guarantee amount is calculated as a parameter for the value of the aid (based on point 3.3 of the Guarantee Notice; § 4(5) of the supplement to the public act of entrustment).

Arrangements for avoiding and repaying any overcompensation

The provision of deficiency guarantees without consideration is necessary compensation for the operation of the service of economic interest within the meaning of Article 5(1) of the Exemption Decision. Possible overcompensation is necessarily precluded by the provisions of § 5(1) to (3) of the supplement to the public act of entrustment.

§ 5(1) of the supplement to the public act of entrustment lays down a fundamental prohibition of overcompensation, i.e. the costs associated with the land bank being exceeded by the receipts obtained from it plus the compensation received plus a reasonable profit.

§ 5(2) of the supplement to the public act of entrustment defines a reasonable profit as the rate of return on capital that an average undertaking in the land bank sector considers necessary to provide the land bank service, taking into account its

respective risk. These regulations correspond to the requirements of the ban on overcompensation under Article 5(1), (4) and (5) of the Exemption Decision.

To avoid overcompensation, it should be determined whether the profit obtained in the land bank segment exceeds the reasonable return on equity. For 2016, a rate of return of 4.75 % was finally assumed to be a reasonable return on the basis of a basic return on risk-free fixed-interest securities plus a market risk premium (risk add-on) taking into account the risk specific to the undertaking. To obtain the reasonable profit, this percentage is applied to the balance sheet equity of the company at the end of the respective financial year.

If the company makes profits from its other activities outside the land bank which exceed the reasonable return, these profits must be offset against the receipts (§ 5(3) of the supplement to the public act of entrustment).

Transparency requirements

Not applicable.

Amount of aid granted

2016: gross subsidy equivalent EUR 731 834 (guarantee commission), share of Land of Hessen: 100 %

C. Cooperation platform for projects, research and basic and further training in the fields of logistics and mobility

Contents of the services entrusted as SGEI

The public service obligation (service of general economic interest – SGEI) of the company to establish a cooperation platform for undertakings, universities and other institutions for projects, research and basic and further training in the fields of logistics and mobility is associated with the entrustment.

Areas for this purpose are not available on the open property market either in an appropriate central location or with the necessary quality in terms of facilities and price. Reasons for this include that the building, as an innovation centre, has a comparatively large proportion of communal and cooperation areas and it is largely to be rented out in small parts short-term for projects, which gives rise to a higher renting risk. At the beginning of the scheme, a market survey was carried out, from which it resulted that – irrespective of the requirements and risks mentioned above – no areas were available in a suitable location.

Independently of the areas, the Land makes funds available for research projects which are to be carried out in the HOLM (House of Logistics and Mobility). These too are to contribute to resolving logistics and mobility problems of densely populated urban areas – the HOLM location has been chosen so that the Rhine-Main area can be used as a prototype for research and testing purposes.

Forms of entrustment

Notice – public entrustment.

Duration of the entrustment

The duration of the entrustment is 10 years.

Exclusive or special rights

...

Aid instruments

The Land of Hessen has issued a letter of comfort, which has enabled the company to benefit from a more favourable rent for the building necessary for the operation of the SGEI. As an average over many years, this rent advantage amounts to EUR 277 000 per year.

For the letter of comfort assumed in favour of the company by the Land of Hessen, represented by the Hessen Ministry of Finance, to secure the payment obligations

arising from the property rental agreement for its duration until 2043, the company must pay a market-oriented guarantee fee amounting to 0.4 % per year of the guaranteed amount of the outstanding payment obligations to the Land – the Land waives payment of this guarantee fee; the waiver of payment is part of the compensation granted by the Land.

The company also receives additional compensation from the Land of Hessen to fulfil the public service obligations to the amount incurred in their fulfilment. No claim for payment arises from this agreement for the company.

Compensation mechanism

The scope and quality of the public service obligations are determined in the context of the budget planning of the City of Frankfurt am Main and the Land of Hessen as well as the decisions under company law on the design of the business plan of HOLM GmbH (in accordance with the articles of association by decision of the supervisory board and approval of the meeting of shareholders). These specifications are decisive for the amount of the necessary expenditure.

The necessary expenditure is determined according to the expenditure planned for the activity of the company in the business plan of the company. A reasonable profit supplement of up to 4 % can be taken into consideration in the expenditure. The shareholders, the Land of Hessen and the City of Frankfurt am Main determine the maximum total amount of compensation to be provided in the coming year. The payment obligations of the Land of Hessen and the City of Frankfurt am Main are subject to the proviso that the respective budget of the shareholder contains the corresponding funds. The compensation payments are made to the capital reserve of the company in accordance with § 272(2)(4) of the Commercial Code (HGB) (concerning the allocation of the amount between the Land of Hessen and the City of Frankfurt, see under ‘Aid instruments’).

If in the future the company also performs other tasks, which do not consist in the fulfilment of public service obligations, it must be demonstrated that the revenue and expenditure attributable to these tasks are recorded in a separate account.

Arrangements for avoiding and repaying any overcompensation

The amount of compensation may not exceed what is necessary to cover the cost incurred in discharging the company's public service obligations. To this end, the company must ensure that the actual compensation does not exceed the estimated compensation.

The average annual compensation is calculated by considering a continuous three-year period, including the year in which the excess occurs.

Since the financial year 2014, the check for overcompensation takes place within the framework of the separate account drawn up under the annual financial statements – the separate account and check for overcompensation are certified as parts of the annual financial statements by the auditor.

Transparency requirements

...

Amount of aid granted

2016: EUR 4 230 337

2017: EUR 2 930 000

The amount of aid is certified by the auditor of HOLM GmbH in the annual financial statements.

D. Consumer protection

- Representation of consumer interests – considering the general good – in public and in relation to legislation, administration, undertakings and trade associations.
- Taking of measures to strengthen the position and rights of consumers in the social market economy, to promote development into a sustainable economy and to improve consumer protection.

- Informing consumers objectively on their statutory rights and support for enforcing their rights. To this end, consumer education and counselling measures are carried out and corresponding offers are provided throughout the Land.
- Out-of-court dispute resolution in online trade.

Forms of entrustment

Entrustments are in the form of an administrative act.

Duration of the entrustment

2017 to 2021.

Exclusive or special rights

No exclusive or special rights are granted to the undertakings.

Aid instruments

Subsidy.

Compensation mechanism

The compensation is granted through subsidies. Overcompensation is avoided by compliance with the Land Financial Regulation (*Landeshaushaltsordnung*).

Arrangements for avoiding and repaying any overcompensation

Checks that the funds allocated have been used as intended and the appropriateness of their amount take place regularly in the context of the check of the statement of expenditure in accordance with points 10 and 11 of the administrative provision on § 44(1) of the Land Financial Regulation; any recovery of overcompensation is made in accordance with point 8 of the administrative provision on § 44(1) of the Land Financial Regulation in conjunction with § 49a of the Hessen Administrative Procedures Act.

Transparency requirements

Under the ancillary provisions on which the grant is to be based, the associations are required to provide information on changes in the situation relevant to the funding. The grant notice may be amended in accordance with the Hessen Administrative Procedures Act and the amount of the grant may be adjusted to avoid overcompensation.

The transparency requirements under Article 7 of the SGEI Decision of 20 December 2012 are complied with if the threshold value of EUR 15 million were to be reached.

Amount of aid granted

2017:

EUR 2.2 million

E. Other sectors [municipalities]

Contents of the services entrusted as SGEI

- Broadband: expansion of comprehensive broadband coverage, upgrade to hybrid network, guarantee of actual download rates.
- Swimming pools: construction, maintenance (renovation) and operation of indoor pools serving the recreational, therapeutic, sports and leisure purposes of the population, including making the pool available for physiotherapy treatments, especially for patients of hospitals (exercise pool) and for school and club swimming sessions at affordable entrance charges, sustainable environmentally compatible energy generation in the field of renewable energies, especially through the operation of photovoltaic systems ensuring security of supply in the district, ancillary services directly associated with these main activities, such as:
 - organising (lifesaving) swimming and aquafitness courses in the indoor pool at affordable prices,

- Provision of sauna facilities for visitors to the indoor pool,
- Provision of other attractions and facilities, directly associated with the operation of the indoor pool and directly beneficial to it (such as sunbathing areas, parking facilities).
- Sports park stadium company to fulfil the task of public health, provision of the stadium and sport.
- Promotion of tourism/regional development
 - Provision of data to carry out regionally specific economic development in the respective economic area, location advice, location marketing and public relations work, intensive monitoring of procedures and initial counselling of undertakings on settlement, relocation and extensions as well as coordination between the licensing authorities, drawing up of proposals and opinions for municipalities for the allocation of residential and commercial areas and the necessary infrastructure, support of municipalities and coordination in regional planning issues, support of undertakings for business and technical innovations, procurement of technical and business advisory services by bringing together the potential existing in this field (regional contract for technology and knowledge transfer), establishment of working groups and initiation of business cooperation, support of regional further and advanced training.
 - Tourism promotion measures, creation of uniform marketing concepts, strategic marketing planning and market analysis. Extension of existing market offers in the respective regional environment. Operation of tourist offices. Maintenance and further development of existing tourist infrastructure. Promotion of inter-municipal cooperation.
 - Holding of congresses.
 - Transport museum, organisation of special scheduled services.
- Local public transport
- Renovation and repair of railway infrastructure (private railway)

- Recycling and disposal of electrical and electronic equipment within the meaning of § 20 of the Electrical and Electronic Equipment Act (ElektroG) and waste of all kinds
- Energy generation in the field of renewable energies
- Wastewater disposal
- Promotion of sports
- Municipal/international location marketing
- Expansion of broadband services
- Operation of an adult education centre
- Urban renewal, urban development
- Promotion of biotechnology
- Business development in the field of logistics and mobility, property services

Forms of entrustment

Act of entrustment, grant notice, letter of comfort

Duration of the entrustment

10 years, for broadband in some cases between one-off to 15 years, 5 years, 1 year, for an unlimited period.

Exclusive or special rights

...

Aid instruments

Subsidies, sureties, loans, property transfers, provision of personnel, capital contributions, operating and investment cost subsidies, loss compensation, guarantees, limited fixed contributions (capital contributions in the form of additional contributions), compensation payments to the capital reserve of the company in accordance with § 272(2)(4) HGB.

Compensation mechanism

Cost allocation methodology, loss compensation, withholding of dividends from energy sector, separate accounting.

Arrangements for avoiding and repaying any overcompensation

- Substantiation, separate accounting, audited annual financial statements, statements of expenditure. Subsidy is paid only after evidence of the costs.
- Repayment of excess amount in the case of overcompensation > 10 % of the average annual compensation in entrustment period. In the case of overcompensation ≤ 10 %, offsetting of excess amount against the next compensation period.
- Simultaneous costing is drawn up using the business plan, from which the shortfall is calculated on an ongoing basis and reconciled with compensation payments.
- Overcompensation control by independent auditor.

Transparency requirements

- Compensation in accordance with Article 2(1)(a) 2012 SGEI Decision admissible to a maximum of EUR 15 million per year.
- Verification of compatibility of the benefits granted with the Exemption Decision during the entrustment period; availability of the documents for at least ten years from the end of the entrustment period.

Amount of aid granted

2016 EUR 77 346 694

+ approximately EUR 4.3 million in sureties for loans estimated and underwritten; no claims, no further figures were available.

2017 EUR 92 784 330

+ approximately EUR 4.3 million in sureties for loans estimated and underwritten; no claims, no further figures were available.

+ 46 900 000 surety City of Frankfurt for the years 2012-2018.

3. Description of the application of the 2012 SGEI Framework

So far no measures have been approved by the Commission under the 2012 SGEI Framework.

4. Complaints by third parties

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5. Miscellaneous questions

...

Mecklenburg-Western Pomerania

1. Expenditure overview

Year	Total aid	of which compensation	of which rent rebate
2016	240 000	200 000	40 000
2017	190 000	150 000	40 000
Total	430 000	350 000	80 000

2. Description of the application of the 2012 SGEI Decision

2) Social services (Article 2(1)(c))

b) Childcare

Contents of the services entrusted as SGEI

Measures under § 11(3)(1) and (2) of Book VIII of the Social Code (SGB VIII) and measures under § 11(3)(5) SGB VIII in conjunction with § 2(2), 8th phrase, Municipal Constitution of Mecklenburg-Western Pomerania (KV M-V), and other ancillary services directly related to the aforementioned services and/or are to be derived directly from the associated activities and measures and transactions through which the aforementioned services are funded.

In particular: maintenance and operation of the Hinterste Mühle Social and Youth Centre in the city of Neubrandenburg, as a place of open child and youth work.

Forms of entrustment

Act of entrustment after expression of interest procedure.

Duration of the entrustment

Periods: 1st 2013-2016; 2nd 2017-2019

Exclusive or special rights

Use of urban areas of the Hinterste Social and Youth Centre on the basis of an exclusive rent agreement for the special area.

Aid instruments

Granting of an annual compensation payment; conclusion of a rent agreement with rent rebate (symbolic rent EUR 1 per year).

Compensation mechanism

Planning with the business plan and budget; settlement of the compensation payment made with the annual financial statements, with submission of separate accounting audited by a statutory auditor; settlement of accounts based on agreed performance indicators.

Arrangements for avoiding and repaying any overcompensation

See compensation mechanism; according to act of entrustment repayment of any amount not drawn down; so far no overcompensation has occurred.

Transparency requirements

Entrustment twice, in each case as a result of public expression of interest procedure.

Amount of aid granted

Max. EUR 200 000 per year plus rent rebate amounting to approximately EUR 40 000 per year.

North Rhine-Westphalia

1. Expenditure overview

Economic sector	Total aid granted in 2016	Total aid granted in 2017
Hospitals	EUR 8 828 069.14	EUR 8 924 706.53
Health and long-term care	EUR 1 875 636.00	EUR 3 743 472.00
Childcare	EUR 2 259 000.00	EUR 0
Access to and reintegration into the labour market	EUR 30 499 970.51	EUR 30 270 476.26
Social housing	EUR 11 190 000.00	EUR 1 234 000.00
Care and social inclusion of vulnerable groups	EUR 35 919 030.40	EUR 89 173 962.97
Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)	EUR 20 000.00	EUR 20 000.00
SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a)) here: energy	EUR 23 443 521.23	EUR 12 686 328.66
SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a)) here: water supply	EUR 20 641 000.00	EUR 21 405 000.00
SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a)) here: culture	EUR 29 558 402.83	EUR 16 237 760.00

Other sectors, here: tourism	EUR 12 636 479.57	EUR 7 662 621.61
Other sectors, here: consumer protection	EUR 6 155 103.00	EUR 6 448 508.00
Other sectors, here: promotion of economic development	EUR 55 636 096.80	EUR 51 663 852.14
Other sectors, here: swimming pools	EUR 15 338 473.85	EUR 12 104 449.00

2. Description of the application of the 2012 SGEI Decision

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

Contents of the services entrusted as SGEI

According to § 1(2) North Rhine-Westphalia Hospital Organisation Act (KHGG NRW), it is a task of general public interest of the Land to ensure that hospitals provide the population with local patient and needs-oriented care. The services of the hospitals include:

- Medical care services (e.g. medical care for inpatients or part-time inpatients treated at the relevant hospital with all associated individual services; medical investigations and treatment for outpatients treated at the relevant hospital with all associated individual services; care for inpatients, part-time inpatients and outpatients with prevention, acute medicine, rehabilitation and nursing services).
- Emergency services (e.g. ensuring permanent reception and stand-by duty; availability of emergency doctors for the emergency service).
- Ancillary services directly associated with these principal activities, provided that such services have been classified as SGEI (e.g. basic and advanced training in hospital professions; training of specialists; operation of technical colleges for training in recognised healthcare professions; operation of laboratories, hospital pharmacies and blood banks including the supply of medications to patients treated at the hospital; catering services for patients; letting and leasing accommodation and parking facilities for staff; physiotherapy services, if provided for the hospital; cleaning of buildings and operating theatres and bed preparation and hygiene services).

Forms of entrustment

The act of entrustment is in the form of a council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The entrustment is usually concluded for a period of 10 years, with the exception of one entrustment for four years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Sureties and letters of comfort, deficiency guarantee, loss compensation, loans, investment subsidy, surety, compensation payments, surplus investment funds, sureties, provision of letters of comfort, subsidy.

Compensation mechanism

Statement of expenditure after the end of the financial year.

Arrangements for avoiding and repaying any overcompensation

Typically, the undertakings are required annually, after the end of the respective financial year, to provide evidence of the use of the compensation payment granted on the basis of the audited annual financial statements and in accordance with the requirements of the Transparency Directive. Proof of the proper use of the compensation payments is provided in the context of an aid report to be drawn up annually.

In the event of overcompensation within a year, it is possible to carry forward a maximum of 10 % of the compensation payments received to the following year. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

There were no cases of aid exceeding EUR 15 million.

Amount of aid granted

2016: EUR 8 828 069.14

2017: EUR 8 924 706.53

2) Social services (Article 2(1)(c))

a) Health and long-term care

Contents of the services entrusted as SGEI

and provision of day nursery places, nursing home places and housing for the elderly

and operation of the facilities necessary for this purpose.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

2 to 10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies/grants.

Compensation mechanism

Annual compensation takes place based on the business plan. Eligible expenditure is determined in accordance with national public funding law and presented in the financing plan in the grant notice.

Arrangements for avoiding and repaying any overcompensation

In the event of overcompensation within a year, it is possible to carry forward a maximum of 10 % of the compensation payments received to the following year. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 1 875 636

2017: EUR 3 743 472

b) Childcare

Contents of the services entrusted as SGEI

Entrustments are made in the field of upbringing, education, support and care of children.

Forms of entrustment

The act of entrustment takes the form of a council decision bound by instruction under company law/by governing body.

Duration of the entrustment

Unlimited.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Deficiency guarantee.

Compensation mechanism

Measures to avoid overcompensation take place in the context of the consolidated financial statements.

Arrangements for avoiding and repaying any overcompensation

Checks are based on the annual financial statements. In the event of overcompensation within a year, it is possible to carry forward a maximum of 10 % of the compensation payments received to the following year. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 2 259 000

c) Access to and reintegration into the labour market

Contents of the services entrusted as SGEI

- Measures to improve employment conditions for women and to mitigate the impacts of demographic change for medium-sized enterprises by encouraging SMEs to employ women (development of external and internal workforce potential of women for SMEs especially under the aspect of work/life balance; especially measures to create and raise awareness)
- Work-life balance advisory services and support
- Measures for lasting integration into the workforce, adaptability to change and equal access to lifelong learning.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The duration of the entrustment is between 1 and 3 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies are granted.

Compensation mechanism

The compensation payments are determined on the basis of the compensation parameters specified in the ERDF Framework Directive (*EFRE Rahmenrichtlinie*) (points 5.1 to 5.10 of the ERDF Framework Directive, together with Annex 1 on point 5.4 and Annex 2 on point 5.5). In a few individual cases, eligible expenditure is determined by national public funding law and presented in the financing plan in the grant notice using cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

Most measures are regulated in the ERDF Framework Directive. The ERDF general ancillary provisions are part of the notice. Such measures accordingly take place in the form of reporting obligations, checking of drawdowns under the expense reimbursement principle, check of the statement of expenditure, further audit rights, determination of the duration of the entrustment, etc.

Separate accounting is also used for SGEI and non-SGEI. A statement of expenditure forms part of audited, certified annual financial statements. If proper use

of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 30 499 970.51

2017: EUR 30 270 476.26

d) Social housing

Contents of the services entrusted as SGEI

Social housing promotion involves measures aimed at safeguarding and improving the supply of housing for population groups whose income prevents them from finding appropriate accommodation on the open housing market and who therefore rely on support. These groups include in particular low-income households, households with children, single parents, pregnant women, elderly and disabled people and other persons in need of help. Target groups are defined on the basis of income thresholds in the vast majority of cases, with proof of compliance requested on a case-by-case basis.

Forms of entrustment

The act of entrustment takes the form of an administrative act and council decision bound by instruction under company law/by governing body or on the basis of legislation.

Duration of the entrustment

The duration of entrustments is generally 25 years due to the high investment sums involved and the long refinancing term.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Funding is granted on the basis of low-interest loans, partial construction subsidies, support similar to subsidies by reduction of loan repayments, the underwriting of sureties or a combination of these funding methods. The most frequently used funding instruments are long-term, low-interest loans.

Compensation mechanism

The calculation of the compensation is usually based on net avoided cost methodology. The amount of the compensation payments is based on an objective and transparent *ex ante* procedure.

Arrangements for avoiding and repaying any overcompensation

Overcompensation is excluded by the funding scheme.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 11 190 000

2017: EUR 1 234 000

e) Care and social inclusion of vulnerable groups

Contents of the services entrusted as SGEI

- Promotion of the social infrastructure in the town;
- Promotion of elderly and youth welfare services;
- Support for vulnerable persons (e.g. neighbourhood support and counselling services for the elderly)
- Measures for social inclusion and combating poverty and all forms of discrimination.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

2-10 years; with the exception of the duration of one entrustment of 33 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies.

Compensation mechanism

The amount of subsidy is determined by means of the project plan/business plan using cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

The entrusted undertaking provides annual proof of the proper use of the additional payment based on the audited annual financial statements. A statement of expenditure must be submitted.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 35 919 030.40

2017: EUR 89 173 962.97

- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)

No notifications.

- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)

Contents of the services entrusted as SGEI

Operation of an airfield for general air traffic including the associated ancillary activities, construction and operation of the buildings and open areas suitable for this purpose, including all ancillary facilities with a maximum hinterland of 20 km.

Forms of entrustment

The act of entrustment takes the form of a council decision bound by instruction under company law/by governing body.

Duration of the entrustment

10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Grants are awarded in the form of needs-related investment subsidies or loss coverage payments.

Compensation mechanism

Cost allocation methodology is used to calculate the compensation.

Arrangements for avoiding and repaying any overcompensation

Compensation payments may not exceed what is necessary to cover the costs incurred in discharging the public service obligation, taking into account the relevant receipts and a reasonable rate of return on the equity used to discharge this obligation. Compliance with these conditions is demonstrated by means of the annual financial statements. The audited annual financial statements must be made available to the shareholders. In the event of excessive compensation payments, the excess amount is to be repaid by the company to the shareholders. The repayment bears appropriate interest at a market interest rate from the day on which the overcompensation is established.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 20 000

2017: EUR 20 000

5) SGEI compensation not exceeding an annual amount EUR 15 million (Article 2(1)(a))

i) Postal services

No notifications.

ii) Energy

Contents of the services entrusted as SGEI

Energy advice and energy management.

Forms of entrustment

The act of entrustment takes the form of an administrative act/council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The duration of the entrustment is between 3 and 4 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies/grants, payment of a guarantee commission.

Compensation mechanism

Compensation takes place on the basis of the grant notice and the existing business plan. In the case of measures regulated in the ERDF Framework Directive, a check of drawdowns under the expense reimbursement principle, check of the statement of expenditure, further audit rights, determination of the duration of the entrustment, etc., occur. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Arrangements for avoiding and repaying any overcompensation

To avoid overcompensation payments and, where applicable, to ensure their repayment, corresponding clauses have been included in the general ancillary provisions for grants from the European Regional Development Fund 2014-2020 (*ANBest-EFRE*). These provisions are part of the grant notice.

Furthermore, § 6 of the act of entrustment, which is also part of the grant notice, contains an overcompensation clause.

The checks involve reviewing the regular audit of the drawdowns, as well as the annually submitted interim and final statements of expenditure.

Transparency requirements

Transparency is ensured in particular through the publication of the Finance Act and the budget plans and the financing on the website of the ERDF authority and the VZ. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Amount of aid granted

2016: EUR 23 443 521.23
2017: EUR 12 686 328.66

iii) Waste collection

No notifications.

iv) Water supply

Contents of the services entrusted as SGEI

Drinking and extinguishing water supply.

Forms of entrustment

The act of entrustment takes the form of a council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The duration of the entrustment amounts to 10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

100 % municipally guaranteed loans and waiver of guarantee commissions amounting to approximately 0.5 % of the guaranteed loans.

Compensation mechanism

The amount of the compensation does not exceed what is necessary to cover the net cost incurred in discharging the public service missions, including a reasonable profit (§ 4 VI of the entrustment act).

Arrangements for avoiding and repaying any overcompensation

Loans to be guaranteed must be included in the business plan of the relevant year and approved in advance by the supervisory board (representatives of the municipalities). The guarantee as such then has to be provided for each individual loan once again by council decision. A statement of expenditure must be provided after the end of the financial year. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 20 641 000

2017: EUR 21 405 000

vi) Culture

Contents of the services entrusted as SGEI

The operation and use of festival halls, concert halls, theatres, cultural and communications centres, etc. for example for concerts and other cultural events, such as, for example, exhibitions, shows, theatre performances.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The duration of the entrustment is between 1 and 10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies.

Compensation mechanism

Usually cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Separate accounting is used in the context of drawing up the business plan and annual financial statements. The statement of expenditure is provided each year as part of the annual financial statements audited by the auditor. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Publication of the budget plans and/or the respective council decisions on the Internet in the case of loans exceeding EUR 15 million.

Amount of aid granted

2016: EUR 29 558 402.83

2017: EUR 16 237 760.00

vi) Financial services

No notifications.

vii) Other sectors

Tourism

Contents of the services entrusted as SGEI

- General promotion of tourism and hospitality services
- Representation in cooperation with supra-regional tourist organisations
- Preservation and further development of tourist infrastructure
- General marketing for the tourist region (destination marketing) and event management
- Development of tourist products and attractions
- Strengthening, advising and support for the tourist industry.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The duration of the entrustment amounts to 10 or considerably fewer years (then between 2 and 5 years).

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidy and supply of personnel, compensation payments, loss financing.

Compensation mechanism

The amount of the compensation payments is typically determined objectively and transparently in advance on the basis of profitability calculations or business plans (also considering the audited annual financial statements/statements of expenditure from previous years).

Arrangements for avoiding and repaying any overcompensation

The beneficiary undertakings typically provide annual proof of the use of the funds by means of audited annual financial statements and corresponding statements of expenditure. This procedure in principle excludes overcompensation. Otherwise overcompensation is recovered. If activities are also carried out which are not SGEI,

the costs and receipts in connection with operating the SGEI concerned must be shown separately from all other activities in the accounts.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 12 636 479.57

2017: EUR 7 662 621.61

Consumer protection

Contents of the services entrusted as SGEI

Information and advice for consumers on rational use of energy, energy-saving and the use of inexhaustible energy sources.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

6 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies.

Compensation mechanism

The calculation of the compensation is based on cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

In the event of overcompensation within a year, it is possible to carry forward a maximum of 10 % of the compensation payments received to the following year. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 6 155 103

2017: EUR 6 448 508

Promotion of economic development

Contents of the services entrusted as SGEI

Structural improvement through promotion of economic development, including in part the promotion of tourism and tourist facilities, transport and social, cultural and sports facilities and contribution to the reduction of existing and prevention of further unemployment and consideration of environmental protection issues, as well as implementation of the integrated urban development and city marketing concept, such as the promotion of profile-building events and attractions, communication and advertising (print media, Internet, supra-regional public relations work, journalist support, trade fair and promotion presentations including abroad) and the operation and use of festival halls and other event venues oriented to the interests of all sections of the population.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The entrustments were typically concluded for the duration of up to 10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies, loss coverage payments, interest rate subsidy, capital contributions, annual operating cost subsidy, loss allocation, compensation payments, sureties, provision of personnel, loss compensation.

Compensation mechanism

The amount of the annual subsidy usually results from the business plan of the respective year, in which the fundamental necessity and the amount of the annual subsidy are determined in advance, where appropriate through separate accounting using the net avoided cost methodology or the cost allocation methodology.

Arrangements for avoiding and repaying any overcompensation

The check takes place typically using statements of expenditure, frequently in the context of annual financial statements audited by an auditor/audit firm. The shareholders are entitled to have books, supporting documents and other business documents of the undertaking inspected.

Repayment and adjustment of the future compensation payments occur if the compensation payment made exceeds the actual need for subsidy by more than 10 %; in the case of overpayment up to a maximum of 10 %, some of the amount will be carried forward to the next financial year and offset against the new compensation payment. The business development agencies must ensure in their accounting system that the costs arising from the activities in the general economic interest are shown separately in their accounts from the costs for other areas of activity (separate accounting). The amount of the fixed contributions is determined objectively and transparently in advance, together with the time of contribution, on the basis of a profitability calculation. Amounts of any variable contributions are requested in writing from the undertaking, with the undertaking showing, on the basis of a supplement to the profitability calculation, that no economic advantage accrues to it which favours it over its competitors.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 55 636 096.80

2017: EUR 51 663 852.14

Swimming pools

Contents of the services entrusted as SGEI

The public service obligation to provide and operate indoor and outdoor swimming pools includes the operation of the individual swimming pools with pools at family-friendly and affordable entrance charges including the fitness and entertainment facilities in the water, in some cases including the sauna operation and catering facilities in the swimming pool complex.

Forms of entrustment

The act of entrustment takes place in the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

The entrustments were typically concluded for a period of 10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

The entrustments are established for a maximum of 10 years with the exception of one 20-year entrustment.

Compensation mechanism

The compensation payment is to be determined in accordance with generally accepted accounting principles on the basis of the business plan and taking into account the separate accounting; in some cases, an upper limit is mentioned. The loss compensation payments offset the annual shortfalls for operating the SGEI. The expected net costs to be offset are to be forecasted annually in advance in the respective business plan.

Arrangements for avoiding and repaying any overcompensation

After the end of the financial year, the compensation amount is generally reviewed on the basis of the annual financial statements through separate accounting or segment accounting. There is also entitlement to examine books, supporting documents and other business documents of the undertaking. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 6 103 849.69

2017: EUR 14 037 699.73

Sports and leisure activities

Contents of the services entrusted as SGEI

Sports promotion in the fields of mass and elite sports.

Forms of entrustment

The act of entrustment takes the form of an administrative act, grant notice and council decision bound by instruction under company law/by governing body.

Duration of the entrustment

Between 1 and 10 years.

Exclusive or special rights

Undertakings are currently not generally granted any exclusive or special rights.

Aid instruments

Subsidies and underwriting of losses.

Compensation mechanism

The calculation of the compensation is based on cost allocation methodology or net avoided cost methodology.

Arrangements for avoiding and repaying any overcompensation

In the event of overcompensation within a year, it is possible to carry forward a maximum of 10 % of the compensation payments received to the following year. If proper use of funds is excluded, the undertaking is required to repay the overcompensation under public funding/budgetary law.

Transparency requirements

Not relevant.

Amount of aid granted

2016: EUR 15 338 473.85

2017: EUR 12 104 449

3. Description of the application of the 2012 SGEI Framework

So far the Commission has not approved any measures under the 2012 SGEI Framework.

4. Complaints by third parties

No notifications.

5. Miscellaneous questions

No notifications.

Lower Saxony

1. Expenditure overview

Total expenditure in the federal state of Lower Saxony for services of general economic interest (SGEI) on the basis of the SGEI decision (in EUR):
EUR 204 378 354.69 in 2016 and 2017.

2. Description of the application of the 2012 SGEI Decision

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

a) Rural district of Vechta

Contents of the SGEI

Medical care services, emergency services

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Payment of subsidies

Compensation mechanism

Net cost necessary to discharge the public service obligations

Net avoided cost methodology

Arrangements for avoiding and repaying any overcompensation

Obligation to submit reports on state aid

Transparency requirements

None

Amount of aid granted

2016: EUR 750 000.00

2017: EUR 250 000.00

b) Heidekreis

Contents of the SGEI

Medical care services, investigations and treatment, emergency services and associated ancillary services,
legal remit in accordance with the Lower Saxony Hospitals Act (*Niedersächsisches Krankenhausgesetz*, NKHG)

Forms of entrustment

Entrustment act by district assembly order of 13 December 2013.

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Payment of subsidies

Compensation mechanism

Compensation based on the hospital's business plan and profit and loss account, advance payments during the course of the year to ensure liquidity

Arrangements for avoiding and repaying any overcompensation

set down in the entrustment act:

statement of expenditure in the annual financial statement, with separate accounts for each segment (SGEI/non-SGEI), right of inspection of the rural district, repayment obligation if overcompensation exceeds 10 %, otherwise compensation/offsetting takes place in the following year

Transparency requirements

None

Amount of aid granted

2016: EUR 8 022 284.05

2017: EUR 11 795 583.00

c) Town of Wilhelmshaven

Contents of the SGEI

1. Medical care services:

a) appropriate and adequate medical care for inpatients treated at the hospital, including all associated individual services;

b) appropriate and adequate medical investigations and treatment for outpatients treated at the hospital, including all associated individual services;

2. Accident and emergency services:

- a) maintaining continuous admission and on-call services
- b) providing emergency doctors to the emergency services.

3. Ancillary services directly associated with these main activities are:

- a) training and continuing education in the professions required for the operation of the hospital, as well as training for medical specialists as part of the recognition as the University of Göttingen's teaching hospital,
- b) operating a hospital pharmacy, including caring for outpatients treated at the hospital using the medicinal products dispensed at the hospital,
- c) catering services for patients at the hospital,
- d) rental and leasing of living and parking spaces for employees,
- e) radiological forms of entrustment
- f) laboratory services for patients at hospital 2

Entrustment of the Wilhelmshaven gGmbH hospital (previously Reinhard-Nieter-Krankenhaus Städtische Kliniken gGmbH) by means of a public entrustment act (order of Wilhelmshaven town council of 17 October 2012/15 February 2017).

Duration of the entrustment

10 years

Exclusive or special rights

No

Aid instruments

Compensation payments

Compensation mechanism

Granting of compensation payments (compensation payments under this entrustment are all advantages granted to Klinikum Wilhelmshaven gGmbH by the town of Wilhelmshaven for the operation of the SGEI, such as operating and investment subsidies, guarantees, loans, assumption of costs and capital contributions.)

The compensation payments do not exceed what is necessary to cover the costs incurred in operating the services, taking into account the relevant receipts ('net additional costs') and thus to enable Klinikum Wilhelmshaven gGmbH to perform the SGEI incumbent on it in accordance with its articles of association and this entrustment.

The net additional costs are determined by adjusting the total commercial income and expenses shown in the annual financial statement for income and expenses

relating to the other services.

(Net avoided cost methodology)

Arrangements for avoiding and repaying any overcompensation

In order to ensure that the compensation payment does not result in any overcompensation for the operation of SGEI, Klinikum Wilhelmshaven gGmbH provides a statement of expenditure at the end of each financial year. This forms part of the annual financial statement.

If the audit reveals overcompensation of more than 10 % of the maximum funds to be granted for the audit year, the town of Wilhelmshaven requests Klinikum Wilhelmshaven gGmbH to repay the excess amount. If the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation, such overcompensation may be carried forward to the next payment period and deducted from the amount of compensation payable in respect of that period.

Transparency requirements

None

Amount of aid granted

2016: EUR 2 764 192.98 (town of Wilhelmshaven)

2017: EUR 3 100 000.00 (town of Wilhelmshaven)

d) Rural district of Aurich

Contents of the SGEI

Ensuring appropriate medical care in the rural district of Aurich pursuant to § 1 NKHG.

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Annual loss compensation

Compensation mechanism

Outlined in the entrustment act

Arrangements for avoiding and repaying any overcompensation

Outlined in the entrustment act

Presentation of the annual financial statements (100 % subsidiary of the rural district)

Transparency requirements

Annual loss compensation payments of more than EUR 15 million per annum were not granted.

Amount of aid granted

2016: EUR 10 000 000.00

2017: EUR 14 771 013.91

e) City of Wolfsburg

Contents of the SGEI

Hospital care for the population, in particular

1. Medical care services

- a) appropriate and adequate medical care for inpatients treated at the Klinikum Wolfsburg hospital, including all associated individual services,
- b) appropriate and adequate medical investigations and treatment for outpatients treated at Klinikum Wolfsburg, including all associated individual services,
- c) providing the range of treatments needed to care for the population according to its needs.

2. Comprehensive emergency care

- a) maintaining continuous admission and on-call services,
- b) providing emergency doctors pursuant to § 10(1) of the Lower Saxony Emergency Medical Services Act (*Niedersächsisches Rettungsdienstgesetz, NRettDG*),
- c) medical care in the event of pandemics, major incidents and disasters.

3. Ancillary services directly associated with these main activities are:

- a) training and continuing education in the professions required for the operation of the hospital, as well as training for medical specialists as part of the recognition as the University of Hanover's teaching hospital,
- b) operating a hospital pharmacy, including caring for outpatients treated at the hospital using the medicinal products dispensed at the hospital,
- c) operating a blood bank for patients at Klinikum Wolfsburg,
- d) catering services for patients at Klinikum Wolfsburg,
- e) participating in studies.

Forms of entrustment

Administrative act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Contribution to capital reserves

Compensation mechanism

The maximum amount of the compensation payment is based on the business plan, which presents the services eligible for compensation and those not eligible for compensation in the year in question separately (cost allocation methodology).

Arrangements for avoiding and repaying any overcompensation

- Annual statement of expenditure from Klinikum Wolfsburg as part of the annual financial statement
- The use of funds must be audited and tested by the annual auditor in the annual financial statement.
- Separate accounts for SGEI and non-SGEI
- In the event of overcompensation, the city of Wolfsburg demands repayment. If the overcompensation does not exceed 10 % of the total annual compensation, this amount may be carried forward to the next compensation period.

Transparency requirements

No aid over EUR 15 million

Amount of aid granted

2016 no compensation payment

2017 no compensation payment, but separate accounts for 2017 not yet available

f) Town of Norderney***Contents of the SGEI***

Ensuring hospital care for the population of the town of Norderney

Forms of entrustment

Public contract (administrative act) in accordance with council order

Duration of the entrustment

One year in each case

Exclusive or special rights

None

Aid instruments

None

Compensation mechanism

Deficit compensation by way of structural compensation

Arrangements for avoiding and repaying any overcompensation

Audit of the annual financial statements and separate accounts

Transparency requirements

Prompt submission of annual financial statements and separate accounts

Amount of aid granted

Maximum EUR 150 000 per year

g) Rural district of Verden***Contents of the SGEI***

In accordance with § 1 NKHG, in Lower Saxony the rural and urban districts are responsible for ensuring hospital care for the population according to its needs. The rural district of Verden is therefore responsible for ensuring this care in its region. This constitutes an SGEI within the meaning of European law. The rural district of Verden has entrusted the hospital federation with ensuring the comprehensive provision of medical care services to its population, including emergency care at the Verden and Achim sites and associated ancillary services (provision of an internal department, a surgical department and, in at least one site, an obstetrics and gynaecology department).

The scope of the SGEI is essentially determined by the rights and obligations associated with the inclusion in the hospital plan. The requirements of the hospital plan and of the corresponding assessment decisions of the Lower Saxony Ministry of Social Affairs, Health and Equality concerning inclusion in the hospital plan, including any individual assessments made in this regard, must always be fulfilled by Aller-Weser-Klinik gGmbH. Lower Saxony's hospital plan currently lists 255 beds for the hospital federation.

In order to ensure that the care obligation, being an SGEI, is properly fulfilled, the entrustment covers the following public service obligations in particular:

- fulfilling the care obligation of the rural district of Verden
- safeguarding the comprehensive provision of medical care services to the population and performing the ancillary services associated with these activities
- maintaining and safeguarding needs-based emergency care
- ensuring needs-based hospital care that is available to all citizens
- providing needs-based hospital infrastructure

- improving and developing the structure of medical care and quality standards, and continuing to develop the medical treatment options

Form of entrustment

The district assembly of the rural district of Verden passed an entrustment act during its meeting of 18 July 2014. The head of the district authority of the rural district of Verden issued the entrustment act on 21 July 2014.

Duration of the entrustment

The entrustment period is limited to a maximum duration of 10 years. The entrustment will thus end on 21 July 2024 unless it is amended or revoked.

Exclusive or special rights

The entrustment act does not contain any exclusive or special rights that go beyond the aid instruments listed under point 5.

Aid instruments

The hospital federation receives compensation from the rural district of Verden. In accordance with the provisions of the Exemption Regulation, compensation is any benefit granted by the rural district of Verden or from its funds. This may include, for example, operating and investment subsidies, guarantees, loans, assumption of costs, capital contributions and other benefits.

Compensation mechanism

The compensation must not exceed what is necessary to cover the costs incurred in operating the SGEI, taking into account the relevant receipts and a reasonable return on the capital employed to discharge this obligation. There is no compensation for any deficits resulting from services that are not of general economic interest. The amount of the compensation is determined in principle on the basis of the hospital federation's audited annual financial statements. If events during the course of the year mean that there is a greater need for compensation, this may be granted by the rural district. This compensation is also based on the outcome of the audited annual financial statement.

Arrangements for avoiding and repaying any overcompensation

In order to ensure that the compensation or other benefits do not result in overcompensation for the operation of services, the hospital federation provides evidence of the use of the compensation granted at the end of each financial year. This forms part of the audited annual financial statement and takes into account the provisions of European law. The income and expenditure associated with fulfilling obligations of general economic interest are presented separately from the other

sectors in accordance with the provisions of the Exemption Decision. The hospital federation must in principle repay any overcompensation to the rural district of Verden. If the overcompensation does not exceed 10 % of the total annual compensation, this amount may be carried forward to the next compensation period. The rural district of Verden decides whether any such overcompensation is carried forward or repaid.

Transparency requirements

The type and amount of the compensation must be documented by the hospital federation and such documents kept for a period of at least 10 years. The order concerning the entrustment of the hospital federation was passed at a public meeting of the district assembly. The public notice of the entrustment act appeared in the official gazette of the rural district of Verden on 1 August 2014. The annual compensation is decided by the district assembly of the rural district of Verden at a public meeting each year.

Amount of aid granted

Compensation for the operation of SGEI

2016 EUR 5 062 500.00

2017 EUR 5 301 582.04

h) Rural district of Wittmund

Contents of the SGEI

- Providing medical care services in the areas of internal medicine, surgery, gynaecology and obstetrics, otorhinolaryngology, oral and maxillofacial surgery, anaesthesiology and interdisciplinary intensive care in a rural area
- Providing emergency services in the form of accident and emergency units and the assumption of an emergency medical service
- Training facility in the field of nursing in accordance with § 2(1a) of the German Hospitals Act (*Krankenhausgesetz, KHG*)
- Providing outpatient services

Forms of entrustment

Articles of association in conjunction with Exemption Decision as part of an entrustment act (15 December 2008) and its revised version (13 October 2016)

Duration of the entrustment

10 years

Exclusive or special rights

Exclusive or special rights are not granted

Aid instruments

To compensate for annual deficits, the rural district of Wittmund makes a payment to cover losses based on the respective annual business plan. Subsidies to fund investments, the combined further training of doctors and special projects are also granted on the basis of the business plan.

Compensation mechanism

Cost allocation methodology

Arrangements for avoiding and repaying any overcompensation

At the end of the financial year, evidence of the use of the funds is provided as part of the annual financial statement. The annual financial statement is audited and tested by auditors.

Transparency requirements

None

Amount of aid granted

	[See original for figures]	
Loss coverage		
Investment subsidies		
Subsidies for the combined further training of doctors		
Total		

h) Town of Lingen (Ems)

Contents of the SGEI

Hospital care by St. Bonifatius Hospital Lingen in accordance with § 2(2) of the entrustment act: all medical care services provided by the hospital (inpatient hospital services, including day-care, preadmission and post-discharge hospital services) to ensure needs-based hospital care provided close to patients' homes in accordance with the respective assessment decision regarding inclusion of the hospital in the hospital plan of the federal state of Lower Saxony; building a needs-based hospital infrastructure; improving and developing the structure of medical care and quality standards and continuing to develop the medical treatment options; maintaining and safeguarding comprehensive needs-based emergency care; the obligation to assist in the event of disasters, pandemics and major incidents and other medical and

nursing ancillary services directly associated with the above activities (in particular research and teaching in the field of public health and social affairs).

Forms of entrustment

Entrustment act of 26 May 2016 for the benefit of St. Bonifatius Hospital Gesellschaft Lingen e.V., the sole shareholder of St. Bonifatius Hospital Lingen gGmbH, which operates the St. Bonifatius Hospital in Lingen.

Duration of the entrustment

5 years (2016-2020)

Exclusive or special rights

No exclusive or special rights are granted to St. Bonifatius Hospital Gesellschaft Lingen e.V. in accordance with § 2(4) of the entrustment act.

Aid instruments

Investment subsidy in accordance with Article 5(3)(d) of Commission Decision 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 (2012/21/EU) for a building project ('renovation of the functional area and construction of nursing area third construction phase' with expansion of the cardiovascular centre at Bonifatius Hospital Lingen).

Compensation mechanism

Investment aid to safeguard the site set on a yearly basis.

Arrangements for avoiding and repaying any overcompensation

Annual evidence of the use of the funds by St. Bonifatius Hospital Lingen gGmbH as part of the annual financial statement. Also connected to the audits by the rural district of Emsland, which is entitled to review accounts, documents and other business records even during the course of the year. If the audit reveals overcompensation of the funds granted for the audit year, the town of Lingen (Ems) demands on the basis of the audit result of the rural district of Emsland that St. Bonifatius Hospital Lingen (Ems) gGmbH repay the excess amount.

Transparency requirements

All documents which can be used to establish whether the compensation payments granted are consistent with the provisions of the Exemption Decision are kept for ten years after the entrustment ends.

Amount of aid granted

2016: EUR 350 000.00

2017: EUR 350 000.00

i) Rural district of Diepholz

Contents of the SGEI

SGEI for ensuring the comprehensive provision of medical care services to the population of the rural district of Diepholz, including emergency care and associated ancillary services.

Forms of entrustment

Based on a self-drafted entrustment act passed by the district assembly and issued as a decision in respect of Alexianer Kliniken Landkreis Diepholz GmbH.

Duration of the entrustment

The entrustment act will apply until 31 December 2026.

Exclusive or special rights

None

Aid instruments

The rural district of Diepholz may make compensation payments to compensate for the expenses incurred by Alexianer Landkreis Diepholz GmbH in operating SGEI. The compensation serves to compensate for the costs of fulfilling the public service obligations that are not covered. Compensation payments under the entrustment are all benefits granted by the rural district of Diepholz or from funds of any kind of the rural district of Diepholz.

This includes the granting of loans, investment subsidies, participation in any negative annual results (deficit compensation), the promotion of investment through guaranteeing loans and assuming the servicing of debt for outstanding loans, and the transfer without consideration of property by St. Ansgar Klinikverbund Grundstück GmbH & Co. KG, in which the rural district of Diepholz holds 100 % of the shares as the limited partner.

Compensation mechanism

The compensation payments must not exceed what is necessary to cover the costs incurred in discharging a public service obligation, taking into account the relevant receipts and a reasonable return on the capital employed to discharge these obligations. The amount of the authorised compensation results from the difference between the costs and the revenues. All amounts received by Alexianer Landkreis Diepholz GmbH in the discharge of the public service obligations are to be offset

against the costs thus determined.

If the compensation received exceeds the authorised amount, Alexianer Landkreis Diepholz GmbH must return the overcompensated amount.

If the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation over three successive financial years, Alexianer Landkreis Diepholz GmbH may carry forward or deduct the amount of the overcompensation when calculating the compensation in the next available business plan.

If the amount of the overcompensation exceeds 10 % of the average annual compensation over three successive financial years and the proper use of funds is excluded or will not be ensured over the course of the following year, the rural district of Diepholz will demand that excess compensation be repaid; this applies in particular if the benefits derived by Alexianer Landkreis Diepholz GmbH as a result of the compensation outweighed the disadvantages suffered by Alexianer Landkreis Diepholz GmbH as a result of the operation of the SGEI.

Arrangements for avoiding and repaying any overcompensation

In order to ensure, pursuant to Article 6 of Commission Decision of 20 December 2011 (2012/21/EU), that the compensation payment does not result in any overcompensation for the operation of SGEI, Alexianer Landkreis Diepholz GmbH is obliged to provide evidence of the use of the compensation payment granted on the basis of the audited annual financial statement and observing the requirements of § 3 of the German Transparency Directive Implementation Act (*Transparenzrichtlinie-Gesetz*, TranspRLG).

Transparency requirements

Evidence of the proper use of the compensation payments is provided as part of an aid report to be drawn up each year. The aid report must confirm that the compensation was used for the public service obligations mentioned under point 2 and was not used for sectors not covered by this entrustment. The presentation of documentary evidence is not required. At the request of the rural district of Diepholz, Alexianer Landkreis Diepholz GmbH must provide evidence of the proper use of the compensation payments in the form of suitable data.

The aid report must present the costs and income from the activities under point 2, paragraph 3 and point 2, paragraph 5 separately and compare them to the estimates in the annual business plan (separate accounts). The separation of accounts must

meet the requirements of § 3 TranspRLG. The cost accounting principles on which the separate accounts are based must be the same as those used when preparing the annual business plan.

Amount of aid granted

2016: deficit compensation: EUR 4 900 000.00

loans: EUR 3 000 000.00

total: EUR 7 900 000.00

2017: deficit compensation: EUR 4 200 000.00

loans: EUR 1 800 000.00

investment subsidies: EUR 1 700 000.00

total: EUR 7 700 000.00

j) Rural district of Emsland

Contents of the SGEI

Six hospitals in the rural district of Emsland were entrusted for the first time in 2015 with, in particular, all hospital medical care services (day-care/inpatient, including aftercare) to ensure needs-based hospital care provided close to patients' homes in accordance with the assessment decision regarding inclusion of the hospital in the hospital plan of the federal state of Lower Saxony.

Forms of entrustment

The entrustment act for the foundation of the Ludmillenstift hospital in Meppen is enclosed as an example.

Duration of the entrustment

The entrustment acts were drawn up for a period of ten years. The rural district will decide whether to renew the entrustment six months before it expires.

Exclusive or special rights

None

Aid instruments

None

Compensation mechanism

None

Arrangements for avoiding and repaying any overcompensation

None

Transparency requirements

None

Amount of aid granted (in 2016 and 2017)

Bonifatius Lingen	District assembly order of 13.6.2016	[See original for figures]
	District assembly order of 26.9.2017	
Ludmillenstift Meppen	District assembly order of 26.9.2017	
Marien Hospital Papenburg	District assembly order of 26.9.2017	
St.-Vinzenz Haselünne	District assembly order of 12.6.2017	
Elisabeth-Krankenhaus Thuine		
Hümmeling Hospital Sögel	District assembly order of 26.9.2017	

k) City of Braunschweig

Contents of the SGEI

Providing public hospital infrastructure

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Mainly loss compensation; guarantees etc. are possible

Compensation mechanism

The compensation must not exceed what is necessary to cover the costs incurred in discharging a public service obligation, taking into account the relevant receipts and a reasonable return on the capital employed to discharge these obligations (cost allocation methodology).

Arrangements for avoiding and repaying any overcompensation

Yearly evidence in the form of an audited aid report.

Transparency requirements

Not applicable.

Amount of aid granted

2016: entrustment has only been in place since 1 April 2017.

2017: evidence (aid report) is not yet available.

2) Social services (Article 2(1)(c))

a) Health and long term care

None

b) Childcare

None

c) Access to and reintegration into the labour market

None

d) Social housing

Town of Wolfenbüttel and rural district of Wolfenbüttel

Contents of the SGEI

Entrustment with the performance of public service obligations.

1. Increasing the supply of and maintaining affordable rented housing for less-favoured citizens or more vulnerable sections of the population (lower-income households, families and other households with children and for single parents, pregnant women, elderly people, disabled people, homeless people and other people in need of assistance)
2. Providing and maintaining affordable rented housing for medium-income individuals
3. Supporting municipal settlement policy
4. Measures in the field of urban development, urban development funding: modernising and maintaining buildings, revitalising town centres and secondary centres, improving living environments, measures to increase the attractiveness of areas for the population

Forms of entrustment

The entrustment was concluded by the town council of the town of Wolfenbüttel in its meeting of 29 March 2017 and published in the form of an administrative act.

Duration of the entrustment

The entrustment will be in place from 1 September 2017 until 31 December 2026.

Exclusive or special rights

Undertakings are not generally granted exclusive or special rights.

Aid instruments

The compensation can include:

- subsidies
- capital increases
- guarantees
- debt waiver
- offering concessionary loans
- other grants and benefits offering monetary advantages

Compensation mechanism

The compensation must not exceed what is necessary to cover the costs incurred in operating the SGEI, taking into account the relevant receipts and a reasonable return on the capital employed to discharge this obligation. The aid report must present the costs and proceeds from the activities mentioned above separately and compare them to the projected figures in the annual business plan (separate accounts).

Arrangements for avoiding and repaying any overcompensation

If the compensation received exceeds the authorised amount, the overcompensation must be repaid.

If the amount of overcompensation does not exceed 10 % of the average annual compensation over three successive financial years, this amount is carried forward or deducted when calculating the compensation in the next available business plan.

If the amount of the overcompensation exceeds 10 % of the average annual compensation over three successive financial years and the proper use of funds is excluded or will not be ensured over the course of the following year, such overcompensation must be returned.

Transparency requirements

The separation of accounts must meet the requirements of § 3 TranspRLG.

Amount of aid granted

The aid is granted to cover the amount of the unpaid costs for discharging the public service obligations. The first payments will be made in 2018.

e) Care and social inclusion of vulnerable groups

None

3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)

None

4) **Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)**

None

5) **SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))**

i) **Postal services**

None

ii) **Energy**

a) **Heidekreis (funding Heide-Dienstleistungs-GmbH)**

Contents of the SGEI

Promoting climate protection in the local and regional area by

- a. continuing the existing climate protection campaigns and initiating new ones
- b. managing networks
- c. providing and supplying regional elements of climate protection campaigns
- d. organising themed events
- e. functioning as the central point of contact for business and municipalities, and for all citizens interested in climate protection.

Forms of entrustment

Entrustment act by district assembly order of 10 July 2015

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Compensation payments

Compensation mechanism

Deficit compensation on the basis of the business plan and the profit and loss account

Arrangements for avoiding and repaying any overcompensation

Statement of expenditure in the annual financial statement, with separate accounts

for each segment (SGEI/non-SGEI), right of inspection of the rural district, repayment obligation if the overcompensation exceeds 10 %, otherwise compensation/offsetting takes place in the following year.

Transparency requirements

None

Amount of aid granted

2016: EUR 75 000

2017: EUR 75 000

iii) Waste collection

(1) Rural district of Aurich

Contents of the SGEI

Waste collection

Forms of entrustment

Separate orders of the rural district of Aurich in conjunction with the company law framework of the subsidiary 'MKW GmbH & Co. KG', in which the rural district of Aurich is the sole shareholder.

As of 2018, the entrustment will be by way of a service contract.

Duration of the entrustment

The first entrustment dates back to 1982. The most recent separate order was passed in 2017.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

The rural district of Aurich has assigned the subsidiary MKW GmbH & Co. KG various tasks in the field of recycling and disposing of waste, along with other associated activities. No remuneration to cover the costs incurred in fulfilling these tasks was agreed until 2017, meaning that these tasks inevitably led to yearly losses. These losses were compensated for without limitations by the rural district of Aurich as shareholder on the basis of the shareholder agreement.

The reason for this arrangement was that the proceeds of selling valuable reusable materials had to be offset against the costs of providing the service, thus reducing the deficit. Since it is only this reduced deficit which is subject to VAT, the fee payers in the rural district of Aurich benefited from certain VAT savings on account of the loss compensation arrangement.

Compensation mechanism

Annual compensation of the losses of the company.

Arrangements for avoiding and repaying any overcompensation

None until 2017. Contractual arrangement from 2018 onwards.

Transparency requirements

Annual loss compensation payments of more than EUR 15 million per annum were not granted.

Amount of aid granted

Loss compensation

2016: EUR 9 431 228.98 including VAT

2017: EUR 12 064 317.07 including VAT

iv) Water supply

None

v) Culture

(1) Rural district of Aurich

Contents of the SGEI

Promotion of musical education as a cultural component of society in the rural district of Aurich.

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Annual subsidy

Compensation mechanism

Outlined in the entrustment act. No overcompensation.

Arrangements for avoiding and repaying any overcompensation

Presentation of the annual financial statements (100 % subsidiary of the rural district)

Transparency requirements

Annual loss compensation payments of more than EUR 15 million per annum were not granted.

Amount of aid granted

2016: EUR 678 742.00

2017: EUR 765 243.00

(2) Town of Lingen (Ems)

Contents of the SGEI

Fulfilling general interest missions in the form of public services. In particular: operating venues for concerts, shows, trade fairs, exhibitions, markets, auctions, sporting events and corporate parties as part of the economic, social and cultural welfare and the general welfare of the inhabitants of the town of Lingen (Ems) by the municipal enterprise Emslandhallen.

Forms of entrustment

Entrustment act of 29 January 2014

Duration of the entrustment

10 years

Exclusive or special rights

No exclusive or special rights

Aid instruments

Compensation payments and offsetting

Compensation mechanism

Annual deficits that arise despite cost-effective management are compensated for by means of compensation payments affecting the cash position and/or by offsetting the deficits against the town's equity contribution. A reasonable return is not taken into account here. The actual amount of the compensation payments is determined in accordance with the actual business/annual financial statement of the municipal enterprise.

Arrangements for avoiding and repaying any overcompensation

The compensation does not exceed what is necessary to cover the costs and expenses incurred in discharging the public service obligations, with deduction of the profits made by the enterprise. For this purpose, the municipal enterprise provides evidence on the use of the funds at the end of each financial year, in the form of the annual financial statement audited by an auditor. If this audit reveals overcompensation of more than 10 % of the funds granted for the audit year, the town of Lingen (Ems) will demand that the municipal enterprise repay the excess amount. If the overcompensation does not exceed 10 %, the excess amount may be carried forward to the next period.

Transparency requirements

The individual compensation payments are less than EUR 15 million, so there is no publication requirement pursuant to Article 7 (2012/21/EU). However, all documents which can be used to establish whether the compensation payments granted are consistent with the provisions of the Exemption Decision are kept for ten years after the entrustment ends.

Amount of aid granted

2016: EUR 1 280 thousand (loss compensation payment) + EUR 679 054.42
(offsetting deficit against equity contribution) = EUR 1 959 054.42

2017: The audit will be carried out mid-June 2018. The year-end report will be ready at the start of September 2018 and must then be approved by the executive committee.

(3) Town of Aurich

Contents of the SGEI

The entrusted SGEI comprises operating an exhibition area on the topic of energy and an associated 'experimentarium' at the Energy, Education and Experience Centre (*Energie-, Bildungs- und Erlebniszentrum*, EEZ), both having family-friendly and responsible entry fees.

Pursuant to § 4 of the Lower Saxony Municipal Constitutional Act (*Niedersächsisches Kommunalverfassungsgesetz*, NKomVG), the municipalities must make available the social, cultural, sports and scientific facilities required for the inhabitants within the limits of their ability.

The aim of the interactive exhibition is to make the topic of energy directly accessible. Scientific principles presented in interactive exhibits and spatial installations give the visitors an authentic impression of energy needs, energy production and energy efficiency. Visitors are encouraged to actively engage with the topic of energy in the context of education for sustainable development.

To increase the interactivity of the experience, there is also an 'experimentarium' alongside the exhibition, which is fitted out in the manner of a university biology, chemistry or physics lecture room. Here, the participants can engage with the topic of energy in a methodical way.

Forms of entrustment

The entrustment was provided by way of an entrustment act in accordance with the requirements of the Exemption Decision. The entrustment act was passed by the

council of the town of Aurich (meeting of 11 December 2014; entrustment can be accessed on the council information system) and then implemented in company law by imposing on the management of the undertaking entrusted with the SGEI the obligation to observe the content of the entrustment act.

Duration of the entrustment

The entrustment act entered into force on 1 January 2015 and has a term of 10 years.

Exclusive or special rights

Not granted.

Aid instruments

The actual compensation of the unpaid costs required for the performance of the SGEI takes the form of compensation payments by the town of Aurich.

Compensation mechanism

The town of Aurich makes the compensation payments primarily in its capacity as a shareholder (in particular contribution to capital reserves and operating subsidies).

Arrangements for avoiding and repaying any overcompensation

The entrustment act contains a provision for avoiding overcompensation. The compensation must not exceed what is necessary to cover the costs incurred in operating the SGEI, taking into account the relevant receipts and a reasonable return on the capital employed in this regard, within the meaning of Article 5 of the Exemption Decision. The undertaking must provide evidence of the operation and costs of the SGEI in the management report as part of the annual financial statement and is obliged to comply with the principles of the TranspRLG.

Transparency requirements

No aid above EUR 15 million is granted to undertakings which also have activities outside the scope of the SGEI.

Amount of aid granted

2016: EUR 893 350.97

2017: EUR 848 411.56

vi) Financial services

None

vii) Other sectors

(1) Town of Bramsche

Contents of the SGEI

Stadtmarketing Bramsche GmbH is entrusted with

- a) implementing general measures to market the town and promote tourism, including organising and conducting events for this purpose,
- b) implementing general measures to promote the economy, including organising and conducting events for this purpose,
- c) implementing general measures for maintaining and running museum and cultural facilities in the town of Bramsche, including organising and conducting events for this purpose.

Forms of entrustment

Entrustment act by the council of the town of Bramsche of 6 February 2014.

Duration of the entrustment

1 January 2014 to 31 December 2023

Exclusive or special rights

No special rights are granted.

Aid instruments

Compensation is granted by the town of Bramsche.

Compensation mechanism

A business plan must be drawn up on a yearly basis for the financial year to follow. At the end of each financial year, a statement of expenditure must be submitted on the basis of the audited annual financial statement.

Arrangements for avoiding and repaying any overcompensation

In the event of overcompensation or use of the funds for sectors not covered by the entrustment in any year, no more than 10 % of the compensation received may be carried forward to the following year. The proper use of funds must be restored within the following year.

If the proper use of funds is excluded or not ensured within the following year, the town of Bramsche will demand that the excess compensation be repaid in the event of overcompensation of Stadtmarketing Bramsche GmbH; this applies in particular if the benefits derived by Stadtmarketing Bramsche GmbH as a result of the compensation outweighed the disadvantages suffered by Stadtmarketing Bramsche GmbH as a result of discharging the public service obligations.

Transparency requirements

Below EUR 15 million

Amount of aid granted

2016: EUR 426 500

2017: EUR 436 500

(2) Town of Gifhorn

a) Südheide Gifhorn GmbH

Contents of the SGEI

1. The purpose of the company is the promotion of economic and cultural development of Südheide Gifhorn, support for local commercial undertakings, supra-regional marketing and measures to increase the attractiveness of the area, promotion and support of facilities in the field of tourism and associated businesses to increase the quality of life for all citizens in the rural district of Gifhorn. This involves the following public service obligations in particular:

- a) Implementation of general tourist marketing measures for Südheide Gifhorn, to promote, support and increase the attractiveness of the service and tourism sectors.
- b) Implementation of general measures to promote tourism in Südheide Gifhorn, particularly by improving the cultural and nature tourism offerings.
- c) Support for general and infrastructural measures to promote the economy in order to establish and develop commercial undertakings relevant to tourism, and support for regional authorities in the context of local and regional planning relating to the development and economic support of tourist attractions.

2. The object of the company also includes marketing in relation to the Südheide Gifhorn destination and showing its strengths and advantages in the best light, in particular in the tourism sector with regard to the target groups of tourists, business travellers, undertakings, residents and other individuals interested in the destination (marketing function) and working to continually improve the quality of the destination in terms of its tourist attractions, tourism infrastructure and general conditions (initiative function).

3. The particular tasks include individual measures, campaigns and projects to protect and increase the attractiveness of Südheide Gifhorn as a destination.

Forms of entrustment

Entrustment act in the form of administrative act/allocation decision

Duration of the entrustment

No more than 3 years

Exclusive or special rights

None

Aid instruments

Subsidies

Compensation mechanism

Capital payments in the form of contributions of fixed amount, determined on the basis of an analysis of financial requirements and calculations.

Arrangements for avoiding and repaying any overcompensation

The company ensures that the costs incurred by SGEI are differentiated from the costs for any other areas of activity by presenting them separately in the accounts.

The entrustment act obliges the company to repay any overcompensation to the shareholders.

Transparency requirements

None

Amount of aid granted

2016: EUR 226 500

2017: EUR 226 500

b) Wirtschaftsförderung und Stadtmarketing GmbH***Contents of the SGEI***

(1) Providing SGEI in the form of general and particular promotion of the economy and general and particular urban marketing and all associated services which serve the purpose of economic promotion and urban marketing in the town of Gifhorn.

(2) The general economic promotion tasks include

- a) economic consultancy for entrepreneurs and advice regarding the possibility of using funds and financial resources;
- b) active participation in and moderation of the communication between entrepreneurs, municipal offices and municipal companies;
- c) public relations for the Gifhorn business location.

(3) The general urban marketing tasks include

- a) increasing the attractiveness of the town as a business location;
- b) constructing, modifying and maintaining the town's image;
- c) focusing the municipal services on the citizens.

(4) The particular economic promotion and urban marketing tasks include individual measures, campaigns and projects to protect and increase the attractiveness of Gifhorn as a business location.

Forms of entrustment

Entrustment act in the form of administrative act/allocation decision

Duration of the entrustment

No more than 3 years

Exclusive or special rights

None

Aid instruments

Subsidies

Compensation mechanism

Capital payments in the form of fixed subsidies, determined on the basis of an economic feasibility study and calculations.

Arrangements for avoiding and repaying any overcompensation

The company ensures that the costs incurred by SGEI are differentiated from the costs for any other areas of activity by presenting them separately in the accounts. At the end of each financial year, the company provides evidence of the use of the funds based on the annual financial statement.

The entrustment act obliges the company to repay any overcompensation to the shareholders.

Transparency requirements: ./.

Amount of aid granted

2016: EUR 220 000

2017: EUR 220 000

(3) Rural district of Goslar

Joint entrustment of Wirtschaftsförderung Region Goslar GmbH & Co. KG by the rural district of Goslar and the district municipalities.

Contents of the SGEI

Promoting and advising start-ups and existing business and industrial companies, supporting the establishment of businesses and industry, regional marketing and promoting technology, innovation and cooperation.

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years, 21 March 2026

Exclusive or special rights

No.

Aid instruments

Outright grant within the meaning of § 23 of the Regional Budgetary Regulation (*Landeshaushaltsordnung*, LHO)

Compensation mechanism

Separate accounts with statement of expenditure

Arrangements for avoiding and repaying any overcompensation

Repayment obligation in the event of overcompensation; if this exceeds the average annual compensation by more than 10 %, the overpayment can be carried forward to the next financial year.

Transparency requirements

None, as below EUR 15 million.

Amount of aid granted

Local authority	2016 in €	2017 in €
Rural district of Goslar	[See original for figures]	
SG Lutter		
Town of Langelsheim		
Town of Bad Harzburg		
Municipality of Liebenburg		
Town of Braunlage		
Total:		

(4) City of Hanover***Contents of the SGEI***

Grouping together, coordinating and promoting local and regional activities in the field of business development, marketing and tourism, and other measures for improving the economic and business framework in the city and region of Hanover in competition with other local authorities and regions. This includes, in particular, advice concerning start-ups and business locations, organising competitions for start-ups and local businesses, operating business incubators, activities in the field of internationalisation and support in initiating international business relationships and entering foreign markets, general tourism promotion, marketing and image promotion of the state capital and region of Hanover.

Forms of entrustment

Undertakings are entrusted with the operation of SGEI ('public contracts') within the meaning of Article 106(2) of the Treaty on the Functioning of the European Union

(‘TFEU’) in accordance with the stipulations of Commission Decision No 2012/21/EU of 20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11 January 2012, p. 3). A corresponding allocation decision implements the mandatory requirements and is therefore also an entrustment act within the meaning of Commission Decision No 2012/21/EU of 20 December 2011 (‘Exemption Decision’).

Duration of the entrustment

The duration of the entrustment is 10 years.

Exclusive or special rights

No exclusive or special rights are granted to the undertakings.

Aid instruments

The undertakings receive annual grants to cover their annual deficit by way of institutional support, being pro-rata funding based on financial shortfall in the form of non-repayable subsidies.

Compensation mechanism

The amount of annual compensation for the economic year in question is determined taking into account the tasks of the undertakings and their annual business plan. The entrustment does not entitle the undertakings to receive the annual subsidies. The awarding authority will decide on the granting of compensation by making available the funds in its budget.

Arrangements for avoiding and repaying any overcompensation

If, after authorisation, the total expenditure estimated in the respective business plan for the public tasks funded is reduced or the covering funds are increased or new covering funds are added, the annual grant for the year in question is reduced by the full amount concerned, inter alia for the avoidance of overcompensation pursuant to Article 4(e), Article 5(1) and Article 6 of Commission Decision No 2012/21/EU of 20 December 2011. The awarding authority has a claim for repayment pursuant to § 1 of the Lower Saxony Administrative Procedure Act (*Niedersächsisches Verwaltungsverfahrensgesetz*, NVwVfG) in conjunction with § 49a of the German Administrative Procedure Act (*Verwaltungsverfahrensgesetz*, VwVfG). In this regard, the beneficiaries are obliged to notify the awarding authority in the half-yearly report or the updated budgetary accounts if they apply for or receive further grants after submitting the business plan in question, or if circumstances which are of relevance to the authorisation of the grant change or no longer apply.

This applies in particular if the beneficiaries turn out to have higher income or lower expenditure or if they intend to commence further activities.

There is also a multi-annual approach. The beneficiary carries out checks every three years and at the end of the entrustment period to investigate whether there has been any overcompensation. Where the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation within the three-year period, such overcompensation may be carried forward to the next three-year period and deducted from the amount of compensation payable in respect of that period (Article 6(2) of Commission Decision No 2012/21/EU of 20 December 2011 in conjunction with point 141 of Commission Staff Working Document on the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest of 29 April 2013).

Transparency requirements

Evidence of the use of the grant must be provided within six months of the end of the budget or financial year. The evidence of the proper use of the grants forms part of an aid report to be drawn up annually. The aid report consists of a factual summary and numerical evidence. The aid report must confirm that the compensation was used for the public service obligations and was not used for sectors not covered by the entrustment. If, in addition to fulfilling the public tasks, a beneficiary also carries out regular economic activities or commences economic activities in competition with third parties, it is obliged to keep separate accounts for these sectors in accordance with Article 5(3)(b) and Article 9 of Commission Decision No 2012/21/EU of 20 December 2011. In this case, it must enclose with the statement of expenditure a statement from an auditing company confirming the proper separation of accounts. The cost-accounting principles according to which the separate accounts are maintained must already be clearly established when the business plan in question is drawn up and in general can only be changed for the separate accounts in the following year. Records must be maintained of the cost-accounting principles, in particular the classification standards for individual costs and receipts allotted to two or more activities.

Amount of aid granted

2016: EUR 4 133 125

2017: EUR 4 015 936

(5) Rural district of Holzminden

Entrustment act in respect of Solling-Vogler-Region im Weserbergland e.V.

Contents of the SGEI

Field of tourism promotion and associated ancillary services

Forms of entrustment

- District assembly order (bill 23/2016) of 14 March 2016
- Articles of association of the association
- Entrustment act enclosed

Duration of the entrustment

10 years (1 January 2016 - 31 December 2025)

Exclusive or special rights

Special rights No 2(2): promoting, strengthening and representing tourism in the Solling-Vogler region

Aid instruments

Subsidy

Compensation mechanism

Annual business plan of Solling-Vogler-Region im Weserbergland e.V. (separate accounts)

Arrangements for avoiding and repaying any overcompensation

In the event of overcompensation, 10 % of the compensation payment received is to be withheld and the proper use of funds must be restored in the following year.

Transparency requirements

Board meeting and general meeting

Amount of aid granted

2016: EUR 131 787

2017: EUR 127 941

Planned thereafter: EUR 158 748

(6) Rural district of Lüneburg

(a) Lüneburger Heide GmbH

Contents of the SGEI

According to § 2 of its articles of association in the version of 27 March 2014, the purpose of Lüneburger Heide GmbH ('LHG') is to promote tourism in the Lüneburg Heath region and to raise the profile of Lüneburg Heath as a destination.

Its business operations aim to directly and indirectly serve the public good of the citizens of the Lüneburg Heath region.

The activities of LHG in the performance of its company object include marketing and other services in the field of regional tourism that can be categorised into the segments of product management, marketing, administration and booking office services. LHG also operates branch offices and tourist information offices in the regions of some of its shareholders and several regional municipalities. The rural district of Lüneburg is a shareholder in LHG.

Forms of entrustment

Entrustment of Lüneburger Heide GmbH with public service obligations in the context of promoting tourism in the Lüneburg Heath region and raising the profile of Lüneburg Heath as a destination on the basis of Commission Decision of 20 December 2011, K(2011) 9380.

Duration of the entrustment

10 years pursuant to district committee order of 6 June 2017

Exclusive or special rights

In the context of the legal requirements and the provisions of the articles of association, the company may undertake all transactions and other measures that directly or indirectly serve this purpose. In particular, it is entitled to establish, acquire and participate in businesses or institutions where this serves the object of the enterprise. The company contributes towards qualification and networking of the existing local institutions. The company is entitled to set up branch establishments.

Aid instruments

Subsidies

Compensation mechanism: ./.

Arrangements for avoiding and repaying any overcompensation: ./.

Transparency requirements: ./.

Amount of aid granted

Annual subsidy of EUR 100 000

(b) Flusslandschaft Elbe GmbH

Contents of the SGEI

According to § 2 of its articles of association in the version of 19 December 2008, the purpose of Flusslandschaft Elbe GmbH ('FEG') is to promote tourism in the Elbe river landscape region. Its business operations aim to directly and indirectly serve the public good of the citizens of the Elbe river landscape region.

The activities of FEG in the performance of its company object include marketing and other services in the field of regional tourism that can be categorised into the segments of product management, marketing and administration. The rural district of Lüneburg is a shareholder in FEG.

Forms of entrustment

Entrustment of Flusslandschaft Elbe GmbH with public service obligations in the context of promoting tourism in the Elbe river landscape region and raising the profile of the Elbe river landscape as a destination on the basis of Commission Decision of 20 December 2011, K(2011) 9380.

Duration of the entrustment

10 years pursuant to district committee order of 20 November 2017

Exclusive or special rights

In the context of the legal requirements and the provisions of the articles of association, the company may undertake all transactions and other measures that directly or indirectly serve this purpose. In particular, it is entitled to establish, acquire and participate in businesses and institutions where this serves the object of the enterprise.

Aid instruments

Subsidies

Compensation mechanism:

None

Arrangements for avoiding and repaying any overcompensation:

None

Transparency requirements:

None

Amount of aid granted

Annual subsidy of EUR 60 000

(7) Town of Neustadt am Rübenberge

(a) Steinhuder Meer Tourismus GmbH

Contents of the SGEI

Promotion and development of tourism in the area of Lake Steinhude

Forms of entrustment

Public entrustment act

Duration of the entrustment

1 November 2015 to 31 October 2026

Exclusive or special rights

No special rights

Aid instruments

Annual subsidy

Compensation mechanism

Fixed annual subsidy

Arrangements for avoiding and repaying any overcompensation

Submission of statements of expenditure and repayment provision in the entrustment act

Transparency requirements: ./.

Amount of aid granted

2016: EUR 131 428.00

2017: EUR 161 428.00

(b) Wirtschaftsförderung Neustadt am Rübenberge GmbH

Contents of the SGEI

Improving the social and economic structures of the town of Neustadt am Rübenberge

Forms of entrustment

Public entrustment act

Duration of the entrustment

1 August 2015 to 31 July 2020

Exclusive or special rights

No special rights

Aid instruments

Annual subsidy

Compensation mechanism

Fixed annual subsidy

Arrangements for avoiding and repaying any overcompensation

Submission of statements of expenditure and repayment provision in the entrustment act

Transparency requirements: ./.

Amount of aid granted

2016: EUR 200 167.39

2017: EUR 271 865.30

(8) City of Oldenburg

(a) Events centre

Contents of the SGEI

Events centre (providing infrastructure for and managing event rooms and halls, organising trade fairs, exhibitions, conferences, conventions and events with a social or cultural-political focus, in particular on the themes of education, culture, entertainment and sport, meeting the needs of citizens at a regional level, supporting urbanity and the quality of soft location factors, and improving the image and profile of the city of Oldenburg)

Forms of entrustment

Entrustment was on the basis of a council or administrative committee order and implementation by administrative act or instruction under company law.

Duration of the entrustment

35 years (extended period due to considerable investments)

Exclusive or special rights

No exclusive or special rights were granted to the undertakings.

Aid instruments

Subsidies, shareholder contributions/capital increases, guarantees/comfort letters, granting, taking on or extending concessionary loans, assumption of costs, debt waiver and revenue foregone, transfer of property, other grants and benefits offering monetary advantages; this is generally based on a cost allocation methodology

Compensation mechanism

Generally loss compensation based on the business plan

Arrangements for avoiding and repaying any overcompensation

Checks are carried out via statements of expenditure provided as part of the audited annual financial statements.

Transparency requirements

Nil; all compensation is below EUR 15 million

Amount of aid granted

2016: EUR 4 234 943.85

2017: EUR 4 591 156.31

(b) Swimming pool***Contents of the SGEI***

Swimming pool (general public health care, promoting swimming with regard to grassroots and competitive sport, promoting and safeguarding school sport)

Forms of entrustment

Entrustment was on the basis of a council or administrative committee order and implementation by administrative act or instruction under company law.

Duration of the entrustment

10 years

Exclusive or special rights

No exclusive or special rights were granted to the undertakings.

Aid instruments

Subsidies, shareholder contributions/capital increases, guarantees/comfort letters, granting, taking on or extending concessionary loans, assumption of costs, debt waiver and revenue foregone, transfer of property, other grants and benefits offering monetary advantages; this is generally based on a cost allocation methodology

Compensation mechanism

Generally loss compensation based on the business plan

Arrangements for avoiding and repaying any overcompensation

Checks are carried out via statements of expenditure provided as part of the audited annual financial statements.

Transparency requirements

Nil; all compensation is below EUR 15 million

Amount of aid granted

2016: EUR 2 306 194.12

2017: EUR 2 514 163.00

(c) Support for technology and start-ups***Contents of the SGEI***

Support for technology and start-ups (conducting services of all kinds in the field of promoting the establishment of businesses, in particular to the tenants and users of the Technology and Entrepreneur Centre Oldenburg)

Forms of entrustment

Entrustment was on the basis of a council or administrative committee order and implementation by administrative act or instruction under company law.

Duration of the entrustment

3 years

Exclusive or special rights

No exclusive or special rights were granted to the undertakings.

Aid instruments

Subsidies, shareholder contributions/capital increases, guarantees/comfort letters, granting, taking on or extending concessionary loans, assumption of costs, debt waiver and revenue foregone, transfer of property, other grants and benefits offering monetary advantages; this is generally based on a cost allocation methodology

Compensation mechanism

Generally loss compensation based on the business plan

Arrangements for avoiding and repaying any overcompensation

Checks are carried out via statements of expenditure provided as part of the audited annual financial statements.

Transparency requirements

Nil; all compensation is below EUR 15 million

Amount of aid granted

2016: EUR 751 805.36

2017: EUR 0.00

(d) Tourism promotion***Contents of the SGEI***

Tourism promotion (tourism and urban marketing for the economic area of the city of Oldenburg, information and communication on the city of Oldenburg as a travel destination, design, realisation and management of the brand philosophy, measures to promote tourism in the areas of culture, trade, health and tradition, measures to promote conventions and conferences, design, implementation and coordination of measures to safeguard quality in tourism and urban marketing, creation and maintenance of networks, representation of the city of Oldenburg in interest groups and institutions, design, coordination and implementation of marketing projects)

Forms of entrustment

Entrustment was on the basis of a council or administrative committee order and implementation by administrative act or instruction under company law.

Duration of the entrustment

3 years

Exclusive or special rights

No exclusive or special rights were granted to the undertakings.

Aid instruments

Subsidies, shareholder contributions/capital increases, guarantees/comfort letters, granting, taking on or extending concessionary loans, assumption of costs, debt waiver and revenue foregone, transfer of property, other grants and benefits offering monetary advantages; this is generally based on a cost allocation methodology

Compensation mechanism

Generally loss compensation based on the business plan

Arrangements for avoiding and repaying any overcompensation

Checks are carried out via statements of expenditure provided as part of the audited annual financial statements.

Transparency requirements

Nil; all compensation is below EUR 15 million

Amount of aid granted

2016: EUR 0.00

2017: EUR 151 531.91

(9) Town of Seesen**a) Wirtschaftsförderung Region Goslar GmbH & Co. KG*****Contents of the entrustment***

The town of Seesen in future entrusts Wirtschaftsförderung Region Goslar GmbH & Co. KG (WiReGo), in accordance with the provisions of the enclosed entrustment act, with the operation of SGEI, in particular in the form of promoting the economy, regional marketing and promoting technology, innovation and cooperation and all associated services that serve to promote the economy and structure of the town of Seesen in general.

Duration of the entrustment

2016-2026 (10 years)

Amount of compensation payment 2016/2017

2016: EUR 11 550

2017: EUR 11 550

b) Stadtmarketing Seesen eG

Contents of the entrustment

The town of Seesen entrusts Stadtmarketing Seesen eG with the operation of SGEI, in particular in the form of tourism promotion (tourism marketing), city and urban marketing and location marketing, including associated ancillary services.

Duration of the entrustment

2016-2018 (3 years)

Amount of compensation payment 2016/2017

2016: EUR 110 000.00

2017: EUR 110 000

c) Harzer Tourismusverband e.V. (HTV)

Contents of the entrustment:

- The public service obligations of tourism promotion and tourism marketing within the territory covered by the articles of association of HTV, thus include, in the area covered by the association, all services related to the above-mentioned SGEI and/or that derive from or promote the associated activities, with regard to § 2 of the articles of association of HTV, in particular:
- creating and implementing a uniform marketing strategy in accordance with the key areas that have already been identified, including the implementation of all necessary communication measures
- developing and marketing topic-specific offerings, developing a future concept for tourism for the area covered by the association and coordinating its implementation and further development
- safeguarding and reinforcing the natural Harz landscape, regional cultural heritage and regional identity as the basis for
- structuring tourist offerings through targeted information and communication measures
- supporting the development of tourism throughout the region by consulting members, potential service providers and investors
- representing the interests of the Harz tourist economy at regional, state and national level and coordinating cooperation across states and rural districts on topics of relevance to tourism

- coordinating and cooperating in regional and supra-regional planning in respect of tourism infrastructure in the area covered by the association and managing the tourism network
- focusing on cross-cutting issues at regional level through coordination, provision of information and implementation support (including climate adaptation, sustainability, tourism for all, etc.)
- coordinating and cooperating in the quality certification of suppliers, including by the federal state marketing companies, Deutscher Wanderverband e.V. and Deutscher Tourismusverband e.V.
- promoting regional, sustainable production of foodstuffs and handicrafts (including through the quality mark 'Typisch Harz' [typically Harz] and associated information and communication measures)
- organising information events geared towards tourism
- safeguarding an information service to provide information about the area covered by the association to the general public (locals and tourists)
- conducting market observation and market research on aspects of relevance to tourism.

Duration of the entrustment:

2015-2025 (10 years)

Amount of compensation payment 2016/2017:

2016: EUR 2 819.99

2017: EUR 2 724.42

(10) Town of Soltau

Contents of the SGEI

1. Creating and updating tourism programmes
2. Marketing and public relations in the field of tourism in coordination with the town of Soltau
3. Cooperation with all organisations and undertakings or individuals active in the field of tourism

Forms of entrustment

Entrustment act of 17 March 2016 for Soltau-Touristik GmbH

Duration of the entrustment

1 January 2016 to 31 December 2025

Exclusive or special rights: ./.

Aid instruments

Within the framework of the approved budgetary plan of the town of Soltau and the business plan of Soltau-Touristik GmbH, compensation amounting to the projected difference between costs and revenue is paid to Soltau-Touristik GmbH in the form of subsidies (deficit compensation)

Compensation mechanism

The use of the paid subsidies is verified at the end of the financial year on the basis of separate accounts and an aid report.

Arrangements for avoiding and repaying any overcompensation

Any overcompensation found is repaid to the town of Soltau by Soltau-Touristik GmbH. If the amount of overcompensation exceeds 10 % of the amount of the average annual compensation in three successive financial years, the company may take this excess amount into account when calculating the compensation in the next available business plan.

Transparency requirements

None

Amount of aid granted

Soltau-Touristik GmbH received total subsidies of EUR 166 000 in each budget year 2016 and 2017.

(11) Heidekreis

(a) Adult education, Volkshochschule Heidekreis gGmbH

Contents of the SGEI

Legal remit for further education in accordance with the Lower Saxony Act on Promoting Adult Education (*Niedersächsisches Gesetz zur Förderung der Erwachsenenbildung*, NEBG).

Non-denominational and politically independent work in the fields of employment, qualification and further education promoting the aims of the Basic Law and the federal state constitution.

Forms of entrustment

Entrustment act by district assembly order of 14 December 2012

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Payment of subsidies

Compensation mechanism

Compensation based on the business plan and profit and loss account of the adult education centre, advance payments during the course of the year to ensure liquidity

Arrangements for avoiding and repaying any overcompensation

set down in the entrustment act:

statement of expenditure in the annual financial statement, with separate accounts for each segment (SGEI/non-SGEI), right of inspection of the rural district, repayment obligation if the overcompensation exceeds 10 %, otherwise compensation/offsetting takes place in the following year.

Transparency requirements

None

Amount of aid granted

2016: EUR 380 000

2017: EUR 380 000

(b) Tourism No 1 Lüneburger Heide GmbH (LHG)

Contents of the SGEI

Public service obligation to promote tourism in the Lüneburg Heath region and to raise the profile of the Lüneburg Heath, including by developing tourism concepts, cooperating with tourism companies to further develop tourism in the region, participating in trade fairs, researching trends, conducting analyses.

Forms of entrustment

Entrustment act by district assembly order of 16 June 2017

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Payment of subsidies to compensate for unpaid costs

Compensation mechanism

Compensation based on the business plan and profit and loss account of the undertaking

Arrangements for avoiding and repaying any overcompensation

set down in the entrustment act:

statement of expenditure in the annual financial statement, with separate accounts for each segment (SGEI/non-SGEI), right of inspection of the rural district, repayment obligation if the overcompensation exceeds 10 %, otherwise compensation/offsetting takes place in the following year.

Transparency requirements

None

Amount of aid granted

2016: EUR 150 000

2017: EUR 150 000

(c) (Tourism) No 2: Erlebniswelt Lüneburger Heide GmbH (EWLH)

Contents of the SGEI

Developing and implementing a marketing and public relations strategy for the Heidekreis region, including the 'Lüneburg Heath' nature park, in close cooperation with the shareholders, the tourism associations and other organisations, private undertakings and individuals active in the field of tourism, promoting cooperation and the exchange of ideas between the shareholders of EWLH, development in Heidekreis in relation to tourism affairs, coordination of specific activities in the field of tourism

Forms of entrustment

Entrustment act by district assembly order of 16 June 2017

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Payment of subsidies to compensate for unpaid costs

Compensation mechanism

Compensation based on the business plan and profit and loss account of the undertaking

Arrangements for avoiding and repaying any overcompensation

set down in the entrustment act:

statement of expenditure in the annual financial statement, with separate accounts for each segment (SGEI/non-SGEI), right of inspection of the rural district,

repayment obligation if the overcompensation exceeds 10 %, otherwise compensation/offsetting takes place in the following year.

Transparency requirements

None

Amount of aid granted

2016: EUR 0

2017: EUR 25 000

(12) Town of Lüneburg

Contents of the SGEI

a) Carrying out municipal waste water disposal in accordance with disposal contract of 31 December 1997.

b) Maintaining bodies of water and operating the depot at which the urban green spaces, road maintenance and cleaning, and fleet management branches of activity are based together with the workshop, in accordance with agency agreement of 23 March 2007.

Forms of entrustment

Entrustment by annual council orders.

Duration of the entrustment

Framework entrustment order of 8 May 2014. Thereafter an order is passed each year on the funding, which then constitutes the annual entrustment. Each funding order contains the following text:

‘This draft order is part of the entrustment act within the meaning of Commission Decision of 20 December 2011 on the granting of compensation to certain undertakings entrusted with the operation of services of general economic interest (2012/21/EU).’

Exclusive or special rights

Where exclusive rights were granted, these are also documented in the existing contracts and agreements.

Aid instruments

Payment of fees to Abwasser, Grün & Lüneburger Service GmbH (AGL).

Compensation mechanism

Approval of AGL’s business plan by the shareholders’ meeting constitutes approval of the target resolutions that must be implemented by the management. The business plan sets out specifically and in detail the amount of funds that may be

spent on certain projects in the following year, subject to approval of the town's budget by the council of the Hanseatic City of Lüneburg. In the disposal contract and agency agreement year a fixed fee is to be stated in writing for the following financial year.

For the approval of the business plan, an instruction order is issued for the town's participation representative in the shareholders' meeting by town authorities (administrative committee or council). In principle, it is only possible to exceed the budget or make amendments after an amended business plan has been re-approved. The compensation, on the one hand, and the parameters for calculating, controlling and reviewing the compensation, on the other, are thus adequately described pursuant to Article 4 of the Exemption Decision. The duration of the entrustment is determined by the annual decision on the compensation by approval of the business plan. The control of the calculation and the supervision of the participation management of the Hanseatic City of Lüneburg ensured.

At the end of a financial year, evidence of the actual operating costs incurred is generally provided as part of the annual financial statement. In addition to the approval of the business plan, the annual financial statements also require an instruction order for the town's participation representative in the shareholders' meeting by the town committee for the economy and the town's participations in each case. This therefore ensures that the payments are monitored, as required by the entrustment act.

Arrangements for avoiding and repaying any overcompensation

In addition to the disposal contract and agency agreement, there is a further provision relating to the required arrangements for avoiding and repaying any overcompensation. In order to ensure that the compensation does not result in any overcompensation for the performance of the delegated tasks, the compensation payments take the form of several advance payments rather than a single one-off payment. Before each call for funds, the management must provide concrete evidence during the course of the year. This generally takes the form of quarterly reports. This avoids any deviations in the fee payments from the business plan.

Transparency requirements

No aid exceeding EUR 15 million.

Amount of aid granted

<i>Contents of the SGEI</i>	<i>2016 in millions EUR</i>	<i>2017 in millions EUR</i>
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a) Carrying out municipal waste water disposal in accordance with disposal contract of <u>31 December 1997</u>	[See original for figures]	
b) Maintaining bodies of water and operating the depot at which the urban green spaces, road maintenance and cleaning, and fleet management branches of activity are based together with the workshop, in accordance with agency agreement of <u>23 March 2007</u>		

Contents of the SGEI

Entrustment of Lüneburger Heide GmbH (LHG) with public service obligations in the context of promoting tourism in the Lüneburg Heath region and raising the profile of the Lüneburg Heath as a destination on the basis of Commission Decision of 20 December 2011.

Forms of entrustment

Entrustment by contract and council order of 31 August 2017.

Duration of the entrustment

The duration of the entrustment is 10 years.

Exclusive or special rights

Where exclusive rights were granted, these are also documented in the existing contracts and agreements.

Aid instruments

The compensation payments serve to compensate for unpaid costs of discharging public service obligations.

Compensation mechanism

The Hanseatic City of Lüneburg may compensate for the net costs incurred by LHG in discharging public service obligations in accordance with § 2(2) (compensation). The compensation payments thus serve to compensate for unpaid costs of discharging the public service obligations.

Arrangements for avoiding and repaying any overcompensation

LHG must ensure that the compensation granted does not exceed the net costs calculated in accordance with § 4. To avoid overcompensation, LHG creates a target/actual comparison of the actual net costs and the advance payments received as part of the annual financial statement. If the advance payments received exceed

the net costs (overcompensation), LHG must repay the amount of the overcompensation.

If the amount of the overcompensation does not exceed 10 % of the average annual compensation in three successive financial years, LHG may alternatively deduct the amount of the overcompensation when calculating the compensation in the next available business plan.

Transparency requirements

No aid exceeding EUR 15 million.

Amount of aid granted

Contents of the SGEI	2016 in millions EUR	2017 in millions EUR
c) Entrustment of Lüneburger Heide GmbH with public service obligations in the context of promoting tourism in the Lüneburg Heath region and raising the profile of the Lüneburg Heath as a destination	[See original for figures]	

(13) Town of Bad Bevensen

(a) General promotion of tourism and the economy

Contents of the SGEI

Promoting and developing tourism, industry and urban marketing in the area of the town of Bad Bevensen and the collective municipality of Bevensen-Ebstorf and safeguarding the spa offerings in the town of Bad Bevensen.

Forms of entrustment

The entrustment was by way of entrustment act in respect of Bad Bevensen Marketing GmbH on the basis of the order of the council of the town of Bad Bevensen.

Duration of the entrustment

The entrustment act mentioned has a term of 10 years.

Exclusive or special rights

None

Aid instruments

Compensation is made in the form of an operating subsidy.

Compensation mechanism

The amount of the compensation granted in the current financial year is set by order of the council of the town of Bad Bevensen as part of the budget. The cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Bad Bevensen Marketing GmbH is obliged to provide evidence of the use of the granted compensation at the end of each financial year on the basis of the audited annual financial statement. This forms part of an aid report to be drawn up each year, which must confirm that the compensation was used for the public service obligations covered by the entrustment and was not used for sectors not covered by this entrustment.

In the event of overcompensation or use of the funds for sectors not covered by the entrustment in any year, no more than 10 % of the compensation received may be carried forward to the following year and the proper use of funds must be restored within the following year.

If the proper use of funds is excluded or not ensured within the following year, in the event of overcompensation the town of Bad Bevensen will demand that the excess compensation be repaid.

Amount of aid granted

By the town of Bad Bevensen:

2016: EUR 1 090 000

2017: EUR 1 090 000

(b) Health promotion

Contents of the SGEI

SGEI in the field of health promotion and associated ancillary services

Forms of entrustment

The entrustment was by way of entrustment act in respect of Kurgesellschaft Bevensen GmbH on the basis of the order of the council of the town of Bad Bevensen.

Duration of the entrustment

The entrustment act mentioned has a term of no more than 10 years.

Exclusive or special rights

None

Aid instruments

Compensation is made in the form of payments into the capital reserve to compensate for unpaid costs.

Compensation mechanism

The amount of the compensation granted in the current financial year is set by order of the council of the town of Bad Bevensen as part of the budget. The cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Kurgesellschaft Bevensen GmbH is obliged to provide evidence of the use of the granted compensation at the end of each financial year on the basis of the audited annual financial statement. This forms part of an aid report to be drawn up each year, which must confirm that the compensation was used for the public service obligations covered by the entrustment and was not used for sectors not covered by this entrustment.

If the overcompensation in any year does not exceed 10 % of the average annual compensation in three successive financial years, the amount of the overcompensation may be carried forward or deducted when calculating the compensation in the next available business plan.

If the amount of the overcompensation exceeds 10 % of the average annual compensation in three successive financial years and the proper use of funds is excluded or is not ensured within the following year, the shareholders (legal entities under public law) will demand that the excess compensation be repaid on a pro-rata basis.

Amount of aid granted

By the town of Bad Bevensen:

2016: EUR 659 400

2017: EUR 659 400

(c) Promoting tourism in the Lüneburg Heath area and raising the profile of the Lüneburg Heath as a destination***Contents of the SGEI***

SGEI in the field of marketing and other services in the field of regional tourism.

Forms of entrustment

The entrustment was by way of entrustment act in respect of Lüneburger Heide GmbH on the basis of the order of the council of the town of Bad Bevensen.

Duration of the entrustment

The entrustment act mentioned has a term of 10 years.

Exclusive or special rights

None

Aid instruments

Compensation may be granted by the shareholders up to a maximum amount defined in the articles of association, in order to compensate for the unpaid costs of discharging public service obligations.

Compensation mechanism

The amount of the compensation granted in the current financial year is set by order of the council of the town of Bad Bevensen as part of the budget.

Arrangements for avoiding and repaying any overcompensation

To avoid overcompensation, the company creates a target/actual comparison of the actual net costs and the advance payments received as part of the annual financial statement. If the advance payments exceed the net costs, LHG must repay the amount of the overcompensation. If the amount of the overcompensation does not exceed 10 % of the average annual compensation in three successive financial years, LHG may alternatively deduct the amount of the overcompensation from the compensation in the next available business plan.

Amount of aid granted

By the town of Bad Bevensen:

2016: EUR 50 000

2017: EUR 50 000

(14) Rural district of Osnabrück

(a) Hasetal recreation area

Contents of the SGEI

Performing structural and economic policy tasks. The entrusted undertakings are active in the field of the general promotion of tourism and the economy and associated ancillary services.

Forms of entrustment

Entrustment act by order of the council of the collective municipality of Artland dated 15 March 2016.

Duration of the entrustment

1 April 2016 to 31 March 2026

Exclusive or special rights

None

Aid instruments

None

Compensation mechanism

See § 5 of the entrustment act

Arrangements for avoiding and repaying any overcompensation

See § 10 of the entrustment act

Transparency requirements

None

Amount of aid granted

2016: EUR 22 320.83

2017: EUR 21 022.46

(b) Tourismusverband Osnabrücker Land e.V.

Contents of the SGEI

The purpose of the entrusted undertaking (**Tourismusverband Osnabrücker Land e.V.**) is to define and build a tourism profile for the entire Osnabrück Land tourism region on the basis of the existing offerings and the tourism infrastructure of the Osnabrück Land tourism region in the regions of the municipal association members and adjoining and neighbouring tourism regions in cooperation with the towns, collective and district municipalities. By marketing the tourism offerings and the tourism infrastructure of the Osnabrück Land tourism region, the intention is to increase the attractiveness of the tourism region as a tourist destination and strengthen the tourism economy in the region as a whole. The public service obligations of tourism promotion and tourism marketing include all services related to the above-mentioned SGEI and/or that derive from or promote the associated activities, in particular:

- a. carrying out tourism marketing for the economic area in the area covered by the association in Germany and abroad,
- b. designing, implementing and coordinating measures to safeguard quality in tourism, including cooperating in and implementing quality certification by the various tourism trade associations,
- c. creating and implementing a uniform marketing strategy in accordance with the key areas that have already been identified, including implementing all necessary communication measures,
- d. creating and maintaining tourism and tourism policy networks and representing the interests of the tourist economy in Osnabrück Land at district and state level as well as at local, regional, supra-regional and national level,

- e. designing, implementing and communicating the umbrella brand and the brand philosophy, including through measures in other fields of activity,
- f. focusing on cross-cutting issues at regional level through coordination, provision of information and implementation support (including climate adaptation, sustainability, tourism for all, etc.),
- g. involving the private tourism industry in the Osnabrück Land tourism region in joint activities and initiatives, for example a joint advertising campaign,
- h. safeguarding and reinforcing the local and regional identity as the basis for structuring tourist offerings through targeted information and communication measures and safeguarding a free information service to provide information about the tourism economic area of the Osnabrück Land tourism region to the general public,
- i. conducting market observation and market research on aspects of relevance to tourism.

Forms of entrustment

Administrative act

Duration of the entrustment

The entrustment of Tourismusverband Osnabrücker Land e.V. with tasks involving promoting the region and tourism, tourism marketing and other general and particular services and activities will initially last until no later than 30 September 2019.

The entrustment will extend automatically by 30 months until no later than 31 December 2021, if the authorities – representing all the municipal members of the rural district of Osnabrück in coordination with the city of Osnabrück – have checked by the end of the initial assignment period whether the conditions for the entrustment continue to be fulfilled. This will not exceed the maximum duration of 10 years.

Exclusive or special rights

None

Aid instruments

The authorities grant Tourismusverband Osnabrücker Land e.V. the financial resources required to cover its financial needs ('compensation') provided that the other revenue is not enough to cover the tasks of general economic interest assigned to it. The amount of compensation granted in the current financial year is calculated annually in advance on the basis of the respective annual business plan

separated by segment. When calculating the compensation, it is also necessary to take into account all funds granted that constitute state aid.

Compensation mechanism

None

Arrangements for avoiding and repaying any overcompensation

The compensation payments do not exceed what is necessary to cover the costs incurred in discharging the public service obligation, taking into account the relevant receipts and a reasonable return on the capital employed to discharge these obligations. If the amount of overcompensation or funds used for sectors not covered by the entrustment does not exceed 10 % of the amount of the average annual compensation, this amount may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period. The proper use of funds must be restored during the following year.

Transparency requirements

None

Amount of aid granted

The amount of aid granted by all shareholders for financial year 2017 was EUR 902 740.31. Of this amount, EUR 372 906.62 was accounted for by the rural district of Osnabrück.

(c) Osnabrücker Land Entwicklungsgesellschaft

Contents of the SGEI

The public service obligation of **oleg Osnabrücker Land-Entwicklungsgesellschaft mbH** relates to developing industrial areas in the region of the rural district of Osnabrück and to improving the social and economic structure of the rural district of Osnabrück by promoting the economy.

For this purpose, oleg will engage in the activities stated in the articles of association. The task structure is divided into two business segments. The 'oleg projects' business segment includes the tasks of acquiring and selling land for the establishment, maintenance or expansion of undertakings and renting or leasing offices and commercial spaces to start-ups for a limited period of up to five years, including associated ancillary services. Oleg will continue to advise undertakings willing to settle in the area and for the development of the industrial areas necessary ... The duration of the public service obligation and the term of this entrustment are 15 years, beginning from 1 January 2015. The duration of the entrustment was established in light of the investments made. Projects to develop industrial areas can

take a similarly long time, from coming up with the idea to securing the land, planning the areas and marketing. In addition, in managing the areas the aim is to acquire enough areas to swap for potential project regions in a future-oriented manner. Investments in land may therefore be relatively long-term in nature. A 15-year entrustment provides the necessary framework conditions for the investments and area planning in terms of time.

Exclusive or special rights

None

Aid instruments

To operate its SGEI, oleg receives funding from the shareholders in the form of loss coverage or a subsidy. Under the articles of association, the compensation is calculated from the annual deficit of the company and borne by each shareholder on a pro-rata basis in accordance with its proportion of participation. The assumption of the losses is subject to the condition that the economic management of the company is based on a business plan approved by the shareholders' meeting and on medium-term budget planning.

Compensation mechanism

Cost allocation methodology

Arrangements for avoiding and repaying any overcompensation

The duration of the public service obligation and the term of this entrustment are 15 years, beginning from 1 January 2015. The duration of the entrustment was established in light of the investments made. Projects to develop industrial areas can take a similarly long time, from coming up with the idea to securing the land, planning the areas and marketing. In addition, in managing the areas the aim is to acquire enough areas to swap for potential project regions in a future-oriented manner. Investments in land may therefore be relatively long-term in nature. A 15-year entrustment provides the necessary framework conditions for the investments and area planning in terms of time.

Exclusive or special rights

None

Aid instruments

To operate its SGEI, oleg receives funding from the shareholders in the form of loss coverage or a subsidy. Under the articles of association, the compensation is calculated from the annual deficit of the company and borne by each shareholder on a pro-rata basis in accordance with its proportion of participation. The assumption of

the losses is subject to the condition that the economic management of the company is based on a business plan approved by the shareholders' meeting and on medium-term budget planning.

Compensation mechanism

Cost allocation methodology

Arrangements for avoiding and repaying any overcompensation

The rural district of Osnabrück and the regional authorities belonging to the group of shareholders comprising the towns, municipalities and collective municipalities will check on an annual basis (in particular on the basis of oleg's annual financial statement) whether the funding granted to oleg exceeds what is necessary to cover the costs incurred in discharging the public service obligation entrusted to it, taking into account the relevant receipts. If that is the case, they will demand that the excess funds be repaid or carry these forward to the following financial year if the overpayment does not exceed 10 % of the compensation payment made in the year in question.

Transparency requirements

None

Amount of aid granted

The amount of aid granted by all shareholders for financial year 2016 was EUR 140 908.61.

The amount of aid granted by all shareholders for financial year 2017 was EUR 326 116.70 (preliminary result as of 23 March 2018, audit by auditor not yet complete).

(15) Municipalities of Essen, Lastrup and Lindern and the town of Löningen

Contents of the SGEI

The entrusted undertakings have public service obligations of tourism promotion and tourism marketing and include all SGEI and/or the associated activities, in particular:

- a. tourism in and for the economic area in the area covered by the association in Germany and abroad in relation to culture, health and tradition,
- b. designing, implementing and coordinating measures to safeguard quality in tourism, including cooperating in and implementing quality certification by the various tourism trade associations,
- c. creating and implementing a uniform marketing strategy in accordance with the key areas that have already been identified, including implementing all

- necessary communication measures,
- d. creating and maintaining networks at local, regional, supra-regional and national level,
 - e. designing, implementing and communicating the brand ('Hasetaler' in the Hasetal tourism region); the brand philosophy in general, including through measures in fields of activity of active and nature tourism, health tourism, culinary tourism,
 - f. focusing on cross-cutting issues at regional level through coordination, provision of information and implementation support (including climate adaptation, sustainability, tourism for all, demographic change, etc.),
 - g. involving the private tourism industry in the Hasetal tourism region in joint activities and initiatives, for example a joint advertising campaign,
 - h. safeguarding and reinforcing the natural landscape of the Hasetal tourism region, the local and regional cultural heritage and the local and regional identity as the basis for structuring tourist offerings through targeted information and communication measures,
 - i. supporting the development of tourism throughout the association, by approaching, consulting and coordinating with potential service providers and investors,
 - j. representing the interests of the tourism industry in the Hasetal tourism region within and beyond the association, and cooperating in areas of relevance to tourism beyond the federal state and the area covered by the association,
 - k. representing the members of the 'Erholungsgebiet Hasetal' [Hasetal recreation area] special purpose association in interest groups and institutions as part of the object of the association,
 - l. safeguarding a free information service to provide information in and about the tourism economic area of the Hasetal tourism region to the general public (locals and tourists),
 - m. conducting market observation and market research on aspects of relevance to tourism.

Forms of entrustment

Public contracts (identical entrustment acts) from the town of Löningen and the municipalities of Essen, Lastrup and Lindern as municipal members of the special purpose association, forming part of an overall entrustment for the special purpose

association 'Erholungsgebiet Hasetal' and Hasetal Touristik GmbH on the basis of corresponding council orders.

Duration of the entrustment

1 April 2016 to 31 March 2026 (10 years)

Exclusive or special rights

The entrusted undertakings are not granted any exclusive or special rights.

Aid instruments

Subsidies (association fee) from the members of the special purpose association

Compensation mechanism

The members of the special purpose association grant the entrusted undertakings the compensation required to cover their financial needs provided that the other revenue of the entrusted undertakings is not enough to cover the tasks of general economic interest assigned to them.

For this purpose, the entrusted undertakings establish the expected need for compensation in the following year as part of drawing up the business plan. The compensation is calculated from the difference between the calculated expenses for the SGEI and the income, taking into account all granted funds that constitute state aid.

The compensation may be used exclusively and in full only for the tasks described. If the entrusted undertakings engage in other activities which are not SGEI covered by the entrustment act, the entrusted undertakings must in each case present the costs and receipts associated with the operation of the SGEI in question separately from all other activities (separate accounts).

Arrangements for avoiding and repaying any overcompensation

1. Aid report

In order to ensure that the compensation does not result in any overcompensation, the entrusted undertakings are obliged to provide evidence of the use of the compensation granted based on the audited annual financial statement at the end of each financial year in the form of an aid report. This consists of a factual summary and numerical evidence. The aid report must confirm that the compensation was used for the public service obligations covered by the entrustment.

2. Compensation balance sheet

In addition, the entrusted undertakings draw up a statement of the compensation received for the previous financial year in the form of a compensation balance sheet, as follows:

Step 1: Calculation of the maximum target compensation (difference in the plan year between the calculated expenses for the SGEI and the actual public subsidies)

Step 2: Calculation of the net costs

The actual net costs should be used as a basis. These consist of the difference between the costs to be determined in step 1 for the operation of SGEI and the relevant receipts. An appropriate risk allowance is then to be added (Article 5(7) of Decision 2012/21/EU).

Step 3: List of all compensation received

All compensation is to be taken into account. The amount of the difference is to be appropriated as compensation.

Step 4: Reconciliation/carryover

The total compensation must not exceed either the target compensation determined in step 1 or the net costs determined in step 2 (including a reasonable profit). This is determined in each case by the lower of the two amounts. The maximum authorised amount of the compensation must be compared with the compensation received.

3. Carryover/repayment obligation

If the amount of overcompensation or funds used for sectors not covered by the entrustment does not exceed 10 % of the amount of the average annual compensation, this amount may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period. The proper use of funds must be restored during the following year.

If the proper use of funds is excluded or is not ensured within the following year, the authorities will demand that the entrusted undertakings repay the excess compensation on a pro-rata basis.

Transparency requirements

N/A, since compensation is less than EUR 15 million

Amount of aid granted

2016: EUR 48 405.29

2017: EUR 47 578.26

(16) Town of Wilhelmshaven

Contents of the SGEI

Operating the individual facilities of the 'Nautimo' water park and the 'Nord' open-air pool, including the associated infrastructure facilities, sports facilities, and any fitness

and entertainment offerings that are taking place, all at family-friendly and responsible entry fees.

Forms of entrustment

Entrustment of Stadtwerke Wilhelmshaven GmbH (SWW) by means of a public entrustment act.

Duration of the entrustment

10 years

Exclusive or special rights

No

Aid instruments

Compensation is primarily by way of the intragroup transfer of funds.

Compensation mechanism

The town of Wilhelmshaven may grant SWW compensation to cover the annual deficits that arise from the operation of the SGEI and are to be determined on the basis of the applicable accounting principles and to reduce the costs incurred in operating the SGEI.

Arrangements for avoiding and repaying any overcompensation

There is no compensation for any deficits of SWW arising from services which are not of general economic interest. SWW ensures that it observes the principles of TranspRLG.

Transparency requirements

None

Amount of aid granted

2016: EUR 2 471 283.75 (town of Wilhelmshaven)

2017: Data not yet available

(17) Town of Clausthal-Zellerfeld

Contents of the SGEI

Improving the economic and social structure in the rural district of Goslar by promoting the economy (Wirtschaftsförderung Region Goslar GmbH & Co. KG)

Forms of entrustment

Articles of association

Duration of the entrustment

10 years

Exclusive or special rights

Exclusive

Aid instruments

None

Compensation mechanism

None

Arrangements for avoiding and repaying any overcompensation

None

Transparency requirements

None

Amount of aid granted

EUR 9 670.00 per annum

(18) Rural district of Wunstorf

1. Bäderbetriebe Wunstorf GmbH

Contents of the SGEI

Providing swimming and bathing facilities

a) operating open-air pools

b) operating indoor pools

c) operating other bathing facilities such as saunas, massages, and also snack and refreshment bars in connection with bathing facilities

d) taking other measures that serve to promote the public service obligations mentioned in a) to c)

Forms of entrustment

Public entrustment act in the form of a decision

Duration of the entrustment

10 years, from 1 October 2016

Exclusive or special rights

None

Aid instruments

Shareholder contributions

Compensation mechanism

Compensation is based on the respective annual business plan of Bäderbetriebe Wunstorf GmbH and is included in the budget of the town of Wunstorf.

Arrangements for avoiding and repaying any overcompensation

Separate accounts of Bäderbetriebe Wunstorf GmbH

Evidence of the use of funds by way of audited annual financial statement made available to the town of Wunstorf without being requested to do so

Transparency requirements

Documents are kept for 10 years

Amount of aid granted

EUR 500 000.00 per annum

2. Steinhuder Meer Tourismus GmbH

Contents of the SGEI

Promoting tourism (by creating and improving the tourism conditions that increase the attractiveness of the entire Lake Steinhude region)

Forms of entrustment

Public entrustment act in the form of a decision

Duration of the entrustment

10 years, from 1 October 2016

Exclusive or special rights

None

Aid instruments

Operating subsidies, assistance with servicing debts

Compensation mechanism

Compensation is based on the respective annual business plan of Steinhuder Meer Tourismus GmbH and is included in the budget of the town of Wunstorf.

Arrangements for avoiding and repaying any overcompensation

Separate accounts of Steinhuder Meer Tourismus GmbH

Evidence of the use of funds by way of audited annual financial statement made available to the town of Wunstorf without being requested to do so

Transparency requirements

Documents are kept for 10 years

Amount of aid granted

EUR 300 000.00 per annum

(19) City of Wolfsburg

Contents of the SGEI

In the field of promoting the economy for the further development of Wolfsburg as a business location:

- acquisition of commercial spaces and property with a focus on planning
- networking
- consultancy

In the field of urban marketing:

- combining and distributing information
- advertising campaigns
- events

To develop Wolfsburg as a tourism location:

- location-based tourism promotion
- location-based tourism marketing
- development, production and sale of promotional products for the benefit of Wolfsburg as a tourism location

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Operating and investment subsidies

Compensation mechanism

The compensation payments are granted in advance on the basis of the business plan for the financial year and its annexes. This is done on request in each case on the basis of allocation decisions for the separate authorisation of operating and investment subsidies. Operating subsidies are paid on request in the form of advance payments, on submission of evidence of solvency. Investment subsidies are paid on request only if necessary for the operation of the SGEI and included in the financial plan, on submission of the relevant accounts.

Arrangements for avoiding and repaying any overcompensation

The compensation payments must not exceed what is necessary to cover the costs incurred in operating the SGEI, taking into account the relevant receipts and a reasonable profit – calculated in accordance with the applicable EU rules on state aid – for the capital employed (cost of capital) (net costs principle).

Evidence of compliance with these requirements is provided at the end of each financial year by means of the management report as part of the annual financial statement. During the annual audit, the annual auditor checks and confirms pursuant to Article 6 of the Exemption Decision that the compensation payments were used for the public service obligations and were not used for sectors not covered by the

entrustment, and that the compensation payments met the requirements set out in Exemption Decision 2012/21/EU and were used in a manner conforming to EU state aid law. In doing so, the auditor must observe auditing standard 700 ('AS 700') of Institut der Wirtschaftsprüfer e.V. (IDW), in particular with regard to the guidelines for auditing state aid granted to public undertakings. 3.

If the maximum authorised compensation amount – calculated in accordance with the applicable EU state aid rules – is exceeded in any one year and the amount of the overcompensation does not exceed 10 % of the maximum authorised compensation amount, this amount is carried forward to the following compensation year and must be deducted from the maximum authorised compensation amount there. If the maximum authorised compensation amount is exceeded by more than 10 %, the amount of the additional compensation must be repaid immediately.

Transparency requirements

No aid over EUR 15 million

Amount of aid granted

2016 EUR 4 579 000 operating subsidy

2017 EUR 4 320 100 operating subsidy

(20) Municipality of Dornum

Contents of the SGEI

Entrustment of Tourismus GmbH Gemeinde Dornum with SGEI for the operation of tourist and spa facilities in the area of the municipality of Dornum and with all associated services.

Forms of entrustment

Entrustment is by way of contract.

Duration of the entrustment

The duration of the entrustment is 3 years.

Exclusive or special rights

The undertaking is not granted any exclusive or special rights.

Aid instruments

Operating and investment subsidies, guarantees, loans, loss compensation, cost assumption and capital investments are granted where necessary.

Compensation mechanism

There is no typical compensation mechanism. Any compensation is granted on the basis of separate accounts.

Arrangements for avoiding and repaying any overcompensation

Checks are carried out by way of evidence of use on the basis of the audited annual financial statements.

Transparency requirements

N/A, since Article 7 of the SGEI Decision applies only if the compensation for one and the same SGEI exceeds EUR 15 million, which is not of relevance in the case of other compensation.

Amount of aid granted

No aid was granted in 2016 or 2017.

(21) Municipality of Krummhörn***Contents of the SGEI***

Marketing and the provision of tourist services, in particular operating, maintaining and marketing

- ‘Gesundheitsoase Greetsiel’, with swimming pool and sauna and a wellness area
- Greetsiel and Pewsum tourist information office
- Greetsiel ‘Haus der Begegnung’
- Greetsiel ‘Kinderhaus’
- Public toilets in Greetsiel
- ‘dry beach’ with playground in Upleward
- outdoor facilities at ‘Haus der Begegnung’ (mini golf, Nordic walking course, outdoor fitness course, children’s playground)
- Campen Lighthouse in Campen
- press work and public relations
- general marketing for the Krummhörn-Greetsiel holiday region

Forms of entrustment

Service contract

Duration of the entrustment

10 years (from 1 January 2016)

Exclusive or special rights

None

Aid instruments

Compensation payments

Compensation mechanism

Reimbursement of overcompensation after the annual accounts have been drawn up, taking into account a reasonable profit.

Arrangements for avoiding and repaying any overcompensation

The payment of compensation by the municipality of Krummhörn guaranteed by the service contract is recalculated each year by means of the business plan that must be prepared by Touristik GmbH Krummhörn-Greetsiel, in order to avoid overcompensation or keep it as low as possible.

Transparency requirements

None, since the aid is less than EUR 15 million.

Amount of aid granted

2016: EUR 1 373 800.00

2017: EUR 1 476 000.00

(22) Rural district of Ammerland***Contents of the SGEI***

The music school offers a wide variety of courses and lessons in all areas of musical education. The services offered by the district music school start with early-years courses for children as young as 18 months, accompanied by their parents, which take place in the musical playground. They also include singing lessons, instrument lessons, orchestras, ensembles and the big band. There is a wide range for every age and every musical taste, including for adults who are taking up music again or learning for the first time. The district music school also assists with music lessons in day care centres, schools and music clubs.

As a non-profit institution under the responsibility of the municipality, Kreismusikschule Ammerland e.V. must also undertake social tasks and ensure that no one is excluded from participating in its events for financial reasons and thus that these are available to all social levels. In this regard, the Ammerland district music school also hires out its own instruments.

Forms of entrustment

Order of the district assembly of 15 June 2016

Duration of the entrustment

The entrustment is for ten years. Before the end of this ten-year period, the rural district of Ammerland will decide on whether to renew the entrustment of

Kreismusikschule Ammerland e.V. with the provision of services in accordance with § 2 of this entrustment act.

Exclusive or special rights

No exclusive or special rights are granted to Kreismusikschule Ammerland e.V.

Aid instruments

To compensate for the costs incurred in providing services (see 'Contents of the SGEI') and to safeguard the activity of the district music school in accordance with the object set down in its articles of association, the rural district of Ammerland may grant compensation payments.

The members of the district music school pay a levy. The amount of the levy to be paid is based on the business plan for the year in question. The rural district's share in this levy is 60 %.

Compensation mechanism

A cost allocation methodology is used.

Arrangements for avoiding and repaying any overcompensation

Settlement takes place as part of an audited annual financial statement.

Transparency requirements

Compensation is less than EUR 15 million annually.

Amount of aid granted

2016: EUR 299 822.27

2017: EUR 339 399.55

(23) Rural district of Wittmund

Contents of the SGEI

Adult education centre sector: offers services for personal development and supporting individual skills and abilities in a rural area:

- basic education/school-leaving qualifications
- social studies/pedagogy/psychology
- culture/forms
- vocational training
- health
- languages
- 'junge VHS' (adult education centre services for young people)
- study trips

Music school sector: providing a comprehensive offering of courses and lessons in all areas of musical education

Social projects sector: preparing less-favoured young people and long-term unemployed adults for the education and labour market, and helping them find education and work.

Forms of entrustment

Articles of association in conjunction with exemption decision of the district assembly as part of a separate entrustment act after entry into force of the 'Almunia package' (19 December 2013).

Duration of the entrustment

10 years

Exclusive or special rights

Exclusive and special rights are not granted

Aid instruments

Compensation payments

Compensation mechanism

Cost allocation methodology

Arrangements for avoiding and repaying any overcompensation

At the end of the financial year, evidence is provided of the use of the funds as part of the annual financial statement. The annual financial statement and the appropriation of the annual profit are decided by the shareholders' meeting. The income and expenditure associated with the operation of SGEI are presented separately under 'other services'.

Transparency requirements

None

Amount of aid granted

2016: EUR 683 949.44

2017: EUR 709 934.63

(24) Town of Achim

Contents of the SGEI

a) Mittelweser-Touristik GmbH, Lange Straße 18, 31582 Nienburg

- promoting and developing tourism in the area of the rural district of Nienburg/Weser and the Mittelweser region,

- effective advertising for the Mittelweser region in close cooperation with the shareholders,
- public relations for the region in the press and on the radio and television,
- cooperating with the tourism associations and other organisations active in the field of tourism and private undertakings and individuals,
- advising and supporting the shareholders in all tourism matters,
- effectively coordinating the activities of the shareholders in the field of tourism,
- operating tourist information offices for the shareholders.

b) Achim-West Entwicklungsgesellschaft mbH, Obernstraße 38, 28832 Achim

(1) The town of Achim entrusts Achim-West Entwicklungsgesellschaft mbH with the operation of SGEI. Specifically, this involves tasks of promoting the economy and developing the location in the town of Achim that are listed below. The task of promoting the economy and developing the location serve the purpose of marketing, developing and strengthening the town of Achim as an economic region.

As part of operating the SGEI, Achim-West Entwicklungsgesellschaft mbH is obliged to fulfil all areas of responsibility in respect of the entire group of users without discrimination. The public interest in promoting the economy and developing the location are of critical significance here, rather than individual interests.

(2) The tasks of promoting the economy and developing the location include, in particular:

- a) portfolio development and keeping local undertakings in already existing commercial areas, in particular through measures to ease congestion and through local links to the BAB;
- b) supporting start-ups;
- c) consultancy on all matters relating to business and location development;
- d) developing economic infrastructure, including suitable new commercial spaces and new needs-oriented transport infrastructure;
- e) location marketing for the acquisition of undertakings that intend to settle in the area.

Forms of entrustment

Entrustment act for both a) and b)

Duration of the entrustment

10 years for both a) and b)

Exclusive or special rights

None

Aid instruments

a) Mittelweser-Touristik GmbH, Lange Straße 18, 31582 Nienburg

- (1) The municipal shareholders may grant compensation for the expenditure incurred by Mittelweser Touristik GmbH in operating SGEI. In the context of this entrustment, compensation is any advantage of any type granted directly or indirectly. This includes, in particular
 - subsidies
 - shareholder contributions/capital increases
 - guarantees/comfort letters
 - granting, taking on or extending concessionary loans
 - assumption of costs
 - debt waiver and revenue foregone
 - other grants and benefits offering monetary advantages
- (2) The compensation must not exceed what is necessary to cover the costs incurred in operating the SGEI, taking into account the relevant receipts and a reasonable return on the capital employed to discharge these obligations.
- (3) The entrustment does not entitle Mittelweser Touristik GmbH to receive compensation. The municipal shareholders decide on whether to grant compensation. Compensation already granted by the municipal shareholders is covered by this entrustment.

b) Achim-West Entwicklungsgesellschaft mbH, Obernstraße 38, 28832 Achim

- (1) The town of Achim grants Achim-West Entwicklungsgesellschaft mbH compensation payments required to compensate for the operation of the SGEI entrusted in accordance with § 1. The compensation granted by the town of Achim only compensates for the costs of operating the SGEI mentioned in this entrustment act on a pro-rata basis.
The amount of the compensation is based on the business plan of Achim-West Entwicklungsgesellschaft mbH for the year in question and is

subject to a corresponding council order. The business plan must establish the basic necessity and amount of the costs in advance.

- (2) Should unforeseen circumstances in operating the SGEI mentioned in this entrustment act lead to higher costs which are not covered, compensation may also be granted for these. In accordance with Article 2(1)(a) of the Exemption Decision, the amount of the compensation must not exceed an annual amount of EUR 15 million during the entrustment period.
- (3) The total compensation must not exceed what is necessary to cover the net cost (difference between costs incurred in operating the SGEI and revenues earned from the SGEI, first sentence of Article 5(2) of the Exemption Decision) incurred in discharging the public service obligations, including a reasonable profit. 'Reasonable profit' means the rate of return on capital that would be required by a typical undertaking considering whether or not to provide the SGEI for the whole period of entrustment.

Where Achim-West Entwicklungsgesellschaft mbH carries out activities falling both inside and outside the scope of the SGEI covered by this entrustment, this should be clear from its internal accounts. The costs and receipts associated with operating the SGEI mentioned under § 1 and those of other activities must be shown separately. For this purpose, Achim-West Entwicklungsgesellschaft mbH prepares separate accounts. These separate accounts show the costs and receipts associated with the individual SGEI after separating off marginal and ancillary business, items not identified with a specific period, neutral expenses, netting, etc. separately in each case. In addition, Achim-West Entwicklungsgesellschaft mbH must also show the parameters for allocating costs and revenues in this case.

The separate accounts must satisfy the requirements of Article 5(9) of the Exemption Decision and the principles of the EU Transparency Directive.

Compensation mechanism

a) Mittelweser-Touristik GmbH, Lange Straße 18, 31582 Nienburg

- (1) The amount of the compensation granted in the current financial year is based on the relevant annual business plan of the municipal shareholders.
- (2) Should events during the course of the year lead to a greater or additional need for compensation, this may also be compensated.

- (3) The type, amount and purpose of the compensation must be documented by the municipal shareholders.

b) see under 'Aid instruments'

Arrangements for avoiding and repaying any overcompensation

a) Mittelweser-Touristik GmbH, Lange Straße 18, 31582 Nienburg

- (1) In the event of overcompensation or use of the funds for sectors not covered by the entrustment in any year, no more than 10 % of the compensation received may be carried forward to the following year. The proper use of funds must be restored within the following year.
- (2) If the proper use of funds is excluded or not ensured within the following year, the municipal shareholders will demand that the excess compensation be repaid in the event of overcompensation; this applies in particular if the benefits derived by Mittelweser Touristik GmbH as a result of the compensation outweighed the disadvantages suffered by Mittelweser Touristik GmbH as a result of operating the SGEI.

b) Achim-West Entwicklungsgesellschaft mbH, Obernstraße 38, 28832 Achim

- (1) In order to ensure that Achim-West Entwicklungsgesellschaft mbH meets the conditions of the Exemption Decision for granting compensation during the entire entrustment period and in particular that the compensation does not lead to any overcompensation of SGEI or any cross-subsidisation of other activities, Achim-West Entwicklungsgesellschaft mbH provides evidence of use of the compensation payments to the town of Achim at the end of each financial year on the basis of its annual financial statement. The town of Achim is also authorised to inspect and audit accounts, documents and other business records that relate to the compensation payments after giving reasonable notice.
- (2) If Achim-West Entwicklungsgesellschaft mbH receives higher compensation than it is entitled to under this entrustment act, the town of Achim will demand that the company immediately repay the overcompensation. Repayment may be dispensed with if the overcompensation does not exceed the average annual compensation by more than 10 %. In this case, the overcompensation is carried forward to the next period and deducted from the amount of compensation payable in respect of that period.

Transparency requirements

None

Amount of aid granted

a) Mittelweser-Touristik GmbH

2016: EUR 101 656.00

2017: EUR 105 554.00

b) Achim-West Entwicklungsgesellschaft mbH

2016: EUR 0.00

2017: EUR 500 000.00

(25) Town of Lingen (Ems)**Contents of the SGEI**

Municipal public services provided by Lingen Wirtschaft & Tourismus GmbH in the form of improving the local conditions for business and tourism in the region of the town using all available marketing instruments, in particular in the fields of urban marketing, promoting the economy, promoting tourism and city management. This includes all necessary measures, business and services of LWT GmbH that are required for the operation of the undertaking for the public good and in accordance with the object of the undertaking as per the articles of association.

Forms of entrustment

Entrustment act of 24 November 2016

Duration of the entrustment

10 years (2016-2026)

Exclusive or special rights

None

Aid instruments

Compensation and offsetting

Compensation mechanism

The amount of the compensation and offsetting is based on the annual business plan of LWT GmbH. The actual amount is limited to the amount of the deficit compensation in accordance with the actual business/annual financial statement of LWT GmbH. Negative changes in respect of the business plan that result from the operation of the business in accordance with the articles of association are recognised and compensated for if they are required to cover the public service obligations.

Arrangements for avoiding and repaying any overcompensation

Preparing an annual financial statement audited by an auditor at the end of the financial year. In the event of any overcompensation, the amount is claimed back or offset against the advance payments for the next period.

Transparency requirements

The individual compensation payments are less than EUR 15 million, so there is no publication requirement pursuant to Article 7 (2012/21/EU). However, all documents which can be used to establish whether the compensation payments granted are consistent with the provisions of the Exemption Decision are kept for ten years after the entrustment ends.

Amount of aid granted

2016: EUR 438 591.97 in the form of a loss compensation payment

2017: EUR 495 161.76 in the form of a loss compensation payment

(26) County of Bad Bentheim

Contents of the SGEI

Indoor pool, outdoor pool, sauna facility

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years, until 31 December 2025

Exclusive or special rights

None

Aid instruments

Resources (financial) for a swimming centre Badepark Bad Bentheim GmbH & Co. KG

Compensation mechanism

Monthly payments

Arrangements for avoiding and repaying any overcompensation

Calculation (difference between revenues and expenses of the SGEI)

Transparency requirements

Publication of the annual financial statement

Amount of aid granted

EUR 1 000 000.00

(27) Collective municipality of Bersenbrück

Contents of the SGEI

Performing structural and economic policy tasks. The entrusted undertakings (special purpose association 'Erholungsgebiet Hasetal' and Hasetal Touristik GmbH) are active in the field of the general promotion of tourism and the economy and associated ancillary services.

Forms of entrustment

Entrustment act by order of the council of the collective municipality of Bersenbrück at the open meeting of the council on 16 March 2016.

Duration of the entrustment

1 April 2016 to 31 March 2026

Exclusive or special rights

None

Aid instruments

None

Compensation mechanism

See § 5 of the entrustment act

Arrangements for avoiding and repaying any overcompensation

See § 10 of the entrustment act

Transparency requirements

None

Amount of aid granted

2016: EUR 28 493.17

2017: EUR 28 518.50

(28) Municipality of Schladen-Werla

Contents of the SGEI

Tourism promotion and tourism marketing at a regional level (Harz)

Harzer Tourismusverband (HTV) has been entrusted by its members – and by the municipality of Schladen-Werla – with safeguarding and promoting tourism in the area covered by the association, in particular in the form of general and specific promotion of the economy. The association thus assumes associated services that serve to safeguard and develop the regional economic areas in the area covered by the association in the fields of tourism, leisure, local recreation and culture. It aims to raise the profile, appeal and positive perception of the region. It supports and coordinates economic and cultural efforts and initiatives in the area covered by the

association that serve to develop tourism in the Harz region in an integrated way. In this regard, the work of the association involves: creating and implementing a uniform marketing strategy in accordance with the key areas that have already been identified, including the implementation of all necessary communication measures, developing a future concept for tourism for the area covered by the association and coordinating its implementation and further development, safeguarding and reinforcing the natural Harz landscape, the regional cultural heritage and the regional identity as the basis for structuring tourist offerings through targeted information and communication measures, representing the interests of the Harz tourist economy at regional, state and national level and coordinating cooperation across states and rural districts on topics of relevance to tourism.

Forms of entrustment

Entrustment act of 30 December 2015

Duration of the entrustment

10 years – until 31 December 2025

Exclusive or special rights

None

Aid instruments

Compensation payments (membership fees and, where admissible under the articles of association of HTV, levies, assumption of costs, voluntary investment subsidies, other grants and benefits offering monetary advantages) – in 2016 and 2017 exclusively membership fees

Compensation mechanism

Cost calculation methodology on the basis of the business plan that must be prepared each year and approved by the general meeting

Arrangements for avoiding and repaying any overcompensation

§ 8 of the entrustment act contains the following provisions for how to deal with potential overcompensation.

1. In accordance with Article 5 of the Exemption Decision, the compensation payments (benefits) do not exceed what is necessary to cover the costs incurred in discharging the public service obligation, taking into account the relevant receipts and a reasonable return on the capital employed to discharge these obligations.
2. If the amount of overcompensation of the use of funds for areas not covered by the entrustment does not exceed 10 % of the amount of the average annual compensation, such amounts may be carried forward to the next period and

deducted from the amount of compensation payable in respect of that period. The proper use of funds must be restored within the following year (e.g. by deduction of the compensation payable by the association members in respect of that year).

3. If the proper use of funds is excluded or not ensured within the following year, the association members will demand that HTV repay the excess compensation on a pro-rata basis in the event of overcompensation; this applies in particular if the benefits derived by HTV as a result of the compensation outweighed the disadvantages suffered by HTV as a result of discharging the public service obligations.

Transparency requirements

In order to ensure that the compensation does not result in any overcompensation for the operation of SGEI, HTV is obliged to provide evidence of the use of the compensation granted based on the audited annual financial statement at the end of each financial year and, where appropriate, with due regard to the requirements of the Transparency Directive. The evidence of the proper use of the compensation forms part of an aid report to be drawn up annually. The aid report consists of a factual summary and numerical evidence. The aid report must confirm that the compensation was used for the public service obligations covered by this entrustment and was not used for sectors not covered by this entrustment. The separate accounts maintained by HTV form the basis for this evidence.

Amount of aid granted

2016: EUR 500 net (EUR 523.75 gross)

2017: EUR 500 net (EUR 523.75 gross)

(29) Rural district of Uelzen

Contents of the SGEI

- a. Promoting public health, in particular establishing, maintaining and operating an exercise pool, spa facilities and springs dedicated to the operation of spas, parks in the region of the town of Bad Bevensen, providing spa treatments, conducting preventative healthcare measures.
- b. Promoting and developing tourism in the region of the rural district of Uelzen, carrying out effective advertising in close cooperation with the association members, public relations for the region, cooperation with the tourism associations and other organisations, private undertakings and individuals active in the field of tourism,

effective coordination of member activities in the field of tourism, operating tourist information offices for the association members.

Forms of entrustment

- a. Resolution of the representatives of the legal entities under public law referred to in § 1 I
- b. Ditto

Duration of the entrustment

- a. 9.25 years
- b. 9.5 years

Exclusive or special rights

- a. No
- b. No

Aid instruments

- a. One-off payments into the capital reserve
- b. Subsidy

Compensation mechanism

- a. Net avoided cost methodology (separate accounts)
- b. Net avoided cost methodology (separate accounts)

Arrangements for avoiding and repaying any overcompensation

- a. In the event of overcompensation (up to 10 % of the average of three successive years), compensation carried forward or decreasing repayment obligation (taking into account in the next available budget)
- b. Ditto

Transparency requirements

None

Amount of aid granted

2016: EUR 1.0206 million

2017: EUR 1.0206 million

(30) Town of Aurich

Contents of the SGEI

The entrusted SGEI comprises operating the individual facilities at the family and wellness pool in Aurich, in particular operating the swimming pool, all at family-friendly and responsible entry fees. The SGEI is based on Article 6 of the Constitution of Lower Saxony (*Niedersächsische Verfassung*), according to which

the federal state, the municipalities and the rural districts must protect and promote art, culture and sport.

Forms of entrustment

The entrustment was provided by way of an entrustment act in accordance with the requirements of the Exemption Decision. The entrustment act was passed by the council of the town of Aurich (meeting of 12 December 2013; entrustment can be accessed on the council information system) and then implemented by the mayor imposing on the management of the 'Regie' entrusted with the SGEI the obligation to observe the content of the entrustment act.

Duration of the entrustment

The entrustment act entered into force on 1 January 2014 and has a term of 10 years.

Exclusive or special rights

Not granted.

Aid instruments

The actual compensation of the unpaid costs required for the performance of the SGEI takes the form of compensation payments by the town of Aurich.

Compensation mechanism

The actual compensation of the unpaid costs required for the performance of the SGEI takes the form of automatic deficit compensation from the budget of the town of Aurich, since the SGEI is operated by a Regie of the town of Aurich.

Arrangements for avoiding and repaying any overcompensation

The entrustment act contains a provision for avoiding overcompensation. The compensation must not exceed what is necessary to cover the costs incurred in operating the SGEI, taking into account the relevant receipts and a reasonable return on the capital employed in this regard, within the meaning of Article 5 of the Exemption Decision. The Regie must comply with the principles of the TranspRLG. Evidence of the avoidance of overcompensation is provided by way of a separate profit and loss account to be prepared by the Regie. This must be made available to the town of Aurich.

Transparency requirements

No aid above EUR 15 million is granted to undertakings which also have activities outside the scope of the SGEI.

Amount of aid granted

2016: EUR 1 888 914.91

2017: EUR 1 981 335.83

(30) Rural district of Emsland

Contents of the SGEI

Municipal promotion of the economy in the form of promoting tourism in the public interests of the rural district of Emsland.

For the contents of the entrusted services → see § 3(4) of the entrustment act

Forms of entrustment

Not a sample entrustment act but an individual entrustment act (public contract) of the rural district of Emsland for Emsland Touristik GmbH (ELT), Ordeniederung 2, 49716 Meppen.

Duration of the entrustment

ELT was initially entrusted with the tasks of tourism marketing and other general and specific services and activities promoting the economic areas and business locations in the rural district of Emsland for a period of no longer than two years (until 31 December 2017). The entrustment will extend automatically by up to eight years until no later than 31 December 2025, if the rural district of Emsland has checked by the end of this two-year assignment period whether the conditions for the entrustment with this task and the parameters for determining the compensation and avoiding overcompensation still meet the requirements of Commission Decision of 20 December 2011 on the application of Article 106(2) of the TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest. This will not exceed the maximum duration of 10 years stipulated in Article 2 of the Exemption Decision.

Exclusive or special rights

None

Aid instruments and compensation mechanism

Compensation for the operation of SGEI in the form of subsidies with a budgetary impact → see § 4.

Determination using allocation key → see § 6.

Reference is also made to § 6(5).

Arrangements for avoiding and repaying any overcompensation

For arrangements for avoiding overcompensation → see § 8.

Transparency requirements

N/A

Amount of aid granted

2016: EUR 500 575

2017: EUR 500 000

(31) City of Braunschweig

(a) SBBG

Contents of the SGEI

Providing and operating public facilities of a social, cultural and economic nature and associated ancillary services, in particular:

- strategic management of the participating undertakings with due regard to the public aims and objectives in the object of these undertakings (by the parent company)
- providing infrastructure facilities that serve the good of the inhabitants, specifically public swimming pools and public venues that benefit culture, sport and further education (by two subsidiary undertakings)
- participating in the construction of housing that serves social and public purposes (by one participating undertaking)

Forms of entrustment

Entrustment act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Loss compensation and guarantees

Compensation mechanism

Compensation payments must not exceed the costs incurred in discharging the public service obligation, taking into account the relevant receipts and a reasonable return on the capital employed to discharge the obligations (cost allocation methodology).

Arrangements for avoiding and repaying any overcompensation

Yearly evidence in the form of audited annual financial statements and aid reports.

Transparency requirements

Not applicable.

Amount of aid granted

2016:

1. Loss compensation:

SBBG received compensation from the sole shareholder the city of Braunschweig for a total annual deficit of EUR 27 771 thousand, with the particularity, however, that this amount also includes the compensation for Braunschweiger Verkehrs-GmbH (see explanation below). The deficit was used exclusively for the assumption of losses in the participating companies.

The assumption of losses by SBBG amounted to EUR 7 876 thousand in respect of Stadtbad GmbH and EUR 3 965 thousand in respect of Stadthallen GmbH. The direct loss compensation provided to the city by both companies was EUR 423 thousand and EUR 212 thousand, respectively.

This case is subject to the particularity that the shares in Braunschweiger Verkehrs-GmbH were also held by SBBG, which accounts for an assumption of losses of EUR 18 647 thousand. This assumption of losses is not reported here, since BSVG was granted a public service contract by a group of authorities (city of Braunschweig and the 'Großraum Braunschweig' regional association) in accordance with Regulation (EC) No 1370/2007.

2. Guarantees

The following guarantees were provided by the city in 2016:

for SBBG: EUR 19 000 thousand

for Stadthallen GmbH: EUR 835 thousand

for Nibelungen-Wohnbau-GmbH: EUR 1 365 thousand

2017: evidence (aid report) is not yet available.

(b) Inland port

Contents of the SGEI

Providing and operating a public infrastructure facility

Forms of entrustment

Administrative act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Guarantees

Compensation mechanism

The compensation must not exceed what is required to cover the costs incurred in discharging a public service obligation, taking into account the relevant receipts and a reasonable return on the capital employed to perform these duties (cost allocation methodology).

Arrangements for avoiding and repaying any overcompensation

Yearly evidence in the form of audited annual financial statement and aid report.

Transparency requirements

Not applicable.

Amount of aid granted

2016: guarantees provided by the city of Braunschweig (deficit guarantee for federal government funds): EUR 610 000.00

2017: guarantees provided by the city of Braunschweig (deficit guarantee for federal government funds): EUR 142 000.00

Note:

In 2017, the dock-work company underwent a European Commission monitoring procedure which came to the conclusion that the entrustment should be cancelled and the funding ceased on the basis of the General Block Exemption Regulation (GBER). The city of Braunschweig has taken the first steps in this regard.

(c) Adult education and further training

Contents of the SGEI

Municipal promotion of employment

Forms of entrustment

Administrative act

Duration of the entrustment

10 years

Exclusive or special rights

None

Aid instruments

Loss compensation

Compensation mechanism

Submission of the business plan and evidence of compliance by means of a plan/actual comparison (cost allocation methodology)

Arrangements for avoiding and repaying any overcompensation

Yearly evidence in the form of audited annual financial statement and additional evidence (aid report).

Transparency requirements

Not applicable.

Amount of aid granted

2016: annual deficit from SGEI (compensated for by the municipality):

EUR 2 049 000.00

2017: evidence (aid report) is not yet available.

**(32) Federal state of Lower Saxony – Tourismusmarketing Gesellschaft
Niedersachsen (TMN)**

Contents of the SGEI

In accordance with the entrustment, TMN is responsible for information and communication regarding the holiday destination of Lower Saxony. The implementation in the field of online marketing involves running and updating the portal for the holiday destination. The online presence is also advertised using online media campaigns.

The entrustment covers the following tasks in particular:

- marketing for tourism in Lower Saxony aimed at other countries
- information and communication regarding the holiday destination of

Lower Saxony

- image, brand philosophy
- marketing for the holiday destination of Lower Saxony with regard to developing the following areas:
active and nature tourism, health tourism, cultural and urban tourism, culinary tourism, regional cuisine, quality of tourism in Lower Saxony, tourism for all, rural areas
- developing and implementing a sustainability strategy for tourism
- press work

Forms of entrustment

Administrative act

Duration of the entrustment

10 years, 1 January 2014 - 31 December 2023

Exclusive or special rights

None

Aid instruments

Compensation payments

Arrangements for avoiding and repaying any overcompensation

Yearly evidence on the use of the compensation granted based on the audited annual financial statement in the form of an aid report.

Compensation mechanism

It is only possible to carry forward an excess amounting to 10 % of unused funds from the previous year. In the event of a higher excess carried forward from the previous year, the federal state of Lower Saxony may demand that it be repaid.

Transparency requirements

None

Amount of aid granted

2016	Compensation:	EUR 2 988 551.42
	Service contracts:	EUR 11 448.58
	Total:	EUR 2 988 562.86
2017	Compensation:	EUR 2 988 551.42
	Service contracts:	EUR 11 481.63
	Total:	EUR 2 988 562.90

3. Description of the application of the 2012 SGEI Framework

The Commission has not yet approved any measures under the 2012 SGEI framework.

4. Complaints by third parties

A complaint is currently pending before the European Commission against the rural district of Aurich on account of alleged incompatible aid. The complainant claims that the loss compensation provided to MKW GmbH & Co. KG (MKW) constitutes incompatible aid and therefore enables MKW to submit tenders at non-market prices during competitive procedures.

The complaint dates from 2010 and the rural district has already submitted observations in this regard many times.

No investigation proceedings have yet been initiated by the European Commission.

In November 2017, there was a meeting at the European Commission – Directorate-General for Competition – with three employees at the Commission who are familiar with the case. At this meeting, the accusations and observations relating to this case were discussed. The Commission representatives were clear that they intend to reject the complaint, although there are doubts as to the legality of the compensation payment made by the rural district to MKW in the past, which in principle requires the Commission to initiate formal investigation proceedings.

There are no other complaints pending. There are also no other proceedings pending before national courts that fall within the scope of the SGEI Decision or the 2012 SGEI Framework.

5. Miscellaneous questions

None

Free State of Saxony

1. Overview of expenditures

2016 EUR 126 794 331.21

2017 EUR 124 739 734.12

2. Description of the application of the SGEI (services of general economic interest) Decision of 2012

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

The services of general economic interest

In order to fulfil its public service mission, determining, healing or alleviating diseases, suffering or physical injury with the help of medical professionals and attendant assistance, obstetric care, room and board of persons to be assisted, construction and operation of the needed buildings and facilities.

Forms of entrustment

Management powers, as the city hospitals concerned are run in-house pursuant to § 95a SächsGemO (Sächsische Gemeindeordnung, Saxon Municipality Code) without having their own legal personality.

Duration of entrustment

1 to 2 years

Exclusive or special rights

n/a

Aid instruments

Assurance of compensation in the form of a waiver of a reasonable return on capital assets for the financing of investment measures and in-kind assets (real estate)

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Control of proof of use (annual case report, financial statement including report on the audit, certification of an auditing company with respect to the correctness of the separate account management (separate accounting)).

If overpayment of the funds granted for the appropriation period is identified, the excessive amounts shall be returned or the management power shall be offset against the next appropriation period.

Transparency requirements

n/a

Amount of aid granted

2016	2017 (preliminary values, proof of use to be confirmed)
Total amount of aid granted	
EUR 45 000	EUR 48 000
Share of expenditures per aid instrument (direct grant, guarantee, etc.)	
Waiver of reasonable return on capital assets and investments EUR 45 000	Waiver of reasonable return on capital assets and investments EUR 48 000
Additional – possibly estimated — quantitative information (e.g. number of beneficiaries, average amount of aid, size of companies)	
<u>Number of beneficiaries:</u> 2 hospitals (municipal company) <u>Size of companies:</u> Company 1 Turnover: EUR 95 801 000 Employees: 1 142	<u>Number of beneficiaries:</u> 1 hospital (municipal company) <u>Size of company:</u> Turnover: EUR 278 403 000 Employees: 3 046
Company 2 Turnover: EUR 187 838 000 Employees: 1 870	

2) Social services (Article 2(1)(c))a) Health services and long-term careEmergency services1) *Association***The services of general economic interest**

The service contracts concluded in the second semester 2015 are for the entrustment

of the service provider with the provision of services relating to emergency services/civil protection.

Forms of entrustment

Contract under public law on the transfer of functions of the emergency services pursuant to § 31(1) SächsBRKG

Duration of entrustment

Seven years pursuant to § 9(2) of the contract

Exclusive or special rights

No

Aid instruments

The Emergency Services Association (ESA) is the authority of the land-based emergency service pursuant to §3 subparagraph 1 of the Saxon Gesetz über den Brandschutz, Rettungsdienst und Katastrophenschutz (Law on Fire Protection, Emergency Services and Disaster Protection) (SächsBRKG). Pursuant to § 31(1) SächsBRKG, the ESA will transfer responsibility for ambulance and patient transport after a tendering procedure that was executed according to the Law against Restraints of Competition to private aid organisations or other contractors. The basis of the commission is in particular the law on Emergency Services of the Free State of Saxony, particularly the SächsBRKG and the SächsLRettDPVO (Verordnung des Sächsischen Staatsministeriums des Innern über die Rettungsdienstplanung im Freistaat Sachsen, Ordinance of the State of Saxony Ministry of Interior on Emergency Services Planning in the Free State of Saxony). According to § 31(5) SächsBRKG, the contract was awarded in the framework of the previously implemented competitive tender procedure to the most competitive of the submitted tenders. In order to meet the Altmark Trans criteria of the ECJ, the ESA shall include provisions on state aid in the contract. These provisions should at the same time ensure that the requirements in Commission Decision 2012/21/EU of 20 December 2011 (referred to as the SGEI Exemption Decision) are fulfilled.

Compensation mechanism

The service provider will be remunerated for the provision of the emergency services by the ESA in the form of regular payments. The remuneration consists of remuneration

for the provision, i.e. the provision and supply of emergency services to meet basic needs. The parameters for calculating the remuneration or individual charge rates are shown in detail in the calculation sheet “unit prices” submitted by the service provider when the offer was submitted. This compensation should only cover what is needed, taking into account a reasonable profit, to compensate for the net costs incurred by the service provider in rendering the emergency services. Compliance with this requirement is ensured by controlling overcompensation in accordance with the contract.

Measures for the prevention and repayment of overcompensation

To ensure that the service provider does not receive a higher level of compensation than provided for in the contract, the scope of application of the SGEI Exemption Decision is at least at the end of each three-year period starting with the full signature of the contract and overcompensation control at the end of the contract period by the ESA.

Under the terms of the contract, the service provider is required to show in their bookkeeping the costs and revenues associated with the emergency services to be provided under this contract separately from all other activities (separate accounts). At the same time, the service provide must store all documents needed for a review of the contract under state aid rules, both during the contract period and for a period of 10 years after termination of the contract. In particular, all documents relating to the calculation of compensation and overcompensation must be kept and made available to ESA SWS free of charge upon request.

Transparency requirements

n/a

Amount of aid granted

(for seven years)

➤ RWB (Ambulance sector) (1)	EUR 23 084 000
➤ RWB (2)	EUR 22 872 000
➤ RWB (3)	EUR 14 971 000
➤ RWB (4)	EUR 23 232 000
➤ RWB (5)	EUR 17 632 000
➤ RWB (6)	EUR 20 404 000
➤ RWB (7)	EUR 25 065 000
➤ RWB (8)	EUR 17 798 000
➤ RWB (9)	EUR 17 797 902

2) Rural district

The services of general economic interest

The service contracts concluded on 1.8.2017 are to entrust the service provider with the entrustment of services relating to emergency services/civil protection.

Forms of entrustment

Contract under public law on the transfer of functions of the emergency services pursuant to § 31(1) SächsBRKG

Duration of entrustment

Seven years pursuant to § 15(2) of the contract

Exclusive or special rights

No

Aid instruments

The rural district is the authority of the land-based emergency service pursuant to § 3

subparagraph 1 of the Saxon Law on Fire Protection, Emergency Services and Disaster Protection (SächsBRKG). Pursuant to § 31(1) SächsBRKG, the rural district transferred emergency services and patient transport to private aid organisations or other contractors (service providers) after a tendering procedure that was executed according to the Gesetz gegen Wettbewerbsbeschränkungen (Law against Restraints of Competition), through a contract under public law. The basis of the commission is in particular the law on Emergency Services of the Free State of Saxony, particularly the SächsBRKG and the SächsLRettDPVO. According to § 31(5) SächsBRKG, the contract was awarded in the framework of the previously implemented competitive tender procedure to the most competitive of the submitted tenders. In order to meet the Altmark Trans criteria of the ECJ, the rural district included provisions on state aid in the contract.

Compensation mechanism

The service provider will receive financial compensation for providing the emergency services of the rural district in the form of regular payments. These payments pursuant to Article 5(1) SGEI Exemption Decision cover only that which is required in consideration of a reasonable profit in order to compensate the service provider for the net costs incurred by providing the emergency services. Compliance with this requirement is ensured by controlling overcompensation in accordance with the contract.

Measures for the prevention and repayment of overcompensation

In order to ensure that the service provider does not receive any higher compensation than that provided in the contract, insofar as the scope of the SGEI Exemption Decision comes into force, the rural district will audit for overcompensation at the end of each third year of the contract beginning with the completed signature of the contract and at the end of the contract.

Under the terms of the contract, the service provider is required to show in their bookkeeping the costs and revenues associated with the emergency services to be provided under this contract separately from all other activities (separate accounting).

The service provider shall, both during the contract term and for a ten-year period after termination of the contract, provide all documents necessary to enable an audit of the contract for compliance with the legal requirements of state aids. In particular, all

documents connected to the calculation of compensation shall be preserved and they shall be made available to the rural district upon request without charge.

Transparency requirements

n/a

Amount of aid granted

(for seven years)

RWB (Ambulance sector) (1):	EUR 32 903 000
RWB (2):	EUR 44 989 000
RWB (3)	EUR 43 235 000
RWB (4)	EUR 19 096 000
RWB (5)	EUR 13 674 000
RWB (6)	EUR 18 669 000

b) Childcare

None

c) Access to and reintegration into the labour market

None

d) Social housing

None

e) Support and social integration of socially weak groups

The services of general economic interest

The city, based on § 53 AsylG (Asylgesetz, Asylum Law) in conjunction with § 3 Sächs. Flüchtlingsaufnahmegesetz (Saxon Refugee Admission Law) and the “Flüchtlingswohnungen (Refugee Housing)” guidelines of 30.3.2015, is obligated to provide accommodation to refugees after submission of an application for asylum.

The company was entrusted with the provision of housing for asylum seekers as a service of general economic interest in implementation of § 3 of the Saxon Refugee Admission Law. The company had to renovate its existing property for this purpose.

Forms of entrustment

Separate formal entrustment act of 12.10.2016 based on the Commission Decision of 20.12.2011 in conjunction with the Commission Communication of 11.1.2012

Duration of entrustment

Initially five years, renewable for five more years, therefore max. 10 years

Exclusive or special rights

None

Aid instruments

Payment of a rent that is higher than the comparable local rent for refinancing renovation costs.

Compensation mechanism

Rent payments based on the amount of the loan taken out by the company for the refinancing of the renovations divided by the number of months of the entrustment.

Measures for the prevention and repayment of overcompensation

Purpose, annual audit of proof of use and repayment obligations in the event of any overcompensation.

Transparency requirements

n/a

Amount of aid granted

2016: €5 300 000.00

2017: No payments

- 3) Air or sea transport to islands with an average annual volume of traffic up to the limit stipulated in Article 2(1)(d)

None

- 4) Airports and maritime ports with an average annual volume of traffic up to the limit stipulated in Article 2(1)(e)

None

- 5) Other compensation not exceeding an annual amount of EUR 15 million for the provision of services of general economic interest (Article 2(1)(a))

- i) Postal services

None

- ii) Energy

The services of general economic interest

Fulfilment especially of the following functions of general economic interest within the scope of the company's purpose:

- Implementation of independent initial consulting for improved energy efficiency and the use of renewable energies

- Development of contributions to climate protection strategies and a future-oriented energy supply and information via the preparation of regular reports, statistics and overviews on the status of energy efficiency and the use of renewable energies
- Support of applications in the run-up to the award of funding for energy efficiency, climate protection and the use of renewable energies
- Launch, promotion and support of the development of networks in order to intensify the exchange of information and experience in the target groups and thus contribute to the successful implementation of measures
- Development of suitable advanced training programs, known as impulse programs, and implementation of campaigns aimed at specific target groups in order to strengthen rational energy use and the use of renewable energies, especially in companies, the construction sector, in trades and in the services sector

Forms of entrustment

Shareholder resolution

Duration of entrustment

10 years from 3.10.2017

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Annual presentation of the settlement of the business plan and audit by the auditor after submission of the final settlement, examination of the proper use of the compensation payment and if necessary the recovery of overcompensation

Transparency requirements

n/a

Amount of aid granted

2017: €2 000 000.00

iii) Refuse collection

None

iv) Water supply

None

v) Culture

Theatre

1) *Rural district*

Note: The entrustment will not be continued after the Communication on the concept of state aid comes into force. See below.

The services of general economic interest

Operation and maintenance of a theatre and orchestra that serves the cultivation of theatre and music in the district and beyond. Fulfilment of the company's purpose as defined in the articles of association, in particular the support and cultivation of speech, dance and musical theatre, concerts, music education and youth development, church music, cooperation with local choirs and choruses, associations and cultural groups.

Forms of entrustment

Entrustment act in the form of a decision to grant aid

Decision to grant aid – institutional support as pro rata shortfall financing

Decision to grant aid – investment support (project support)

Licence agreement, transfer as a contribution in kind (*quoad sortem*) without usage fee

Duration of entrustment

1 year

Useful life 55 years

Exclusive or special rights

None

Aid instruments

General operations grant

Compensation mechanism

Use of cost allocation methodology

through the payment of a grant (instalment payment), coverage of costs (expenditures serving the funding purpose) that arise from providing the services in the general economic interest and taking relevant revenues into account

Measures for the prevention and repayment of overcompensation

Determinations in the grant decision: earmarked, claim for repayment in the event of subsequent reduction or change in financing; communication obligation in case of any change in circumstances, higher revenues, lower expenses, assumption of other activities; quarterly reports on financing status and completion of tasks to the funding authority; submission of proof of use; confirmation by an auditor of the fulfilment of the purpose and of the correctness of the proven expenses.

Any identified overcompensation must in principle be returned proportionately. Claim for reimbursement of interest payment pursuant to § 1 SächsVwVfZG (Gesetz zur Regelung des Verwaltungsverfahrens- und des Verwaltungszustellungsrechts für den Freistaat Sachsen, Law regulating administrative procedure and delivery of the Free

State of Saxony) in conjunction with § 49a VwVfG (Verwaltungsverfahrensgesetz, Administrative Procedure Law).

Transparency requirements

None

Amount of aid granted

2016

EUR 1 040 062.52 Institute. Support as pro rata shortfall financing

EUR 149 962.84 Investment. Support of actual non-repayable grant

2017

In accordance with the Commission Notice on the concept of state aid within the meaning of Article 107(1) TFEU, no further entrustment took place in 2017.

2) City

The services of general economic interest

Company 1)

Management and maintenance of a theatre, particularly for the performance of stage works of all artistic genres involving music, speech and dance, as well as offerings of individual music, theatre and dance performances, in addition to readings and other cultural events in order to promote municipal cultural functions.

Company 2)

Purchase, renovation, modernisation and restoration, as well as rental and management of buildings, in particular the palace of culture and theatres for the state operetta and youth generation theatre (former Mitte power station), by providing cultural offerings in serious and popular music (S & P music) as well as light opera, municipal library services, other cultural theatre and cabaret performances and ensuring tourist information services for the public and the users/visitors through a wide range of cultural offerings in the framework of public services.

Forms of entrustment

Administrative act (grant decision)

Duration of entrustment

1 to 2 years

Exclusive or special rights

n/a

Aid instruments

Granting of compensation in the form of capital contributions to settle annual losses, as waiver of cost-covering rent, waiver of appropriate returns on capital contributions for the financing of investment measures and in-kind contributions (buildings), and guarantee premiums.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Control of proof of use (annual case report, financial statement including report on the audit, certification of an auditing company with respect to the correctness of the separate account management (separate accounting)).

In the event that an overcompensation greater than 10 % of the funds granted for the appropriation period has been found, the excess contributions shall be returned. An overcompensation of maximum 10 % will be offset against the next appropriation period, or reclaimed by a grant decision.

Transparency requirements

n/a

Amount of aid granted

2016	2017 (preliminary values, proof of use to be confirmed)
Total amount of aid granted	
EUR 4 624 000	EUR 6 797 000

Share of expenditures per aid instrument (direct grant, guarantee, etc.)	
Capital contributions for loss compensation EUR 820 000 Waiver of cost-covering rent EUR 78 000 Waiver of reasonable return on capital and in-kind investment contributions EUR 3 329 000 Waiver of guarantee premium EUR 397 000	Capital contributions for loss compensation EUR 811 000 Waiver of cost-covering rent EUR 78 000 Waiver of reasonable return on capital and in-kind investment contributions EUR 5 511 000 Waiver of guarantee premium EUR 397 000
Additional possibly estimated — quantitative information (e.g. number of beneficiaries, average amount of aid, size of company)	
<u>Number of beneficiaries:</u> 2 companies (municipal enterprise) <u>Size of companies:</u> Company 1 Turnover: EUR 248 000 Employees: 10 Company 2 Turnover: EUR 2 039 000 Employees: 22	<u>Number of beneficiaries:</u> 2 companies (municipal enterprise) <u>Size of companies:</u> Company 1 Turnover: EUR 184 000 Employees: 10 Company 2 Turnover: EUR 8 754 000 Employees: 27

Museum

Note: The entrustment will not be continued after the Communication on the concept of state aid comes into force. See below.

The services of general economic interest

Construction, maintenance and management of a museum of industrial history including ancillary building, furnishings and equipment

Forms of entrustment

Administrative act (decision)

Duration of entrustment

Calendar year

Exclusive or special rights

None

Aid instruments

Loss compensation payment

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Obligation to submit quarterly reports (plan fulfilment; relation to successes and liquidity) and submission of an audited annual financial statement, obligation to report overcompensation

Transparency requirements

Not applicable

Amount of aid granted

2016: EUR 528 660

2017: *The entrustment will no longer be continued after the Communication on the concept of state aid comes into force.*

vi) Financial services

None

vii) Other economic sectors

Event halls/Events

1) City

The services of general economic interest

Management of the convention centre, Neue Welt concert and ballroom and a free light stage, organisation of events and trade fairs

Forms of entrustment

Administrative act (decision)

Duration of entrustment

Calendar year

Exclusive or special rights

None

Aid instruments

Loss compensation payments

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Obligation to submit quarterly reports (plan fulfilment; relation to successes and liquidity) and submission of an audited annual financial statement, obligation to report overcompensation

Transparency requirements

Not applicable

Amount of aid granted

2016: EUR 1 006 890

2017: EUR 806 769

2) Messe GmbH (city)

The services of general economic interest

Execution of exhibitions, conferences, trade fairs, sports events, cultural and similar events in the metropolitan area, construction and operation of suitable buildings and open spaces including all ancillary spaces, consumer information and economic development

Forms of entrustment

Administrative act (grant decision)

Duration of entrustment

1 to 2 years

Exclusive or special rights

n/a

Aid instruments

Grant of compensation services in the form of capital contributions to compensate annual losses.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Control of proof of use (annual case report, financial statement including report on the audit, certification of an auditing company with respect to the correctness of the separate account management (separate accounting)).

In the event that an overcompensation greater than 10 % of the funds granted for the appropriation period has been found, the excess contributions shall be returned to the city. An overcompensation of maximum 10 % will be offset against the next appropriation period, or otherwise reclaimed.

Transparency requirements

n/a

Amount of aid granted

2016	2017 (preliminary values, proof of use to be confirmed)
Total amount of aid granted	
EUR 971 000	EUR 971 000
Share of expenditures per aid instrument (direct grant, guarantee, etc.)	
Capital contributions for loss compensation EUR 971 000	Capital contributions for loss compensation EUR 971 000
Additional – possibly estimated — quantitative information (e.g. number of beneficiaries, average amount of aid, size of company)	
<u>Number of beneficiaries:</u> 1 company (city-owned company)	<u>Number of beneficiaries:</u> 1 company (city-owned company)
<u>Size of company:</u> Turnover: EUR 6 082 000 Employees: 38	<u>Size of company:</u> Turnover: EUR 6 899 000 Employees: 38

Business development**1) Wirtschaftsförderungs und Entwicklungsgesellschaft mbH (city)****The services of general economic interest**

The beneficiary shall use the aid in the public interest and particularly for the purpose of economic development and increasing public recognition of the city and its attractiveness as a place to live and work, to be in a position where, in accordance with its purpose, it can promote local business and the related development of the city – primarily through attracting industries and trades, location marketing at home and abroad, advice and support to local businesses, and planning and measures to improve the city's status as a business location. This also applies to supporting tourism in the city, in particular the planning and implementing of events, conferences, congresses and every kind of event, in

addition to other events in support of these objectives and the provision of tourism-related services to promote tourism in the city. In addition, the company can carry out all services of general interest that are needed to realise these tasks according to its articles of association.

Forms of entrustment

Entrustment act in the form of a decision to grant aid

Duration of entrustment

for one-year terms

Exclusive or special rights

None

Aid instruments

Grant

Compensation mechanism

- Institutional support as pro rata shortfall financing in the form of a non-repayable grant
- All own funds and revenues connected to the funding purpose (especially grants, services by third parties, contributions and donations) of the beneficiary of the grant shall be used to cover all expenses. The business plan is binding.
- The beneficiary shall itself apply for available public allocations, statutory payments and grants in a timely manner and to the fullest extent possible.
- If the estimated expenditures in the business plan for the supported public functions are reduced after approval or if the funds are increased or new funding becomes available, then the grant shall be reduced.

Measures for the prevention and repayment of overcompensation

- Payment of the grant in instalments upon request from the beneficiary with proof of the need for liquidity
- Quarterly reporting on the status of financing the tasks in the form of a profit and loss statement (plan/actual comparison)
- Grants subject to the reservation that there is no overcompensation for accomplishing public service obligations
- Submission of proof of use as part of the beneficiary's annual financial statement and, if necessary, with a separate annex (for non-eligible SGEI ancillary transactions, numerical proof based on the audited annual financial statement (balance sheet, profit and loss statement, annex, management report) and separate accounting
- If any overcompensation is found, it must be returned to the city. The amounts shall be presented as a liability to the city. Where the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation, such overcompensation may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period.

Transparency requirements

Does not apply, as state aids are less than €15 million

Amount of aid granted

2016: €1 505 000.00 (as institutional support)

2017: €1 690 000.00 (as institutional support)

2) Wirtschaftsförderung GmbH Company (Free State of Saxony)

a) Shareholders

The services of general economic interest

Fulfilment especially of the following functions of general economic interest within the scope of the company's purpose:

- Implementation of promotional measures in Germany and abroad, provision of information and contacts in connection with the development of domestic and foreign markets,
- Acquisition, consulting, support and mediation of companies that want to settle in Saxony,
- Realization of location advertising for the Free State of Saxony at home and abroad,
- Support of foreign business delegations,
- Cooperation with other foreign companies and institutions with similar tasks

Forms of entrustment

Contract

Duration of entrustment

10 years from 1.1.2016

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Annual presentation of the settlement of the business plan and audit by the auditor after submission of the final settlement, examination of the proper use of the compensation payment and if necessary the recovery of overcompensation

Transparency requirements

n/a

Amount of aid granted

2016: €6 191 085.76

2017: €6 282 967.49

b) Specific projects

The services of general economic interest

Economic promotion (including strengthening the global competitiveness of Saxon companies, international announcements of the location advantages of the Free State of Saxony)

Forms of entrustment

The service is entrusted by contract.

Duration of entrustment

2015201520151.10.2015 to 31.12.2018 or 5.10.2016 to 31.12.2018

Exclusive or special rights

No exclusive or special rights are granted to the company.

Aid instruments

The compensation will be provided through grants.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be carried out by proof of use. Verification of the correct use of the compensation payments during the annual audit.

If any overcompensation of the funds granted for the allocation period is found, the excess amounts must be returned.

Transparency requirements

n/a

Amount of aid granted

2016:	€293 773
2017:	€499 439

c) Specific projects***The services of general economic interest***

Support for companies, cluster organisations, universities and non-university research institutions in the fields of biotechnology, pharmacy, medical technology and health economics, in particular through

- a) promotional measures in Germany and abroad, in particular also the organisation and implementation of or participation in national and industry-specific trade fairs, exhibitions and conferences,
- b) arranging contacts and providing information in connection with the development of domestic and foreign markets,
- c) sector-specific site advertising in Germany and abroad,
- d) preparation and implementation of events aimed at increased cooperation, technology transfer, attracting skilled workers, and training, as well as public information,
- e) arranging contacts for the preparation of joint measures for R & D or technology transfer,
- f) initiation and support of national projects within the framework of federal programs and competitions as well as international co-operation in the context of initiatives of the European Union, e.g. INTERREG.

Forms of entrustment

Entrustment act in the form of a management contract with Wirtschaftsförderung GmbH

Duration of entrustment

15.6.2016 to 31.12.2018; if necessary extension by two years

Exclusive or special rights

None

Aid instruments

Grant

Compensation mechanism

Compensation

Measures for the prevention and repayment of overcompensation

Separate accounting, detailed accounting, repayment in case of overcompensation

Transparency requirements

n/a

Amount of aid granted

2016: EUR 28 000

2017: EUR 116 000

3) Economic Development Company (rural district)***The services of general economic interest***

Improvement of the economic and social structures of the region through the creation of a framework to promote the local economy and attract new companies, and infrastructure development.

Forms of entrustment

Entrustment act in the form of a decision to grant aid

Grant – up to the amount of the shortfall in the performance of the public service in the respective financial year

Grant decision – institutional funding as pro rata shortfall financing

Guarantee; liquidation loans

Duration of entrustment

1 year

Guarantee as of 2000

Guarantee for taking out a low-interest overdraft facility if necessary as well as liquidity loans to secure the company's liquidity due to the pre-financing of regional economic projects that are mainly subsidized by EU funds

Four-year liquidity loan

Exclusive or special rights

None

Aid instruments

Grants, liquidity loans; guarantee

Compensation mechanism

Cost allocation methodology;

through payment of a subsidy (instalments) covering the costs (expenses that serve the purpose of the grant) incurred in the provision of the service and that are of general economic interest, taking into account the revenue generated

Utilization of the guarantee for taking out a current account credit facility in the event of temporary liquidity needs

Measures for the prevention and repayment of overcompensation

Determinations in the grant decision: earmarked, claim for retrocession or change of financing; notification of changes in circumstances, higher income, lower expenses, adding other activities; quarterly reporting on the status of the financing of the tasks to the funding authorities; proof of use; confirmation of the fulfilment of the intended use and the correctness of the proven expenses by an auditor in the proof of use.

Any overcompensation identified must in principle be returned to the Erzgebirgskreis (Erzgebirg district). Claim for reimbursement of interest pursuant to § 1 SächsVwVfZG in conjunction with § 49a VwVfG

Transparency requirements

n/a

Amount of aid granted

2016

EUR 300 000.00 institutional support as pro rata shortfall financing

EUR 2 162 240.00 investment grant

EUR 900 000.00 liquidity loan

EUR 153 387.56 guarantee

2017

EUR 300 000.00 institutional support as pro rata shortfall financing

EUR 900 000.00 liquidity loan

EUR 153 387.56 guarantee

4) Business Development Company (Municipality)

The services of general economic interest

Business promotion and settlement acquisition in the community

Forms of entrustment

Decision by the local council and conclusion of the entrustment agreement by BM

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

In principle, by taking over the company's deficit resulting from the fulfilment of the public service obligation

Other support is possible, including:

Purchase price (EK) allocations

Loans

Guarantees

Cost absorption

Compensation mechanism

The eligible expenses are based on the applicable accounting standards. Compensable expenses with respect to the company shall be charged against all revenue generated in connection with the provision of the public service obligation. The company shall forecast the projected compensation needs as part of the business plan and coordinate them with the municipality. On the basis of the company's business plan, the company will be compensated by a decision of the local council. The company shall comply with the rules on the verification of the use of the funds granted.

Shortfalls from the services provided by the company that are not of general economic interest may not be offset. Profits from such areas shall to be offset against eligible expenses. The company shall demonstrate compliance with the public service obligations in the management report on the annual accounts for the current financial year. Insofar as the company provides services that are not of general economic interest, the company must provide evidence, in the framework of separate accounts, that the granted compensation is not used to finance "foreign" services.

Measures for the prevention and repayment of overcompensation

The amount of compensation paid shall not exceed what is necessary to cover the costs incurred in discharging the public service obligations, taking into account the relevant receipts and a reasonable profit on any own capital necessary for discharging those obligations. The company shall demonstrate its compliance with this requirement annually after the end of the financial year. The instruments for safeguarding against overcompensation shall be shown in the financial statement. The audited financial statement shall be made available to the municipality.

If, however, the maximum compensation amount is exceeded and the overcompensation is max. 10 % of the compensation amount, this amount may be carried forward to the following compensation year and shall be deducted from the maximum compensation amount. If the maximum compensation amount is still exceeded, the municipality shall demand the repayment of excessive compensation payments.

The municipality is entitled to request books, receipts and other business records for audit and to audit the use of the compensation payments by local data collection or to have them audited by agents. The required documents shall be kept available and necessary information shall be provided. Any documentary evidence regarding the compliance of compensation payments with the provisions of the Exemption Decision shall be kept for at least 10 years.

Transparency requirements

n/a

Amount of aid granted

2016:	€39 750
2017:	No payments

5) Invest Region GmbH

The services of general economic interest

Providing bundled regional economic development to safeguard and enhance the economic and social well-being of the region's inhabitants by conducting location marketing and investor advertising, attracting new businesses and institutions, and supporting and assisting regional and national networking with the aim of creating economic clusters

Forms of entrustment

Service contract between the shareholders and the company

Duration of entrustment

- 1.1.2016 to 31.12.2018
- Extension option

Exclusive or special rights

None

Aid instruments

- Remuneration or capital contributions, loans, guarantees and other measures which have the character of financial compensation

Compensation mechanism

Payment is made on the basis of the financing plan, which is set up annually in advance according to the service contract (net cost compensation).

- The company receives, in principle, remuneration on the basis of annually determined goals in the context of the economic and financial plans and on the marketing plan based on these plans
- Limitation of the amount of the annual compensation, the amount being determined as part of the annual economic plan and based on the estimated costs of current business operations
- The base amounts for fixed material costs, such as personnel costs, in particular, and for costs of general measures for the Fulfilment of the contract

(marketing costs), as well as an amount for the costs of actual project services for the fulfilment of the contract (individual projects) will be offset

- Compensation can also be provided through equity contributions, loans, guarantees and other measures that have the character of compensation, if this is specified in the annual economic plan and a compensation amount of max. EUR 15 million per year is not exceeded
- The amount of remuneration will be divided proportionately according to the shares held and paid quarterly on the basis of accounting by the shareholders

Measures for the prevention and repayment of overcompensation

1 - 2)

- Preparation of a separation statement from the profit plan for the year and the audited profit and loss statement, i.e. costs and revenues related to the provision of SGEI are to be reported separately from all other tasks and services
- Proof of the management's use of funds after the end of the contract period as part of the preparation of the annual 2018 financial statement, whereby an audit by the auditors is necessary
- If the shareholders do not make use of the funds granted over the entire contractual period, the company will be obligated to repay the funds to the shareholders
- Right to report if the total compensation amount is exceeded, including a reasonable profit of no more than 10 % of the permissible total compensation amount during the entire contract period, after deduction of the following year if the contract is continued
- Quarterly reporting on liquidity status, including liquidity forecasting and fulfilment of SGEI services
- The company must keep documents and proof of the use of funds for 10 years.

3)

- Payment of the grant will be made on the dates specified in the contract on a quarterly basis and after proper accounting. The remuneration is limited to an

annual amount. A deduction of 10 % will be made before payment, which will be paid only after settlement of the project services. The use of the funds must be demonstrated at the end of the contract period (here with the preparation of the 2018 financial statement) and audited by an auditor. Any funds that have not been used up must be returned to the shareholders. A quarterly report must also be submitted.

Transparency requirements

n/a

Amount of aid granted

1-2)

2016:	EUR 501 176.80 (249 028.67 + 252 148.13)
2017:	EUR 508 442.69 (255 000.00 + 253 442.69)

3)

2016:	EUR 857 303.61
2017:	EUR 861 705.15

6) Technologietransfergesellschaft mbH (city)

The services of general economic interest

Technologietransfergesellschaft mbH was founded with the goal of supporting economic development in the cluster health economy & biotechnology and related technology fields. This classic service of general interest is a voluntary task that aims to secure and increase the economic and social well-being of the inhabitants of the region by creating and improving the economic conditions of the region. Technologietransfergesellschaft mbH supports the city in this task. The subject of this obligation that has been handed over to Technologietransfergesellschaft mbH is the provision of bundled cluster development for the region. For this purpose, the company should carry out location marketing and investor advertising, recruit and look after new company and institutional start-ups and networking within the region and beyond with the goal of building up and consolidating a health economics cluster.

Forms of entrustment

The entrustment is via a grant decision on the basis of the economic and financial plan. It states the extent to which and the parameters with which the company will implement the objectives set out in the articles of association. A further support of the SGEI services to be provided through concrete activities will take place within the scope of the annual action plan to be drawn up by the Technologietransfergesellschaft mbH. This builds on the economic plan.

Duration of entrustment

1.3.2016 to 31.12.2016

Exclusive or special rights

The company is not granted any special rights.

Aid instruments

Technologietransfergesellschaft mbH receives institutional support for the provision of services of general economic interest, which is based on a decision by the grant authorities. It is a fixed amount that is set in the grant decision.

Compensation mechanism

The grant is awarded on the basis of the Framework Directive on the allocation of city grants to non-municipal authorities (Decision No III-1173/02) and its associated ANBest for one year each. Pursuant to the abovementioned directive, Technologietransfergesellschaft mbH is required to prove the use of the grant no later than three months after the end of the appropriation period. If the funds have not been used up, they must be returned to the grant authority.

Measures for the prevention and repayment of overcompensation

The disbursement of the grant will take place on the dates specified in the grant decision (two times per year) in advance. Prior to payment of the last instalment, a current BWA (betriebswirtschaftliche Auswertung) management report must be submitted by Technologietransfergesellschaft mbH. It is possible to estimate whether the payment, in conjunction with the planned activities, might lead to overcompensation.

Transparency requirements

n/a

Amount of aid granted

2016: EUR 100 000

2017: EUR ---

7) Free State of Saxony-Czech Republic Cooperation Program***The services of general economic interest***

The Cooperation Program will support the development of cross-border cooperation in the following areas (priority axes):

- Promoting climate change adaptation, risk prevention and risk management
- Preserving and protecting the environment and promoting resource efficiency
- Investment in education, training and vocational training for skills and lifelong learning
- Enhancement of the institutional capacities of public authorities and stakeholders and efficient public administration

Forms of entrustment

The service is entrusted by means of a contract under public law.

Duration of entrustment

The entrustment period is limited to the project implementation period for the three supported projects.

Project 1: 9.11.2015 to 31.10.2019

Project 2: 11.2.2016 to 30.9.2019

Project 3: 1.9.2015 to 30.6.2019

Exclusive or special rights

None

Aid instruments

The compensation will be provided through grants.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be carried out by proof of use.

Transparency requirements

n/a

Amount of aid granted

2016: EUR 4 426 000

of which:

Project 1: EUR 2 074 000

Project 2: EUR 565 000

Project 3: EUR 1 787 000

2017: None

8) Enterprise Europe Network (EEN) SAXONY**The services of general economic interest**

- Stimulating knowledge transfer across industrial sectors;
- Providing incentives to develop international, knowledge-based markets;
- Promoting innovation;
- Activating employment and value creation potential.

Forms of entrustment

The entrustment takes place by means of administrative act (grant decision).

Duration of entrustment

1.1.2017 to 31.12.2018

Exclusive or special rights

None

Aid instruments

The compensation will be provided through grants.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be carried out by proof of use.

If an overcompensation greater than 10 % of the funds granted for the appropriation period has been identified, the excess amounts shall be returned.

Transparency requirements

n/a

Amount of aid granted

2016: None

2017: EUR 443 000

9) Zentrum für Kultur und Kreativwirtschaft (Centre for Culture and Creative Industry)***The services of general economic interest***

The following measures will be supported:

- (1) advice, support and information for those involved in culture and creativity,
- (2) cross-border partnering activities for business cooperation, research, technology transfer and innovation,
- (3) the transmission of feedback from SMEs to the European Commission, and
- (4) measures to increase awareness and expand the network.

Forms of entrustment

The entrustment takes place by means of administrative act (grant decision).

Duration of entrustment

1.3.2017 to 28.2.2022

Exclusive or special rights

None

Aid instruments

The compensation will be provided through grants.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be carried out by proof of use.

If an overcompensation greater than 10 % of the funds granted for the appropriation period has been identified, the excess amounts shall be returned. Overcompensation of maximum 10 % will be offset against the next appropriation period in the grant decision of the next approval period, otherwise it will be reclaimed.

Transparency requirements

n/a

Amount of aid granted

2016: None

2017: EUR 2 500 000

Tourism***1) City******The services of general economic interest***

Tourism promotion – Services of the tourism association such as a public relations and quality development

Forms of entrustment

Entrustment contract

Duration of entrustment

1.1.2015 to 31.12.2018

Exclusive or special rights

None

Aid instruments

Grant

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Annual detailed proof of use, proof of costs in figures

Transparency requirements

n/a

Amount of aid granted

2016:	€50 000
2017:	€50 000

2) City***The services of general economic interest***

Operation of tourist information; offer and brokerage of tourist services audit

Forms of entrustment

Administrative act (decision)

Duration of entrustment

Calendar year

Exclusive or special rights

None

Aid instruments

Loss compensation

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Obligation to submit quarterly reports (plan fulfilment; relation to successes and liquidity) and submission of an audited annual financial statement, obligation to report overcompensation

Transparency requirements

Not applicable

Amount of aid granted

2016:	EUR 396 260
2017:	EUR 427 380

3) City**The services of general economic interest**

Operation of city tourist information with auxiliary services

Forms of entrustment

Grant decision

Duration of entrustment

1.1.2017 31.12.2026

Exclusive or special rights

None

Aid instruments

Non-reimbursable grant

Compensation mechanism

Annual grant payment on the basis of a decision

Measures for the prevention and repayment of overcompensation

Annual control and recovery of any overpayments

Transparency requirements

n/a

Amount of aid granted

up to €2 000 000 over 10 years

2016: €0

2017: €180 000

4) City**The services of general economic interest**

Provision of tourism facilities

Forms of entrustment

Entrustment act

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Compensation payments; grants

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Annual controls through the annual financial statement and segment accounting

Transparency requirements

n/a

Amount of aid granted

2016: EUR 162 000

2017: EUR 180 000

5) Marketing GmbH (city)***The services of general economic interest***

Increasing attractiveness to tourists and raising the profile of the city as an art and cultural centre, destination for congresses and conferences, business and science location and metropolis in the countryside with attractive surroundings, while promoting a socially and environmentally friendly tourism and thus improving the image of the city and its position in the tourism sector as local economic promotion in the public interest.

Forms of entrustment

Administrative act (grant decision)

Duration of entrustment

1 to 2 years

Exclusive or special rights

n/a

Aid instruments

Grant of compensation services in the form of capital contributions to compensate annual losses.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Control of proof of use (annual case report, financial statement including report on the audit, certification of an auditing company with respect to the correctness of the separate account management (separate accounting)).

In the event that overcompensation greater than 10 % of the funds granted for the appropriation period has been identified, the excess amounts shall be returned to the city. An overcompensation of maximum 10 % will be offset against the next

appropriation period, or reclaimed by a grant decision.

Transparency requirements

n/a

Amount of aid granted

2016	2017 (preliminary values, proof of use to be confirmed)
Total amount of aid granted	
EUR 2 826 000	EUR 2 840 000

Share of expenditures per aid instrument (direct grant, guarantee, etc.)	
Capital contributions for loss compensation EUR 2 826 000	Capital contributions for loss compensation EUR 2 840 000
Additional — possibly estimated — quantitative information (e.g. number of beneficiaries, average amount of aid, size of company)	
<u>Number of beneficiaries:</u> 1 company (city-owned company) <u>Size of company:</u> Turnover: EUR 358 000 Employees: 20	<u>Number of beneficiaries:</u> 1 company (city-owned company) <u>Size of company:</u> Turnover: EUR 219 000 Employees: 20

6) Land

The services of general economic interest

Tourism marketing of the Free State of Saxony

Forms of entrustment

Framework agreement between the Free State of Saxony and Gesellschaft mbH

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Grant

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Contractor: Separate accounting, proof of use of the remuneration audit

Grant authority: Examination of the proper use of the remuneration paid to the contractor, depending on the result of the audit, if necessary, recovery of any overcompensation

Transparency requirements

n/a

Amount of aid granted

2016:	€5 343 000.00
2017:	€5 468 266.00

7) Kurbetriebsgesellschaft GmbH Region

The services of general economic interest

- Promotion of the region as a spa and recreation area and all related activities
- The tasks to be performed by the company include
 - Operation of a therapy and spa department of the city
 - Operation and maintenance of the spa, including:
 - Bathing
 - Saunas
 - Vital centre
 - Seminar and event area
 - Operation and maintenance of a seminar and event area including the Kursaal
 - Operation and maintenance of the garden and park

Forms of entrustments

Unilateral act of the shareholders

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Grant, shareholder contributions or other benefits, such as municipal guarantees

Compensation mechanism

- In order to offset the costs incurred in connection with the provision of SGEI and to safeguard the activities of the company, the shareholders may make grants or contributions to the company. The amount of the contributions of the shareholders shall depend on the level of participation in the company. By way of derogation, the amount of the pro rata contribution may also be based on the distribution key agreed in the shareholder structure; distribution according to a different distribution key requires a shareholder resolution. Other benefits (e.g. grant of a municipal guarantee) which are intended to serve as

compensation of this kind must be proven separately in the annual economic plans or in another way.

- The total amount of compensation is set in a shareholder resolution on the basis of the economic plan of each year.
- The company has no legal claim to compensation.
- Changes to the nature and amount of the compensation remain reserved to the shareholders.
- Foreseeable events resulting from the provision of SGEI leading to higher uncovered costs will be compensated only in justified exceptional circumstances at the request of the company; for this, the company must provide proof that such higher costs were actually incurred in the provision of the SGEI

Measures for the prevention and repayment of overcompensation

- Compensation may not exceed what is necessary to cover the costs of providing the SGEI, taking into account the revenue generated ("**net cost**")
- Net costs are calculated on the basis of all actual data in accordance with the company's business plan and annual financial statement. For this purpose, the total amount of income and expenses according to commercial law must be recognized and then adjusted for expenses and income for other areas that are not part of the SGEI
- After the end of each financial year, the company must provide proof of the use of the funds in the annual financial statement
- Income and expenses related to the provision of SGEI shall be managed separately from other non-SGEI items, and the company shall explain the allocation of proportionate overhead costs in this separate accounting
- A settlement from the perspective of state aid shall be carried out annually, in which the net costs plus the proportionate overheads and a reasonable return (amount to be compensated) are compared with the compensation payments for the year under review
- If this state aid settlement results in overcompensation of more than 10 % of the amount to be settled in the year examined, the amount exceeding 10 % of the

amount to be compensated must be reimbursed to the shareholders (according to the proportionate distribution of their contributions)

- The shareholders verify this in the annual resolution on the adoption of the annual financial statement, since the state aid settlement and the annual financial statement must be prepared and submitted to the shareholders. Moreover, the shareholders may have all documents, records, etc. audited

Transparency requirements

- n/a

Amount of aid granted

2016: EUR 108 900

2017: EUR 264 305.60 (€95 800 + €168 505.60)

8) Grants promotion bank (15 transactions)

The services of general economic interest

The following measures will be supported:

Tourism marketing:

- Tourist marketing measures from the destinations which are primarily appropriate for attracting new visitors from outside Saxony and strengthening the image of these destinations at home and abroad;
- Innovative marketing measures with effect outside of Saxony, which serve the conversion of Saxony's tourism brand;
- Market research relating to the destinations.

Destination development:

- Measures for developing a competitive destination in the context of the current tourism strategy;
- Measures aimed at increasing the use of financing instruments earmarked for tourism;
- Measures to develop cross-border destinations

Forms of entrustment

In each case, the entrustment takes place by means of administrative act (grant decision).

Duration of entrustment

The typical entrustment period is one year (max. 14 months).

Exclusive or special rights

None

Aid instruments

The compensation will be provided through grants.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be carried out by proof of use.

If an overcompensation greater than 10 % of the funds granted for the appropriation period has been identified, the excess amounts shall be returned. Overcompensation of maximum 10 % will be offset against the next appropriation period in the grant decision of the next approval period, otherwise it will be reclaimed.

Transparency requirements

n/a

Amount of aid granted (for 15 transactions)

2016: EUR 1 759 000 (total)

2017: EUR 2 610 000 (total)

Sports***1) City******The services of general economic interest***

Construction of a football stadium, operation and maintenance of two indoor swimming pools, an outdoor pool and a football stadium, including related facilities, equipment and installations

Forms of entrustment

(1) Administrative act (decision), (2) Entrustment contract

Duration of entrustment

Calendar year (1); 10 years (2)

Exclusive or special rights

None

Aid instruments

Loss compensation

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Obligation to submit quarterly reports (plan fulfilment; relation to successes and liquidity) and submission of an audited annual financial statement, obligation to report overcompensation

Transparency requirements

Not applicable

Amount of aid granted

2016: EUR 6 225 357

2017: EUR 2 858 877

2) City**The services of general economic interest**

Preventive health care through the provision of public baths and recreational areas

Forms of entrustment

Entrustment act

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Compensation payments

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Annual controls through the annual financial statement and segments accounting

Transparency requirements

n/a

Amount of aid granted

2016: EUR 696 000

2017: EUR 709 000

3) Bader GmbH (city)**The services of general economic interest**

Planning, construction, operation and maintenance of indoor and outdoor swimming pools as well as implementation of all transactions promoting the business. This includes in particular the guarantee of a safe bathing operation for all user groups – public, schools, associations – and the timely provision of services that meet the needs of school, health, club, popular and competitive sports in all types of swimming in the framework of municipal services of general interest.

Forms of entrustment

Administrative act (grant decision)

Duration of entrustment

10 years

Exclusive or special rights

n/a

Aid instruments

Grants of compensation in the form of capital contributions to compensate annual losses.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Control of proof of use (annual report, annual financial statement incl. audit report), keeping separate accounting. Based on the annual financial statement, a determination

will be made after each three-year period whether overcompensation has occurred. In this case, overcompensation that does not exceed the average annual compensation by more than 10 %, may be carried over to the following calendar year and deducted from the compensation payable for that period. Any remaining overcompensation must be repaid immediately.

Transparency requirements

n/a

Amount of aid granted

2016	2017 (preliminary values, proof of use to be confirmed)
Total amount of aid granted	
EUR 12 600 000	EUR 13 500 000
Share of expenditures per aid instrument (direct grant, guarantee, etc.)	
Capital contributions for investment EUR 6 500	Capital contributions for investment EUR 8 260
Capital contributions for loss compensation EUR 6 100 000	Capital contributions for loss compensation EUR 5 240 000
Additional – possibly estimated — quantitative information (e.g. number of beneficiaries, average amount of aid, size of company)	
<u>Number of beneficiaries:</u> 1 company (minority interest company of the city)	<u>Number of beneficiaries:</u> 1 company (minority interest company of the city)
<u>Size of company:</u> Turnover: EUR 5 964 000	<u>Size of company:</u> Turnover: EUR 5 794 000
Employees: 74	Employees: 87

4) Eissport und Freizeit GmbH

The services of general economic interest

The grant will enable the beneficiary – in the public interest, particularly the interest of providing public infrastructure – to be in a position, according to its articles of

association, to safeguard and develop recreational sports facilities for citizens in the sports and cultural sectors and to promote popular and competitive sports and youth development in the urban area. The company shall manage the land owned by the city and the existing buildings, including all ancillary facilities. These are provided through free of charge use contracts. In addition, the company can carry out all services of general interest that are needed to realise these tasks according to its articles of association.

Forms of entrustment

Entrustment act in the form of a decision to grant aid

Duration of entrustment

For one year at a time, no entrustment over 10 years

Exclusive or special rights

None

Aid instruments

- Grants
- Free loan of real estate (real estate that is required for the provision of public functions)

Compensation mechanism

- Institutional funding as pro rata shortfall financing in the form of a genuine, non-repayable grant
- All own funds and revenues connected to the funding purpose (especially grants, services by third parties, contributions and donations) of the beneficiary of the grant shall be used to cover all expenses. The business plan is binding.
- The beneficiary must apply for available public allocations, legal disbursements and grants in a timely manner and to the greatest extent possible for themselves.
- If the estimated expenditures in the business plan for the supported public functions are reduced after approval or if the funds are increased or new funding becomes available, then the grant shall be reduced.

Measures for the prevention and repayment of overcompensation

- Payment of the grant in instalments upon request from the beneficiary with proof of the need for liquidity
- Quarterly reporting on the status of financing the tasks in the form of a profit and loss statement (plan/actual comparison).
- Grants subject to the reservation that there is no overcompensation for accomplishing public service obligations
- The submission of proof of use as part of the beneficiary's annual financial statement and, if necessary, with a separate annex (for non-eligible SGEI ancillary transactions), numerical proof based on the audited annual financial statement (balance sheet, profit and loss statement, annex, management report) and separate accounting.
- If any overcompensation is found, it must be returned to the city. The amounts shall be presented as a liability to the city. Where the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation, such overcompensation may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period.

Transparency requirements

Does not apply, as state aids are less than €15 million

Amount of aid granted

2016	2017
€1 170 000.00 as institutional support €34 912.00 GGE (gross grant equivalent) for free transfer of real estate €40 000.00 as project funding	€1 175 000.00 as institutional funding €40 500.00 GGE for free transfer of real estate €420 000.00 as project funding
Total: €1 244 912.00	Total: €1 635 500.00

Nature protection and landscape conservation

Rural district

Note: The entrustment will not be continued after the Communication on the concept of state aid comes into force. See below.

The services of general economic interest

Promotion of nature conservation and landscape conservation as defined by the Bundesnaturschutzgesetz (German Federal Nature Conservation Act) and the nature conservation laws of the Länder. The company will be able, in accordance with its purpose, to protect, preserve and, where appropriate, manage all nature conservation and landscape management tasks that contribute to the protection, preservation and, where appropriate, the natural living conditions of the wild animal and plant life as the foundation of their own human existence, to inform citizens about the impact and importance of nature and agriculture, and to promote understanding of people's responsibility to their environment.

Forms of entrustment

Entrustment act in the form of a decision to grant aid

Grant decision – institutional funding as pro rata shortfall financing

Decision to grant aid – investment support (project support)

Liquidity loans to secure liquidity because of the need for pre-financing of promotional measures

Duration of entrustment

1 year for grants for general management

2 years for inv. grant

Four-year liquidity loan

No entrustment longer than 10 years

Exclusive or special rights

None

Aid instruments

Grants, liquidity loans

Compensation mechanism

Application of the cost allocation methodology;

through payment of a subsidy (instalments) covering the costs (expenses that serve the purpose of the grant) incurred in the provision of the service and that are of general economic interest, taking into account the revenue generated

Cost centre accounting, clear separation from commercial business operations

Measures for the prevention and repayment of overcompensation

Specifications in the grant decision: earmarked, claim for recovery in the event of reduction or change in financing; obligation to freeze fund due to changes in circumstances, higher revenues, lower expenses, adding other activities; quarterly reporting on the status of the financing of the tasks to the funding authorities; proof of use; confirmation of the Fulfilment of the intended use and correctness of the proven expenses by an auditor in the proof of use. Any overcompensation identified must be returned in principle to the rural district. Claim for reimbursement of interest payment pursuant to § 1 SächsVwVfZG in conjunction with § 49a VwVfG.

Transparency requirements

n/a

Amount of aid granted

2016

EUR 499 210.32 general operations grant

EUR 120 000.00 investment grant

EUR 400 000.00 liquidity loan

2017

In accordance with the Commission Notice on the concept of state aid within the meaning of Article 107(1) TFEU, no further entrustment took place in 2017.

Zoo

Zoo GmbH (city)

The services of general economic interest

Operation of the city's zoological garden, animal husbandry and propagation of animals, management and promotion of scientific research in the fields of zoology, veterinary medicine and zoo biology, promotion of species protection

Forms of entrustment

Administrative act (grant decision)

Duration of entrustment

1 to 2 years

Exclusive or special rights

n/a

Aid instruments

Grants of compensation in the form of capital contributions to compensate annual losses, to finance investments and as waiver of an appropriate amount of a lease in perpetuity.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Control of proof of use (annual case report, financial statement including report on the audit, certification of an auditing company with respect to the correctness of the separate account management of separate accounts (separate accounting)).

In the event that overcompensation greater than 10 % of the funds granted for the appropriation period has been identified, the excess amounts shall be returned to the city. An overcompensation of maximum 10 % will be offset against the next appropriation period, or reclaimed by a grant decision.

Transparency requirements

n/a

Amount of aid granted

2016	2017 (preliminary values, proof of use to be confirmed)
Total amount of aid granted	
EUR 3 982 000	EUR 6 374 000
Share of expenditures per aid instrument (direct grant, guarantee, etc.)	
Capital contributions for investment EUR 1 550 000	Capital contributions for investment EUR 3 942 000
Capital contributions for loss compensation EUR 2 295 000	Capital contributions for loss compensation EUR 2 295 000
Waiver of appropriate lease in perpetuity EUR 137 000	Waiver of appropriate lease in perpetuity EUR 137 000
Additional – possibly estimated — quantitative information (e.g. number of beneficiaries, average amount of aid, size of company)	
<u>Number of beneficiaries:</u> 1 company (city-owned company)	<u>Number of beneficiaries:</u> 1 company (city-owned company)
<u>Size of company:</u> Turnover: EUR 3 529 000 Employees: 73	<u>Size of company:</u> Turnover: EUR 3 292 000 Employees: 74

Educational institutions***1) Music school******The services of general economic interest***

Operation of a music school, giving instrumental and vocal instruction, early music education, national scholarships for gifted students

Forms of entrustment

Instructions to the institution's management

Duration of entrustment

Calendar year

Exclusive or special rights

None

Aid instruments

Loss compensation payments

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Obligation to submit quarterly reports (plan fulfilment; relation to successes and liquidity) and submission of an audited annual financial statement, obligation to report overcompensation

Transparency requirements

Not applicable

Amount of aid granted

2016:	EUR 1 322 037
2017:	EUR 1 393 000

2) Institut für Film und Bild in Wissenschaft und Unterricht (FWU)***The services of general economic interest***

The FWU Institut für Film und Bild in Wissenschaft und Unterricht (Institute for Film and Image in Science and Education) (FWU) according to its purpose, has the task of creating audiovisual educational media and using it to promote instruction in training, education and science and thereby to serve the public interest. This also include the distribution educational media and advice in the development and procurement of appropriate devices.

Forms of entrustment

Transfer of a task of the Länder with a specific relationship to the common good (here: Provision of education sector, in particular public schools, with appropriate audiovisual

media) as a service of general economic interest (SGEI) to the FWU.

Duration of entrustment

10 years (from 22.9.2016)

Exclusive or special rights

None

Aid instruments

Financial compensation

Compensation mechanism

To compensate for the public service obligations linked to the SGEI by the FWU, the Land shall grant compensation in cooperation with the other Länder.

Measures for the prevention and repayment of overcompensation

To ensure that the compensation does not result in overcompensation for the provision of SGEI, the FWU shall provide proof of the use of the funds annually after the end of the financial year. This takes place in the context of the annual accounts.

Without prejudice to any further requirements, all documents are available for determination of whether the compensation is compatible with the provisions of the Exemption Decision, at least for a ten-year period from the end of the entrustment period.

Transparency requirements

n/a

Amount of aid granted (Free State of Saxony)

2016: EUR 19 473.00

2017: EUR 24 713.00

Parking management audit

City

The services of general economic interest

Parking management audit

Forms of entrustment

Entrustment act

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Compensation payments

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Annual controls through the annual financial statement and segment accounting

Transparency requirements

n/a

Amount of aid granted

2016: EUR 419 000

2017: EUR 406 000

Youth hostels

The services of general economic interest

Construction of a youth hostel to accommodate persons under the age of 27 including their personal custodians and guardians

The investment serves to provide services of general economic interest to the youth hostel, including:

accommodation, meals, school-related projects, further education, international youth exchange, physical activity, recreation of young families of persons up to 27 years of age, including their personal custodians and guardians

Forms of entrustment

Grant decision pursuant to §§ 23 and 44 of the Sächsische Haushaltsordnung (Saxon Budget Ordinance) in conjunction with the Richtlinie des Sächsischen Staatsministeriums für Soziales und Verbraucherschutz zur Förderung von Investitionen für Jugendhilfeeinrichtungen (FRL Investitionen) Guidelines of the Saxon State Ministry of Social Affairs and Consumer Protection for Investments in Youth Facilities (FRL Investments) of 30 July 2008

Duration of entrustment

25 years

Due to the close factual connection between the issuance of the grant and the fulfilment of public service obligations as well as the considerable scope of the investment to be made, the grant is given as a compensation payment within the meaning of the SGEI Decision for the time period for which the grant is earmark.

Exclusive or special rights

None

Aid instruments

Grant based on §§ 23 and 44 of the Saxon Budget Ordinance

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Prevention:

According to the forecast calculation on which the grant decision is based, a compensation payment of EUR 5 742 783 is allowed. However, a grant of only EUR 5 705 300 was awarded. This buffer provides an additional way to avoid overcompensation.

Repayment:

The grant decision (No 4.6 and No 4.7) stipulated that the beneficiary must prove for each year that the pro rata grant amount is covered by net costs. The grant authority will audit this every three years. Insofar as it is determined that the (net) cost recovery will be undercut by a maximum of 10 %, this shortfall can be compensated within the observation period. If this balance does not succeed, the grant in the amount of overcompensation will be reclaimed.

Transparency requirements

Not applicable, as this is not an aid of more than EUR 15 million.

Amount of aid granted

- Total grant: EUR 5 705 300 (Land funds) for the period 2015-2018 (no funds from regional and local authorities)
- Total eligible expenditure: EUR 7 011 675
- Grant amount **2016** as per decision: EUR 770 000 (payment EUR 770 000)
- Grant amount **2017** as per decision: EUR 2 553 423 (payment EUR 500 000)

Verbraucherzentrale e.V. (Consumer Centre)

The services of general economic interest

The Free State of Saxony entrusted the Verbraucherzentrale e.V., limited to 2015 to 2019, with the provision of the following services of general economic interest, which the Verbraucherzentrale e.V., in accordance with its purpose and its statutes, must permanently offer to all citizens for the entire territory of the Free State of Saxony and in terms of quality, access, scope, affordability, availability and/or durability due to their structural inefficiency by other private operators cannot provide (or cannot provide not in the desired form):

Personal, telephone advice and/or advice in text form to consumers relating to the purchase and consumption of goods and services free of charge or for any socially acceptable consulting fees by the Verbraucherzentrale e.V.

The topics of the consultation include:

Construction consulting (legal, financing and energy advice)

Housing (law, energy, heating costs)

Finance and insurance

Commerce and law, budget and environment, food and nutrition,

Telecommunications, telemedia and media in general

Travel, leisure, mobility

Care (care of family members, care contracts)

Consumer education (provision of market data and contexts that enable consumers to act independently in the marketplace)

Consumer education (teaching everyday skills, especially financial competence)

Forms of entrustment

Entrustment act according to Article 4 of the SGEI Exemption Decision

Duration of entrustment

2015-2019

Exclusive or special rights

None

Aid instruments

Project funding through a grant decision

Compensation mechanism

The submitted financing plan is used to calculate the compensation. The allocation will be made according to the financing plan. The financing plan is binding and part of the decision.

Measures for the prevention and repayment of overcompensation

Proof of the use of funds in accordance with Article 6 of the Exemption Decision by the submission of proof of use for each financial year in respect of the grant and all other

revenues and expenditures in the form of numerical proof and a factual report by 30 June of the following financial year. If the audit of the proof of use finds any overcompensation, the full amount to be taken into account shall be repaid.

Transparency requirements

n/a

Amount of aid granted

Grant of the Free State of Saxony to the Verbraucherzentrale Sachsen e. V. in the amount of EUR 2.0 million per year

2016: €2 000 000

2017: €2 000 000

Other

1) FVG – Förder und Verwaltungsgesellschaft für Wirtschaft, Kultur und Sport mbH

The services of general economic interest

The FVG – Förder und Verwaltungsgesellschaft für Wirtschaft, Kultur und Sport mbH receives an entrustment. The city is the sole holder of the share capital of the company. The purpose of the company is regulated in the company agreement. The FVG mainly carries out the following activities: Management, administration and leasing in the City Library, City Museum, City Gallery, Heimattiergarten (Domestic Animal Park), Monastery, Markets/Catering, SACHSEN arena and WMHalle. The city entrusts the FVG with the provision of services of general economic interest for the purpose of providing and operating public cultural and sporting facilities in the urban area and carrying out cultural, social and sports events and related services.

Forms of entrustment

Entrustment act in the form of a decision of the municipal body in connection with a grant decision and shareholder contract.

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Compensation as capital contribution by assuming the company's deficit resulting from the Fulfilment of the public service obligation.

Compensation mechanism

The amount of compensation shall not exceed what is necessary to cover the costs incurred in discharging the public service obligations, taking into account the revenues received thereby and a reasonable profit on any own capital used in the fulfilment of these obligations.

Measures for the prevention and repayment of overcompensation

Annual proof after the end of the financial year in the financial statement submitted to the city

Transparency requirements

n/a

Amount of aid granted

2016		2017	
EUR 1 181 200.00		EUR 1 131 200.00	
(of which:		(of which:	
City Museum	EUR 262 200.00	City Museum	EUR 262 200.00
City Library:	EUR	City Library:	EUR
314 300 000.00		314 300 000.00	
Zoo:	EUR 192 300.00	Zoo:	EUR 192 300.00
WMHalle:	EUR 159 600.00	WMHalle:	EUR 159 600.00
City events:	EUR 252 800.00	City events:	EUR 202 800.00

2) Veranstaltungszentren GmbH (city)**The services of general economic interest**

The grant broadly enables the beneficiary, acting in accordance with its objects, in the public interest, and in particular in the interests of promoting the economy and the city's attractiveness as a place of residence, to organize entertainment and serious art

events, including theatrical performances, festivals, celebrations, sports and other events of all kinds, congresses, conventions, seminars, presentations, trade fairs and exhibitions and all related services in the city area; to construct and operate the appropriate buildings and open spaces including ancillary facilities; and to engage in all public interest activities that contribute to the realization of these tasks as set out in its objects must be performed (the 'funding purpose').

In addition, a single project (installation of radiant ceiling heaters in trade fair halls) was supported via RL Klima/2014.

Forms of entrustment

Entrustment act in the form of a grant decision

Duration of entrustment

For one year at a time, no entrustment over 10 years

Individual project: 1.1.2015 to 30.6.2017

Exclusive or special rights

None

Aid instruments

- Grants;
- Guarantees to secure loans earmarked for the particular purpose (loans are required to perform the public tasks entrusted to the company),
- Free loan of real estate (real estate is required to carry out the public functions entrusted to the company),

Compensation mechanism

- Cost allocation methodology
- Institutional funding as pro rata shortfall financing in the form of an outright, non-repayable grant
- All own funds and revenues connected to the funding purpose (especially grants, services by third parties, contributions and donations) of the beneficiary of the grant shall be used to cover all expenses. The business plan is binding.
- The beneficiary must apply for available public allocations, legal disbursements and funding in a timely manner and to the greatest extent possible for themselves.
- If the estimated expenditures in the business plan for the supported public functions are reduced after approval or if the funds are increased or new funding becomes available, then the grant shall be reduced.

Measures for the prevention and repayment of overcompensation

- Payment of the grant in instalments upon request from the beneficiary with proof of the need for liquidity
- Quarterly reporting in the form of a profit and loss statement on the status of the financing of the task execution (plan/actual comparison).
- Grants subject to the reservation that there is no overcompensation for accomplishing public service obligations
- Submission of a proof of use statement in the context of the beneficiary's annual financial statement and, if applicable, a separate appendix (in case of non-eligible SGEI secondary transactions), numerical proof must be provided on the basis of the audited annual financial statement (balance sheet, profit and loss statement, appendix, management report) and separate accounting
- If any overcompensation is found, it must be returned to the city. The amounts shall be presented as a liability to the city. Where the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation, such overcompensation may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period.

Transparency requirements

n/a, as the state aids are less than €15 million

Amount of aid granted

2016	2017
€3 850 000 institutional support as pro rata shortfall financing	€4 500 000 institutional support as pro rata shortfall financing
€380 203 GGE for guarantees	€357 051 GGE for guarantees
€42 332 GGE for free transfer of real estate	€39 673 GGE for free transfer of real estate
€554 450 project funding (proportionate investment financing)	€2 920 660 project funding (pro rata investment financing)
	€90 949.00 for an individual project
Total: €4 826 985	Total: €7 908 333

3. Description of the application of the SGEI Framework of 2012

No measures were notified pursuant to the SGEI Decision of 2012.

4. Third party complaints

The Commission has received one complaint from third parties regarding the compensation granted to the FWU. The complainants consider these to be unlawful aid. the Federal Republic of Germany, represented by the Bundeswirtschaftsministerium (Federal Ministry of Economics), has sent the Commission an opinion stating the reasons why compensatory payments are lawful as existing aid and taking into account the SGEI Decision. The Commission has not yet reached a decision on the matter.

5. Other issues

The Free State of Saxony points out that the application of the SGEI Exemption Decision in the reporting period particularly continues to pose the following challenges to current practice:

- At this stage, the Commission believes that a call for tenders does not mean that no state aid is given if only one bid is received. This is a problematic rule in practice (esp. for the emergency services); we ask for it to be loosened, at least according to NoA,
- the obligation to use actual cost accounting without the alternative allowed under the GBER (EU General Block Exemption Regulation) of validation of a reliable forecast and the obligation to control already after three years, whereas the GBER does not regulate the time of the control. The latter leads to a higher burden on the welfare-oriented measures compared to sectoral measures.
- Continuing uncertainties with respect to a reasonable profit. In minor cases, a safe harbour related to sales would be helpful (instead of return on investment or discounting)
- According to NoA and the discussions about tourism, there are uncertainties on the ground about whether old entrustments should be cancelled (partly done, partly not)
- Uncertainties due to the ongoing monitoring of business development
- Uncertainties when dealing with the provision of municipal infrastructure for mixed purposes (such as town halls), especially when combined with discounted rental conditions for the organisers.

Rhineland-Palatinate

1. Overview of expenditures

According to the information available, in sum, the total amount of aid granted in 2016 based on the SGEI Decision was EUR 31 998 270. In 2017 the total amount was EUR 36 857 295.

No measures were approved by the Commission on the basis of the SGEI framework.

2. Description of the application of the SGEI Decision of 2012

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

The services of general economic interest

Provision and operation of public hospitals with the following medical services for the local population:

- Basic medical care including associated examinations and treatments.
- Emergency services: Emergency medical service and outpatient and inpatient admission with 24-hour readiness.
- Other medical services: surgical and internal clinic, outpatient physiotherapy.
- Medical care of patients without insurance cover.
- Ensuring the food supply for the patients as well as the supply of all areas with medicines as well as with the necessary material for activities.
- Education of medical personnel: Nursing school
- Staff training with a commercial and medical-technical background.

Forms of entrustment

For the most part services were entrusted by decision of the competent municipal decision-maker.

Duration of entrustment

The entrustment was usually for 10 years.

Exclusive or special rights

None

Aid instruments

The funding was provided mostly in the form of grants and loans.

Compensation mechanism

The cost allocation methodology was usually applied.

Measures for the prevention and repayment of overcompensation

As part of the annual proof of use audit, it will be made visible whether any overpayments have been made and, if so, these will be recovered appropriately.

Transparency requirements

No measures of more than EUR 15 million per company.

Amount of aid granted

- For 2016, the total amount is EUR 8 175 793;
- For 2017: EUR 8 350 000;

2) Social services (Article 2(1)(c))

b) Childcare

The services of general economic interest

Rehabilitation and modernisation of day-care centres to improve the care of children in kindergarten.

Forms of entrustment

The services were entrusted by contract.

Duration of entrustment

The entrustment was limited to a maximum of 10 years.

Exclusive or special rights

None

Aid instruments

The aid was awarded in the form of grants.

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The proof of use will be audited.

Transparency requirements

No state aid of more than EUR 15 million.

Amount of aid granted

Total: EUR 111 036

c) Access to and reintegration into the labour market

The services of general economic interest

- Socio-educational counselling and care as well as general education and professional preparation, continuing and advanced training, social and debt counselling for persons in social emergency situations.
- Counselling and support services for pupils in the transition from school to the professional world.

Forms of entrustment

Entrustment by municipal decision.

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

An annual audit of the proof of use is carried out and if it shows that overcompensation has been paid, a recovery is ordered.

Transparency requirements

No measures of more than EUR 15 million.

Amount of aid granted

2016: EUR 117 714 and 2017: EUR 82 306

d) Social housing

The services of general economic interest

The “social housing promotion” in Rhineland-Palatinate defined as SGEI has the objective of providing citizens with affordable housing. Measures to safeguard and improve the housing supply are aimed at socially deprived population groups that rely on support, such as low-income households, elderly and disabled people, students, etc.

The service is aimed at creating housing through new construction or initial purchase, as well as the modernization of existing rental housing as social housing. The last includes the sustained increase in the value in use of rented apartments or buildings, the permanent improvement of general living conditions, and the sustainable conservation of energy and water, also for the reduction of ancillary living costs. For an aging society, support to social housing also includes support of accessible construction methods and age-appropriate forms of housing and quality of life, e.g. living space for groups with special needs for care and support or assisted living.

The assumption of further housing, building and social measures, in particular those for the improvement of the living environment, the elimination of social ills and the development of neighbourhoods can also be agreed for the benefit of the groups targeted for social housing.

The provider of the services (housing company/landlord) provides housing, which is rented at a favourable price to the described target group.

Forms of entrustment

The service is usually entrusted by administrative act.

Duration of entrustment

Since high investments are necessary in social housing, the entrustment period is often 15 to 25 years.

Exclusive or special rights

None

Aid instruments

In most cases, financial aid is given in the form of subsidized loans and grants.

Compensation mechanism

The net avoided cost method was used.

Measures for the prevention and repayment of overcompensation

In principle, the compensation payments are calculated in such a way that overcompensation is prevented as far as possible, and is not made available to the service provider company at all. In addition, the revocation of funding and recovery of the granted compensation payments are stipulated in the law.

Transparency requirements

There were no compensations of more than EUR 15 million per company.

Amount of aid granted

2016: EUR 10 510 million

2017: EUR 16 262 million

5) Other compensation of not more than EUR 15 million per annum for the provision of services of general economic interest (Article 2(1)(a))

ii) Energy

The services of general economic interest

Operation of a power grid and ensuring energy supply in the region.

Forms of entrustment

The service was entrusted via the articles of association.

Duration of entrustment

The entrustment is limited to nine years.

Exclusive or special rights

None

Aid instruments

Calculation of profits

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be included in the audit of the financial statement.

Transparency requirements

No state aid of more than EUR 15 million.

Amount of aid granted

2016: EUR 380 000 und 2017: no state aid.

iv) Water supply

The services of general economic interest

Ensuring the regional water supply, including extraction, distribution and operation of the required networks.

Forms of entrustment

The service was entrusted via the articles of association.

Duration of entrustment

Limited to nine years.

Exclusive or special rights

None

Aid instruments

Calculation of profits

Compensation mechanism

Application of the cost allocation methodology

Measures for the prevention and repayment of overcompensation

The control will be included in the audit of the financial statement.

Transparency requirements

No state aid of more than EUR 15 million

Amount of aid granted

2016: EUR 190 000 EUR 2017: no state aid.

v) Culture

The services of general economic interest

Organizing and conducting cultural events, including the provision of necessary premises, personnel and equipment. The events were in particular performances in the fields of music, theatre, literature and art. Exhibitions, festivals, concerts, readings, workshops, festivals, seminars, lectures, political events, etc. were held.

A local location and tourism office was also occasionally spatially and thematically associated with the above-mentioned services. This is mostly active in advance ticket

sales for these cultural events and provides a website as a publicly available source of information about the region.

Forms of entrustment

The entrustments were made by administrative act.

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

The state aid is usually in the form of a grant. Sometimes the grant is used to compensate shortfalls of the cultural facility.

Compensation mechanism

The cost allocation methodology was primarily used.

Measures for the prevention and repayment of overcompensation

The use of funds is audited annually year (in short: proof of use). If it emerges in the course of this audit that overcompensation has been paid out, the excess amounts will be reclaimed.

Transparency requirements

No state aid of more than EUR 15 million.

Amount of aid granted

A total amount of EUR 4 017 000 was granted in 2016. An amount of approx. EUR 2 599 000 was granted in 2017.

vii) Other economic sectors

The services of general economic interest

- Construction, conversion and modernization of youth hostels.
- Provision and operation of a public underground car park.
- Provision and operation of public car parks, which serve to improve the accessibility of the city centre and existing institutions (offices, authorities, courthouses). Provision of parking for people with disabilities, parents with

children and parking reserved for women.

- Provision and operation of sports and leisure infrastructures: Indoor and outdoor swimming pools and swimming pools for club and school swimming, including sauna and fitness facilities, miniature golf courses and sports and multipurpose event halls for concerts, shows and sporting events.
- General measures to promote tourism at the local level, such as the presentation and coordination of tourist destination marketing, the development of tourism initiatives, project development, etc.
- Conception and development of tourism measures as well as ensuring the quality and networking of the relevant actors.
- Promotion of the Verbraucherzentrale Rheinland-Pfalz (Rhineland-Palatinate Consumer Centre). As an independent institution, it launches various consumer protection-oriented projects.
- Information and counselling services for consumers on various aspects of “care” and related services.
- Business promotion, including location marketing and tourism promotion.
- Public education and information in the field of “Nature Conservation and Landscape Conservation”. Measures to protect, preserve and care for the natural living conditions of wild animals and plants.
- Implementation of the local transport plan (including maintenance of the infrastructure for public transport, provision of transport services in the “call collective taxi traffic”, advice in public transport).

Forms of entrustment

The services were entrusted by administrative act or by decision of the responsible municipal committees, sometimes also by a shareholders’ agreement.

Duration of entrustment

For many entrustments, the entrustment period is 10 years. It is 25 years for some entrustments associated with high investments.

Exclusive or special rights

None.

Aid instruments

The support was mostly provided in the form of grants. Guarantees and loans were occasionally granted.

Compensation mechanism

The cost allocation methodology is usually used.

Measures for the prevention and repayment of overcompensation

Overcompensation is prevented through auditing the proof of use statement. Should it be found in the course of this audit that excess amounts have been paid out, they will be reclaimed.

Transparency requirements

The compensation payment per company is less than EUR 15 million.

Amount of aid granted

In 2016, aid totalling EUR 8 496 727 was granted. In 2017, the total value was EUR 9 563 989.

3. Description of the application of the SGEI framework of 2012

No measures have been authorised by the EU Commission.

4. Third party complaints

None

5. Other issues

None

Saarland

1. Overview of expenditures

	2016	2017
	in EUR million	
Support to the Congress-Centrum Saar GmbH Chapter - Not found - vii) Other economic sectors Pages 4 and 7	2.400000	2.732531
Support to the TZS Tourismus-Zentrale Saarland GmbH Chapter - Not found - vii) Other economic sectors Pages 7 and 10	0.561172	0.561186
Tourism support, Unit MWA EV E/2 Chapter - Not found - vii) Other economic sectors Pages 10 and 11	1.744631	1.574631
Landeshauptstadt Saarbrücken (State Capital Saarbrücken) Chapter 1) Hospitals (Article 2(1)(b)), pages 2 and 3 - Not found - vii) Other economic sectors, Pages 11 and 13	1.230447	1.037208
Totals	5.93625	5.905556

2. Description of the application of the SGEI Decision of 2012

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

LHS

State Capital Saarbrücken

The services of general economic interest

Operation of the Klinikum Saarbrücken in the light of the current hospital requirement plan to ensure adequate inpatient and outpatient care for all citizens of Saarland, irrespective of income or social status, and as an academic teaching hospital and training institution for health professionals and other hospital-related professions according to the Saarland hospital plan.

Forms of entrustment

Entrusted by shareholder resolution and instruction to the management to ensure that the requirements of the written entrustment act are complied with.

Duration of entrustment

10 years

Exclusive or special rights

No

Aid instruments

Guarantee

Compensation mechanism

Net avoided cost

Measures for the prevention and repayment of overcompensation

- Annual proof of use of the compensation (credit guarantee) after the end of the financial year through the annual financial statement
- The city may inspect the books, files and other business records for verification
- If overcompensation has occurred, the city has the right and the obligation to reclaim the excess amount

Transparency requirements

n/a

Amount of aid granted

€13 098.73 interest rate advantage in 2016

€12 268.36 interest rate advantage in 2017

2) Social services (Article 2(1) (c))

- - Not found -

3) Air or sea transport to islands with an average annual volume of traffic up to the limit stipulated in Article 2(1) (d) .

- - Not found -

4) Airports and maritime ports with an average annual volume of traffic up to the limit stipulated in Article 2(1) (e)

- - Not found -

5) Other compensation of not more than EUR 15 million per year for the provision of services of general economic interest (Article 2(1) (a))

i) Postal services

- - Not found -

ii) Energy

- - Not found -

iii) Refuse collection

- - Not found -

iv) Water supply

- - Not found -

v) Culture

- - Not found -

vi) Financial services

- - Not found -

vii) Other economic sectors

MFE-CCS support

**Support of the Congress-Centrum Saar GmbH (CCS)
Ministerium für Finanzen und Europa (Ministry of
Finance and Europe), Saarbrücken
(Unit C/5)**

Forms of entrustment

Within the framework of the general state services of general interest or municipal self-government, the shareholders of Saarland and the State Capital Saarbrücken aim to promote the social, cultural and economic well-being of the residents within the meaning of the Constitution of Saarland, in particular Articles 32 and 34 and § 5(2) of the Kommunalselbstverwaltungsgesetz (Municipal Self-Administration Act) (public service mission) to rent the two largest meeting rooms in the Land to various user groups. The provision of these structures makes it possible for these events in their current form to take place at all. The citizens of the State Capital and the entire Land are the main users in the context of local or regional events in the fields of culture, sports, training, politics, exhibitions, trade fairs and congresses.

The Land and state capital promote the public service and statutory purpose of the CCS. This enables the company to generally conduct business in accordance with its original purpose. The support should thus serve the realisation of the social purpose of the CCS exclusively and directly, and is basically motivated primarily by social, cultural and economic policies.

The Land and the state capital are entrusting the CCS with public service obligations (SGEI) in accordance with the following provisions in the territory of Saarland, namely the provision of otherwise non-existent gathering and event spaces as part of the public infrastructure.

The SGEI currently include in particular:

- The provision of a multifunctional range of usable rooms and areas for events in the fields of culture, sports, congresses, conferences, events, trade fairs and exhibitions through the operation of the Saarlandhalle and the Congresshalle as public institutions within the meaning of local government legislation,
- the rental and leasing of the spaces and hall infrastructure for the implementation of local and regional events of various kinds by third parties and the organisation of their own events in the context of the above-mentioned purpose,
- and the ancillary services linked to the main activity described under (a) and (b), in particular gastronomic, technical, administrative and organisational services.

In addition, the CCS, to a minor extent, provides other services which are not included in the SGEI pursuant to paragraph (2) or which are not subject to a public service obligation. These services currently include in particular:

- rentals and leases to third parties and the execution of their own events outside of the purpose within the meaning of paragraph (2) (b),
- the provision of services (e.g. hostess services, fire brigade and entry services, gastronomy and catering services) that are not covered by paragraph 2(c),
- other rental or leasing, especially of the daytime restaurants in the Congresshalle, as well as at Saarland-Spielbank GmbH in Saarlandhalle.

The entrustment is limited to a ten-year period by resolution of this entrustment act in the CCS shareholders' meeting of 1.7.2014.

The CCS carries out the activities resulting from the public service obligation pursuant to paragraph 2 in its own interest. It thus only acts in the performance of its statutory tasks and purposes.

Duration of entrustment

1.7.2014 to 30.6.2023

Exclusive or special rights

see above.

Aid instruments

Capital contributions.

Compensation mechanism

The anticipated need for compensation during the current financial year is initially determined on the basis of the

approved CCS business plan; reference is made in this regard to the regulations in the articles of association. The compensation is granted annually in the framework of determining the annual financial statement by the shareholders' meeting.

Measures for the prevention and repayment of overcompensation

In order to ensure that there is no overcompensation for the provision of SGEI, CCS shall provide proof to the shareholders at the end of each financial year, of the performance of the public service obligations and the use of the compensation granted on the basis of the examined and audited financial statement (aid report).

If the compensation granted exceeds the required level (overcompensation), the excess amount must be repaid with immediate effect following the determination of the examined and audited annual financial statement and submission of the separate accounting. If the amount of overcompensation does not exceed the average annual compensation by more than 10 % in three consecutive financial years, the CCS may alternatively take the overcompensation into account in the next available economic plan in the calculation of the required compensation

Transparency requirements

Not found

Amount of aid granted

2016: EUR 2 400 000.00

2017: EUR 2 732 531.00

MFE - TZS support

**Support to the TZS Tourismus-Zentrale Saarland GmbH
(Saarland Tourism Centre GmbH), Ministry of Finance
and Europe, Saarbrücken (Unit C/5)**

Forms of entrustment

As part of general public services and local self-government, the shareholders of the TZS are pursuing a nationwide approach to promoting tourism in Saarland, raising awareness of Saarland - including beyond its borders - as a tourist destination with all its facets, marketing cities and regions in Saarland nationwide and highlighting their advantages as attractive travel destinations and as conference and congress venues, thus strengthening the tourism industry in Saarland as a whole. This task, which is in the interest of the general public, is also of particular importance against the backdrop of actively shaping

structural change in Saarland and its departure from the mining and steel-producing industries for development as an attractive tourism destination. Accordingly, it is a task of the classical public services of general interest. The shareholders founded the TZS to implement this objective. In order to enable the company to fulfil the shareholder mandate, the shareholders will contribute in accordance with to their share in the share capital, including annual grants/capital contributions equal to the losses caused by the provision of the SGEI services.

Pursuant to Article 108(3) TFEU, state aid must generally be notified. However, according to the Commission's SGEI Exemption Decision of 20 December 2011 (2012/21/EU), state aid in the form of public service compensation must be viewed as compatible with the internal market and exempt from the requirement of prior notification, provided that they fulfil all the elements of this Decision.

Essential elements are in particular the delegation of tasks to the company by means of one or more entrustment acts, as well as the regulation of the amount of the compensation, the control and prevention of possible overcompensation, and compliance with certain reporting obligations.

In implementing these requirements, the shareholders have adopted an entrustment act with effect from 1.1.2016 and commissioned the TZS with the provision of the following public services:

1. Promotion of tourism
2. Promotion of tourism services and products for Saarland,
3. Highlighting the advantages of Saarland as an attractive destination and strengthening Saarland as a tourism brand,
4. Promotion of participation in trade fairs.
5. Implementation of measures and projects for the implementation of the objectives of Saarland Tourismuskonzeption (Tourism Concept) 2025 relating to sustainable growth and quality, e.g. relating to cycling, hiking and nature tourism; cultural and city tourism; culinary, health and wellness tourism; and relating to congresses and conventions.
6. Implementation of cross-border projects with the partners of the wider region, also within the framework of the EFRERE funding framework
7. Internal and external marketing, e.g. trade fairs, presentations, advertisements, catalogues, internet marketing
8. Press activities and media co-operation
9. Market research as the basis for targeted and effective tourism promotion,
10. Measures to increase the quality and security of the tourism offer, including ensuring the competitiveness of service providers and services along the tourism value chain

11. Sales services from the point of view of marketing the entire region for the initial approach of the visitors and rounding off the offer.
12. Completion of all transactions relating to and serving the needs listed in subparagraphs 1-11,
13. Implementation of all measures and transactions to promote the services listed in subparagraphs 1-11.

Duration of entrustment

1.1.2016 to 31.12.2025

Exclusive or special rights

see above.

Aid instruments

Capital contributions.

Compensation mechanism

The anticipated need for compensation in the current financial year is initially determined on the basis of the approved CCS business plan; reference is made in this regard to the rules in the articles of association. The compensation is granted annually in the framework of determining the annual financial statement by the shareholders' meeting.

Measures for the prevention and repayment of overcompensation

To ensure that the conditions of the Exemption Decision for the granting of compensation during the entire period of entrustment of Tourismus Zentrale Saarland GmbH are fulfilled and in particular that no overcompensation for the provision of services under § 2(1) arises, the Tourismus Zentrale Saarland GmbH shall provide proof of the use of the funds. This is done through the annual financial statement. If the annual financial statement shows that the compensation granted exceeds the net costs, the CCS must reimburse the difference to the shareholders.

Transparency requirements

Publication as part of the publication of the annual financial statement in the Bundesanzeiger (Federal Gazette).

Amount of aid granted

2016: EUR 561 172.00

2017: EUR 561 186.13

MWAEV - Tourism promotion

**Tourism promotion in the Ministry of Economy,
Labour, Energy and Transport (Ministerium für
Wirtschaft, Arbeit, Energie und Verkehr),
Saarbrücken
(Unit E/2)**

The services of general economic interest

Förderung der Tourismus Zentrale Saarland GmbH: The purpose of the company is the promotion of tourism, tourism services and products for Saarland and increasing awareness and highlighting the advantages of Saarland as an attractive travel destination for conferences and congresses.

Forms of entrustment

Entrustment act

Duration of entrustment

10 years

Exclusive or special rights

In furtherance of the purpose of the company, the company may carry out appropriate measures and transactions and thus act as tour operator and/or travel agent within the framework of an ancillary activity and operate a nationwide reservation system.

In fulfilment of this purpose, the TZS shall carry out a series of marketing activities (including trade fairs and roadshows, printing leaflets and flyers, advertising and internet marketing) of a general nature, as well as thematic activities in the field of quality tourism and tourism, nature and active tourism, urban and rural tourism, cultural tourism, culinary and gastronomy region Saarland, health tourism and accessible Saarland. In addition, it shall conduct market research and participate in press activities and cooperate with media in the region.

Aid instruments

Grant

Compensation mechanism

The compensation requirement results from the examination of the annual economic plan as well as from the proof of use audit.

Measures for the prevention and repayment of overcompensation

Examination of the proof of use statement

Transparency requirements

n/a

Amount of aid granted:

2016: EUR 1 744 631 million

2017: EUR 1 574 631 million

LHS

State Capital Saarbrücken

The services of general economic interest

Business development through:

1. Provision and operation of otherwise non-existent gathering and event spaces.
2. Promoting tourism and thereby strengthening business locations and improving the quality of life for the inhabitants and visitors of the city.
3. Municipal economic development and strengthening of Saarbrücken city centre as a trade and service location for the population. Creating and improving site conditions by promoting, upgrading and attractively designing the city, as well as by promoting the commercial structure and cooperation of relevant stakeholders.
4. Revitalization and development of residential and commercial areas.

Forms of entrustment

Entrusted by shareholder resolution and instruction to the management to ensure that the requirements of the written entrustment act are complied with. This separately for the four aforementioned SGEI.

Duration of entrustment

10 years

Exclusive or special rights

n/a

Aid instruments

Grants, staffing, interest rate advantage through worker loans

Compensation mechanism

Avoided-cost

Measures for the prevention and repayment of overcompensation

- Keeping separate accounting insofar as that non-SGEI services are also provided, submitting an audit of the use of the funds in the context of the annual financial statement and quarterly reports or a proof of use statement
- The city may inspect the books, files and other business records for verification
- If there has been any overcompensation, the city has the right and the obligation to claim back the overpayment

Transparency requirements

n/a

Amount of aid granted

		2016	2017
		in EUR	
Re. 1	Grant	600 000.00	563 382.78
Re. 2	Grant	230 000.00	230 000.00
Re. 3	Grant	147 200.00	147 200.00
	Cash equivalent staffing	76 295.92	80 971.27
Re. 4	Grant	101 196.30	0.00
	Interest rate advantage	62 855.57	3 585.54
Totals		1 217 547.79	1 025 139.59

3. Description of the application of the SGEI framework of 2012

- Deleted -

4. Third party complaints

- - Not found -

5. Other issues

- - Not found -

Saxony-Anhalt

1. Overview of expenditures

2016

€435 280 095.26

2017

€456 262 692.62

2. Description of the application of the SGEI Decision of 2012

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

No entrustments in Saxony-Anhalt

2) Social services (Article 2(1)(c))

a) Health services and long-term care

No entrustments in Saxony-Anhalt

b) Childcare

The services of general economic interest

Promotion, education, care and upbringing of children in day centres and day care centres as part of early childhood education

Forms of entrustment

The services are entrusted by administrative act (assignment) pursuant to the Gesetz zur Förderung und Betreuung von Kindern in Tageseinrichtungen und in Tagespflege (Act on the promotion and care of children in day facilities and in day care) of the state of Saxony-Anhalt (Kinderförderungsgesetz – KiFöG) of 5 March 2003, §§ 11 to 13.

Duration of entrustment

An annual entrustment is made.

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

Cost allocation methodology:

The Land grants the local public youth welfare service providers an allocation for each child in their care. The calculation and distribution of the funds is based on the number of children under the responsibility of the local public youth welfare service provider, which is derived from the “Day care facilities for children and publicly funded day care” statistics of the Statistisches Landesamt (State Statistical Office) on 1 March of the previous year. In the case of a dual budget, the corresponding statistics as of 1 March of the previous year should be used as a basis for the second financial year.

Only necessary costs that arise in the framework of providing operational services will be reimbursed. Lump sums which in themselves are not cost-covering are granted in accordance with the provisions of §§ 11 to 13 KiFöG (Kinderförderungsgesetz, Childcare Funding Law) through the Land and rural and urban districts. The remaining financing is provided by the municipalities and parental contributions. As a rule, a cost allocation methodology is used.

Measures for the prevention and repayment of overcompensation

Overcompensation is already prevented in the administrative act in the allocation of funds.

Transparency requirements

Not applicable, as no aid of more than EUR 15 million is granted.

Amount of aid granted

Year	2016	2017
Land ST	EUR 289 362 368.75	EUR 320 636 137.28
Landkreise (rural districts) and kreisfreie Städte (urban districts)	EUR 113 593 307.03	EUR 118 811 761.02

...

c) Access to and reintegration into the labour market***The services of general economic interest***

- Support of projects to accompany and care for refugees who are likely to remain in the country during their work in job opportunities according to § 5 AsylbLG (Asylbewerberleistungsgesetz, Asylum Applicant Services Law) or according to § 16d SGB (Sozialgesetzbuch, Social Code) II.
 - Socio-pedagogical care and support,
 - Coordination of complementary and other measures, such as German lessons, and
 - required language mediation.
- Promotion of projects for the education and employability of young people in need of assistance under the age of 25, in justified cases under 30 years of age, who have completed their compulsory education, have no professional qualification, are unemployed and who are no longer reachable with the funding programs of the employment agencies or institutions administering unemployment benefits. The aim is to enable young people in need of support to obtain educational and work-related capacities so that they can be integrated into appropriate further education, training or employment
- Support for projects to improve the integration of unemployed people who are outside of the labour market and who have significant employment-related shortcomings and a resulting special need for support into the primary labour market. The projects include holistic offers for activation, personal stabilization and

qualification as well as sustainable professional development.

- Promotion of career guidance projects for young refugees
 - Model projects combine the vocational orientation of young refugees with the acquisition of language skills to level B1 in the context of youth integration courses. The goal here is the development of suitable career aspirations or to give substance to the educational path for the participating young people. From the development and testing in individual regional measures, a reusable didactic model of vocational orientation will be created for this target group
 - An accompanying project transforms the experience gained in the model project into a transferable didactic concept and develops a reusable software-based competence recording tool

Forms of entrustment

The services are entrusted through a grant decision pursuant to §§ 23 and 44 Landeshaushaltsordnung (Budget Ordinance).

Duration of entrustment

- The approved projects have a duration of 12 to 36 months
- Some projects may be extended by 12 months.
- No entrustments longer than 10 years

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

Expenses are eligible or compensable only if they are necessary personnel and material expenses of the relevant organisations that arise directly in connection with the execution of the measure according to the real cost principle.

For some projects, indirect expenditures may be charged in accordance with Article 67(1)(d) and (5)(d) in conjunction with Article 68 (1)(b) of Regulation (EU)

No 1303/2013 shall be taken into account at a flat rate of 15 % of direct expenditures for personnel.

Compensation is paid through subsidies for the actual expenses of each project, taking into account the revenues and financial contributions of third parties.

The envisaged total eligible or compensable expenditure and all sources of funding for the project will be assessed prior to approval and will be set out in a project-related expenditure and financing plan that forms part of the entrustment act or grant decision.

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The eligible expenditure of each project actually realized within the framework of the previously approved expenditure and financing plan will be reviewed in the course of the examination during the project and the final audit of the proof of use.

Any overpayments that are found shall be revoked pursuant to § 49 VwVfG and reclaimed and charged interest pursuant to § 49a VwVfG in conjunction with the administrative provisions pursuant to § 44 LHO and the general ancillary provisions (ANBest-P) and special ancillary provisions of the relevant grant notice.

Transparency requirements

Not applicable as no aid was granted above the threshold.

Amount of aid granted

<u>2016</u>	<u>2017</u>
€25 063 000.00	€5 855 000.00

* aid approved in the years through grant decisions/entrustment acts

d) Social housing

No entrustments in Saxony-Anhalt

e) Support and social integration of socially weak groups

The services of general economic interest

Low-threshold language courses for foreigners funded by the European Social Fund for the 2014-2020 funding period.

Funding is provided for low-threshold language courses in which basic knowledge of the German language up to the level of GER A2 is taught in a qualified and target group-oriented manner and which concludes with a nationally recognized language examination.

The curricula of the low-threshold language courses are based on the integration courses. The low-threshold language courses begin before the integration courses within the meaning of §§ 43 et seqq. AufenthG and then possibly concluding with ESF-BAMF language courses with a vocational orientation.

The target group are foreigners living in Saxony-Anhalt, who have no or only little German language skills, who want to acquire them at a basic level, and who have no practical or formal access to integration courses.

Forms of entrustment

The service is entrusted through a grant decision pursuant to §§ 23 and 44 Landeshaushaltsordnung (Budget Ordinance).

Duration of entrustment

The projects approved during the reporting period have a duration of several months to 10 years.

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

Expenses are eligible or compensable only if they are necessary personnel and material expenses of the relevant organisations that arise directly in connection with the execution of the measure according to the real cost principle. Indirect expenditures shall be calculated in accordance with Article 67(1)(d) and (5)(d) in conjunction with

Article 68(1)(b) of Regulation (EU) No 1303/2013 with a flat rate of 15 % of direct personnel expenditures.

Compensation is in the form of a grant covering the actual expenses of the project.

The envisaged total eligible or compensable expenditure and all sources of funding for the project will be assessed prior to approval and will be set out in a project-related expenditure and financing plan that forms part of the entrustment act or grant decision.

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

The eligible expenditure of each project actually realized within the framework of the previously approved expenditure and financing plan will be reviewed in the course of the examination during the project and the final audit of the proof of use.

Any overpayments that are found shall be revoked pursuant to § 49 VwVfG and reclaimed and charged interest pursuant to § 49a VwVfG in conjunction with the administrative provisions pursuant to § 44 LHO and the general ancillary provisions (ANBest-P) and special ancillary provisions of the relevant grant notice.

Transparency requirements

Not applicable as no aid was granted above the threshold.

Amount of aid granted*

<u>2016</u>	<u>2017</u>
€0.00	€105 000.00

* aid approved in the years through grant decisions/entrustment acts

- 3) Air or sea transport to islands with an average annual volume of traffic up to the limit stipulated in Article 2(1)(d)

No entrustments in Saxony-Anhalt

- 4) Airports and maritime ports with an average annual volume of traffic up to the limit stipulated in Article 2(1)(e)

No entrustments in Saxony-Anhalt

- 5) Other compensation not exceeding an annual amount of EUR 15 million for the provision of services of general economic interest (Article 2(1)(a))

- i) Postal services

No entrustments in Saxony-Anhalt

- ii) Energy

No entrustments in Saxony-Anhalt

- iii) Refuse collection

No entrustments in Saxony-Anhalt

- iv) Water supply

The services of general economic interest

Drinking water distribution

Forms of entrustment

Entrustment act in the form of a service agreement

Municipal decision of the members of the association

Duration of entrustment

10 years

Exclusive or special rights

None

Aid instruments

Guarantees

Compensation mechanism

Funding through cost-covering fees for the provision and use of the public water supply, contributions

Measures for the prevention and repayment of overcompensation

- Control as part of the examination and audit of the annual financial statement by the auditor and the Rechnungsprüfungsamt (Audit Office)
- Revision of the rural district

Transparency requirements

No compensation of more than EUR 15 million

Amount of aid granted

<u>2016</u>	<u>2017</u>
€0.00	€0.00

v) Culture

The services of general economic interest

- Location development
- Operation of cultural institutions, particularly museums
- Organisation and implementation of cultural events
- Cooperation and positioning with or within tourism related bodies in the region, development of networks and connections to partners and multipliers
- Development and marketing of offerings on specific themes
- Tourism marketing

Forms of entrustment

- Decision of the Stadtrat (City Council)
- Approval by the general meeting of shareholders

Duration of entrustment

The services are entrusted for a 5-10 year period.

Exclusive or special rights

No exclusive or special rights

Aid instruments

- Grant
- Free transfer of personnel

Compensation mechanism

- Offsetting of all income related to the provision of public services
- Only costs directly related to the SGEI benefits are taken into account.
- If the company should in the future provide services that are not of general economic interest, it must provide evidence that the aid granted was not used to finance those services in a separate accounting.
- Compensation mechanism according to the net avoided cost method

Measures for the prevention and repayment of overcompensation

- The company must report the planned annual results in its business plan.
- The instruments for safeguarding against overcompensation must be shown in the annual financial statement. Examination standard IDW 700.
- An appropriate separate accounting must be prepared for the annual financial statement.
- Any deficits arising from services that are not SGEI may not be offset. Profits from such areas shall to be offset against eligible expenses. The Fulfilment of the SGEI must be presented appropriately in the management report.
- The principles of the Transparenzrichtlinien-Gesetz (Transparency Directives Act) must be respected.
- If the maximum compensation amount is exceeded by a maximum 10 % of the compensation total, this amount may be carried forward to the following compensation year and shall be deducted from the maximum compensation amount.
- City Council decision before the grant decision

Transparency requirements

No compensation of more than EUR 15 million

Amount of aid granted

<u>2016</u>	<u>2017</u>
€1 049 850.07	€1 516 393.49

vi) Financial services

No entrustments in Saxony-Anhalt

vii) Other economic sectors

A. Business development:

The services of general economic interest

- General information activities as a contact point for technology-oriented founders and companies who want to settle in the city and its surroundings
- Maintenance and management of technology centres; cooperation with Anhalt University of Applied Sciences
- Assumption of the responsibility for regional management
- Management of regional processes of economic development and regional development through coordination and leadership of necessary bodies
- Coordination of the regional budget and other regional support programs, and acquisition of other possible financial resources to implement regional projects
- Initiation and implementation of projects in the context of supra-regional economic promotion and regional development in coordination with the regional partners
- organisation and coordination of consultations about subsidies for small and medium-sized enterprises and start-up companies
- Representation of the economic region in regional and national committees
- Planning, organisation and implementation of key events, such as regional business

days, specialist conferences and regional conferences

- Support to shareholders in economic promotion measures that are in the overall interest of the economic region
- Location marketing, e.g. through instruments such as maintaining an internet platform with the networking of all regional players, coordination and implementation of image advertising in the form of brochures, magazines, bundling of trade fair and exhibition activities, including the acquisition of partners
- Contribution to internal marketing through the management of projects serving to create a regional identity
- Sponsorship of regional brands and support of regional brands
- Expansion and maintenance of the image as an attractive training and research location and attractive place start-up companies
- Processing of requests for new settlements, i.e. inquiries from companies looking for a suitable location
- Creation of free publications, participation in fairs or participation in the production of publicity material
- Corporate development and portfolio maintenance
- Conducting general information talks and initial consultations, in particular on public funding opportunities, ways to become commercially active and any questions regarding the use of funds
- Implementation of projects from the European Social Fund and the State of Saxony-Anhalt
- Conducting competitions and awards
- Organisation and participation in networks of industry associations and expert alliances
- Assumption of project management services for general economic topics and holidays in companies
- Participation in events to bundle business development
- Leasing of premises to micro and small enterprises that have founder status and to

companies that fit into the specific orientation of the Technology Centre.

- Initial consultation with companies relating to their founding and cooperation
- Establishing contacts
- Organisation and implementation of networking events and involvement of company founders in these networks
- Support of local companies in cooperation with universities, colleges and research institutes; promotion and networking in science and business
- Development and implementation of education projects (e.g. scientific reference libraries, student laboratories for natural scientists)

Forms of entrustment

- Entrustment act by decision of a district or municipal council
- Grant decision
- Decision

Duration of entrustment

The entrustments are for a period of five to ten years

Exclusive or special rights

No exclusive or special rights

Aid instruments

- Overhead grants/grants
- Assumption of shortfall guarantees
- Contributions to equity
- Measures to secure advantages, having the character of compensation
- Staffing allocations

Compensation mechanism

- Annual economic planning with forecast grant requirements
- Submission of audited financial statement

- Annual Aid Report containing proof of public service obligations and use of funds
- The amount of the credit or loan results is derived from the estimate in the company's relevant economic plan.
- The separate accounting is based on cost accounting principles.
- In the case of future activities of non-general economic interest, the accounts must be managed separated by the accounting department (separate accounting).
- Offset mechanisms according to the cost allocation methodology
- Retention of all documents for a period of at least 10 years

Measures for the prevention and repayment of overcompensation

- Compensation payments may not exceed what is required to cover the costs incurred.
- In preparing the annual accounts, funds beyond what is necessary for the provision of SGEI shall be reclaimed.
- If the maximum compensation amount is exceeded by a maximum 10 % of the compensation total, this amount may be carried forward to the subsequent compensation year and deducted from the maximum compensation amount.
- Proof of use by an auditor

Transparency requirements

No compensation of more than EUR 15 million

Amount of aid granted

<u>2016</u>	<u>2017</u>
€1 651 073.04	1 802 999.75

B Tourism

The services of general economic interest

- Implementation of general urban marketing and tourism and cultural promotion measures, including: Development, organisation and realization of events serving this purpose.

- Conducting general projects and commercial marketing measures including the design, organisation and execution of events serving this purpose.
- Development and implementation of holistic image and location advertising as well as location marketing
- Support of marketing activities of existing industrial and commercial premises and supporting the acquisition of investors through advertising
- Coordination of existing tourism and cultural operators and tourism and cultural institutions
- Further development of the holistic tourism concept and implementation of resulting projects and measures
- Participation in institutions, associations and working groups for the purposes of economic, tourism and cultural promotion
- Carrying out other measures to promote public service obligations.
- Promotion of regional, sustainable production of food and handicraft products, e.g. through quality awards

Forms of entrustment

- Entrustment act
- Grant decision

Duration of entrustment

The period of entrustment is limited to a maximum of 10 years.

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

- Preparation of a business plan in which the need for subsidy is forecast. The use of funds must be demonstrated by the submission of an audited financial statement.
- Compensation services of non-general economic interest is not permitted.

- Insofar as services of a non-general economic interest are performed, it must be demonstrated by means of a separate accounting statement in accordance with the Transparency Directives Act that the compensation payments made by the shareholder have not been used to finance them. Profits must be offset against compensable expenses.
- All documents relating to the proof of compliance of the compensation payments with the Exemption Decision shall be kept for a period of at least 10 years.
- Compensation mechanism according to the cost allocation methodology

Measures for the prevention and repayment of overcompensation

- Compensation for costs incurred in carrying out public service obligations may not exceed their costs, taking into account the revenue generated and an appropriate rate of return.
- At the end of the financial year and as part of the preparation of the annual accounts, funds exceeding what is necessary for the provision of the SGEI shall be returned to the municipal shareholder.
- Only 10 % of the compensation total may be transferred to the following financial year.
- In addition, the company shall submit an annual aid report detailing the Fulfilment of public service obligations and proving the use of the funds.

Transparency requirements

Not given, as the compensation does not exceed EUR 15 million.

Amount of aid granted

<u>2016</u>	<u>2017</u>
€537 580.01	€1 347 295.96

C. Broadband supply

The services of general economic interest

- Planning and construction of a passive broadband infrastructure
- Operator search and subsequent rental of the broadband infrastructure – in the context of white spots

Forms of entrustment

Entrustment act as grant decision

Duration of entrustment

The entrustments are for a period of ten years.

Exclusive or special rights

None

Aid instruments

Operating grants

Compensation mechanism

- The compensation covers at most the net cost of fulfilling the tasks.
- Compensation payments may not exceed what is required to cover the costs incurred, taking into account the revenue generated.

Measures for the prevention and repayment of overcompensation

- After the end of the financial year, proof of the use of funds shall be provided as part of the annual financial statement.
- If overcompensation results, the excess amount must be reclaimed.

Transparency requirements

None

Amount of aid granted

<u>2016</u>	<u>2017</u>
€0.00	€267 407.07

D. Operation of public baths

The services of general economic interest

- Operation of a sports and recreational pool for use of schools and club sports and the public, as well as for promoting tourism and infrastructure.
- Outdoor pool, swimming pool

Forms of entrustment

- Entrustment act on the basis of a municipal council decision as a grant decision
- Entrustment by city council decision

Duration of entrustment

10 years and also 30 years. The entrustment period of 30 years is based on the depreciation period of the fixed assets, since significant parts of the newly constructed and low-volume subsidized construction have a minimum useful life of 30 years (pure acquisition values of around €12 million) according to the official tables of useful life (depreciation tables)). Share of entrustments for “other economic activities”: 4 %

Exclusive or special rights

None

Aid instruments

- Grants
- Guarantee
- Expense subsidies

Compensation mechanism

- The amount of the grant is calculated as the difference between the costs incurred in fulfilling the public service obligation and the revenue generated.
- All income generated by SGEI services must be deducted.
- Only costs directly related to SGEI benefits may be taken into account.

Measures for the prevention and repayment of overcompensation

Billing upon presentation of the audited financial statement

Transparency requirements

None

Amount of aid granted

<u>2016</u>	<u>2017</u>
€1 078 217.99	€821 533.73

E Education

The services of general economic interest

- Delivery of adult education courses
- Instrumental and music theory education for interested children, youths and adults in the music schools, as well as participation in and execution of cultural events and concerts
- Introduction to art and culture through the presentation of temporary exhibitions of contemporary art by amateur and professional artists as well as concerts and other cultural events

Forms of entrustment

Entrustment act through a Kreistagsbeschluss (district council decision)

Duration of entrustment

The entrustment is for a period of ten years.

Exclusive or special rights

No exclusive or special rights

Aid instruments

- Grants
- Free provision of premises with the exception of operating costs and cost allocations

Compensation mechanism

- The expected need for subsidy must be forecast in the business plan.
- Any shortfalls arising from services of the company that are not of general economic interest may not be offset.
- Profits from such areas shall to be offset against eligible expenses.
- To the extent that services are provided which are not of general economic interest, the company must provide evidence, in the context of a separate accounting, that the granted compensation was not used to finance those services.
- The company shall show its compliance with these requirements annually after the end of the business plan.
- All documents must be retained for a period of at least 10 years

Compensation mechanism

In accordance with the cost allocation methodology

Measures for the prevention and repayment of overcompensation

- In preparing the annual accounts, funds used that go beyond what is necessary for the provision of SGEI shall be returned to the rural district.
- If the maximum compensation amount is exceeded by a maximum 10 % of the compensation total, this amount may be carried forward to the subsequent compensation year and deducted from the maximum compensation.

Transparency requirements

No compensation of more than EUR 15 million

Amount of aid granted

<u>2016</u>	<u>2017</u>
€2 263 117.80	€2 267 217.80

F. Other social services

The services of general economic interest

School-related school social work as a service for child and youth welfare in the form of counselling, aid and support for pupils

Forms of entrustment

Entrustment act through a Kreistagsbeschluss (district council decision)

Duration of entrustment

The entrustment is for a maximum period of 10 years.

Exclusive or special rights

No exclusive or special rights

Aid instruments

Grants

Compensation mechanism

- The compensation shall not exceed what is necessary to cover the net cost of fulfilling the public service obligations (limited to an annual amount of no more than EUR 1 million (gross)).
- The costs associated with the provision of the public services in question must be shown separately from all other activities.
- Costs that are not related to the public service obligations may not be compensated.
- Retention of all documents for a period of at least 10 years
- Compensation mechanism according to the cost allocation methodology

Measures for the prevention and repayment of overcompensation

- The funds of the previous month will be requested on the 15th day of the following month.
- At the end of each financial year, providing of proof of the use of the compensation granted on the basis of the annual financial statement in compliance with the requirements of the Transparency Directives Act.
- Annual Aid Report containing proof of public service obligations and use of funds

- If the maximum compensation amount is exceeded by a maximum 10 % of the compensation total, this amount may be carried forward to the subsequent compensation year and deducted from the maximum compensation amount.

Transparency requirements

No compensation of more than EUR 15 million

Amount of aid granted

<u>2016</u>	<u>2017</u>
€681 580.57	€681 946.52

G. Studentenwerk (student union)

The services of general economic interest

Assumption of student catering. There is a complete market failure with respect to these services. No third party is offering comparable services. The Studentenwerk offers coverage from 300 to more than 1,000 diners per day during a period of up to three hours, depending on the location, with each diner spending an average time of 20 to 30 minutes. The universities specify this in the design of their courses of study. At the same time, the organisation of study programs involving lecture time and lecture-free time results in considerably different quantitative usage requirements, so that a number of institutions are partially or completely closed during the lecture-free period.

In addition, the student union offers a range of social, health, cultural and sports activities.

Forms of entrustment

The service is entrusted by a grant decision

The Land's financial support has not yet been decided. Duration of entrustment

The entrustment is for a period of 10 years.

Exclusive or special rights

None

Aid instruments

Grant

Compensation mechanism

The grant does not go beyond what is necessary to cover the net cost of providing the above-defined SGEI. The net cost is the difference between all costs incurred in connection with the provision of an SGEI, calculated in accordance with generally accepted accounting standards, including the proportionate overheads and a reasonable profit on the one hand, and the income generated by the SGEI on the other.

Decisive for the demarcation between the eligible net costs and other costs of the Studentenwerk is the separate accounting pursuant to this decision.

As is customary in the sector, it is based on the 12.5 % consumer price index for the food industry in January 2016. The beneficiary records expenditures and income internally, on the one hand for the SGEI for which they are responsible, and on the other for each additional activity internally in separate cost centres (separate accounting). All expenditures and income must be allocated to an area according to objectively justified and uniformly applied cost accounting principles. The underlying cost accounting principles must be clearly defined. The beneficiary must keep records of the allocation of income and expenses to each area and the cost accounting principles used, in particular the rules for coding expenditures and income, costs and revenues.

Measures for the prevention and repayment of overcompensation

An annual proof of use shall be prepared by the beneficiary and sent to the grant authority no later than 30 June of the following financial year. The proof of use shall consist of the audited annual financial statement and a segment accounting for the SGEI catering facilities. If the grant authority's examination of the proper use of the remuneration paid to the beneficiary shows that the revenue of the beneficiary exceeds the net cost plus a reasonable profit (overcompensation), the grant authority shall request the beneficiary to repay the excess amount at the same time as it communicates the results of the audit. A separate legal decision shall be adopted for this purpose.

This shall not apply if the overcompensation amounts to a maximum of up to 10 % of the compensable amount. In this case, the overdue amount will be credited towards the next financial year at the discretion of the grant authority. A separate decision shall be

adopted for this purpose.

Transparency requirements

No compensation of more than EUR 15 million

Amount of aid granted

<u>2016</u>	<u>2017</u>
€0.00	€2 150 000.00

3. Description of the application of the SGEI framework of 2012

To date, no measures have been approved by the Commission under the SGEI 2012 framework.

4. Third party complaints

None

5. Other issues

None

Schleswig-Holstein

1. Overview of expenditures

2016: €164 408 821.00

2017: €161 621 627.00

2. Description of the application of the SGEI Decision of 2012

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

The services of general economic interest

Specialized hospital; emergency care; university hospital with special tasks (judicial autopsies, public health service providers)

Forms of entrustment

Entrustment act; Hochschulgesetz (Higher Education Law)

Duration of entrustment

max. 10 years; unlimited

Exclusive or special rights

./.

Aid instruments

Grant; guarantees; operating loans

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Separate accounting; final examination; accountant's certificate; repayment if necessary

Transparency requirements

...

Amount of aid granted

2016 €131 786 321

2017 €127 682 870

2) Social services (Article 2(1)(c))

a) Health services and long-term care

The services of general economic interest

Provision of inpatient beds

Forms of entrustment

Entrustment act, in the future de minimis.

Duration of entrustment

unlimited

Exclusive or special rights

./.

Aid instruments

Grant

Compensation mechanism

Acceptance of annual accounts

Measures for the prevention and repayment of overcompensation

Repayment, if necessary

Transparency requirements

...

Amount of aid granted

2016 €10 290

2017 €10 290

b) Childcare

The services of general economic interest

Care of children in day-care centres in accordance with the KiTaG

Forms of entrustment

Provisions of individual contracts with the relevant grant authority/grant authority contracts

Duration of entrustment

Long-term or 25-year contracts; 12-month notice period as of 31 July or 31 December of each year

Exclusive or special rights

./.

Aid instruments

To the extent that deficit financing has been agreed, a grant will be given relating to the actual revenue and expenditures incurred.

Insofar as the credit transfer system is agreed, a guarantee will be for the investigation and determination of the transfer values

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

In case of deficit financing: Proof of expenses by the institution vis-à-vis the municipality; establishment of a joint board of trustees; advisory board

In case of a credit transfer system: Calculation of the credit transfer points or the score based on averages of several facilities; inspection rights of the municipalities

Transparency requirements

...

Amount of aid granted

2016: €1 592 100

2017: €1 767 823

c) Access to and reintegration into the labour market

The services of general economic interest

Regional training, community college

Forms of entrustment

Act of entrustment by council meeting

Duration of entrustment

Annually, in the municipal economic plan

Exclusive or special rights

./.

Aid instruments

Deficit compensation

Compensation mechanism

Cost recovery according to economic plan

Measures for the prevention and repayment of overcompensation

Annual financial statement, possible repayments

Transparency requirements

...

Amount of aid granted

2016 €379 000

2017 €370 000

d) Social housing

The services of general economic interest

Operation of a senior citizen housing in the framework of social housing construction

Forms of entrustment

Entrustment act

Duration of entrustment

unlimited

Exclusive or special rights

./.

Aid instruments

Guarantee without guarantee interest

Compensation mechanism

Annual financial statement

Measures for the prevention and repayment of overcompensation

Annual financial statement

Transparency requirements

./.

Amount of aid granted

2016 €30 000

2017 €30 000

e) Support and social integration of socially weak groups

The services of general economic interest

Promotion of child and youth welfare as well as education (in youth hostels) according to §§ 2(2)(1), 4, 7(1), 11, 74(1) and 6 SGB VIII

Forms of entrustment

Grant decision/entrustment act of 6.12.2017 within the meaning of the Exemption Decision

Duration of entrustment

25 years

Exclusive or special rights

n/a

Aid instruments

Investment subsidy

Compensation mechanism

Sample calculation to determine net costs according to SGEI

Measures for the prevention and repayment of overcompensation

Separate accounting, annual documentation, examinations by the grant authority every three years

Transparency requirements

./.

Amount of aid granted

€486 619.00

e) Care and social inclusion of socially disadvantaged groups

The services of general economic interest

Counselling and education offers,

- that address the needs, interests and experiences of children, youth, young adults and families in different life and educational situations and taking into account different forms of home life,
- that prepare young people for marriage, partnership and life with children.
- that promotes harmonious living together in the family,
- that strengthens and supports the responsibility of the family in the education and development of children,
- that helps to develop individual and general solutions to problems associated with different life situations of children, youth, young adults and families.
- The transfer of knowledge combined with appropriate practical exercises on human sexuality and sex education, in particular on the topics of feelings, love, sexuality, eroticism, sexual self-determination, partnership, gender roles, sexual orientation, sexual practices, sexuality and violence, pornography, sexually transmitted diseases, sexual hygiene, contraception, pregnancy, education and responsibility, desire and physical satisfaction.
- on approaches to sexuality and partnership in the media.

These offerings and measures are therefore of particular importance for the development of the personality of the inhabitants and for a functioning democratic community (= public service obligation).

Forms of entrustment

Entrustment act

Duration of entrustment

Annually

Exclusive or special rights

./.

Aid instruments

Non-repayable grants in the form of shortfall financing.

Compensation mechanism

Proof of the separately booked proportionate expenditures according to the beneficiary's separate accounting/cost centre accounting

Measures for the prevention and repayment of overcompensation

Proof of use

Transparency requirements

./.

Amount of aid granted

EUR 170 000 per year

- 3) Air or sea transport to islands with an average annual volume of traffic up to the limit stipulated in Article 2(1)(d)

./.

- 4) Airports and maritime ports with an average annual volume of traffic up to the limit stipulated in Article 2(1)(e)

The services of general economic interest

Promotion of aviation, air sports, regional accessibility

Forms of entrustment

Grant decision

Duration of entrustment annual approval

Exclusive or special rights

./

Aid instruments

Grant

Compensation mechanism

Billing after annual financial statement according to grant guidelines

Measures for the prevention and repayment of overcompensation

Billing after annual financial statement according to grant guidelines

Transparency requirements

...

Amount of aid granted

2016 €500 000

2017 €435 000 (preliminary data)

5) Other compensation not exceeding an annual amount of EUR 15 million for the provision of services of general economic interest (Article 2(1)(a))

i) Postal services

./.

ii) Energy

./.

iii) Refuse collection

./.

iv) Water supply

./.

v) Culture

The services of general economic interest

District music school; Culture and Communication Centre; cultural promotion of several sectors

Forms of entrustment

Entrustment act; grant contract; council decision

Duration of entrustment

three years to unlimited

Exclusive or special rights

./.

Aid instruments

Shortfall compensation; grant

Compensation mechanism

Council decision based on economic and budget plan

Measures for the prevention and repayment of overcompensation

Separate accounting; financial statement; if necessary, repayment obligation

Transparency requirements

...

Amount of aid granted

2016 €15 836 553

2017 €16 365 900

vi) Financial services

./.

vii) Other economic sectors

The services of general economic interest

Public bathing facilities

Forms of entrustment

Entrustment act by the grant authority-municipality/articles of association

Duration of entrustment

10 years

Exclusive or special rights

In one case: exclusive right to operate an indoor swimming pool

Aid instruments

Deficit compensation

Compensation mechanism

Measures to prevent and repay overcompensation

Measures for the prevention and repayment of overcompensation

Audit within the scope of the financial statement

Transparency requirements

./.

Amount of aid granted

2016: €2 191 000

2017: €2 550 000

vii) Other economic sectors

The services of general economic interest

Tourism promotion and marketing

Forms of entrustment

Entrustment act by the grant authority-municipality/articles of association

Duration of entrustment

Periodically up to 10 years

Exclusive or special rights

./.

Aid instruments

Shortfall compensation, grant, membership contribution

Compensation mechanism

various, normally cost allocation

Measures for the prevention and repayment of overcompensation

Audit within the scope of the financial statement

Transparency requirements

./.

Amount of aid granted

2016: €7 685 892

2017: €7 430 167

vii) Other economic sectors

The services of general economic interest

Economic promotion/city and regional marketing, operation of technology and incubator centres, local networking, funding counselling

Forms of entrustment

Entrustment act by the grant authority municipality/articles of association, district council decision

Duration of entrustment

Periodically up to 10 years

Exclusive or special rights

./.

Aid instruments

Deficit compensation

Compensation mechanism

Cost allocation

Measures for the prevention and repayment of overcompensation

Audit within the scope of the financial statement

Transparency requirements

./.

Amount of aid granted

2016: €1 368 390

2017: €1 529 501

vii) Other economic sectors

The services of general economic interest

Local event management as a local infrastructure

Forms of entrustment

Entrustment act by the grant authority-municipality/articles of association

Duration of entrustment

50 years

Exclusive or special rights

./.

Aid instruments

Grant

Compensation mechanism

Cost/benefit actual comparison

Measures for the prevention and repayment of overcompensation

Review as part of the annual financial statement, credit or repayment (10 % threshold)

Transparency requirements

./.

Amount of aid granted

2016: €2 293 130

2017: €2 133 670

vii) Other economic sectors

The services of general economic interest

Preservation of local rail connection

Forms of entrustment

Municipal entrustment act

Duration of entrustment

Annually

Exclusive or special rights

./.

Aid instruments

Shortfall compensation acc. to articles of association

Compensation mechanism

Measures for the prevention and repayment of overcompensation

Audit within the scope of the financial reporting

Transparency requirements

./.

Amount of aid granted

2016: €1 145

2017: €53 787

vii) Other economic sectors

The services of general economic interest

Operation of a science centre

Forms of entrustment

Decision

Duration of entrustment

Annually, forecast > 10 years

Exclusive or special rights

./.

Aid instruments

Grant

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Billing after annual financial statement according to grant guidelines

Transparency requirements

./.

Amount of aid granted

2016: €0

2017: €26 000

vii) Other economic sectors

The services of general economic interest

Improvement of the economic, social, ecological, qualification and spatial structure of the State Capital Kiel

Forms of entrustment

Decision

Duration of entrustment

Annual approval; expected duration > 10 years

Exclusive or special rights

./.

Aid instruments

Grant

Compensation mechanism

Cost allocation methodology

Measures for the prevention and repayment of overcompensation

Billing after annual financial statement according to grant guidelines

Transparency requirements

./.

Amount of aid granted

2016: €565 000

2017: €580 000

3. Description of the application of the SGEI framework of 2012

To date, no measures have been approved by the Commission under the SGEI 2012 framework.

4. Third party complaints

./.

5. Other issues

./.

Free State of Thuringia

1. Overview of expenditures

Activity	2016	2017
Hospitals	€91 266 456.00	€107 064 705.00
Social housing	---	€1 700 000.00
Access to and reintegration into the labour market	€11 441 812.97	€10 211 629.32
Other economic sectors: Tourism	€7 208 500.00	€8 394 503.00

2. Description of the application of the SGEI Decision of 2012

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

The services of general economic interest

The Universitätsklinikum Jena (University Hospital Jena) is organized according to the integration model. This means that the tasks in research, teaching and health care in an organisational unit are closely linked.

The exact tasks of the University Hospital Jena are defined in § 91(2) ThürHG (Thüringenhochschulgesetz, Thuringia Higher Education Law) (in the version of the Notice of 13 September 2016) “*The University Hospital Jena is responsible for the cultivation of science in research and teaching including student education; it undertakes related tasks in health care. It is also responsible for the education and training of physicians, dentists, other scientific staff and non-medical health professionals.*”

Forms of entrustment

The entrustment is based on § 94(2) ThürHG (in the version of the Notice of 13 September 2016). The tasks in patient care are accordingly oriented to the tasks in research and teaching, including student training.

Duration of entrustment

The entrustment of the Universitätsmedizin (University Medical Centre) with tasks in the patient care has been ongoing in this form since 1.1.2007 and is not limited in time.

Exclusive or special rights

For the scientific staff working at University Hospital Jena, the fulfilment of the tasks in research and teaching is ensured within the framework of the constitutionally guaranteed freedom of scholarship.

Aid instruments

The financing of the University Hospital Jena is regulated in § 94(1) ThürHG (in the version of the Notice of 13 September 2016).

“The University Hospital Jena covers its expenditures in the health care system through the fees agreed or fixed for its services and by other operating revenues. In addition, in accordance with the state budget, the Land grants funds for research and teaching.... Investments shall be promoted by the Land at the request of the developer in accordance with the statutory budgetary provisions.”

Pursuant to § 94(4) ThürHG (in the version of the Notice of 13 September 2016) the University Hospital Jena may accept cash advances to fulfil existing payment obligations that are not covered by current income. In addition, loans can be contracted to finance investments. The total amount of all loans may not exceed two-thirds of the operating income reported in the most recently audited annual financial statement.

Pursuant to § 98(2) of the ThürHG (in the version of the Notice of 13 September 2016), the board of directors, which includes the minister responsible for higher education and the minister responsible for finance or a representative appointed for the minister's term of office, shall decide on borrowings according to the criteria in the basic statutes.

According to § 91(5) ThürHG (in the version of the Notice of 13 September 2016), the Land of Thuringia bears unlimited responsibility for the liabilities of the University Hospital Jena if and to the extent that the assets of the University Hospital Jena are insufficient to satisfy its debts (guarantor liability)

Compensation mechanism

The question regarding the compensation mechanism is not applicable.

The calculation is regulated as follows in § 94(3) ThürHG (in the version of the Notice of 13 September 2016):

“...Before the start of each financial year, at the latest by 1 December, a business plan shall be prepared consisting of separate financial and success plans for research and teaching on the one hand, and health care on the other hand...”

Measures for the prevention and repayment of overcompensation

Pursuant to § 94(6) ThürHG (in the version of the Notice of 13 September 2016) the University Hospital Jena shall carry out separate accounting of the state grant for research and education in order to establish proof of use and to avoid any impermissible cross-subsidy of hospital operations from funds for non-economic activities (research and teaching). This shall be part of the audited financial statement.

Transparency requirements

Publications about the Land budget: http://www.thueringen.de/mam/th5/tfm/haushalt/07_bp.pdf

Amount of aid granted

2016	2017
Legal basis, see above	Land grant for ongoing expenditures in research and teaching pursuant to § 94(1), second sentence ThürHG:
Land grant for ongoing expenditures in research and teaching pursuant to § 94(1), second sentence ThürHG:	€78 013 300
€75 741 000	Grants for investments of the University Hospital Jena pursuant to § 94(1), fourth sentence ThürHG:
Grants for investments of the University Hospital Jena pursuant to § 94(1), fourth sentence ThürHG:	€9 000 000
€9 000 000	Other grants for ongoing purposes (project funding)
Other grants for ongoing purposes (project funding)	€1 115 800
€735 300	Land grant for interest and repayment of construction in the 2nd construction phase of the UHJ (see § 94(1), fourth sentence ThürHG):
Land grant for interest and repayment of construction in the 2nd construction phase of the UHJ (see § 94(1), fourth sentence ThürHG):	€17 493 069
€4 819 826	Support pursuant to Article 143c GG (Grundgesetz, German Basic Law) and Article 91b GG, EFRE and project funding TMWWDG:
Support pursuant to Article 143c GG (Grundgesetz, German Basic Law) and Article 91b GG, EFRE and project funding TMWWDG:	€2 442 536
€970 330	

2) Social services (Article 2(1)(c))

a) Health services and long-term care

n/a

b) Childcare

n/a

c) Access to and reintegration into the labour market

The services of general economic interest

The SGEI Exemption Decision (OJ L 7, 11.1.2012, p. 3) covers areas of state aids that may be considered SGEI. Pursuant to Article 2(1)(c), compensation for reintegration into the labour market is within the meaning of services of general economic interest.

The “Richtlinie zur Förderung der Wiederherstellung und Verbesserung der Beschäftigungsfähigkeit durch Maßnahmen der sozialen und beruflichen Integration (Integrationsrichtlinie)” (Guidelines on Support to Restore and Improve Employability through Social and Professional Integration Measures) (Thüringer Staatsanzeiger (Thuringia Official Gazette) No. 42/2014 of 20.10.2014, as amended by No. 35/2015 of 31.8.2015) contains services defined as SGEI.

The Integration Guidelines are situated in Priority Axis B, Förderung der sozialen Inklusion und Bekämpfung von Armut und jeglicher Diskriminierung im Rahmen des Operationellen Programms Europäischer Sozialfonds 2014 bis 2020 im Freistaat Thüringen (Support to Social Inclusion and the Fight against Poverty and Discrimination in the Framework of the European Social Fund Operational Programme 2014 to 2020 in the Free State of Thuringia), situated in Investment Priority 1.

It contains the following three aid instruments for reintegration in the labour market: Subparagraph 2.1 supports projects assisting the reintegration of individuals. At this time, this includes 24 regional projects in all rural and urban districts of Thuringia. Subparagraph 2.2 covers projects relating to professional qualifications to strengthen the employability of the participants, and to increase their adaptability to social, technical and economic change (professional qualifications measures with social-pedagogical counselling). Subparagraph 2.3 covers professional integration projects to improve equal opportunities and projects for the reconciliation of family and work life, and projects trialling or supporting social and occupational integration.

The beneficiaries of the grants under the Integration Guidelines are the project managers.

The projects that are usually supported under the Integration Guidelines are thus services of general economic interest within the scope of Article 2(1)(c) of the SGEI Decision which are intended to facilitate access to and reintegration into the labour market.

Thus, their funding is a state aid that is considered compatible with the common market and is not subject to notification pursuant to Article 108(3) TFEU.

Forms of entrustment

Article 4 of the SGEI Decision stipulates that SGEI must be provided through one or more entrustment acts.

The following forms of entrustment are used for services defined as SGEI under the Integration Guidelines:

Subject and duration of the public service obligation (Article 4(a)) are specified in the grant decision (administrative act), particularly with reference to the description of the project and the determination of the decision approving the aid.

The undertaking and the area concerned (Article 4(b)) are determined on the basis of the Guidelines and the beneficiary.

The description of the compensation mechanism and the parameters for calculating, monitoring and changing the compensation (Article 4(d)) are specified in the grant decision with reference to the ANBest-P (Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung, General Ancillary Provisions on Grants for Project Funding) (particularly subparagraphs 1.2 and 2.1 ANBest-P), and in requirements and inspection and audit rights. They are implemented accordingly.

This also applies to measures for the prevention and recovery of overcompensation payments (Article 4(e)), while the grant decision generally contains ancillary provisions on the retrieval, disbursement and use of grants.

Finally, there is reference to the SGEI Decision in the grant decision pursuant to Article 4(f).

Duration of entrustment

No entrustments of more than 10 years have been granted in the context of the Integration Guidelines. The reason is that project funding is limited to the duration of the project. So far, five ESF (European Social Fund) funding periods have been implemented in Thuringia. None of the five funding periods ran for more than seven years.

Exclusive or special rights

None

Aid instruments

Support under the Integration Guidelines is provided in the form of project funding through a non-repayable grant. Eligible expenditures are funded through co-financing. The amount of the grant from the European Social Fund usually is up to 80 % of the total eligible expenditure.

Compensation mechanism

The compensation is calculated in consideration of the ANBest-P pursuant to Article 5 of the SGEI Decision. The typical compensation mechanisms are calculated with the net avoided cost method.

The provisions governing the calculation of the reasonable profit pursuant to Article 5(6) are generally not binding, as the beneficiaries do not make any profits and any revenues are already taken into account in the amount of the grant.

Measures for the prevention and repayment of overcompensation

The control of overcompensation pursuant to Article 6 SGEI Decision takes the form of controls of the interim, total and mid-year examinations of the use made of the funds as well as onsite controls (Article 6(1)). In the event of deviations, recovery claims are made pursuant to §§ 48, 49 and 49a ThürVwVfG (Thüringer Verwaltungsverfahrensgesetz, Thuringer Administrative Procedure Act). Regulation (EU) No 1303/2013 expressly provides for the use of simplified cost options or standard unit costs.

Transparency requirements

n/a — No compensation of more than EUR 15 million granted to companies that perform other services that are outside the scope of the services of general economic interest.

Should such compensation payments be made in the future, a notice of the entrustment act or a summary of the information specified in Article 4 or the annual amount of aid will be published in the internet or in another appropriate way.

Amount of aid granted

2016	2017
€11 441 812.97	€10 211 629.32

...

d) Social housing**The services of general economic interest**

Provision, operation and maintenance of student housing.

The Studierendenwerk Thüringen provides support and encouragement to students at the Land institutions of higher education, including by providing housing that is designed to meet the temporal and spatial needs of students. The housing is provided for low rents that enables low-income students and/or those who are not from Germany to live in appropriate and affordable housing. These students in particular face difficulties in their search for appropriate housing on the open market

Forms of entrustment

Entrustment act: Studierendenwerk Thuringia receives grant decisions for the conversion, rehabilitation or construction of student housing that is connected to the attached entrustment act (annex).

Duration of entrustment

The duration of the entrustment (entrustment period) corresponds to the period of the appropriation of each grant. The Studierendenwerk Thuringia shall provide the funded objects for student housing for at least a 30-year period.

Exclusive or special rights

Studierendenwerk Thuringia generally is not granted any exclusive or special rights.

Aid instruments

Grant in the form of co-financing (i.e. pro rata funding of investments in buildings for the creation and rehabilitation of student housing).

Compensation mechanism

Compensation payments shall be made pro rata in relation to the costs or expenditures incurred by the Studierendenwerk Thuringia in carrying out the tasks described above. The grant does not exceed what is required to cover a pro rata share of net costs arising from providing the tasks defined above.

Measures for the prevention and repayment of overcompensation

Regular controls, especially examining the proper use of the compensation/grant awarded to the Studierendenwerk Thuringia.

Transparency requirements

n/a — the aid does not exceed €15 million.

Amount of aid granted

Total amount 2017: €1.7 million, more specifically:

Rehabilitation of the student dormitory Jakobsplan 1, Weimar: €1.0 million

Remodelling/rehabilitation of student residential building, Schlegelstraße 4, Jena: €0.7 million

e) Support and social integration of socially weak groups

n/a

3) Air or sea transport to islands with an average annual volume of traffic up to the limit stipulated in Article 2(1)(d)

n/a

4) Airports and maritime ports with an average annual volume of traffic up to the limit stipulated in Article 2(1)(e)

n/a

5) Other compensation not exceeding an annual amount of EUR 15 million for the provision of services of general economic interest (Article 2(1)(a))

i) Postal services

n/a

ii) Energy

n/a

iii) Refuse collection

n/a

iv) Water supply

n/a

v) Culture

n/a

vi) Financial services

n/a

vii) Other economic sectors: Tourism

The services of general economic interest

Provision of compensation for organisations that carry out tasks in support of tourism and tourism marketing.

Forms of entrustment

Entrustment act, entrustment within the framework of grant decisions

Duration of entrustment

Between one and six years

Exclusive or special rights

None

Aid instruments

Grants

Compensation mechanism

The amount of compensation is calculated on the basis of actually incurred costs and revenues received according to the cost allocation methodology.

Measures for the prevention and repayment of overcompensation

Overcompensation is controlled within the scope of the proof of use control. In the event of overcompensation, a claim for repayment shall be made pursuant to administrative procedure law.

Transparency requirements

n/a — the aid does not exceed €15 million.

Amount of aid granted

Compensation for the provision of services of general economic interest under the SGEI Decision is provided to the following institutions in the amount stated:

	2016	2017
Thüringer Tourismus GmbH	€6 279 500	€7 388 233
Regionalverbund Thüringer Wald e. V.	€440 000	€440 000
Tourismusverband Vogtland e. V.	€100 000	€100 000
Thüringer Tourismusverband Jena-Saale-Holzland e. V.	€389 000	€296 500
Harzer Tourismusverband e. V.	-	€70 000
Rhön GmbH	-	€75 000
Weimar GmbH	-	€24 770
Total	€7 208 500	€8 394 503

3. Description of the application of the SGEI framework of 2012

To date, no measures have been approved by the Commission under the SGEI 2012 framework.

4. Third party complaints

None

5. Other issues

None

Communication of 20 May 2016 from the German Government to the European Commission

Subject: HT.2807 – Services of general economic interest: Reporting in accordance with the SGEI Decision of 2012 and the SGEI Framework of 2012

Reference: Letter from the European Commission of 8.2.2018

On the basis of the information provided by the German authorities, the Federal Government hereby submits a report for the years 2016 and 2017 according to Article 9 of the 2012 SGEI Decision and paragraph 62 of the 2012 SGEI Framework.

For aid granted by the Länder and municipalities, reference is made to the annexes, with the exception of social housing (see below). The following information relates to the Bund (Federal Government) (with the exception of social housing).

1. Overview of expenditures

In 2016, according to the information available, aid on the basis of the SGEI Decision totalled approx. EUR 978 million, and in 2017 it totalled approx. EUR 1 131 million.

Regarding the SGEI framework, reference is made to the annexes relating to the Nationale Naturerbe (National Natural Heritage) and the major nature conservation projects.

2. Description of the application of the SGEI Decision of 2012

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

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

2) Social services (Article 2(1)(c))

a) Health services and long-term care

Innovation Funds for the support of new types of care

(Bundesministerium für Gesundheit, Federal Ministry of Health)

The services of general economic interest

On 23 July 2015, the key parts of the Gesetz zur Stärkung der Versorgung in der gesetzlichen Krankenversicherung (Act on Strengthening Health Care Insurance) (GKV-Versorgungsstärkungsgesetz, GKV-Strengthened Healthcare Law) came into force. The law aims to ensure that high-quality, easily accessible medical care continues to be available in the future. The Innovation Fund was created to implement this goal. Within the framework of the Innovation Fund, projects are to be promoted that break new ground in care and thus contribute to the qualitative further development of the provision of statutory health insurance in Germany.

With the GKV-Versorgungsstärkungsgesetz (Strengthened Healthcare Law), the Joint Federal Committee (G-BA) received the mandate to promote new forms of care that go beyond existing standard care, and to promote health care research projects aimed at gaining insight into how to improve existing care through statutory health insurance (§ 92a(1) and (2) SGB V).

An innovation committee has been set up in the G-BA to implement the funding (§ 92b(1), first sentence SGB V). The Innovation Committee sets out the priorities and criteria for the promotion of projects on new forms of care (§ 92a (1) SGB V) and on health services research (§ 92a (2) SGB V) in funding announcements. Furthermore, the Innovation Committee decides on the applications for funding (§ 92b(2), first and second sentences SGB V).

During 2016 to 2019, funding of €300 million will be available each year, of which €225 million will be used to support new forms of care. The funds are provided in equal parts by the Gesundheitsfonds (Health Fund) (liquidity reserve) and the health insurance companies participating in risk structure compensation (§ 92a(4), first sentence SGB V). The Bundesversicherungsamt (Federal Insurance Office) collects and manages the funds and pays them out on the basis of the decisions of the Innovation Committee (§ 92a(4), second sentence SGB V).

The implementation of the funding started in 2016 with the publication of funding announcements, decisions of the Innovation Committee and the approval of projects. The projects funded by the Innovation Committee in the area of new forms of care are making a contribution to the further development of care in statutory health insurance. These are projects which, according to § 92a(1), second sentence SGB V, aim to improve cross-sectoral care. Funding is provided subject to scientific monitoring and evaluation of the possibility of its permanent incorporation into the care system (§ 92a(1), third sentence SGB V).

It can be assumed that the statutory health insurance companies and service providers, as well as possible other participants involved in a project funded by the Innovation Committee in the field of new forms of care, will not, or will not receive equal resources for a further development of care by the statutory health insurance.

Forms of entrustment

The projects are entrusted in the funding decision (see sample in annex). In the case of a transfer of portions of the support, the correspondingly marked binding provisions also apply to all consortium partners (last beneficiaries). In addition, an on-lending contract under private law must be concluded between the consortium leader (first funding recipient) and each consortium partner, according to which the binding nature of the funding decision also applies to the consortium partner (see annex). The funding decision in this respect entrusts all the beneficiaries of the funding with the provision of SGEI.

Duration of entrustment

The entrustment period (= project duration) is usually three years. Deviations result from the relevant project application. The maximum entrustment period is four years (§ 92a(3), sixth sentence SGB V).

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

The Innovation Fund grants normally non-repayable project funding on an expenditure basis as part of project funding. Depending on the nature of the project, a distinction can be made in accordance with the general ancillary provisions on the Innovation Fund (ANBest-IF, see annex) between share, fixed or shortfall financing and full financing.

Compensation mechanism

When submitting an application, the beneficiary must summarise in a financing plan all expenditures exclusively related to the proposed project. The beneficiary must prove the need for all requested personnel and material resources and the reasonableness of the amount. Profits are generally excluded from eligibility (see ANBest-IF). Similarly, the financing plan must include revenue to be taken into account and third party funds that the beneficiary company counts on during the period of the SGEI to be provided. If revenue and funds from third parties in excess of the financing plan are earned during the period of providing the SGEI, they will reduce the amount of support to be granted.

Part of the examination of the application under aid law is the examination of all expenditures in the positions of the financing plan with respect to earmarking, economy and economic efficiency. Likewise, the necessity and appropriateness of carrying out the project work must be determined. Furthermore, compliance with the binding secondary provisions in the funding decision as well as the equally binding ANBest-IF in the annex to the decision must be examined later in the course of the project.

The compensation mechanism is implemented by granting the beneficiary funding up to the maximum amount of individual eligible items. During the duration and after termination, the beneficiaries shall submit interim or complete proof of the use of the funds, which must provide information on the expenditures actually incurred for each item.

Measures for the prevention and repayment of overcompensation

A core element of the funding process before entrusting the company is the examination of each and every item of expenditure for its necessity for the success of the project and its appropriateness and efficiency. If one of these criteria is not fulfilled,

the position will be reduced or cancelled. Once approved, the funds granted may only be called for by the entrusted company in accordance with the requirements of ANBest-IF as required and at defined intervals. The company must set up and manage a separate project account for the compensation payments. Furthermore, all expenses actually incurred must be proven to the grant authority by supporting documents and timekeeping records. The correctness, reasonableness and appropriate use of the compensation payments will be examined in detail in the intermediate examination and proof of use. This ensures the control against overcompensation. If any overcompensation is found during the examination, the use of the ANBest-IF results in clearing the corrected amounts or a recovery.

Thus, the compensation payments are continuously monitored and any overcompensation is already prevented during the examination of the application or is reclaimed during or after the end of the project period. In addition, regulations have been made for the investments procured to fulfil the promotional purpose (see ANBest-IF). Thus for example, after the expiry of the eligibility period, the procured investments shall be sold by the beneficiary and the grant authority shall participate in the proceeds or the residual value of the procured investments shall be settled.

Transparency requirements

So far, no funding of more than EUR 15 million for a project has been awarded to a beneficiary. It is also unlikely that, in the future, a single entity will receive compensation for an SGEI that will exceed this threshold. Should this nevertheless occur, the office of the Innovation Committee will be informed via a website.

Amount of aid granted

In 2017, aid was granted in the amount of approx. €34 321 591.86.

In 2016, the Innovation Committee's funding program for new forms of care provided a total of 3 projects for different SGEI. By way of a grant decision, three companies are entrusted as first grant beneficiaries and nine more companies as last grant beneficiaries (total: 12 first and last grant beneficiaries). These companies did not call for funds in 2016, so they did not receive any compensation.

In 2017, the Innovation Committee's funding program for new forms of care supported a total of 51 projects with various SGEI. According to the funding decision, 51 companies have been entrusted as the first beneficiaries and a further

268 companies as last beneficiaries (total: {319 first and last beneficiaries). Not all of these companies called for funds in 2017. Here, there were 45 first and 218 last grant beneficiaries in a total of 45 projects.

No average amount of aid can be stated. The funding amount per project as well as per first or last grant beneficiary covers too wide a range (from €5 541.00 up to €8 671 485.80). Likewise, no average company size can be specified. The clientele of the funding beneficiaries range from a registered association of a few people, research institutes, hospitals to health insurance companies and their grant authorities.

b) Childcare

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

c) Access to and reintegration into the labour market

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

d) Social housing

The services of general economic interest

There are entrustments with measures to safeguard and improve the housing supply of populations that cannot adequately access the free housing market (especially low-income households, households with children, single parents, pregnant women, the elderly, and people with disabilities). The target groups are largely defined by income limits; compliance with such limits must be proven on a case-by-case basis. The service is aimed at the creation of housing by new construction or acquisition as well as the modernization of existing rental housing for social housing purposes. The last includes the sustained increase in the value in use of rented apartments or buildings, the permanent improvement of general living conditions, and the sustainable conservation of energy and water, also for the reduction of ancillary living costs. For an aging society, support to social housing also includes support of accessible construction methods and age-appropriate forms of housing and quality of life, e.g. living space for groups with special needs for care and support or assisted living. The assumption of further housing, building and social measures, in particular those for the improvement of the living environment, the elimination of social ills and the development of neighbourhoods can also be agreed for the benefit of the groups

targeted for social housing. The provider of the service (housing company/landlord) provides housing that is rented at a favourable price to the target group described.

Forms of entrustment

The entrustments are usually made by administrative act.

Duration of entrustment

The entrustment period is usually 10 to 30 years due to the high level of investment and the long refinancing period. Since the loans for the construction of rental housing generally are never less than 10 years, the proportion of entrustments with a duration of more than 10 years is very high.

Exclusive or special rights

As a rule, companies are not granted exclusive or special rights.

Aid instruments

The promotion of social housing involves object-related investment. Subsidies are granted through low-interest loans, grants for pro rata mortgages, the assumption of guarantees and other warranties, the provision of building plots at reduced prices or a combination of these funding instruments. The most common funding instruments are long-term, low-interest loans or grants.

Compensation mechanism

As a rule, a net avoided cost method is used. The amount of the compensation depends on an ex ante fixed objective and transparent procedure: In setting up the support programs, support conditions that determine the amount of the net cost of the compensation on a case-by-case basis are determined so as to offset the economic disadvantages of the public service obligation associated with the promotion for the duration of the rental and occupancy. The yield losses associated with the rental price limitation are compensated in comparison with the market rent level, the increased costs for tenant care, maintenance and administration associated with the occupancy and the possibly increased construction costs associated with a special construction (e.g. accessible living space). When determining the amount of support, the respective housing market conditions are taken into account (based on available data and scientific studies on land prices, construction costs and market rents).

Measures for the prevention and repayment of overcompensation

The support programs set out general requirements for both public service obligations and the assessment of compensation. In this context, the approval body will then, taking into account the individual circumstances of each individual case, calculate the concrete compensation payments on an object basis in such a way that they do not lead to overcompensation in view of the public service obligations which are also to be specified. The typical precautions include not only imposing certain public service obligations on the company, but also providing the legal basis from the outset by law or in the promotion decision to effectively control and enforce strict compliance with these obligations to businesses and social tenants (including, but not limited to, information obligations, to grant access to documents and to grant access to land, buildings and apartments). Furthermore, it is possible to implement decisions of the funding decision in the course of the administrative obligation and to determine cash payments in the event of any infringements due to the partially thwarted purpose of the subsidy. Furthermore, this includes the possibility of a (partial) revocation of the support associated with a recovery of approved funds. In the event of early loan repayment or the insolvency of a company, statutory periods of grace for the rental price and occupancy commitments are fixed from the outset.

Transparency requirements

As a rule, the subsidies are well below EUR 15 million. If, in exceptional cases, subsidies of more than EUR 15 million are granted to companies that carry out other activities in addition to SGEI, the transparency requirements are met (e.g. by maintaining a transparency database).

Amount of aid granted

According to the information provided to the Federal Government by the German authorities, subsidies in the amount of approx. EUR 947.54 million (2016) or approx. EUR 1,021.49 million (2017).

e) Support and social integration of socially weak groups

Programm der Bundesregierung zur intensivierten Eingliederung und Beratung von schwerbehinderten Menschen (Program of the Federal Government for the intensified integration and counselling of severely handicapped people)

(Bundesministerium für Arbeit und Soziales (Ministry of Labour and Social Affairs))

The services of general economic interest

The UN General Assembly adopted the Convention on the Rights of Persons with Disabilities in 2006 ("UN Convention on the Rights of Persons with Disabilities", CRPD). It came into force in 2008. To implement the CRPD, the Federal Government published a National Action Plan on 15.6.2011 and amended it on 28.6.2016 with the publication of the National Action Plan 2.0.

The guiding idea and central operational principle of this action plan is the concept of inclusion. In the future, people with disabilities should no longer have to adapt to society. On the contrary, everyday life should be organized in such a way that people with disabilities can participate in social life as a matter of course and with equal rights. The Federal Ministry of Labour and Social Affairs (BMAS) acts as the governmental focal point pursuant to Article 33 of the CRPD. In this context, the Federal Ministry of Labour and Social Affairs has developed a National Action Plan for the implementation of the UN Convention on the Rights of Persons with Disabilities, which summarizes the Federal Government's goals and measures in the field of disability policy.

Existing instruments for the promotion of the participation of severely handicapped people in working life will be supplemented through project funding of the Federal Ministry of Labour and Social Affairs. The Federal Government's "Program for Intensified Integration and Counselling of Severely Disabled People" aims to improve local and regional conditions for severely disabled people in their access to the labour market, in particular by creating new and stabilizing existing employment relationships, introducing such people to employment and developing in-company training. At the same time, the BMAS supports various model and research projects in the field of medical and vocational rehabilitation to promote the participation of people with disabilities.

The collected experiences and insights as well as developed action concepts are prepared for transfer and made available to other institutions and interested parties. It is

expected that the experiences and results from the projects will make an important contribution to the greater participation of people with (severe) disabilities. The sustainable use of the results is therefore present.

The program is financed by means of the compensation fund administered by (BMAS) in accordance with § 78 SGB IX.

All the projects funded by BMAS in this context are concerned with the provision of SGEI.

Forms of entrustment

The projects are entrusted through grant decisions. Where parts of the project are sub-allocated, the binding ancillary provisions marked accordingly also apply to all final beneficiaries. In addition, a private law grant contract must be concluded between the first beneficiary and each last beneficiary, resulting in the liability of the grant decision even for the last beneficiary. In this respect, all beneficiaries are entrusted with the grant decision with the provision of the SGEI.

Duration of entrustment

The average entrustment period (= project duration) is usually three years. Any deviations are derived from the application for each project.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

The BMAS grants a non-repayable grant on an expenditure basis in the context of project funding in the program. Only grants based on full financing are approved.

Compensation mechanism

When submitting the application, the beneficiary must summarize all the individual items created solely by the planned project in a financing plan. The applicant must prove the necessity of all requested personnel and material resources and their amount as customary in the market. In addition, the Besserstellungsverbot (prohibition of preferential treatment) applies, including with regard to the estimated additional personnel costs or costs. Profits are generally excluded from the eligibility. Likewise, the financing plan must include revenue and third-party funding to be taken into account by the entrusted entrepreneur for the duration of the SGEI to be provided. If

additional revenue and resources beyond the financing plan are obtained during the period of SGEI provision, they shall reduce the compensation to be granted.

An integral part of the application-related application examination is the examination of all items of the financing plan with regard to their eligibility according to §§ 23, 44 Federal Budget Code (BHO) and the administrative regulations issued thereto (VV). Likewise, the necessity and appropriateness of carrying out the project work must be determined. The compensation mechanism is implemented by granting the beneficiary a grant up to the maximum amount of eligible individual items, depending on the type of financing identified. During the period of validity and after the end of the term, the beneficiary must provide intermediate or complete proof of the use of the funds, which provides information on the actual positions.

Measures for the prevention and repayment of overcompensation

A central element of the grant process prior to the entrustment of the company is the examination of each individual cost or expenditure item for its necessity to the success of the project and its appropriateness. If one of these criteria is not met, the item will be reduced or cancelled. After approval, the approved funds may only be called for by the entrusted company in accordance with the ANBest-P, ANBest-Gk and ANBest-P costs as required and at defined intervals. The company must set up and manage a separate project account for the compensation payments. Furthermore, all incurred expenses or costs must be proven to the donor by means of documents and time records. The correctness, reasonableness and appropriate use of the compensation payments will be examined in detail in the intermediate examination and proof of use. This ensures the control against overcompensation. If overcompensation is found during the examination, the cash balance or interest-bearing recovery automatically results from the application of the BHO and the associated VV.

Thus, the compensation payments are continuously monitored and any overcompensation is prevented in the examination of the application or reclaimed during or after the end of the project.

Transparency requirements

There was no allocation of more than EUR 15 million to a beneficiary for a project.

Amount of aid granted

In 2016, aid was granted in the amount of €14 008 561.14 and in 2017 in the amount of €17 821 827.64.

In the “Programm der Bundesregierung zur intensivierten Eingliederung und Beratung von schwerbehinderten Menschen” (Federal Government program for intensified integration and counselling of severely handicapped people), SGEI were provided in 59 projects during the reporting period. By way of a grant decision, 59 companies have been entrusted as first beneficiaries and a further 89 companies as last beneficiaries. There were two additional beneficiaries in two other projects, so that a total of 150 first and last beneficiaries received compensation for SGEI.

Not all of these companies requested the funds during the reporting period. In 2016, there were 55 first and 77 last beneficiaries in a total of 50 projects, and in 2017 there were 52 first and 88 last beneficiaries in a total of 58 projects. No average amount of aid can be stated. The amount of funding per project as well as per the first or last beneficiary includes an excessively wide range. Likewise, no average company size can be specified. The clientele of the beneficiaries range from a few employees of comprehensive advisory services to the Bundesagentur für Arbeit (Federal Employment Agency).

3) Air or sea transport to islands with an average annual volume of traffic up to the limit stipulated in Article 2(1)(d)

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

4) Airports and maritime ports with an average annual volume of traffic up to the limit stipulated in Article 2(1)(e)

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

5) Other compensation not exceeding an annual amount of EUR 15 million for the provision of services of general economic interest (Article 2(1)(a))

i) Postal services

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

ii) Energy

According to the information available, two measures have been taken in this sector at federal level, i.e. **(1) Energy checks** and **(2) Energy advice for private consumers** (both Bundesministerium für Wirtschaft und Energie (Federal Ministry of Economics and Energy)) based on the SGEI Decision.

The services of general economic interest

The subject matter of the SGEI are (1) Energy advisory services for tenants (basic checks), for homeowners (building checks, heating checks, solar checks) and detailed checks for special subject areas, e.g. thermal insulation of buildings, building services, etc. or (2) Fixed energy consulting, energy consulting by telephone, online advice and brief advice at trade fairs.

Forms of entrustment

The entrustments were made by grant decision.

Duration of entrustment

The entrustment period was one or two years.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

Grants (shortfall financing and project funding) were granted.

Compensation mechanism

A cost allocation methodology was used.

Measures for the prevention and repayment of overcompensation

Overcompensation is safeguarded through proof of use controls, brief reports and project discussions.

Transparency requirements

There was no donation of more than EUR 15 million.

Amount of aid granted

(1) In 2016, aid was granted in the amount of €5 326 251.23, and in 2017 in the amount of €6 765 428.93 and/or (2) in 2016 in the amount of €5 936 600 and in 2017 in the amount of €5 533 346.

The Verbraucherzentrale Bundesverband (Federal Association of Consumer Centres) (vzbv eV) is directly support, and indirectly by transfer from the consumer centres and fee-based advisors benefit from fee-based consultancy contracts.

iii) - vi) Garbage collection, water supply, culture, financial services

According to the information available, no aid was granted in the sector at federal level on the basis of the SGEI Decision.

vii) Other economic sectors

According to available information, the following measures were implemented at federal level on the basis of the SGEI Decision.

(1) Consumer protection (Bundesministerium der Justiz und für Verbraucherschutz, Federal Ministry of Justice and Consumer Protection)

The services of general economic interest

- Consumer information measures
- Implementation of comparative, vendor-independent product and service tests and publication of the results
- Representation and legal enforcement of consumer interests
- Coordination of consumer organisations in Germany
- Quality assurance of consumer work

Forms of entrustment

The services were entrusted predominantly within the framework of grants from the Bundesministerium der Justiz und für Verbraucherschutz (Federal Ministry of Justice and Consumer Protection) (BMJV) for the project or institutional support. In one case, a separate entrustment act was adopted. Reference to the SGEI Decision has been

made throughout.

Duration of entrustment

For the most part, the entrustment period corresponds to the duration of the measures funded, which is usually one year. However, in the area of consumer information, projects with a duration of one to three years have also been entrusted. One case was entrusted for a period of nine years.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

Non-refundable grants were given to support institutions or projects.

Compensation mechanism

Support is predominantly provided through the financing of shortfalls, i.e. only those costs are covered which the beneficiary cannot cover through own or third-party funds. In one case, decisions were issued by way of fixed-term financing.

Measures for the prevention and repayment of overcompensation

A proof of use examination is in principle performed within the framework of funding legislation. In one case the plan is to conduct a separate overcompensation check on the basis of an offsetting and reconciliation account on income and expenditure.

Transparency requirements

There was no donation of more than EUR 15 million.

Amount of aid granted

In 2017, aid was granted totalling approx. EUR 35 000 000.

An institutional grant (Verbraucherzentrale Bundesverband – vzbv eV) was granted (EUR 12 007 million per year, 112 employees in 2017). Furthermore, Stiftung Warentest (about 350 employees) received a grant of EUR 3.9 million; in addition, in 2017, it received income from the Federal Government for its endowment totalling EUR 3 682 million.

In the case of the measures financed by means of project funding, the funding amount is between EUR 15 000 (brochure “Wegweiser durch die digitale Welt” of the Federal Association of Senior Citizen Organisations – BAGSO eV) up to around

EUR 5 million (Marktwächter Digitale Welt at vzbv eV and consumer centres). An example of a promotion in the average range is the DIN Consumer Council (perception of consumer interests in standardization) with a funding of about EUR 840,000 and about 8 employees in the office and 60 volunteers.

(2) Consumer information (Bundesministerium für Landwirtschaft und Ernährung, Federal Ministry of Agriculture and Food)

The services of general economic interest

Measures to promote consumer information in the field of nutrition (consumer health protection) and prevention of food waste.

Forms of entrustment

The entrustment is typically carried out by administrative act (grant decision). Standardized patterns for these entrustments do not exist, as the project goals and the technical requirements vary according to the project.

Duration of entrustment

The average duration of entrustment per entrustment act is less than 10 years.

Exclusive or special rights

No exclusive or special rights are granted.

Aid instruments

Grants in particular are used as an aid instrument.

Compensation mechanism

As a rule, a grant is given up to the amount of the individual items recognized as eligible. It is primarily based on the cost allocation methodology.

Measures for the prevention and repayment of overcompensation

Benefits can in principle only be paid up to the amount of the annual approved funds. The beneficiaries of the grant shall annually compile a report on implementation of the project as well as numerical proof of use of all benefits received. All payments and/or expenditures made for the implementation of the project must be listed and documented separately in each verification period. If no approval has been given for individual expenses or payments cannot be clearly assigned to the project, this will be contested in the course of the examination of the proof of use and the corresponding funds will be reclaimed.

Transparency requirements

There was no donation of more than EUR 15 million.

Amount of aid granted

In 2017, aid in the amount of EUR 885 400.33 (activities within the framework of the NAP (National Action Plan) IN FORM), in the amount of EUR 2 987 999.96 (promotion of consumer centres) and in the total amount of EUR 522 974.18 (project funding to WWF (World Wildlife Fund)).

(3) Identification system Reisen für Alle in Deutschland (Travel for All in Germany)

(Federal Ministry of Economy and Energy)

The services of general economic interest

Introduction of the identification system Travel for All in Germany – Development of nationwide standardized and robust labelling and certification for accessible tourism offerings, development of quality standards and collection and evaluation database, implementation of training measures.

Forms of entrustment

The entrustment was done by a grant decision.

Duration of entrustment

The entrustment period is four years.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

There was a grant in the form of shortfall financing.

Compensation mechanism

The grant is approved in the form of shortfall financing for net costs, so that no additional compensation takes place.

Measures for the prevention and repayment of overcompensation

- Choice of the aid instrument (grant / AnBest-P)
- Examination of the application documents
- Compensation is determined only for actual costs incurred without reasonable profit taking into account all revenue

Transparency requirements

There was no donation of more than EUR 15 million.

Amount of aid granted

In 2016, aid in the amount of EUR 392 000 and in 2017 in the amount of EUR 379 000 granted to a recipient.

(4) Major nature conservation projects

(Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)

The services of general economic interest

The service is the federal program “chance.natur – Bundesförderung Naturschutz”. It serves to establish and safeguard protected parts of nature and landscape of national significance. The program contributes to the protection of biodiversity and the preservation of natural heritage in Germany.

The projects will preserve or restore habitats typical of the natural environment and protect their wild species by acquiring land and implementing measures to improve and secure the situation of endangered species and habitats.

The program contributes to the achievement of supranational nature conservation objectives, such as the achievement of the EU goal of halting further loss of biodiversity, and the long-term protection of Natura 2000 sites in the EU.

Forms of entrustment

The entrustment takes place via the approval of a grant for a specifically requested project. The approval is usually made by administrative act (grant decision). Standardized patterns for these entrustments do not exist, as the project goals and especially the technical and content requirements vary according to the project.

Duration of entrustment

The duration of entrustments averages 6.68 years. The percentage of entrustments

exceeding 10 years is approximately 17 %. These are projects whose implementation requires a longer period of time according to recognized nature conservation principles.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

These are grants in the form of project grants. These are non-repayable grants, which are approved on an expenditure basis.

Compensation mechanism

In the run-up to project funding, all expenditure required for implementation will be calculated and included in a financing plan. The grant is approved on the basis of this financing plan. The donation will only be made for expenses which are necessary for the realization of the project. A call for funds, i.e. a disbursement of the grant, may be made only for these specifically approved expenditures.

Measures for the prevention and repayment of overcompensation

Benefits can in principle only be paid up to the amount of the annual approved funds. The beneficiaries of the grant shall annually compile a report on implementation of the project as well as numerical proof of use of all benefits received. All payments and/or expenditures made for the implementation of the project must be listed and documented separately in each verification period. If no authorization has been granted for individual expenses or payments cannot be clearly assigned to the project, this will be objected to in the context of the examination of the proof of use and the corresponding funds will be reclaimed

Transparency requirements

There was no donation of more than EUR 15 million.

Amount of aid granted

In 2016, aid in the amount of EUR 2.669 million (federal government) and EUR 0.534 million (Länder), and in 2017, in total EUR 2.499 million (federal government) and EUR 0.493 million (Länder) was awarded to five beneficiaries in total.

(5) Bundesprogramm Biologische Vielfalt (Federal Biodiversity Program)

(Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)

The services of general economic interest

The Federal Biological Diversity Program supports services that contribute to the preservation and development of biodiversity in Germany. The federal program contributes to the implementation of the National Strategy on Biological Diversity with a nationally representative significance for Germany.

The supported projects will implement measures of national significance within the framework of the National Strategy on Biological Diversity, or implement this strategy in a particularly exemplary and scalable manner. Through protection and sustainable use, the measures contribute to halting the decline in biodiversity in Germany and reversing it into a positive trend in the medium to long term.

Eligible actions are those which serve the protection and the sustainable use as well as the development of the biological diversity, which go beyond the legally required standards and are located in the focal points “Species with special responsibility of Germany”, “Hotspots of biological diversity”, “Securing ecosystem services” and “Other measures of particular representative importance for the strategy”.

Acceptance-building measures of information and communication aim to increase and consolidate social awareness of biodiversity in all projects.

Forms of entrustment

The entrustment takes place by administrative act (grant decision). It defines and defines the obligations of the recipient, if applicable, the territorial scope, scope and duration as well as the amount of the grant per project. In addition, the grant decision contains provisions on the compensation mechanism, the control of the use of the grant and a reference to the SGEI Decision.

Standardized patterns for this entrustment do not exist, as the project goals and subject-specific requirements may vary depending on the project. Provisions on the compensation mechanism and the control of use can be found in standardized ancillary clauses which form part of the grant decision.

Duration of entrustment

The duration of the entrustment should be regularly completed after six years in accordance with the funding guidelines for the Federal Biological Diversity Program. The average entrustment period is five years. None of the entrustments has a duration exceeding 10 years.

Exclusive or special rights

No exclusive or special rights were granted.

Aid instruments

The services are financially compensated by grants as project funding. These are non-repayable grants, which are usually granted and funded on an expenditure basis.

Compensation mechanism

All expenditures necessary for the execution are calculated in advance of the project promotion and put into a financing plan. The necessary expenditure for the implementation is granted on the basis of this financing plan. The donation takes place only for those expenditures, which are necessary exclusively for the execution of the project. The utilization of the grant take place may take place only for expenditures specifically recognized as eligible.

Measures for the prevention and repayment of overcompensation

In principle, benefits can only be paid up to the amount of the annual approved funds. The beneficiaries produce an annual report on the project implementation and a numerical proof of use. All expenditure incurred for the project implementation must be listed and documented separately in the respective period of verification. If no authorization has been granted for individual issues or payments cannot be clearly assigned to the project, this will be objected to in the context of the proof of use check and the corresponding funds will be reclaimed.

Transparency requirements

There was no donation of more than EUR 15 million.

Amount of aid granted

In 2016, aid in the amount of EUR 1 849 750.77 and in 2017 in the amount of EUR 2 162 346.06.

3. Description of the application of the SGEI framework of 2012

The appendices concerning the National Natural Heritage and the large nature conservation projects are referred to.

Framework Agreement

concluded by and between

BVVG Bodenverwertungs- und- verwaltungs GmbH,
represented by the management,

hereinafter referred to as 'BVVG', and

Stiftung August Bier für Ökologie und Medizin

represented by the Chairman

hereinafter referred to as the 'Foundation',

and the

Federal Ministry for Environment, Nature Conservation and Nuclear Safety

represented by Ms. Gertrud Sahler

hereinafter referred to as 'BMU'

on the details of the procedure of the transfer of ownership of National Natural Heritage areas to a nature conservation foundation in accordance with Section 3(12) to (14) of the Indemnification and Compensation Act (*Ausgleichsleistungsgesetz*) (EALG),

Preamble

The Federal Republic of Germany possesses a rich natural heritage, which shall be preserved for future generations. In accordance with the Land Acquisition Amending Act (*Flächenerwerbsänderungsgesetz*) and the coalition agreement of the Federal Government between the CDU, the CSU and the SPD of 11 November 2005 therefore nationally representative, federally-owned nature conservation areas shall be transferred free of charge to the *Länder* or other bodies in charge of nature conservation for the long-term preservation of the National Natural Heritage.

The National Natural Heritage areas to be transferred were identified by the *Länder*, the Federal Agency for Nature Conservation (BfN) and the BVVG based on nature conservation criteria, and included in the Federal Agency for Nature Conservation's list of parcels dated 29 July 2009.

The definition of National Natural Heritage includes the following categories:

- the Green Belt (*Grünes Band*)
- national parks
- core areas or nature conservation/FFH areas in biosphere reserves
- core areas of large-scale federal nature conservation projects
- network of Natura 2000 areas (FFH-/SPA areas)
- nature conservation areas > 50 ha
- military training grounds (> 1 000 ha and areas between 1 000 and 100 ha with a ratio of FFH,SPA, or nature conservation areas in excess of 20%)
- post-mining landscape areas > 100 ha
- national biotope network (of federal and Land-level significance)

The aim of this agreement is to regulate the transfer procedure of part of the above mentioned areas to the Foundation and to define the obligations related to the transfer. The transfer itself is executed after the conclusion of this framework agreement in the form of notarial contracts (see Point II(1)).

The Foundation expresses its willingness to permanently protect the areas of National Natural Heritage to be transferred to the Foundation for nature conservation using the resources at its disposal, and undertakes to observe the nature conservation principles set out in Annex 1 ('Procedure and goals of the long-term development and preservation of National Natural Heritage areas for conservation'). The BMU has the right to verify compliance with the above mentioned principles at any time. Where necessary, these principles can be adapted or amended at any time by the Foundation and BMU in joint agreement.

In its decision No NN 8/2009 dated 2 July 2009 on State aid 'Germany - Nature conservation areas', the European Commission declared the gratuitous transfer of National Natural Heritage areas to be compatible with the common market. This decision was adopted on the premise that the lands transferred free of charge shall not be transferred again or sold on, and the recipients of the lands take over all costs arising from the transfer and the maintenance of the areas, and also assume any inherited pollution risks. Any revenues remaining after these costs have been paid have to be used for the preservation and improvement of National Natural Heritage, or paid to the Federal Government.

The validity of this framework agreement is subject to the condition precedent that other framework agreements on the gratuitous transfer of nature conservation areas are concluded between the BVVG, the BMU and the *Länder*, in which National Natural Heritage areas are transferred to the Foundation.

I. Scope of nature conservation areas to be transferred free of charge

1. Under the National Natural Heritage initiative and in accordance with Section 3(12) to (14) EALG, the BVVG transfers to the Foundation free of charge those parcels from the total quota of 65 000 hectares, for which the BMU named the Foundation as recipient of the BVVG in the lists dated 29 July 2009. The parcels of land to be transferred to the Foundation are specified in Annex 2 in an excerpt from the above list.

2. The Contracting Parties agree that the transfer of specific parcels of land may result in changes within the network of nature conservation areas and the nomination of the bodies in charge of them by the BMU. The Contracting Parties undertake to arrive at a mutually agreed solution in such cases in the spirit of this agreement.

II. Implementation of the transfer of areas; procedure for areas to be restituted or reprivatised; immovable property

1. The transfer is implemented in accordance with the model notarial contract attached to this agreement as Annex 3. The Contracting Parties agree that the contract shall contain binding references to the provisions and regulations of this agreement. The Contracting Parties also agree that the model contract shall be amended in line with any changes in general conditions during the transfer procedure. The Contracting Parties undertake to find a mutually agreed solution in such cases in the spirit of this agreement.

2. If the BVVG is aware of any third-party claims to ownership, it shall inform the Foundation before the notarial contracts are signed. The Foundation may request the postponement of the transfer of parcels of land concerned by such claims until there is a legally binding decision on the claims.

3. If immovable property owned by the BVVG is located on the parcels to be transferred (e.g. buildings, structural installations), the Foundation must take it over at market value on the request of the BVVG. The Foundation may turn down the transfer of the areas concerned, unless Point V of this agreement applies. If taking over the remaining area or fragment covered by buildings represents undue hardship for the Foundation, the Contracting Parties shall in mutual agreement alter the area to be transferred in a way that enables the BVVG to utilise the areas not transferred in other ways. The BVVG shall establish the value during the individual discussions (Point II(2)), and submit an offer to purchase to the Foundation before the transfer of ownership. The purchase price shall be due for payment four weeks after the transfer of ownership.

4. The Foundation shall take over the transferred parcels as they are. The BVVG does not assume any liability for title or material defects, in particular not as regards any particular size, quality, nature or options for the use of the parcels transferred. The BVVG does not furnish a guarantee.

The Parties also agree that there may be no claims for compensation against the BVVG in accordance with Section 4(2) of the Federal Soil Protection Act (BBodSchG) (inherited pollution). The details are set out in the model notarial contract in Annex 3.

III. Purpose of the transfer

The transfer is subject to the condition that the parcels are permanently preserved and maintained as a part of the National Natural Heritage of the Federal Republic of Germany. The principles in Annex 1 apply.

IV. Ensuring intended use

1. The parcels of National Natural Heritage transferred to the Foundation shall be permanently used for the intended purpose of the transfer. The Foundation undertakes to safeguard the conservation value of these areas in the long term and to develop the areas in accordance with the principles of appropriate

supervision, management and care using the resources available to it. The principles of the 'Procedures and goals for the long-term development and preservation of National Natural Heritage areas for conservation' (Annex 1) govern this in more detail. The Foundation undertakes to have a limited personal easement (*beschränkte persönliche Dienstbarkeit*) entered in the land register to the benefit of the Federal Government. The obligations of the limited personal easement that is to be registered arise from the contents of Annex 1 and the exact form to be entered into the land register shall be agreed with the BMU.

2. The Foundation may not transfer further the areas transferred to it free of charge, and may not sell them. Subject to the consent of the BMU, the Foundation is however allowed to exchange the areas transferred to it for areas with a higher conservation value. The prerequisite here is that the exchange areas have to be geographically connected to National Natural Heritage sites.

3. The sale of individual transferred areas also requires the consent of the BMU, and is only permissible for the purpose of consolidating areas with a high conservation value. Any resulting revenues must be reinvested in the management and development of natural heritage areas, the acquisition of areas of an equal or higher conservation value, or other environmental protection measures. Failing this, the revenues from the sales shall be paid to the BVVG following the deduction of any documented value-adding expenditure of the Foundation (profit repayment).

4. If the Foundation has any revenues resulting from economic activities related to the transferred areas in the broadest sense remaining after the deduction of the costs related to the areas (lease, hunting, forestry and pasture farming, tourism, etc.), the Foundation shall use such exclusively for the protection of the National Natural Heritage and environmental protection measures (in accordance with No 3). Otherwise, the Foundation shall pay these revenues to the BMU.

5. The Foundation shall inform the BMU at the end of each year about revenues from the transferred areas, and shall confirm that the use of revenue from the management of National Natural Heritage areas (sale, lease, use, etc.) is in accordance with the agreement.

6. The BMU retains the right to verify that the purpose of the transfer is observed in consultation with the Foundation.

V. Provisions on remaining areas

Small areas and area fragments (remaining areas), which are directly connected to the parcels to be transferred to the Foundation and which may no longer be utilised otherwise, shall be purchased by the Foundation at the request of the BVVG at market value if their size does not exceed 2% of the total area to be transferred. The BVVG shall identify such areas during the detailed discussions and shall submit a corresponding offer to purchase to the Foundation. The provisions of this agreement on National Natural Heritage areas shall not apply to the remaining areas purchased by the Foundation, which may be exchanged or sold by the Foundation at any time.

VI. Costs

The parcels stipulated under Point 1(1) shall be transferred to the Foundation free of charge. All costs related to the performance of the notarial contract, including any taxes, shall be borne by the Foundation. The Foundation shall also bear all costs related to the survey and marking out of the areas.

VII. Arbitration

1. For cases where the Contracting Parties have differing interpretations of any points, including those on rights and obligations, this framework agreement and/or the transfer contracts to be concluded (in accordance with the model notarial contract in Annex 3), the Contracting Parties agree on the arbitration proceedings described in detail in the following. All Contracting Parties shall aim for a just balance of interests in the spirit of the purpose of National Natural Heritage during such proceedings.

2. The Contracting Parties are aware that this framework agreement and/or the transfer contracts to be concluded contain undefined legal terms and discretionary powers. For this reason, the Parties agree that before seizing the court of arbitration during the performance of these agreements and contracts, they shall seek an amicable procedure in the spirit of these agreements, such as in particular those arising from the preamble.

3. Any disputes arising from this agreement between the Contracting Parties shall be settled in accordance with the Arbitration Code (*Schiedsgerichtsordnung*) of the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.; DIS*) with final effect without recourse to the courts. The court of arbitration shall consist of three arbitrators.

VIII. Severability clause

If one or more provisions of this agreement are or become invalid or unenforceable, the remaining provisions shall not be affected. To replace the invalid or unenforceable provisions, the Contracting Parties shall agree on valid and enforceable provisions, which correspond to the intended purpose of the contract to the greatest possible extent. The same shall apply to gaps.

IX. Competence in relation to the implementation of the transfer

For the BVVG, the locally competent branch of the BVVG shall be competent for the implementation of the transfer.

(Date) Stiftung August Bier für Ökologie und
Medizin
[Signed]

(Date) BVVG
[Signed]

(Date) BMU
[Signed]

1. Copy issued for the Federal
Ministry for Environment, Nature
Conservation and Nuclear Safety

Agreement

between

the Federal Republic of Germany, represented by the Federal Ministry for Environment, Nature
Conservation and Nuclear Safety (Federal Government),

- Interested Party -

the Institute for Federal Real Estate (BImA),

- Transferor -

Lower Saxony, represented by the Ministry for the Environment and Climate Protection,

- Interested Party -

and

the NABU-Stiftung Nationales Naturerbe,

- Beneficiary -

on the transfer of the nationally representative nature conservation sites 'Einbeck' and 'Stadtoldendorf'.

Preamble

The Federal Republic of Germany (Federal State) possesses a rich natural heritage, which shall be preserved for future generations. In accordance with the coalition agreement between the CDU, the CSU and the SPD of 11 November 2005 and the Federal Budget of 2006, nationally representative nature conservation areas belonging to the Federal Government shall be transferred free of charge to the Länder or other bodies in charge of nature conservation for the long-term preservation of the National Natural Heritage.

The areas of National Natural Heritage to be transferred discussed here were identified by Lower Saxony (Land), the Federal Agency for Nature Conservation (BfN) and the Institute for Federal Real Estate (BImA) based on nature conservation criteria. The definition of National Natural Heritage includes the following categories:

- the Green Belt (*Grünes Band*)
- national parks
- core areas or nature conservation/FFH areas in biosphere reserves
- core areas of large-scale federal nature conservation projects
- network of Natura 2000 areas (FFH-/SPA areas)
- nature conservation areas > 50 ha
- military training grounds (> 1 000 ha and areas between 1 000 and 100 ha with a ratio of FFH, SPA, or nature conservation areas in excess of 20%)
- post-mining landscape areas > 100 ha
- national biotope network (of federal and Land-level significance)

Lower Saxony and the NABU-Stiftung Nationales Naturerbe express their willingness to permanently protect the areas of National Natural Heritage to be transferred to the NABU-Stiftung for nature conservation using the resources at their disposal, and undertake to preserve the valuable open countryside and forest ecosystems of the Einbeck and Stadtoldendorf sites in accordance with the conservation principles set out in Annex 1 ('Procedures and goals for the long-term conservation development and protection of National Natural Heritage areas in Lower Saxony') and the preservation and development goals set out in the guidelines (Annex 2). These can be amended by Lower Saxony, NABU-Stiftung Nationales Naturerbe and the Federal Agency for Nature Conservation in joint agreement at any time. The Institute for Federal Real Estate then receives the corresponding information from Lower Saxony.

The Federal Government, Lower Saxony and NABU-Stiftung Nationales Naturerbe shall cooperate closely during the implementation of the agreement and shall support one another.

In the spirit of the above, the following provisions have been put in place as regards the gratuitous transfer of lands.

Article 1

Contents of the agreement

(1) The BImA (Transferor) undertakes to transfer the parcels of the 'Einbeck' and 'Stadtoldendorf' sites owned by the BImA and specified in the attached list (Annex 3, Parcels to be transferred) to the NABU-Stiftung Nationales Naturerbe (Beneficiary) free of charge for ownership with all rights and obligations. The transfer of areas is based on a proposal of Lower Saxony. The further transfer of the parcels to other bodies in charge of nature conservation is allowed in accordance with the provisions of Article 7 with the consent of the Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) and Lower Saxony. The EU's State aid rules shall be observed in this context.

(2) Lower Saxony and the Beneficiary express their willingness to permanently protect the National Natural Heritage areas taken over by the Beneficiary for nature conservation using the resources at their disposal. When protecting these areas, the competent nature conservation authorities shall be involved as part of their tasks, in particular with regard to the protection, care and development of the 'Natura 2000' network's protected areas. The provisions of Article 7(4) shall remain unaffected.

(3) Lower Saxony undertakes to guarantee to the Transferor that the conditions of the budget entry No 60.1 on Item 121011 Chapter 0807 of the 2009 Federal Budget (Annex 4) will be observed at all times and also in the case of the further transfer of the parcels to or by third parties. No encumbrances and risks related to the parcels may remain for the Transferor following the transfer of the areas. The provisions of Article 5(8) shall remain unaffected.

Article 2

Subject and form of the transfer

The subject of the transfer are the parcels of the 'Einbeck' and 'Stadtoldendorf' sites (Annex 3) owned by the BImA. The parcels selected for transfer shall be transferred to the Beneficiary free of charge by way of a notarial donation contract. All costs and transaction taxes related to the transfer of lands shall be borne by the Beneficiary.

Article 3

Purpose of the transfer

(1) The transfer is subject to the condition that the nature conservation quality of the parcels is permanently preserved and maintained as a part of the National Natural Heritage of the Federal Republic of Germany. The Beneficiary undertakes to observe the conservation principles stipulated in Annex 1 (Procedures and goals for the long-term conservation development and protection of National Natural

Heritage areas in Lower Saxony). The specific management of the parcels shall also follow the ordinances on protected areas and the nature conservation guidelines (Annex 2).

(2) The Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) shall have the right to verify that the purpose of the transfer is observed at all times in consultation with the Beneficiary. The Beneficiary shall also prove at the end of each year that the use of revenues from the management of the transferred lands is in compliance with the agreement. The joint working group of the Federal Government and the *Länder* for nature and landscape conservation, and recreation (LANA) shall further discuss the development of the National Natural Heritage at least once a year.

Article 4

Claims from entitled parties

The Transferor did not assess before the conclusion of this agreement, whether there were any claims for retransfer arising from contractual agreements. The Beneficiary shall indemnify the Transferor against all claims, that parties entitled to a retransfer may bring. The Beneficiary may meet valid claims for retransfer.

Article 5

Liability for defects

(1) The Beneficiary shall take over the transferred parcels as they are. The Transferor does not assume any liability for title or material defects, in particular not as regards any particular size, quality, nature or options for the use of the parcels transferred. The Transferor does not furnish a guarantee. The Transferor is not aware of any title or material defects.

(2) Claims by the Beneficiary owing to fatality, physical injury or damage to health shall be exempt from the exclusion of liability, if the Transferor is responsible for the breach of obligations. Also exempt are claims for the compensation of other damage caused by the wilful or grossly negligent breach of obligations by the Transferor or its agents.

(3) Movable property located on the parcels to be transferred (e.g. raised hides, fences) shall also be transferred, if owned by the Transferor. All rights and obligations related to these parcels shall be transferred to the Beneficiary on the day of the transfer of ownership and encumbrances.

(4) The Transferor does not assume any liability as to whether the parcel transferred is free from pipes or lines and pipe or line rights of any kind, scope or function. The Transferor shall also not be held liable for any damage resulting from the impairment of the parcels transferred caused by such lines.

(5) Any water pipes, power and telecommunication lines and other pipes or lines located on the parcels transferred shall not be transferred unless they are owned by the Transferor. The same applies to pipes or lines owned by the Transferor, which are necessary for the Transferor's operations. The Beneficiary shall contact utility companies before undertaking any construction measures, and shall ascertain that the parcels transferred are free of any utility or other pipes or lines, or whether it is possible to build over such pipes or lines.

(6) The Transferor is not aware of any further rights and/or encumbrances to be entered into the land register, the creation or existence of which does not require an entry into the land register exist in

relation to the parcels transferred. For this reason, the Transferor shall not be held liable for freedom of such rights in rem and other rights of third parties.

(7) The Contracting Parties are aware that there may be harmful soil changes and other inherited pollution on the parcels transferred in accordance with the Federal Soil Protection Act. The Transferor shall put at the disposal of the Beneficiary free of charge all documents available to it on the parcels transferred concerning inherited pollution, munition, etc. before the allocation of the areas.

(8) The Contracting Parties are also aware that measures by regulatory authorities in accordance with the Federal Soil Protection Act may be necessary due to harmful soil changes or inherited pollution. The Contracting Parties agree that costs related to such measures by regulatory authorities or other unavoidably necessary measures related to inherited pollution or harmful soil changes, and also munition or munition remnants, in particular safety and security measures, shall be borne by the Beneficiary up to a value of EUR 200 000 per site. If the costs of assessment and/or disposal exceed this amount, the Beneficiary and the Transferor agree that the part of the amount in excess of EUR 200 000 shall be borne exclusively by the federal institute. In relation to this, the federal institute shall hold the Beneficiary harmless from all claims and the resulting burdens, in particular obligations, costs, effort and/or damage within the relations between the Contracting Parties.

If costs arise in relation to the disposal of inherited pollution, harmful soil changes, munition or munition remnants as a result of the increased use of the areas for the purpose of nature conservation and environmental education measures, such costs shall be borne by the Beneficiary. This shall not apply to costs related to the disposal of hazards from inherited pollution or harmful soil changes, munition and munition remnants, which arise independent of the change in use intensity upon identification from measures of regulatory authorities or other unavoidably necessary measures.

It is a pre-requisite for the contribution of the Transferor to the costs that the inherited pollution and harmful soil changes formed or latently existed before the transfer of possession and encumbrances. The Beneficiary shall also provide all necessary information to the Transferor without delay about any identified inherited pollution or harmful soil changes, munition and munition remnants, and shall implement the measures necessary for disposal in agreement with the Transferor. The Transferor shall only give its consent to measures, which are absolutely necessary. Out of precaution, the Beneficiary undertakes to appeal by the deadline against any orders from safety authorities related to measures for the assessment and rehabilitation of inherited pollution on the parcels transferred (objection in administrative cases, or if the information about available legal remedies in the order stipulates such, action (for annulment) by the deadline without reasoning). It shall hand over to the Transferor copies of the administrative act issued against it in due course before the expiry of the deadline for appeals, and agree with the Transferor on the further steps and the potential reasoning for the appeal/remedies. In cases where the appeals lodged at the request of the Transferor are unsuccessful, the Transferor undertakes to take over any related costs of the procedure. The Transferor shall only contribute to the costs of the given necessary and most efficient option for rehabilitation, which exceeds EUR 200 000 per parcel. The Beneficiary undertakes to only contract companies for the taking and analysis of soil, ground air and water samples as part of the assessment of suspected areas and the rehabilitation of inherited pollution, which are accredited (<http://www.dar.bam.de/ast/index.html>) by the Federal Institute for Materials Research and Testing (BAM) for taking and pre-treating samples and chemical examination methods on federally-owned land (Sonderheft (Special Issue) 2/2001 of the gazette and newsletter of BAM dated May 2001 (ISSN 0938-5533; ISBN 3-89701-701-6)).

Article 6

Transfer of ownership and encumbrances

- (1) The ownership of the transferred parcels, risks, benefits and encumbrances, and also the obligation for public safety shall be transferred on the day of the notarisation of the transfer contract. In this respect, the Beneficiary shall hold the Transferor harmless from any and all obligations following the effective date.
- (2) Public levies, taxes, development and connection contributions, and other taxes shall be borne by the Transferor only up to the day of the transfer of ownership.
- (3) Existing contracts related to the parcels transferred, such as supply and disposal contracts, lease and/or rental contracts shall be transferred to the Beneficiary or the Beneficiary enters these contracts.
- (4) The Transferor undertakes to make available free of charge information necessary for the appropriate transfer of ownership, and the documents it holds.
- (5) Benefits gained up to the date of the transfer of ownership and encumbrances shall remain with the Transferor.

Article 7

Ensuring intended use; Transfer of the areas to third parties: Reversal

- (1) The parcels of the 'Einbeck' and 'Stadtoldendorf' sites transferred to the Beneficiary shall be permanently used for the intended purpose of the transfer. Transfers of areas to third parties following the transfer of ownership to the Beneficiary are not allowed, if they do not comply with the intended use agreed on in the contract or if the assumption of liability in accordance with Article 1(3) and Article 5 is not sufficiently explained by the Land. Transfers of areas to third parties are only possible in joint agreement with the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMU).
- (2) Changing the intended use is only permissible with the previous consent of the Transferor and the BMU. If the Beneficiary changes the intended use, the area is returned to the Transferor and shall be managed by it long-term in accordance with the criteria of National Natural Heritage, unless a third party is named as the Beneficiary. The provisions of Article 7(4) shall remain unaffected.
- (3) The Beneficiary and Lower Saxony shall be responsible vis-a-vis the Federal Government for maintaining the intended use for nature conservation, and also for keeping the Federal Government harmless in accordance with Article 5 of this contract and from the claims of third parties. If revenues are generated from measures for the forestry development of the transferred areas, they shall be used exclusively for the preservation and development of National Natural Heritage.
- (4) The sale or exchange of parts of the areas is possible with the consent of the Transferor and the BMU, if there is an obligation to sell on which the Beneficiary has no influence. It is a prerequisite for an exchange that the exchange areas are geographically connected to National Natural Heritage areas. If a sale takes place, the revenues from it have to be reinvested in the management and development of natural heritage areas or the purchase of areas with an equal or higher conservation value. Failing this, the revenues from the sales shall be paid to the Transferor following the deduction of documented value-adding expenditure of the Land or the Beneficiary (profit repayment).
- (5) The provisions of this contract on the claims of parties entitled to retransfer shall remain unaffected.

Article 8

Costs

The parcels shall be transferred to the Beneficiary free of charge. The staff employed until such time for the supervision and management of the parcels transferred shall remain in the employ of the Transferor. The personnel costs arising as a result for the Transferor from this over the entire term up to the end of 2035 amount to EUR 108 000 (excluding VAT). These shall be borne by the Beneficiary. The Beneficiary and the Transferor agree that the personnel costs are offset against services rendered by the Transferor. More detailed provisions shall be laid down in a services agreement between the Beneficiary and the Transferor.

The Contracting Parties agree that the reimbursement guaranteed by the Beneficiary to the Transferor shall cover only personnel costs. If material costs arise in relation to the Transferor's nationwide services, these shall be invoiced separately by the Transferor.

The transaction taxes and costs related to the conclusion and performance of this contract as well as the declarations of approval (*Genehmigungserklärung*) governed by both public and private law, and the costs of any identification that may become necessary in individual cases for parcels to be transferred (e.g. cadastral maps, aerial photos) necessary in individual cases, and also any survey and demarcation costs that are unavoidable in individual cases shall be borne by the Beneficiary.

Article 9

Miscellaneous provisions

If one or more provisions of this agreement are or become invalid or unenforceable, the remaining provisions shall not be affected. To replace the invalid or unenforceable provisions, the Contracting Parties shall agree on valid and enforceable provisions, which correspond to the intended purpose of the contract to the greatest possible extent.

Annexes

The following Annexes are attached to this agreement, and form an integral part of the agreement:

Annex 1: Procedures and goals for the long-term development and protection of National Natural Heritage areas for conservation in Lower Saxony

Annex 2: Guidelines for Einbeck and Stadtoldendorf

Annex 3: Parcel map of the 'Einbeck' and 'Stadtoldendorf' sites

Annex 4: Budget entry and resolution of the Budget Committee dated 1 July 2009

(signature)

Place, date

(signature)

On behalf of Lower Saxony

Framework Agreement Stiftung August Bier für Ökologie und Medizin, BVVG, BMU

(signature)

On behalf of the Institute for Federal Real Estate

(signature)

Federal Ministry for Environment, Nature Conservation and Nuclear Safety

(signature)

On behalf of NABU-Stiftung Nationales Naturerbe

Agreement

between

the Federal Republic of Germany, represented by the Federal Ministry for Environment, Nature
Conservation and Nuclear Safety (Federal Government),

- Interested Party -

the Institute for Federal Real Estate (BImA), represented by its management

- Entrustor -

and

the Heinz Sielmann Stiftung, represented by its management

- Beneficiary -

on the management for nature conservation
of the nationally representative nature conservation areas

'Kyritz-Ruppiner Heath'

Preamble

The Federal Republic of Germany (Federal Government) possesses a rich natural heritage, which shall be preserved for future generations. In accordance with the coalition agreement between the CDU, the CSU and the SPD of 26 October 2009, the remaining 25 000 hectares of nationally valuable natural areas shall be preserved as 'National Natural Heritage' (*Nationales Naturerbe*). On 14 December 2011, the Budget Committee of the German Bundestag adopted the recommendations of the Federal Ministry of Finance on so called 2nd-tranche National Natural Heritage. In accordance with this, Kyritz-Ruppiner Heath shall be registered as a National Natural Heritage site over a sub-area of 4 000 hectares and this area shall be entrusted to the Heinz Sielmann Stiftung for an indefinite term.

The area of National Natural Heritage in question was identified by the Land, the Federal Agency for Nature Conservation (BfN) and the Institute for Federal Real Estate (BImA) based on nature conservation criteria. The definition of National Natural Heritage includes the following categories:

- the Green Belt (*Grünes Band*)
- national parks
- core areas or nature conservation/FFH areas in biosphere reserves
- core areas of large-scale federal nature conservation projects
- network of Natura 2000 areas (FFH-/SPA areas)
- nature conservation areas > 50 ha
- military training grounds (> 1 000 ha and areas between 1 000 and 100 ha with a ratio of FFH, SPA, or nature conservation areas in excess of 20%)
- post-mining landscape areas > 100 ha
- national biotope network (of federal and Land-level significance)

The Heinz Sielmann Stiftung (HSS) expresses its willingness to permanently protect the area of the Kyritz-Ruppiner Heath it manages in accordance with the following rules for nature conservation – using the resources at its disposal – within the meaning of National Natural Heritage, and undertakes to respect the nature conservation principles set out in Annex 1 and the preservation and development goals set out in the guidelines (Annex 2). These can be modified at any time by Brandenburg, the HSS, the Federal Agency for Nature Conservation (BfN) and the BImA in joint agreement.

The Federal Government, the BImA, and the HSS shall cooperate closely during the implementation of the agreement and shall support one another.

The HSS undertakes to implement measures for the preservation, protection and development of National Natural Heritage on the areas defined in Annex 3 in accordance with the guidelines for the individual parcels (Annex 2) and to observe the nature conservation principles set out in Annex 1.

In the meaning of the above, the following provisions are stipulated between the HSS and the BImA as the owner of the parcels for the management of the areas:

Article 1

Subject of the agreement

(1) The BImA (Entrustor) undertakes to entrust the areas of the landscape 'Kyritz-Ruppiner Heath' (Annex 3) owned by the institute and marked on the attached map to the Heinz Sielmann Stiftung (Beneficiary) for conservation management and use in accordance with the following provisions of this contract, in particular the provisions of Article 3.

(2) The Beneficiary shall protect the areas of National Natural Heritage entrusted to it permanently for nature conservation using the resources at its disposal.

Article 2

Term and fee

(1) The agreement shall be concluded for an indefinite period. The right to termination in accordance with Article 11 shall not be unaffected.

(2) No fee is charged.

Article 3

Purpose of the entrustment

(1) The entrustment is subject to the condition that the nature conservation quality of the parcels is permanently preserved and maintained as a part of the National Natural Heritage of the Federal Republic of Germany. The Beneficiary undertakes to respect the nature conservation principles set out in Annex 1, as long as these are compatible with the strategic management concept¹ (Annex 4) as amended, orders issued for reasons of safety, and the ordinance of the regulatory authorities of the Landkreis (rural district) of Ostprignitz-Ruppin on restricting access to the former military training grounds at Wittstock dated 1 July 2011 (Annex 5).

The specific management of the parcels shall also orient itself on ordinances on protected areas and nature conservation guidelines (Annex 2).

¹ The Strategic Management Concept (SMC) was drawn up before the area entrusted was declared a National Natural Heritage site, for which reason the use of the area for the purposes of forestry was still assumed under Point 2.3. Only nature conservation goals are pursued on the parcels entrusted under this agreement. This will be taken into account under Point 2.3, if an update of the SMC becomes necessary.

(2) The Beneficiary shall implement the following measures on the parcels of the Entrustor:

Measure 'Heidepflege' – making areas available for the preservation of dry heaths

Measure 'Beweidung' – making areas available for the possible implementation of a grazing project

Measure 'Wildnisentwicklung' – making areas available for the development of natural forests (wilderness areas)

Measure 'Besucherinformation' – measures for visitor information/direction (soft tourism);

Measure 'Allgemeine Öffentlichkeitsarbeit' – the Beneficiary shall draw up a communication concept in consultation with the Entrustor, which contains the most important cornerstones of nature conservation work and the specific load situation determined by previous use by the military, and the related requirements of the authorities in the areas to be entrusted.

(3) The Federal Government shall have the right to ascertain in consultation with the Beneficiary that the purpose of the entrustment is respected. The Beneficiary shall for this purpose prove at the end of each year that the use of revenues from the management of the entrusted areas in compliance with the agreement. The joint working group of the Federal Government and the *Länder* for nature and landscape conservation, and recreation (LANA) shall further discuss the development of the National Natural Heritage at least once a year.

Article 4

Liability

(1) The Beneficiary shall take over the entrusted parcels as they are. Subject to the provision under Article 5 on inherited pollution and munition, etc., The Entrustor shall not assume any liability or guarantee for title or material defects, in particular as regards any particular size, quality, nature or options for the use of the parcels entrusted.

(2) Claims of the Beneficiary shall be exempt from the exclusion of liability, if they are based on fatalities, physical injuries or damage to health caused by the wilful or grossly negligent breach of obligations of the Entrustor or its agents; other damage caused by the intent or gross negligence of the Entrustor or its agents.

In the case of minor negligence, the Entrustor shall only be held liable, if significant or for the contract typical contractual obligations (so called cardinal obligations, i.e. obligations, which make performance in accordance with the contract possible in the first place) are breached.

(3) The Beneficiary shall be liable to the Entrustor for all damage resulting from wilful intent or gross negligence, in particular also for damage caused to other persons during permissible use of and lawful presence in the entrusted area, and to the Entrustor by the breach of obligations for the preservation or management of the areas for the purpose of nature conservation, or due to the

inappropriate treatment of the areas entrusted either by the Beneficiary or by third parties deployed or contracted by it. Claims of the Beneficiary in accordance with (2) shall be exempt from the exclusion of liability. If the Beneficiary makes use of third parties, in particular agents, it shall only be liable for the careful selection of third parties it contracts. The Beneficiary shall take out a third party liability insurance with an upper limit of EUR 1 million for damage, the maintenance of which it shall also prove once a year to the Entrustor. Liability for damages is limited in each case of damage to the upper limit of the third party liability insurance.

Article 5

Inherited pollution and cost allocation

(1) The Parties are aware that there are harmful soil changes, munition and/or other inherited pollution on the parcels entrusted in accordance with the Federal Soil Protection Act. The Beneficiary shall inform the Entrustor without delay about any newly found munition and munition remnants. The same applies to earlier unknown harmful soil changes and inherited pollution identified by the Beneficiary.

(2) The Parties are also aware that measures in accordance with relevant legislation may be necessary due to harmful soil changes or inherited pollution. In order to make the civilian use of the entrusted parcels possible, a strategic management concept was drawn up (Annex 4). The Parties agree that the costs of the measures for the implementation of the strategic management concept – primarily safety and security measures – shall be borne by the Beneficiary up to an amount of EUR 200 000.

Costs related to the disposal of contamination, harmful soil changes, munition and/or munition remnants, which only arise because the Beneficiary implements measures in accordance with Article 3 (2) or changes the level of usage (e.g. by constructing a pasture gate, visitor information/direction measures) shall be borne by the Beneficiary. If the inherited pollution, harmful soil changes, munition and/or munition remnants formed or latently existed before the transfer of possession and encumbrances and become known independent of the implementation of measures described under Article 3 (2) or the change in usage levels, and costs arise due to measures of regulatory authorities or other unavoidably necessary measures, – subject to the value limit as per the third sentence – these shall not be borne by the Beneficiary.

(3) The maintenance obligations and costs related to safety equipment necessary in the areas transferred (signage, barriers, fire protection system, security systems, etc.) shall be borne by the Beneficiary.

(4) The Beneficiary and/or third parties contracted by it are entitled at any time to enter – on foot and/or in a vehicle – the areas entrusted to the Beneficiary based on their ownership rights and obligations and the rights and obligations arising from this agreement. Entrustor shall discuss the exercise of this right in an appropriate manner.

Article 6

Transfer of possession and encumbrances

(1) The possession of the parcels to be entrusted shall – unless otherwise agreed on in writing – pass to the Beneficiary on the first day of the month following the signing of this agreement (effective date). The same shall apply to risks, benefits and encumbrances, and also the obligations for public safety with the exception of risks, encumbrances, and obligations for public safety, which are related to inherited pollution, harmful soil changes, munition and/or munition remnants, which already existed on the effective date. The Beneficiary shall hold the Entrustor free of the above mentioned obligations following the effective date.

(2) Public levies, taxes, development and connection contributions, and other taxes shall be borne by the Beneficiary from the transfer of ownership onwards.

(3) If movable property is located on the parcels to be entrusted, in particular property related to hunting (e.g. raised hides, fences), it shall not be entrusted, if it is owned by Entrustor. The Beneficiary shall not be held liable for damage caused by property not entrusted.

Article 7

Exercise of hunting rights

Hunting rights shall remain with the Entrustor as the owner of the parcels. Provisions on hunting shall be stipulated in a services agreement (see Article 10(1)) to be concluded between the Beneficiary and the Entrustor in accordance with the requirements of Annexes 1 and 2.

Article 8

Ensuring intended use; surrender of the areas to third parties; Reversal

(1) The parcels of the 'Kyritz-Ruppiner-Heide' sites shall be used permanently for the intended purpose of the surrender.

(2) The change or non-compliance with the intended use or the surrender of the areas/partial areas to third parties is only permissible with the previous written consent of Entrustor and the Federal Government. The change of or non-compliance with the intended use or the surrender of the areas/partial areas to third parties by the Beneficiary without written consent shall entitle the Entrustor to the immediate termination of this agreement in accordance with the first bullet point of the second sentence of Article 11 (3).

(3) The Beneficiary shall have the obligation vis-a-vis the Federal Government to permanently ensure that the areas are used for the purposes of nature conservation in accordance with intended use.

(4) An exchange of partial areas is possible with the consent of the Transferor and the Federal Government. The prerequisite for an exchange is that the exchange areas also have to be geographically connected to National Natural Heritage areas.

Article 9

Construction measures and returning

(1) The Entrustor and the Beneficiary agree that the additional structures (e.g. gate for the grazing area) needed for the implementation of measures in accordance with Article 3 (2) on the areas of the Entrustor shall not pass into the ownership of the Entrustor, but the Beneficiary shall rather have such structures built on the parcels as an apparent part of them for a definite period, and for a temporary purpose in accordance with Section 95(1) of the Civil Code.

(2) The Beneficiary is obliged to remove the structures built by it at its own cost in due course before the termination of the contractual relationship and return the subject of the agreement in a cleared and orderly state.

Article 10

Services of Entrustor and allocation of personnel costs

(1) The staff previously employed for the supervision and management of the parcels entrusted shall remain in the employ of Entrustor. The area-proportionate personnel costs arising for the Beneficiary in relation to such staff (including proportionate central costs) up to the end of 2044 (area entrusted – 4 000 ha) of EUR 9.49 million (excl. VAT) shall be borne by the Beneficiary. The Beneficiary and the Entrustor agree that the personnel costs are offset by services rendered by the Entrustor. More detailed provisions shall be stipulated in a services agreement between the Beneficiary and the Entrustor.

(2) The Contracting Parties agree that the reimbursement pledged by the Beneficiary to the Entrustor shall exclusively include personnel costs. If material costs arise in relation to the Entrustor's services, these shall be invoiced separately by the Entrustor.

(3) If this agreement is cancelled by the Parties in joint agreement or terminated by ordinary/extraordinary termination in accordance with Article 11, the obligation of the Beneficiary for bearing personnel costs ceases on the effective date of the cancellation of this agreement, or its termination. More detailed provisions shall be included in the services agreement.

Article 11

Cancellation and termination of the agreement

- (1) The Parties may at any time cancel the agreement in mutual agreement.
- (2) The agreement may be terminated in writing with a notice period of 6 months up to the end of the year.
- (3) The Entrustor is entitled to terminate the agreement on important grounds without observing the notice period. Important grounds, which entitle the Entrustor to the termination of the agreement shall in particular include the following:
 - the Beneficiary continues to use the parcels in breach of the agreement [Article 3 (1)] despite a written warning and a reasonable grace period, or
 - insolvency proceedings are applied for in respect of the Beneficiary's assets, and insolvency proceedings are initiated, or
 - the application for such proceedings is rejected due to insufficient assets or mandatory enforcement of debt against the Beneficiary was concluded without success or with partial success due to insufficient funds, or
 - the Beneficiary is ordered to issue an affidavit in accordance with Section 899 of the Code of Civil Procedure, or
 - the Beneficiary transfers rights under this agreement to a third party without the previous written consent of the Entrustor, or transfers the use of the subject of the agreement or a part of the subject of the agreement to a third party, or
 - the Beneficiary fails to prove that it has sufficient third-party liability insurance [Article 4 (3)], or
 - the insurance cover lapses in accordance with Article 4 (3) of the contract, or
 - the continuation of the agreement would involve undue hardship for the Entrustor.
- (4) Immediate termination shall be explained in writing by specifying the grounds for termination.

Article 12

Miscellaneous provisions

- (1) Changes and amendments to this contract may be made in writing.
- (2) No verbal agreements exist in relation to this contract.
- (3) If one or more provisions of this agreement are or become invalid or unenforceable, the remaining provisions shall not be affected. To replace the invalid or unenforceable provisions, the Contracting Parties shall agree on valid and enforceable provisions, which correspond to the intended purpose of the contract to the greatest possible extent.

Article 13

Competent courts and applicable law

(1) The courts of Bonn shall have exclusive competence in regard of all claims arising from and related to this contract.

(2) This contract shall be governed by German law.

Annexes

The following Annexes are attached to and form an integral part of the Agreement:

Annex 1: Procedures and goals for the long-term conservation development and protection of National Natural Heritage areas in Lower Saxony

Annex 2: Nature conservation guidelines

Annex 3: Map of the areas entrusted

Annex 4: Strategic management concept of the area 'Kyritz-Ruppiner Heath'

Annex 5: Regulatory ordinance of the Landkreis OstprignitzRuppin on restricting access to the former military training grounds at Wittstock dated 1 July 2011

Pfalzheim, 12 September 2012

Place, date

(signature)

On behalf of the Heinz Sielmann Stiftung

(signature)

On behalf of the Federal Ministry for Environment, Nature Conservation and Nuclear Safety

(signature)

On behalf of the Institute for Federal Real Estate

(signature)

On behalf of the Heinz Sielmann Stiftung

(signature)

On behalf of the Institute for Federal Real Estate

National Natural Heritage - Report in accordance with NN 8/2009 - Germany, Point 3.3.2.4

Explanatory Notes

re) Column 'Beneficiaries of parcels'

Transfers to the land management bodies of the *Länder* and to municipalities took place at federal level. These are not listed in the following report.

re) Column 'Area in ha'

The Federal Government continued the measure 'Gratuitous transfer of federally-owned National Natural Heritage sites' to the DBU, the *Länder*, nature conservation associations and foundations with consideration to SGEI exemption rules. Based on the resolutions of the Budget Committee of the German Bundestag dated 17 June 2015 and 28 June 2017, 11 200 hectares of land are transferred to the DBU, and 2 700 hectares of land to the *Länder*, nature conservation associations and foundations in the 3rd tranche.

re) Column 'Revenues/Expenditure'

The BMUB introduced rules for the annual reporting obligation of the beneficiaries of parcels based on the experience from the initial years of the implementation of the measure: 'Revenues not spent within a reporting year shall be paid to the federal ministry in charge of the environment, but may under strict conditions also be used for activities for the preservation and development of National Natural Heritage in the following year. The prerequisites for this are that

1) the planned purpose of use is decidedly described in the report to the BfN and concrete plans/measures/obligations arising from the development plan for natural heritage agreed on with the BfN or the guidelines agreed on are presented, that 2) revenues from a reporting year are spent within the following three years. Revenues not spent in this period shall be paid to the federal ministry in charge of the environment. 3) Accumulating surpluses for a longer period is only possible in exceptional cases, which have to be reasoned to the BfN. 4) The revenues kept have to be separated from other budgetary funds of the beneficiaries of parcels. They may by no means be used for the interim financing of other operations. Potential interest incomes shall be used exclusively for concrete natural

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heritage measures or obligations, and shall be shown in the annual reports. Alternatively, revenues not spent may be shown in the report as surpluses, and paid every year to the federal ministry in charge of the environment.'

These rules do not apply to DBU Naturerbe GmbH. DBU Naturerbe GmbH shall submit an annual report about the audit of the financial statements to the BMUB. DBU Naturerbe GmbH is not required to pay its surpluses to the Federal Government. Financing natural heritage sites through the DBU Naturerbe GmbH generates losses in the long run, and shall be offset on an annual basis by funds made available by the DBU.

No.	Recipient of lands	Area in ha	Revenues in EUR	Expenditure in EUR	Purpose of use of surpluses	authorised further transfer of areas in ha	
						Decrease	Increase
1	Arbeitsgemeinschaft Natur- und Artenschutz eV (Agena)	11.7112	0.00	180.65			
2	DBU Naturerbe GmbH	59 907.5416	9 370 841.91	16 032 047.51			
3	Berlin	5.4847	0.00	0.00			
4	Deutsche Wildtier Stiftung	1 191.6055	51 074.00	133 223.00			
5	Förderverein Feldberg-Uckermärkische Seenlandschaft eV	1 255.2030	66 577.80	46 818.81	Covering negative balances carried over from previous years		
6	Förderverein Naturpark Niederlausitzer Landrücken eV	3.4892	0.00	0.00			
7	Municipality of Eching town of Garching	433.1563	39 656.00	41 168.00			
8	Heinz Sielmann Stiftung TH	54.4673	6 828.43	35 205.60			
9	Heinz Sielmann Stiftung BB (Sielmanns Naturlandschaft Döberitzer Heide gGmbH)	4 006.2197	266 096.59	608 345.01			
10	Horst Richard Kettner Stiftung	217.4602	10 672.82	14 162.12			
11	Kranichschutz Deutschland gGmbH	92.1573	11 829.52	7 149.72	Clearing ditches construction of a raptor station		
12	Kulturlandschaft Uckermark eV	319.5400	56 090.07	60 876.19		5.4275	5 674
13	Kulturstiftung Dessau-Wörlitz	3.9972	185.00	185.00			
14	Landschafts-Förderverein Nuth-Nieplitz-Niederung eV	18.0002	10 857.19	15 389.78			
15	Landschaftsförderverein Oberes Rhinluch eV	17.3384	290.00	183.00	Surplus paid to BMUB		
16	Landschaftspflegeverband BR Thüringische Rhön eV	74.9071	2 916.00	1 275.00	Drawing up a preservation and development plan 2018/2019		
17	Landschaftspflegeverband Mecklenburger Agrarkultur eV	44.5336	29 899.82	5 315.15	authorised land purchase Lüthburger Graben		
18	Landschaftspflegeverband Rügen eV	302.8374	6 740.56	20 673.42			
19	Landschaftspflegeverein Mittelbrandenburg eV	37.3297	109.44	1 229.61			
20	Michael Succow Stiftung zum Schutz der Natur	858.6961	9 380.44	18 560.50			
21	NABU Kreisverband Stendal	137.2979	862.30	7 048.44			
22	NABU Landesverband Mecklenburg-Vorpommern eV	673.3828	32 740.34	34 075.74			
23	NABU-Stiftung Nationales Naturerbe	7 235.3944	446.645.91	466 467.92		77.0741	78.9623
24	Naturschutzverein Elsteraue Falkenberg/Elster eV	16.2597	0.00	0.00			
25	Naturstiftung David - Stiftung des BUND Thüringen	73.1311	14 046.04	2 107.51	Personnel costs BImA 2017 and 2018 / Development plan for natural		
26	Nordrhein-Westfalen-Stiftung Naturschutz, Heimat und Kulturpflege	1 089.0000	0.00	108 268.00			
27	Paul-Feind-Stiftung	279.0000	3 660.56	2 907.31	Management measures and preservation projects 2018		
28	Stiftung August Bier für Ökologie und Medizin	29.6606	5 568.57	5 809.91			
29	Stiftung Europäisches Naturerbe / Euronatur	60.3226	1 339.31	9 745.38			
30	Stiftung Hessisches Naturerbe of the NABU-Landesverband Hessen	364.9028	31 193.55	60 157.25			
31	Stiftung Naturlandschaften Brandenburg	16.0787	0.00	463.40			

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32	Stiftung Naturschutz Thüringen	3 987.6186	188 157.00	549 795.00			
33	Stiftung Naturschutz Schleswig-Holstein	874.2074	138 657.00	174 406.22			
34	Stiftung Pro Artenvielfalt	88.8352	2 206.06	3 775.60			
35	Stiftung Reepsholt f. Naturschutz u. umweltgerechte Ressourcennutzung	154.3049	6 964.46	9 391.11			
36	Stiftung Umwelt, Natur und Klimaschutz des Landes Sachsen-Anhalt	4 071.4394	412 343.80	586 844.79			
37	Stiftung Umwelt und Naturschutz MV - Stiftung des Landes MV	1 135.4000	135 215.77	43 446.89	Land purchase to acquire existing natural heritage sites		
38	Stiftung Wälder für Morgen	1 040.4937	47 973.48	156 389.66			
39	ThüringenForst	490.7465	2 000.00	23 655.00			
40	Environmental foundation WWF	2 020.7719	99 756.71	132 534.52			
41	Vogelschutz-Komitee e.V.	506.2119	9 657.26	40 309.64		0 611	0,9135

No.	Recipient of lands	Area in ha	Revenues in EUR	Expenditure in EUR	Purpose of use of surpluses	authorised further transfer of areas in ha	
						Decrease	Increase
1	Arbeitsgemeinschaft Natur- und Artenschutz eV (Agena)	11.7304	0.00	129.73			
2	DBU Naturerbe GmbH	59 907.5416	7 830 672.25	15 283 898.59			
3	Berlin	5.4847	175.50	240.00			
4	Deutsche Wildtier Stiftung	1 191.6055	49 610.72	95 173.06			
5	Förderverein Feldberg-Uckermärkische Seenlandschaft eV	1 255.2030	35 648.29	30 216.31	Land purchases		
6	Förderverein Naturpark Niederlausitzer Landrücken eV	3.4892	0.00	0.00			
7	Municipality of Eching town of Garching	433.1563	33 383.91	77 259.53			
8	Heinz Sielmann Stiftung TH	54.4673	7 411.65	36 177.17		5.7844	9.3198
9	Heinz Sielmann Stiftung BB (Sielmanns Naturlandschaft Döberitzer Heide gGmbH)	4 006.2197	277 731.33	692 557.37		2.6011	6.1445
10	Horst Richard Kettner Stiftung	217.4602	10 672.82	13 270.50			
11	Kranichschutz Deutschland gGmbH	92.1573	23 356.11	11 983.64	Habitat management measures 2018/2019 (clearing of ditches, building raptor stations, mowing incl. disposal)		
12	Kulturlandschaft Uckermark eV	319.5400	59 163.39	53 154.06	Habitat creation measures European pond terrapin 2018		
13	Kulturstiftung Dessau-Wörlitz	3.9972	185.00	185.00			
14	Landschafts-Förderverein Nuthe-Nieplitz-Niederung eV	18.0002	44 166.15	45 277.64		9.3976	16.0952
15	Landschaftsförderverein Oberes Rhinluch eV	17.3384	289.62	182.75	will be paid to the federal budget		
16	Landschaftspflegeverband BR Thüringische Rhön eV	74.9071	2 915.94	2 088.00	Drawing up PEPL 2018/2019		
17	Landschaftspflegeverband Mecklenburger Agrarkultur eV	44.5336	30 474.02	4 194.52	authorised land purchase Lüthburger Graben		
18	Landschaftspflegeverband Rügen eV	302.8374	16 603.81	88 043.92			
19	Landschaftspflegeverein Mittelbrandenburg eV	37.3297	93.06	2 492.01			
20	Michael Succow Stiftung zum Schutz der Natur	858.6961	39 116.87	12 897.98	Land purchases, long-term lease 2020, moor restoration 2018, Structures for predator management 2018	1.03	1.0301
21	NABU Kreisverband Stendal	137.2979	862.30	2 548.44			
22	NABU Landesverband Mecklenburg-Vorpommern eV	676.9850	22 659.66	31 471.71		9.5664	8.1767
23	NABU-Stiftung Nationales Naturerbe	7 235.3944	552 680.00	369 345.36	Removal of buildings	8.8535	15.8044
24	Naturschutzverein Elsteraue Falkenberg/Elster eV	16.2597	0.00	0.00			
25	Naturstiftung David - Stiftung des BUND Thüringen	73.1311	21 690.20	7 314.78	Forest monitoring, public safety measures, mapping 2018/2019		

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26	Nordrhein-Westfalen-Stiftung Naturschutz, Heimat und Kulturpflege	1 135.3368	48 466.78	169 855.34			
27	Paul-Feind-Stiftung	279.0000	13 252.79	4 570.56	Habitat management measures in forests (habitat type dependent on management) and on limestone grasslands (removal of young trees) 2019		
28	Stiftung August Bier für Ökologie und Medizin	29.6606	5 568.57	5 869.70		0.1226	0.13
29	Stiftung Europäisches Naturerbe / Euronatur	60.3226	210.00	3 979.77			
30	Stiftung Hessisches Naturerbe of the NABU-Landesverband Hessen	364.9028	13 604.51	37 174.46			
31	Stiftung Naturlandschaften Brandenburg	16.0787	0.00	473.37		0.0634	
32	Stiftung Naturschutz Thüringen	3 987.6186	125 942.93	541 184.91			
33	Stiftung Naturschutz Schleswig-Holstein	874.2074	49 871.52	109 955.50			
34	Stiftung Pro Artenvielfalt	88.8352	2 206.06	3 253.28			
35	Stiftung Reepsholt f. Naturschutz u. umweltgerechte Ressourcennutzung	154.3049	14 944.70	27 082.07			
36	Stiftung Umwelt, Natur und Klimaschutz des Landes Sachsen-Anhalt	4 071.4394	259 617.34	363 060.23			
37	Stiftung Umwelt und Naturschutz MV - Stiftung des Landes MV	1 164.6552	98 638.80	216 106.22		28.5064	33.1125
38	Stiftung Wälder für Morgen	1 040.4937	69 743.25	197 769.25			
39	ThüringenForst	490.7465	10 600.00	35 100.00			
40	Environmental foundation WWF	2 020.7719	185 519.19	307 440.37		0.1981	0.1981
41	Vogelschutz-Komitee e.V.	506.2119	16 951.08	201 794.45		0.2252	0.214

Services of general economic interest: Report in accordance with the SGEI Framework of 2012

'Other sectors – Nature conservation and landscape conservation' (Commission Decision: NN 8/2009 of 2 July 2009) – National Natural Heritage

1. Please explain which type of services have been defined as SGEI. Please list the object of the services entrusted as SGEI as clearly as possible.

The service involves the preservation of areas of particular conservation value in accordance with contractually defined nature conservation obligations by way of the gratuitous transfer of federally-owned National Natural Heritage sites to nature conservation associations and foundations as part of the initiative of the Federal Government to preserve Germany's natural heritage.

2. Please explain the (typical) forms of entrustment. If standardised templates for entrustments are used, please enclose them.

The provision of SGEI is expressly entrusted by means of a contract between the beneficiaries of parcels and the Federal Government.

The transfer is subject to the condition that the beneficiaries of parcels permanently preserve and maintain the conservation quality of the areas as part of the National Natural Heritage of the Federal Republic of Germany. The beneficiaries undertake to respect the nature conservation principles set out for the agreement and attached as an annex. The beneficiaries has an obligation to the Federal Government to permanently ensure that the areas are used for the intended purpose of nature conservation.

The parcels of land are transferred by:

- concluding an agreement between the parcel beneficiaries, the transferring federal body, the Land, and the Federal Ministry for Environment, Nature Conservation and Nuclear Safety,
- notarising the parcel transfer,
- guaranteeing the purpose of the transfer by way of an entry in the land registry (in the case of nature conservation associations and foundations).

Annex 1

Model framework agreement for the transfer of the lands of the BVVG Bodenverwertungs- und -verwaltungs GmbH

Annex 2

Model agreement on the transfer of lands of the Institute for Federal Real Estate (hereinafter: BImA)

Land is transferred to DBU Naturerbe GmbH by way of a donation contract (Schenkungsvertrag) between the transferring federal body and DBU Naturerbe GmbH.

With regard to 2nd-tranche National Natural Heritage, the Budget Committee of the German Bundestag ruled on 14 December 2011 that other than transferring land, the BImA's land may also be permanently surrendered to the *Länder* and associations (subject to the assumption of personnel costs and limited liability) by concluding a contract. This regulation is also applicable to the 3rd-tranche National Natural Heritage adopted on 17 June 2015.

Annex 3

Model entrustment agreement for a property of the BImA

3. Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %). Where applicable, please explain the reasons for a duration in excess of 10 years.

The duration of the entrustment is indefinite for all beneficiaries of parcels owing to the permanent restriction of use to nature conservation.

4. Please explain whether (typically) exclusive or special rights are assigned to the undertakings.

No exclusive or special rights are assigned.

5. Which aid instruments have been used (direct subsidies, guarantees, etc.)?

Gratuitous transfer of ownership rights to lands

6. Typical compensation mechanism and whether a methodology based on cost allocation or the net avoided cost methodology is used.

Cost allocation method

Revenues from the entrustment of SGEI are offset by costs, which the beneficiaries of parcels have to cover on the parcels transferred. This includes all costs from the permanent preservation of the nature conservation quality of the lands as part of the National Natural Heritage of the Federal Republic of Germany.

In the case of National Natural Heritage, the revenues from commercial (nature conservation) activities on the parcels of land represent the only possibility of nature conservation organisations to cover the costs arising from conservation obligations. No subsidies are granted for the activities; the subsidy is rather the fact itself that the activities may be carried out on gratuitously transferred parcels.

7. Typical arrangements for avoiding and repaying any overcompensation

If revenues from the use of the lands (=preservation and development for nature conservation) exceeds costs, the balance must be used exclusively for the preservation and improvement of National Natural Heritage or alternatively, it must be paid to the Federal Government.

Beneficiaries must submit an annual report showing how the revenues were used.

Repeated transfers (sale) are subject to the approval of the Federal Ministry for Environment, Nature Conservation and Nuclear Safety, and in the case of the sale of lands of the BImA also the approval of this federal body. The resulting revenues have to be reinvested in the preservation and development of National Natural Heritage sites (still in the ownership of seller) or the purchase of lands of equal or higher value. If this does not happen, the revenues from the sale have to be paid to the transferring federal body.

As a state-owned nature conservation organisation, DBU Naturerbe GmbH has a contractual obligation to use revenues it generates in relation to meeting conservation objectives exclusively for the preservation and development of the National Natural Heritage. DBU Naturerbe GmbH issues an annual report about the activities of the company, which it submits to the Federal Government.

DBU Naturerbe GmbH is not allowed to transfer parcels transferred to it to third parties.

8. A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. Please also provide relevant examples of information published for this purpose (e.g. links to websites or other references).

The beneficiaries of parcels do not individually exceed the maximum aid of EUR 15 million.

9. Amount of aid granted Total amount of aid granted (in millions EUR).

The Commission established in its aid decision that the value of the lands is difficult to quantify (Paragraph 44 of Decision NN8/2009) and therefore the revenues possible to generate from the use of lands are used as a basis in audits for overcompensation in accordance with the SGEI Framework (Paragraph 80 of Decision NN8/2009).

10. Additional – potentially estimated – quantitative information (e.g. number of beneficiaries, average aid amount, size of undertakings)

Annex 4

List of the beneficiaries of parcels with size of parcels transferred in hectares, revenues, expenditure and purpose of use of surpluses, approvals for further transfers, in 2016 and 2017. Annex 4 also serves as report in accordance with Point 3.3.2.4 of Decision NN 8/2009.

Project/Measure	2016				
	Federal grant	Grant from Land	Revenue	Expenditure	Use of surplus revenues
Baar (BW) Landratsamt Schwarzwald-Baar-Kreis	212 826.00	42 565.00			
Altmühlleiten (BY) Zweckverband Naturschutzgroßprojekt Altmühlleiten consisting of the districts Eichstätt and Kelheim, the town of Papenheim and the municipality of Solnhofen	235 316.00	86 524.00			
Allgäuer Moorallianz (BY) - Phase II Zweckverband Naturschutzgroßprojekt Allgäuer Moorallianz consisting of the districts Ostallgäu und Oberallgäu	608 688.00	121 738.00	2 381.49	2 381.49	Project revenues were kept for project purposes
Lower floodplain of the Havel (BB and SNA) Naturschutzbund Deutschland (NABU) e.V.	2 625 886.00	630 213.00	43 969.57	43 969.57	Project revenues were kept for project purposes
Vogelsberg Natur- und Lebensraum Vogelsberg e.V.	907 189.00	348,919.00			
Senne und Teutoburger Wald Zweckverband Naturpark Eggegebirge und südlicher Teutoburger Wald Consists of: the town of Bielefeld, the districts of Gütersloh, Hochsauerlandkreis, Höxter, Lippe and Paderborn	761 536.00	217 582.00	35 700.13	35 700.13	Project revenues were kept for project purposes
Bienwald District of Gernersheim in cooperation with the district of Südliche Weinstraße	506 776.93	144 793.41	1 402.09	1 402.09	Project revenues were kept for project purposes
Obere Ahr - Hocheifel district of Ahrweiler	372 502.00	120 515.00	2 399.33	2 399.33	Project revenues were kept for project purposes
Landschaft der Industriekultur Nord Zweckverband 'Landschaft der Industriekultur Nord' consisting of the towns of Friedrichsthal and Neunkirchen, the municipalities of Illingen, Merchweiler, Quierschied, Schiffweiler, the district of Neunkirchen and Industriekultur Saar GmbH Osterzgebirge District of Sächsische Schweiz - Osterzgebirge	963 150.00 429 845.00	192 630.00 185 164.00			
Mittlere Elbe (ST) WWF e.V.	1 664 527.00	229 405.00	4 643.13	4 643.13	The revenues were offset against the grant
Thüringische Rhönhutungen (TH) Landschaftspflegeverband Biosphärenreservat Thüringische Rhön e.V.	87 884.00	17 577.00			
Hohe Schrecke (TH) Naturstiftung David	988 020.00	197 604.00	7 729.35	7 729.35	The revenues were offset against the grant
Expert opinion for Ost. Boddenlandschaft (SH)					
Kellerwald Zweckverband Kellerwald-Edersee consisting of the municipalities of Edertal, Gilserberg, Haina, Jesberg, Vöhl, Bad Zwesten and the towns Frankenau, Gemünden (Wohra), Waldeck and Bad Wildungen, and the districts Schwalm- Eder and Waldeck-Frankenberg	382 850.00	146 544.22			
Expert opinion for Ost. Boddenlandschaft (SH)					
Workshop 'chance.natur' financed internally	28 023.37				
Awareness raising for 'chance.natur' (NW), Intention GmbH	54 383.38				
Revision of the guidelines 'chance.natur', environmental context. Science editing					
Evaluation of concluded large-scale nature conservation projects: Krähenbeer Küstenheiden, Gesellschaft für Freilandökologie und Naturschutzplanung mbH	100 000.00				

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Total	10 929 402.68	2 681 773.63	98 225.09	98 225.09	

Project/Measure	2017				
	Federal grant	Grant from Land	Revenue	Expenditure	Use of surplus revenues
Baar (BW) Landratsamt Schwarzwald-Baar-Kreis	30 189.00	6 038.00			
Altmühlleiten (BY) Zweckverband Naturschutzgroßprojekt Altmühlleiten consisting of the districts Eichstätt and Kelheim, the town of Papenheim and the municipality of Solnhofen	616 847.00	226 810.00			
Allgäuer Moorallianz (BY) - Phase II Zweckverband Naturschutzgroßprojekt Allgäuer Moorallianz consisting of the districts Ostallgäu und Oberallgäu	645 389.00	129 078.00			
Lower floodplain of the Havel (BB and SNA) Naturschutzbund Deutschland (NABU) e.V.	2 342 784.00	562 268.00	51 258.49	51 258.49	Project revenues were kept for project purposes
Vogelsberg Natur- und Lebensraum Vogelsberg e.V.	646 874.00	248 798.00			
Senne und Teutoburger Wald Zweckverband Naturpark Eggegebirge und südlicher Teutoburger Wald Consists of: the town of Bielefeld, the districts of Gütersloh, Hochsauerlandkreis, Höxter, Lippe and Paderborn	399 192.00	114 055.00			
Bienwald District of Gernersheim in cooperation with the district of Südliche Weinstraße	1 514 684.75	432 767.07			
Obere Ahr - Hocheifel district of Ahrweiler	622 911.00	201 531.00			
Landschaft der Industriekultur Nord Zweckverband 'Landschaft der Industriekultur Nord' consisting of the towns of Friedrichsthal and Neunkirchen, the municipalities of Illingen, Merchweiler, Quierschied, Schiffweiler, the district of Neunkirchen and Industriekultur Saar GmbH	1 134 419.00	226 884.00			
Osterzgebirge District of Sächsische Schweiz - Osterzgebirge	385 255.00	165 956.00			
Mittlere Elbe (ST) WWF e.V.	2 106 355.00	524 771.00	6 953.11	6 953.11	The revenues were offset against the grant
Hohe Schrecke (TH) Naturstiftung David	798 314.00	159 663.00	385 513.25	385 513.25	Project revenues were kept for project purposes, and in some cases offset against the grant.
Expert opinion for Ost. Boddenlandschaft (SH)	644.08				
Kellerwald Zweckverband Kellerwald-Edersee consisting of the municipalities of Edertal, Gilserberg, Haina, Jesberg, Vöhl, Bad Zwesten and the towns Frankenau, Gemünden (Wohra), Waldeck and Bad Wildungen, and the districts Schwalm- Eder and Waldeck-Frankenberg	317 200.00	122 000.00			
Expert opinion for Ost. Boddenlandschaft (SH)	644.08				
Workshop 'chance.natur' financed internally	28 540.05				
Awareness raising for 'chance.natur' (NW), Intention GmbH					
Revision of the guidelines 'chance.natur', environmental context. Science editing	2 103.44				

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Evaluation of concluded large-scale nature conservation projects: Krähenbeer Küstenheiden, Gesellschaft für Freilandökologie und Naturschutzplanung mbH	20 337.56				
Total	11 612 682.96	3 120 619.07	443 724.85	443 724.85	

'Other sectors – Nature conservation and landscape conservation' (Resolution of the Commission decision: NN 8/2009 of 2 July 2009) – Natural heritage

1. Explanation of what kind of services have been defined as SGEI. Please list the contents of the services entrusted as SGEI as clearly as possible.

The service involves the federal programme

'chance.natur – Bundesförderung Naturschutz'. It is aimed at the establishment and protection of valuable natural areas and landscapes of national importance. The programme contributes to the protection of biodiversity and the preservation of natural heritage in Germany.

The projects involve the preservation or rehabilitation of habitats typical of natural areas, and the protection of the wild species living in them by way of the purchase of lands and the implementation of measures for the improvement and preservation of the situation of endangered species and habitats.

The programme contributes to achieving supranational nature conservation goals, such as e.g. the EU goal of stopping any further loss of biodiversity, and the long-term protection of Natura 2000 areas of the European Union.

2. Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used, please attach them.

The entrustment takes the form of the authorisation of a grant for a specific project that was applied for. The authorisation is usually issued by way of an administrative act (Zuwendungsbescheid). There are no standardised templates for such entrustments, as the project goals and the technical and content-related requirements vary from project to project.

3. Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %). Where applicable, please explain the reasons for a duration in excess of 10 years.

The duration of entrustments is an average 10.04 years. The ratio of entrustments of a duration in excess of 10 years is approx. 29%. These are projects the implementation of which requires a longer period in accordance with recognised nature conservation principles.

4. Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No exclusive or special rights are assigned in relation to project funding.

5. Which aid instruments have been used (direct subsidies, guarantees, etc.)?

Grants in the form of project funding. These grants are non-repayable, and are authorised on the basis of expenditure.

6. Typical compensation mechanism and whether a methodology based on cost allocation or the net avoided cost methodology is used.

All expenditure necessary for implementation is calculated before project funding, and a financing plan is drawn up.

The authorisation of the aid is based on this financing plan. The grant is only authorised for expenditure, which are only necessary for the implementation of the project. Draw-downs, i.e. the payment of grants may only occur for such specific authorised expenditure (Net avoided cost method).

7. Typical arrangements for avoiding and repaying any overcompensation

Grants may only be paid up to the amount of the funds authorised for each year.

The beneficiaries draw up annual reports about the implementation of the project, and also a proof of use with figures about the use of all grants received. This has to include all individual payments and expenditure related to the implementation of the project with supporting documents in the given reporting period.

If no authorisation was issued for certain individual items of expenditure or the payments cannot be clearly assigned to the project, an objection will be raised in each case during the assessment of proof for the use of funds, and the corresponding funds will be recovered.

8. A short explanation of how the transparency requirements (see Paragraph 60 of the SGEI Framework of 2012) are being complied with. Please also provide relevant examples of information published for this purpose (e.g. links to websites or other references).

All grants are listed in detail at <http://www.bfn.de/19479.html> including a description of the project, the beneficiary and the financial volume of the project.

9. Amount of aid granted Total amount of aid granted (in millions EUR).

A: Total amount of aid granted (in millions EUR) paid by national central authorities

Calendar year 2016: EUR 10.929 million

Calendar year 2017: EUR 11.613 million

B: Total amount of aid granted (in millions EUR) paid by regional authorities

Calendar year 2016: EUR 2.682 million

Calendar year 2017: EUR 3.121 million

C Total amount of aid granted (in millions EUR) paid by local authorities

Calendar year 2016: EUR 0 million

Calendar year 2017: EUR 0 million.

10. Additional – potentially estimated – quantitative information (e.g. number of beneficiaries, average aid amount, size of undertakings)

Number of beneficiaries: 20

A table is attached to this report, where the funded projects, the related expenditure paid and revenues generated are described. The revenues are offset against the expenditure of the project. This Annex also serves as report in accordance with Point 3.3.2.4 of Decision NN 8/2009.

Further transfers of lands acquired using grants were not authorised.

Annex

Overview of the measures supported in the period 2016 to 2017.