

SGEI REPORT FOR THE YEAR 2018

IN ACCORDANCE WITH THE 2012 SGEI DECISION AND IN ACCORDANCE WITH THE SGEI FRAMEWORK 2012

OVERVIEW OF EXPENDITURE

Total SGEI government expenditure by category (in EUR million)		
	2016	2017
<i>Compensation for services of general economic interest (1+2)</i>	24 765 683.67	497 393 344.74
(1) Compensation granted on the basis of the SGEI decision	24 765 683.67	14 747 115.76
(2) Compensation granted on the basis of the SGEI framework		482 646 228.98 ¹

¹ By way of RAE Decision No 688/2017, issued on 2 August 2017, the Authority approved a temporary consideration to cover the costs for the provision of SGI to the NIIs for the years 2014, 2015 and 2016. The above specific amount corresponds to 2016 expenditure and was partly paid in 2017 (for details, see p. 61 hereof).

I. APPLICATION OF THE 2012 SGEI DECISION

1. SOCIAL SGEI

Clear and comprehensive description of how the respective services are organized in your Member State.

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEIs** as clearly as possible.

Services designated as social SGEIs fall into two categories:

(A) Provision and operation of structures to tackle poverty in various municipalities in the country. These structures include the following:

- Social Pharmacy;
- Social Grocery Stores;
- Social Meals Scheme;
- Mediation Office;
- Time Exchange;
- Homeless Day Reception Centre;
- Homeless Hostel.

Through the operation of the above structures, psychosocial support and information services are also provided for the empowerment and social integration of the beneficiaries.

(B) Provision of services for sensitive/vulnerable groups such as asylum seekers, single parent families, victims of torture and/or trafficking, unaccompanied minors (asylum seekers - refugees), adult refugees, minors (children and adolescents) at risk, women at risk or victims of abuse, etc. The services provided include:

- Operation of hosting and accommodation facilities, in the form of organised hostels or apartments, for the aforementioned vulnerable groups, both adults and minors;
- Legal support and mediation services;
- Greek language teaching services;
- Covering nutrition and clothing needs of beneficiaries;
- Caring for the social inclusion of unaccompanied minors (enrolment in school, extracurricular activities, entertainment, extra tuition, creative activities, etc.);
- Psychosocial and medical support;
- Activities for informing and raising public awareness on the refugee issue;
- Development of emergency response plans for minors and women at risk / in crisis (through the provision of sheltered hospitality services and psychosocial, medical and nursing support and care);
- Operation of an organised accommodation site and addressing the urgent food, medical and social care needs of third-country nationals who have newly entered Greece and are in need of international protection.

The above services were entrusted in 2016 to 34 providers, which are mainly civil non-profit companies and non-profit associations engaged in the provision of social care and care services.

Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain domain, please attach them.
The entrustment of SGEIs is carried out through the conclusion of programming contracts between providers and the competent ministry (Ministry of Labour, Ministry of Social Security and Social Solidarity - Secretariat-General for Welfare). The programming contracts expressly stipulate the obligations of providers.
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
The duration of the entrustment is usually fourteen (14) months. Extensions of two (2) to ten (10) months were granted.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
On the basis of the framework and the nature of the provided services, no exclusive or special rights are granted.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
<p>The SGEIs described above are financed by subsidies from the State budget. In particular, they are financed:</p> <p>(A) either via the Public Investment Programme – National Part, in the framework of the following projects:</p> <ul style="list-style-type: none"> - ‘Social Structures for Directly Addressing Poverty’ - ‘Reception and Accommodation Programmes for Beneficiaries of International Protection’ <p>(B) or through the ordinary budget of the Ministry of Labour, Social Security and Social Solidarity (‘Subsidy to other Social Care Institutions’);</p> <p>(C) or via the European Refugee Fund 2008-2013 as part of the General Programme ‘Solidarity and Management of Migration Flows’</p>
Explanation of the (typical) compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>In the relevant programming contracts, it is explicitly mentioned that funding is limited to the amount necessary to balance the project’s revenue and expenditure, and that said funding can in no way secure a profit for the SGEI provider.</p> <p>Furthermore, in the case of financing from the ordinary budget, the amount of funding is based on</p>

<p>the financing of the same programmes under previous programming contracts, taking into account the following:</p> <ul style="list-style-type: none"> (a) the amount of expenditure incurred for the provision of exactly the same services; (b) the reports by the competent Monitoring Committee, (c) the budget submitted by the SGEI provider. <p>Moreover, the programming contracts stipulate that any unallocated funds already paid to the organisation will be returned to the Ministry of Labour, Social Security and Social Solidarity.</p>	
<p>Explanation of the (typical) arrangements for avoiding and repaying (refunding) any overcompensation.</p>	
<p>The programming contracts describe the arrangements for financing projects, payments to the SGEI provider and for avoiding and repaying any overcompensation.</p>	
<p>A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with.</p>	
<p>Not applicable.</p>	
<p>Amounts of aid granted</p>	
<p>Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities for the years 2016 and 2017.</p>	
2016	2017²
EUR 20 334 251.79 million (based on programming contracts)	EUR 2 547 473.60 million (based on programming contracts)
<p>Share of expenditure per aid instrument (direct grant, guarantees, etc.), if available.</p>	
2016	2017
<p>Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings).</p>	

2. COLLECTION AND WASTE MANAGEMENT

<p>A clear and complete description of how the relevant services are organised in your Member State.</p>

² Year expenses are for the months up to February 2017

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.

These services fall under the category 'MUNICIPAL SOLID WASTE MANAGEMENT SECTOR' and are divided into services for which expenditure has been incurred in the years 2016 and 2017 and are referred to below **(A)** and services for which no expenditure has been incurred and are referred to in a table below **(B)**.

Municipal waste management is a service of general interest which is in compliance with the national and European legal and institutional framework. It is of general interest in the sense that it is addressed to citizens and is in the interest of society as it serves the specific objectives linked with the protection of public health and the quality of territorial systems.

The management of municipal solid waste is a responsibility assigned to 1st degree local authorities (Municipalities). The competence of the local authorities for the management of waste is enshrined in Article 102(1) of the Constitution and is specified, as required by this Article, in Article 75 (1)(b)(4) of Law 3463/2006. This competence has been reflected over time in a series of laws and ministerial decisions (Law 1650/1986, Joint Ministerial Decision 50910/2727/2003, Law 3463/2006, Joint Ministerial Decision 2527/2009, Law 4071/2012), and Law 4042/2012, which lays down the general framework of conditions and obligations governing the general management of waste in implementation of Directive 2008/98/EU.

According to Law 4042/2012 as in force, the Regional Waste Management Plan (RWMP) of each Region is prepared by the relevant regional Solid Waste Management Operators (SWMO) or the Region, in case of absence of the Regional SWMO, is approved by decision of the relevant Regional Council and ratified by a Joint Ministerial Decision. The RWMP clearly determines how municipal waste management should be carried out in each geographical unit (management unit) to achieve the objectives set, which have to comply with the national target of the National Waste Management Plan and the relevant national and EU waste management legislation. The RWMP sets out the tasks to be managed per waste stream in each area, the infrastructure necessary to carry out said tasks, and the bodies responsible for the provision of each service/work. In the above context, financing the construction of infrastructure, supply of equipment and provision of services to enable the collection, transport, temporary storage, recovery and disposal of municipal waste which constitute special cases of economic activities (resulting from the imposition of fees or exploitation of the products), which are in the general public interest and could not be obtained from the market without the intervention of the State, shall be considered taking into account, on a case-by-case basis, the provisions of the SGEIs institutional framework (SGEI Decision or SGEI Framework or de minimis Regulation or SGEI Notice).

Below, the actions related to the provision of SGEIs concerning the collection and management of municipal waste are presented in detail, along with the relevant provisions of SGEI Decision No 2012/21/EU.

A.1) ORGANISATION: Ministry of Economy & Development, Special Management Service of the OP 'Transport Infrastructure, Environment, Sustainable Development'.

The Special Management Service (SMS) of the OP 'Transport Infrastructure, Environment, Sustainable Development' implemented by the Ministry of Economy and Development finances the following actions, which include actions related to the provision of SGEIs and are supported in accordance with the provisions of SGEI Decision No 2012/21/EU.

1. 'WASTE TREATMENT PLANT (WTP) OF THE 2ND MUNICIPAL UNIT OF THE PREFECTURE OF VIOTIA (phase B)', MIS 5001123

The scope of the service includes the treatment of urban solid waste from the municipalities of Thebes, Aliartos and Tanagra in the Prefecture of Viotia. The service includes the collection of the waste to be treated (mixed urban waste, pre-treated organic fraction of municipal waste, green waste, sludge from urban waste water treatment plants), mechanical separation into individual streams and sorting of recoverable materials, anaerobic biological treatment of the organic fraction, stabilisation and storage of produced inactivated product (compost) and storage of produced biogas.

In order for the SGEI provider, the Regional SWMO of Central Greece, to provide this service in a sufficient manner, an investment is required for the construction of a Waste Treatment Plant in Thiva, for the treatment of 32 000 t/y of mixed urban waste, 1 850 t/y of pre-sorted waste, 1 300 t/y of green waste and 7 000 t/y of sludge from sewage treatment plants in the served municipalities. The proposed installation includes a municipal solid waste (MSW) reception – pre-treatment plant, which will also comprise mechanical separation devices for incoming MSW in two main processing streams. The major fraction is directed for further treatment to recover recyclable materials. The biodegradable fraction is directed to the anaerobic treatment plant. The digested organic solid waste is directed to a maturation plate to mature by aerobic process and then to a refining device for the production of compost. The biogas produced is stored in a gas gasholder. The cost of the SGEI also includes the cost of acquiring the required land, and the support of the SGEI provider by a technical consultant in the implementation phase of the project.

The operation with MIS 5001123 is the second phase of the homonymous operation [WASTE TREATMENT PLANT (WTP) OF THE 2ND MUNICIPAL UNIT OF THE PREFECTURE OF VIOTIA, mis 376052], the 1st phase of which was financed by the OP 'Environment and Sustainable Development' for 2007-2013, which was managed by the SMS of the Region of Central Greece.

The financing of the WTP section concerning the energy utilisation of produced biogas is distinctly addressed under Regulation (EU) No 651/2014.

2. 'SOLID WASTE TREATMENT PLANT' (COMPOSTING FACTORY) AND WASTE LANDFILL SITE OF THE PREFECTURE OF FOKIDA (phase 2)' MIS: 5001154

The scope of the service includes the composting of an organic fraction of municipal waste and the safe disposal of the treatment residue and the municipal waste in a landfill to serve the Municipalities of Delphi and Dorida of the Regional Unit of Fokida of the Region of Central Greece. More specifically, the service includes the receipt of an organic fraction pre-sorted at source,

biological treatment, storage of produced inactivated product (compost) and deposition of residues in the landfill site. In order for the SGEI provider to adequately provide the described service, it is required to construct and operate a solid waste treatment plant (composting plant) of pre-sorted organic and green waste with a capacity of 6 250 t/y and a waste landfill site with a total volume of 362 487 m³ for all municipalities of the Regional Unit of Fokida, with an average annual capacity of non-hazardous solid waste of 20 000 t/year. The implementation of the necessary infrastructure includes the improvement of the existing 1 325 km earth road for access, as well as the supply of the fixed equipment of the Solid Waste Treatment Plant.

The operation with MIS 5001154 is phase 2 of the homonymous operation [SOLID WASTE TREATMENT PLANT (COMPOSTING FACTORY) AND WASTE LANDFILL SITE OF THE PREFECTURE OF FOKIDA, MIS: 370720], the 1st phase of which was financed by the OP 'Environment and Sustainable Development' for 2007-2013, which was managed by the SMS of the Region of Central Greece.

3. 'WASTE TREATMENT PLANT AND LANDFILL SITE OF AMARI' MIS 5001144.

The scope of the service provided includes integrated management with the recovery and disposal of municipal solid waste of the Regional Unit of Rethymnon in the Region of Crete. In particular, it includes the collection of urban waste to be treated (mixed urban waste and pre-sorted organic fraction of urban waste), mechanical separation into individual streams and sorting of recoverable materials, anaerobic biological treatment of the organic fraction with the production of biogas and digestate that can be used to produce energy, stabilisation by composting the digestate from pre-sorted organic waste to produce compost, storage of produced inactivated product (compost) and deposition of residues in the landfill site.

In order for the SGEI provider to provide this service in a sufficient manner, an investment is required for the construction of a Waste Treatment Plant in Amari, Rethymnon, for the treatment of 35 600 t/y of mixed urban waste, 7 400 t/y of pre-sorted waste, as well as the extension of the Amari landfill site for the disposal of treatment residues. The technology includes a municipal waste reception-pre-treatment plant, which will also comprises mechanical separation devices for incoming waste in two main processing streams. The major fraction is directed for further treatment to recover recyclable materials. The biodegradable fraction is directed to the anaerobic treatment plant, where pre-sorted organic urban waste is also fed to anaerobic treatment. The digested organic solid waste is directed to a maturation plate to mature by aerobic process and then to a refining device for the production of compost. The biogas produced is stored in a gas gasholder. Residues of treatment are directed to the adjacent landfill site, the extension of which is part of the investment for the provision of the SGEI as part of this operation. The cost of the SGEI also includes the cost of acquiring the required land, connecting with utilities, supporting the SGEI provider by a technical consultant in the implementation phase of the project, as well as the necessary publicity measures. The financing of the WTP section concerning the energy utilisation of biogas produced is distinctly addressed under Regulation (EU) No 651/2014.

Explanation of the (typical) forms of entrustment. If standard templates are used for entrustments for a particular domain, please attach them hereto.

The decision to entrust the SGEI consists of a series of regulatory and administrative acts, namely:

- the institutional framework governing waste management
- the approved regional waste management plan (RWMP) of the Region where the service is provided
- the institutional framework for the establishment and operation of the SGEI provider
- the financing decision for each operation

The Regional Waste Management Plan of each Region determines how municipal waste management is to be carried out in each geographical unit (management unit) to achieve the objectives set, which must comply with national targets and relevant national and EU legislation on waste management. The RWMP sets out the tasks to be managed per waste stream in each area, the infrastructure necessary to carry out said tasks, and the bodies responsible for the provision of each service/work.

Approvals of relevant RWMP:

- Operations MIS 5001123 and 5001154: Decision No 263/14.12.2016 of the Regional Council of the Region of Central Greece approving the revised RWMP of the Region of Central Greece, ratified by Joint Ministerial Decision No 63891/5427/30-12-2016 (Government Gazette, Series II, No 31, 2017).
- Operation MIS 5001144: Decision No 62/2016 of the Regional Council of the Region of Crete (minutes No 8/24.06.2016), approving the revised RWMP of the Region of Crete, ratified by Joint Ministerial Decision No 44014/4028/2016 (Government Gazette, Series II, No 3196, 05.10.2016).

Solid waste management bodies have been assigned the obligation to manage (temporary storage, transshipment, recovery/treatment and final disposal) municipal waste, in accordance with Article 7(2)(a) of Joint Ministerial Decision No 50910/2727/2003, Article 1 of Joint Ministerial Decision 2527/2009, Article 16 of Law 4071/2012 and Article 77 of Law 4257/2014. In addition, Joint Ministerial Decision 2527/2009 establishes the SWMO pricing policy for the services provided, showing that their budget is in balance, therefore there is no economic profitability for the organisations from the services provided. In addition, SWMOs are obliged to continuously provide the municipal waste management service to their Member States without discrimination.

Beneficiaries of the grants are the authorities which are authorised by law to provide the relevant municipal solid waste management services (Joint Ministerial Decision 50910/2727 of 16.12.2003 [Government Gazette, Series II, No 1909, 2003] and Law 4071/2012 [Government Gazette, Series I, No 85, 2012]), namely:

For MIS 5001123: The company SWMO of the Region of Central Greece SA, which was established as a Regional SWMO under Law 4071/2012 and is the universal successor of DEPODATH SA (SWMO of the 2nd Municipal Unit of the Region of VIOTIA - 1st phase of the operation OP 'Environment and Sustainable Development 2007-2013' with MIS 376052), is the beneficiary for the implementation of the infrastructures and the SGEI provider.

For MIS 5001154: the Municipality of Delphi is the beneficiary for the implementation of the infrastructure and the SWMO of the Region of Central Greece SA, which was established as a Regional SWMO under Law 4071/2012 and is the universal successor of SWMO of the Regional Unit of Fokida - Waste Management Association of Fokida (SDANF) (1st phase of the operation OP 'Environment and Sustainable Development 2007-2013' with MIS 370720), is the SGEI provider.

For MIS 5001144: the Single Waste Management Association of Crete, established in 2000 and

operating since 2010 as a Solid Waste Management Organisation (SWMO) responsible for the treatment (recovery and disposal) of municipal solid waste from the service area of the

Regional Unit of Rethymnon, is the beneficiary for the implementation of infrastructure and the SGEI provider.

Financing decisions:

- Decision No off.5226/12-4-2017 entitled: 'Inclusion of Operation "WASTE PROCESSING PLANT OF THE 2ND MUNICIPAL UNIT OF THE PREFECTURE OF VIOTIA - Phase B" with MIS code 5001123 in the Operational Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020"'
- Decision No off.15147/ 9-12-2016 entitled: 'Inclusion of Operation "SOLID WASTE TREATMENT PLAN (COMPOSTING FACTORY) AND WASTE LANDFILL SITE OF THE PREFECTURE OF FOKIDA PHASE B" with MIS code 5001154 in the Operational Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020"'
- Decision No off.5746/5-5-2017 entitled: 'Inclusion of Operation "WASTE TREATMENT PLANT AND LANDFILL SITE OF AMARI" with MIS code 5001144 AS in the Operational Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020"'

Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.

The following applies on a case-by-case basis:

WASTE TREATMENT PLANT (WTP) OF THE 2ND MUNICIPAL UNIT OF THE PREFECTURE OF VIOTIA (phase B), MIS 5001123

The duration of the entrustment of the service provided by the SGEI provider (Regional Solid Waste Management Authority of the Region of Central Greece) after the completion of the relevant infrastructure will be for twenty-five (25) years. This period is considered reasonable, as the provision of the service requires a significant investment, which needs to be amortised over a longer period in accordance with generally accepted accounting principles.

SOLID WASTE TREATMENT PLANT (COMPOSTING FACTORY) AND WASTE LANDFILL SITE OF THE PREFECTURE OF FOKIDA (phase B) MIS 5001154

The duration of the entrustment of the service provided by the SGEI provider (Regional Solid Waste Management Authority of the Region of Central Greece) after the completion of the relevant infrastructure will be fifteen (15) years. The entrustment of the SGEI will be renewable.

WASTE TREATMENT PLANT AND LANDFILL SITE OF AMARI, MIS 5001144

The duration of the entrustment of the service provided by the SGEI provider, including the time for the installation of necessary infrastructure and equipment, will be twenty-five (25) years. This period is considered reasonable, as the provision of the service requires a significant investment, which needs to be amortised over a longer period in accordance with generally accepted

accounting principles.
Explanation if enterprises have been entrusted with (typically) exclusive or special rights.
No exclusive or special rights have been granted to recipients of the subsidy other than those already provided for by the applicable framework governing their competences.
Which aid instruments (direct subsidies, guarantees, etc.) have been used?
Direct subsidy from NSRF 2014-2020 (Axis 14 of OP 'Transport Infrastructure, Environment, Sustainable Development' financed by the Cohesion Fund)
Explanation of the (typical) compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The framework governing the operation of the financial instrument, the operation of waste management service providers (SWMO and municipalities) and the entrustment and management of public contracts require the application of a methodology based on cost allocation for the calculation of the amount of the subsidy.</p> <p>The amount of public financing of the operation is determined by means of a financial analysis of the determination of compensation, in accordance with the applicable SGEI law, which includes the cost of the required infrastructure up to the amount of the financing deficit resulting from the relevant financial analysis.</p> <p>For each individual case, the compensation granted for the services provided shall be limited to the extent necessary to cover all or part of the costs incurred in meeting the obligation to provide the specified SGEI, taking into account the relevant estimated revenue and the framework governing urban waste management and the functioning of SWMOs.</p> <p>The exact parameters that are taken into account for the determination of the compensation granted are described in detail in the relevant SGEI Documentation Report and the financial analysis accompanying the SGEI dossier and have been subject to evaluation for the integration of the relevant operation into the OP 'Transport Infrastructure, Environment, Sustainable Development'.</p> <p>These parameters are assessed with the utmost precision to minimise the risk of overcompensation of the provider, i.e. the risk that the latter receives compensation that exceeds the net cost including a reasonable profit. If the financial analysis accompanying the project provides for a profit percentage, this will be considered reasonable if it does not exceed the relevant swap rate plus 100 basis points. The relevant swap rate is the swap rate whose maturity and currency correspond to the duration and currency of the entrustment act.</p>
Explanation of the (typical) arrangements for avoiding and recovering (refunding) any overcompensation.

According to Annex II 'SPECIFIC SGEI CONDITIONS' of the relevant financing decisions in force:
If the parameters taken into account for the determination of the compensation granted for the service provided are altered during the period of entrustment of the SGEI and lead to overcompensation, corrective actions as defined in Article 5 of JMD 2527/2009, which is part of the SGEI decision, shall be implemented.

The competent national authorities shall carry out regular audits every three years for the entrustment period, as well as at the end of this period, to check the compensation and shall be required to request the SGEI provider to refund any overcompensation received. 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.

The competent verification body shall review the SGEI data every three years during the entrustment period and at the end of the entrustment period and shall prepare reports (based on Decision 2012/21/EU) containing at least the following information:

- Details of the SGEI provider & framework of powers
- Served users/geographical area
- A report describing the SGEI, the operation of infrastructure, and containing references to periods of efficient operation, failures, maintenance, etc.
- Type and amount of waste for treatment and/or disposal
- Type and quantities of products & residues
- Charges & other income (in accordance with the categories of costs of the compensation calculation and control parameters mentioned above) (entry fees & selling prices for products)
- Annual costs by category (for each category of costs of the compensation calculation and control parameters)
- Verification of the compensation calculation data & comparison with the SGEI entrustment decision
- Confirmation of compliance with separate accountancy office to provide the SGEI entrusted
- Any extensions of an SGEI.
- Any activities outside the approved SGEI
- The applicable refund procedure for any overcompensation received.

In any case, in the event of overcompensation, the municipal waste management fee (levy) is adjusted in accordance with the procedure described in Article 5 of JMD 2527/2009.

A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please include also some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (if so, provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

WASTE TREATMENT PLANT (WTP) OF THE 2ND MUNICIPAL UNIT OF THE PREFECTURE OF VIOTIA

(phase B), MIS 5001123

In Decision No off.5226/12-4-2017 on the financing of the operation with MIS code 5001123, the following additional conditions have been set for the part of the physical object which is supported under Regulation (EU) No 651/2014 and concerns the production of electricity from the produced biogas:

The beneficiary must keep a separate account.

The beneficiary must accept the publication of the information referred to in Annex III to Regulation (EU) No 651/2014 for each individual aid award exceeding EUR 500 000.

The dossier of the operation with the information and supporting documents required to determine whether all the conditions provided for in Regulation (EU) No 651/2014 are met, shall be kept by the competent managing authority for 10 years from the date on which the aid was granted.

WASTE TREATMENT PLANT AND LANDFILL SITE OF AMARI, MIS 5001144

Decision No off.5746/5-5-2017 on the financing of the operation with MIS code 5001144, the following additional conditions have been set for the part of the natural object which is supported under Regulation (EU) No 651/2014 and related to the production of electricity from the produced biogas:

The beneficiary must keep a separate account.

The beneficiary must accept the publication of the information referred to in Annex III to Regulation (EU) No 651/2014 for each individual aid award exceeding EUR 500 000.

The dossier of the operation with the information and supporting documents required to determine whether all the conditions provided for in Regulation (EU) No 651/2014 are met, shall be kept by the competent managing authority for 10 years from the date on which the aid was granted.

Amounts of aid granted		
Total amount of aid granted (in million EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)		
	2016	2017
MIS 5001123	EUR 0.00	EUR 770 000.00
MIS 5001154	EUR 873 319.45	EUR 1 288 770.20
MIS 5001144	EUR 0.00	EUR 546 017.35

One beneficiary per operation

A.2) ORGANISATION: SMS of the Attica ROP

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.

The SMS of the Attica ROP finances the following operation, which includes actions related to the provision of SGEIs and supported in accordance with the provisions of Decision 2012/21/EU.

‘KYTHIRA-ANTI KYTHIRA WASTE MANAGEMENT’ (MIS 5003945)

The scope of the provided service involves the integrated management with the recovery and disposal of municipal solid waste in a landfill to serve the Municipality of Kythira on two islands (Kythira and Antikythira). The service includes the collection of the waste to be treated (mixed urban waste, pre-treated organic fraction of municipal waste, green waste), mechanical separation into individual streams and sorting of recoverable materials, anaerobic biological treatment of the organic fraction, stabilisation and storage of produced inactivated product (compost).

In order for the SGEI provider to adequately provide the described service on the island of Kythira for an annual incoming waste amount of 2 256.20 tn, it is required to construct and operate a solid waste treatment plant (composting plant) of pre-sorted organic and green waste and a waste landfill site with a minimum useful capacity of 102 702 m³. The implementation of the necessary infrastructure includes the improvement of the existing 2 043.62 km earth road for access, the construction of a 846.25 m long internal road, as well as the supply of the fixed equipment of the Solid Waste Treatment Plant.

In order for the SGEI provider to adequately provide the described service to the island of Antikythira, the construction and operation of a landfill site with a minimum useful capacity of 5 611 m³ is required.

The operation with MIS code 5003945 also includes the rehabilitation of the two active Kythira and Antikythira uncontrolled waste disposal areas, which is not funded by European funds.

Explanation of the (typical) forms of entrustment. If standard templates are used for entrustments for a particular domain, please attach them hereto.

The decision to entrust the SGEI consists of a series of regulatory and administrative acts, namely:

- the institutional framework governing waste management
- the approved RWMP of the Region where the service is provided
- the institutional framework for the establishment and operation of the SGEI provider
- the financing decision for each operation

The Regional Waste Management Plan of each Region determines how municipal waste management is to be carried out in each geographical unit (management unit) to achieve the objectives set, which must comply with national targets and relevant national and EU legislation on waste management. The RWMP sets out the tasks to be managed per waste stream in each area, the infrastructure necessary to carry out said tasks, and the bodies responsible for the provision of each service/work.

Approvals of the relevant RWMP:

- Operation 5003945: Decision No 414/2016 of the Regional Council of the Region of Central Greece approving the Revised RWMP of the Attica Region, ratified by JMD No 61490/5302/19-12-2016 Government Gazette, Series II, No 4175, 2016).

Solid waste management bodies have been assigned the obligation to manage (temporary storage, transshipment, recovery/treatment and final disposal) municipal waste, in accordance with Article 7(2)(a) of Joint Ministerial Decision No 50910/2727/2003, Article 1 of Joint Ministerial Decision 2527/2009, Article 16 of Law 4071/2012 and Article 77 of Law 4257/2014. In addition, Joint Ministerial Decision 2527/2009 establishes the SWMO pricing policy for the services provided, showing that their budget is in balance, therefore there is no economic profitability for the organisations from the services provided. In addition, SWMOs are obliged to continuously provide the municipal waste management service to their Member States without discrimination. The beneficiaries of the grants are authorities which are authorised by law to provide the relevant municipal solid waste management services (Joint Ministerial Decision 50910/2727 of 16.12.2003 [Government Gazette, Series II, No 1909, 2003] and Law 4071/2012 [Government Gazette, Series I, No 85, 2012]), namely:

- For MIS 5003945: the municipality of Kythira is the beneficiary for the implementation of the infrastructure and, until the establishment of a competent SWMO, it is the body for the provision of the SGEI.

Financing decision:

- Decision No off.507/29-12-2016 entitled: 'Kythira-Antikythira waste management' with MIS code 5003945 in the operational programme 'Attica 2014-2020'.

Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.

KYTHIRA-ANTI KYTHIRA WASTE MANAGEMENT' (MIS 5003945)

The provision of this service requires significant investment and, therefore, the duration of the provision of the SGEI is set at 25 years, which is a reasonable period to amortise this investment in accordance with generally accepted accounting principles. Moreover, as explained below, the parameters for calculating the compensation are clearly and objectively defined, and the annual compensation does not exceed EUR 15 million. It is noted that, in order for the compensation to be paid not to exceed the actual costs, a mechanism for both verification and control, and

<p>correction of the compensation in case of overcompensation, is described. Finally, for the construction of the infrastructure and the provision of the necessary equipment for the provision of the SGEI, but also for the implementation of all the necessary supporting actions, an open procedure is followed, which ensures the award of public contracts following competitive procedures ensuring the greatest possible participation of candidate economic operators and, hence, the development of greater competition and, finally, the least cost for the whole of society.</p>
<p>Explanation if enterprises have been entrusted with (typically) exclusive or special rights.</p>
<p>No exclusive or special rights have been granted to recipients of the subsidy other than those already provided for by the applicable framework governing their competences.</p>
<p>Which aid instruments (direct subsidies, guarantees, etc.) have been used?</p>
<p>Direct subsidy from the NSRF 2014-2020 (Priority Axis 'Improving Quality of Life in the Urban Environment' of the OP 'Attica 2014-2020') which is financed by the ERDF.</p>
<p>Explanation of the (typical) compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>The framework governing the operation of the financial instrument, the operation of waste management service providers (SWMO and municipalities) and the entrustment and management of public contracts require the application of a methodology based on cost allocation for the calculation of the amount of the subsidy.</p> <p>The amount of public financing of the operation is determined by means of a financial analysis of the determination of compensation, in accordance with the applicable SGEI law, which includes the cost of the required infrastructure up to the amount of the financing deficit resulting from the relevant financial analysis.</p> <p>For each individual case, the compensation granted for the services provided shall be limited to the extent necessary to cover all or part of the costs incurred in meeting the obligation to provide the specified SGEI, taking into account the relevant estimated revenue and the framework governing urban waste management and the functioning of SWMOs.</p> <p>The exact parameters that are taken into account for the determination of the compensation granted are described in detail in the relevant SGEI Documentation Report and the financial analysis accompanying the SGEI dossier and have been subject to evaluation for the integration of the relevant operation into the OP 'Attica 2014-2020'.</p> <p>These parameters are assessed with the utmost precision to minimise the risk of overcompensation of the provider, i.e. the risk that the latter receives compensation that exceeds the net cost including a reasonable profit. If the financial analysis accompanying the project provides for a profit percentage, this will be considered reasonable if it does not exceed the relevant swap rate plus 100 basis points. The relevant swap rate is the swap rate whose maturity and currency correspond to the duration and currency of the entrustment act.</p>

Explanation of the (typical) arrangements for avoiding and recovering (refunding) any overcompensation.

According to Annex II 'SPECIFIC SGEI CONDITIONS' of the relevant financing decisions in force:

If the parameters taken into account for the determination of the compensation granted for the service provided are altered during the period of entrustment of the SGEI and lead to overcompensation, corrective actions as defined in Article 5 of JMD 2527/2009, which is part of the SGEI decision, shall be implemented.

The competent national authorities shall carry out regular audits every three years for the entrustment period, as well as at the end of this period, to check the compensation and shall be required to request the SGEI provider to refund any overcompensation received. 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.

The competent verification body shall review the SGEI data every three years during the entrustment period and at the end of the entrustment period and shall prepare reports (based on Decision 2012/21/EU) containing at least the following information:

- Details of the SGEI provider & framework of powers
- Served users/geographical area
- A report describing the SGEI, the operation of infrastructure, and containing references to periods of efficient operation, failures, maintenance, etc.
- Type and amount of waste for treatment and/or disposal
- Type and quantities of products & residues
- Charges & other income (in accordance with the categories of costs of the compensation calculation and control parameters mentioned above) (entry fees & selling prices for products)
- Annual costs by category (for each category of costs of the compensation calculation and control parameters)
- Verification of the compensation calculation data & comparison with the SGEI entrustment decision
- Confirmation of compliance with separate accountancy office to provide the entrusted SGEI
- Any extensions of a SGEI.
- Any activities outside the approved SGEI
- The applicable refund procedure for any overcompensation received.

In any case, in the event of overcompensation, the municipal waste management fee (levy) is adjusted in accordance with the procedure described in Article 5 of JMD 2527/2009.

A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please include also some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this

information for all aid measures concerned in your Member State (if so, provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable.	
Amounts of aid granted	
Total amount of aid granted (in million EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2016	2017
0,239	0,795
A: Total amount of aid granted (in million EUR) paid by national central authorities	
2016	2017
0,239	0,795
B: Total amount of aid granted (in million EUR) paid by regional authorities	
2016	2017

A.3) ORGANISATION: SPECIAL MANAGING SERVICE OF THE OP OF THE REGION OF CENTRAL MACEDONIA
A clear and complete description of how the relevant services are organised in your Member State.
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.
The SMS of the OP of the Central Macedonia Region, following Amendment No 2989/24-8-2017 to Ministerial Decision No off. 3848/18-3-2015 on the assignment of management responsibilities for operations of the Environment Sector co-financed by the Cohesion Fund of the Operational Programme 'Transport Infrastructure, Environment and Sustainable Development' to

the Special Management Services of the Regional Operational Programmes', manages (evaluation, inclusion in OP 'Transport Infrastructure, Environment, Sustainable Development', monitoring of implementation) the following operations co-financed by the Cohesion Fund, which include actions related to the provision of SGEIs and supported in accordance with Decision 2012/21/EU.

1. Waterproofing of cells 3 and 4 of the Landfill of the North-West Unit of the Thessaloniki Prefecture - Phase B (MIS code: 5003338)

The project concerns the necessary work for the final configuration and waterproofing of the A3 and A4 cells of the Mavrorachi landfill in the Prefecture of Thessaloniki. The configurations concern additional earthworks in the already formed 3 & 4 cells of the 1st Phase with the aim of increasing their capacity, as well as the appropriate 'preparation' of the soil (removal of plantations, levelling, etc.) in order to place the artificial geological barrier (clay, HDPE film, geotextile, protection sand), and the drainage layer. They also include the procurement and placement of the leachate collection network (supply of pipelines and their placement, wells and connection to the existing Leachate Processing Plant).

The operation of the landfill site of the Northwest unit of the Thessaloniki Prefecture is set out in the RWMP of the Central Macedonia Region as an integral part of integrated waste management which falls within the framework of the Services of General Economic Interest (SGEI) in the sense that it is addressed to citizens and is in the interest of society as a whole, as it serves the specific objectives related to the protection of public health and the quality of territorial systems.

2. Waste Transfer Station of the Northwest Thessaloniki Urban Development Complex (MIS code: 5003944)

The project is intended to serve the needs of the local authorities of the Thessaloniki Northwest Urban Development Complex: Aghios Pavlos, Ampelokipoi, Kordelio, Evosmos, Menemeni, Neapoli, Polichni, Stavroupoli, Sykies, Triandria, Echedoros, Oreokastro, Efkarpia, Thessaloniki (60 %). The projected Waste Transfer Station will have an average capacity of 1 100 tn/day and will be working in three (3) shifts per day. For the operation of the installation, it is projected to install a two-level configuration and fixed transshipment equipment including fixed waste compactors. The compressed waste will be driven through a suitable connection to a container and will then be picked up by a special vehicle. The incoming refuse trucks will be parked for disposal at the first and highest level, while the containers to be filled will be located at the second and lowest level. The project will be fully automated and the unloading and compaction of waste will take place in a closed and deodorised building.

Infrastructure projects are also planned to ensure the smooth operation of the project: wastewater treatment plant, fuel supply, workshop, washing machine, administration building, fire extinguishing system, fencing, etc. Improvements to the external access road are also envisaged for the uninterrupted movement of vehicles.

The operation of the Waste Transfer Station is set out in the RWMP of the Central Macedonia Region as an integral part of an integrated network of solid waste recovery and disposal facilities, which falls within the framework of the Services of General Economic Interest (SGEI), since it concerns a public service for the rational management of Municipal Solid Waste (MSW) in the Regional Unity of Thessaloniki, addressed to citizens and the whole of society, as these services are related to public health and environmental protection.

3. Extension of the landfill site of the 1st Administrative Unit of the Pella Prefecture (Almopia landfill site) and modernisation of the existing sewage treatment plant - Phase B (MIS code: 5003948)

The project concerns the construction of the second phase of the Almopia landfill at the 'Mavrolakos' site of the Exaplatanos Municipal Unit of the municipality of Almopia, with the accompanying infrastructure works required for the smooth operation of the landfill.

The Phase 2 basin will be constructed for the final disposal of municipal solid waste from the 1st Administrative Unit of the Pella Prefecture and is an expansion of the Phase 1 basin to the Southwest of a total area of 28 stremmata. The landfill will serve the MSW disposal needs of the Almopia Municipality, with a population of 33 042 inhabitants (NSSG 2011 census), and an annual amount of MSW led to the landfill of 11 000 t/y.

The operation of the Almopia landfill is set out in the RWMP of the Central Macedonia Region as an integral part of integrated waste management which falls within the framework of the Services of General Economic Interest (SGEI) in the sense that it is addressed to citizens and is in the interest of society as a whole, as it serves the specific objectives related to the protection of public health and the quality of territorial systems.

4. Extension of the existing Waste Transfer Station of the Thessaloniki Municipality, with procurement of equipment to increase its capacity and works for the upgrade of the site (MIS code: 5003967).

The whole operation concerns the extension and upgrading of the existing Waste Transfer Station of the 2nd Administrative Unit of Thessaloniki located at the site 'Kis Toumpa' in the municipality of Pylea Chortiatis, with the addition of mechanical infrastructure in a site foreseen during its construction, for future expansion and increase of its capacity, and includes the following subprojects:

Subproject 1: Supply of mobile mechanical equipment consisting of 7 tractors with the corresponding trailers and 35 closed containers of 30 m³ for the transport of compressed waste.

Subproject 2: Extension of building facilities and machinery

Phase 2 of the Operation concerns the implementation of Subproject 2 of the Operation and includes the following:

(a) Extension of the building and mechanical equipment as follows: Extension of the metallic superstructure of the existing press building, where the 4th waste press will be installed, and construction of a top and side covering on the extension. Construction of a one-storey building, where the existing carbon filters of the three presses will be placed, which will be transferred from their existing position, namely the press building. Construction of a two-storey building with a metal bearing floor structure, on the ground floor of which there will be the fire extinguishing tank, the irrigation tank and the pumping station and on the floor, the 4th carbon filter. Supply and installation of the 4th waste press. Supply and installation of the 4th carbon filter.

(b) Improvement of the sound insulation of the press building.

(c) Planting of the land and the roof of the new one-storey building.

(d) Supply and installation of an irrigation system. The construction contract was signed on 12 December 2014 and the contractor has moved into the project.

The operation of the Waste Transfer Station of the Thessaloniki Municipality is set out in the RWMP of the Central Macedonia Region as an integral part of an integrated network of facilities for the recovery and disposal of municipal solid waste, which falls within the framework of the Services of General Economic Interest (SGEI) in the sense that it concerns a public service for the rational management of Municipal Solid Waste (MSW) in the Regional Unit of Thessaloniki, addressed to citizens and society as a whole, as these services are related to public health and environmental protection.

5. Waste/Residue Landfill of the 4th Administrative Unit of Chalkidiki - Phase 2 (MIS code: 5004007) (NON-PROVISION OF SGEI COMPENSATION).

The project involves the construction of phase 1 of the waste/residue landfill of the 4th Administrative Unit of Chalkidiki at the 'Koniari 1' site of the Arnaia Municipal Unit of the Aristotelis Municipality, with the accompanying infrastructure works required for the smooth operation of the landfill.

The Phase 1 basin will be constructed for the final disposal of municipal solid waste from the 4th Administrative Unit of the Chalkidiki Prefecture on an area of 33 stremmata. The waste/residue landfill capacity (with the completion of the proposed Phase 1) will be 467 000 m³ and its operating life with an estimated average annual solid waste capacity of 16 500 t/year will be 24 years.

The operation of the landfill site of the 4th Administrative Unit of Chalkidiki is set out in the RWMP of the Central Macedonia Region as an integral part of integrated waste management, which falls within the framework of the Services of General Economic Interest (SGEI) in the sense that it is addressed to citizens and is in the interest of the community as it serves the specific objectives related to the protection of public health and the quality of territorial systems.

6. Extension of the Kassandra landfill - Phase 2 (MIS code: 5004118) (NON-PROVISION OF SGEI COMPENSATION)

The project involves the extension of the Kassandra landfill with the construction of a supplemental waste disposal cell for the municipalities of Kassandra and Pallini in the Chalkidiki Prefecture and the restoration of the existing landfill, which has been operating since 1993 and has been completely saturated. In particular, the project includes the construction of a new landfill (251 339 m³), bottom insulation works, leachate and biogas reduction and management works and upgrade of existing support facilities for the operation of the site (leachate treatment plant, fire-fighting networks, electric lighting, fencing, etc.) and the restoration of the existing deposition cells, the construction of the required supporting projects (leachate collection and biogas networks), and upgrading-extension of the existing leachate treatment plant. The capacity of the new cell of the Kassandra landfill will be 251 339 m³ and its operating life with an estimated average annual solid waste capacity of 22 000 t/year will be 9 years.

The operation of the Kassandra landfill is set out in the RWMP of the Central Macedonia Region as an integral part of integrated waste management which falls within the framework of the Services of General Economic Interest (SGEI) in the sense that it is addressed to citizens and is in the interest of society as a whole, as it serves the specific objectives related to the protection of public health and the quality of territorial systems.

Explanation of the (typical) forms of entrustment. If standard templates are used for

entrustments for a particular domain, please attach them hereto.

The decision to entrust the SGEI consists of a series of regulatory and administrative acts, namely:

- the institutional framework governing waste management
- the approved RWMP of the Region where the service is provided
- the institutional framework for the establishment and operation of the SGEI provider
- the financing decision for each operation

The Regional Waste Management Plan of each Region determines how municipal waste management is to be carried out in each geographical unit (management unit) to achieve the objectives set, which must comply with national targets and relevant national and EU legislation on waste management. The RWMP sets out the tasks to be managed per waste stream in each area, the infrastructure necessary to carry out said tasks, and the bodies responsible for the provision of each service/work.

The operations described in the previous field are included in the revised RWMP of Central Macedonia, which was approved with Regional Council of Central Macedonia Decision No 220/3-11-2016 (Internet Posting No: 6EEΠ7ΛΛ-ΠΥ3).

The SWMOs (Solid Waste Management Organisations) are the competent bodies of the Primary Local Administration where, as set out in Law 4071/2012, their purpose is integrated waste management according to the Regional Waste Management Plan (RWMP). In particular, the purpose of the SWMOs is to specify and implement the objectives and actions of each RWMP in relation to the temporary storage, transshipment, marine transport of MSW, treatment, recovery and disposal of solid waste within their territorial competence, also in accordance with JMD No 2527/2009 (Government Gazette, Series I, No 83, 2009).

Solid waste management bodies have been assigned the obligation to manage (temporary storage, transshipment, recovery/treatment and final disposal) municipal waste, in accordance with Article 7(2)(a) of Joint Ministerial Decision No 50910/2727/2003, Article 1 of Joint Ministerial Decision 2527/2009, Article 16 of Law 4071/2012 and Article 77 of Law 4257/2014. In addition, Joint Ministerial Decision 2527/2009 establishes the SWMO pricing policy for the services provided, showing that their budget is in balance, therefore there is no economic profitability for the organisations from the services provided. In addition, SWMOs are obliged to continuously provide the municipal waste management service to their Member States without discrimination.

Beneficiaries of the grants are the authorities which are authorised by law to provide the relevant municipal solid waste management services (Joint Ministerial Decision 50910/2727 of 16.12.2003 [Government Gazette, Series II, No 1909, 2003] and Law 4071/2012 [Government Gazette, Series I, No 85, 2012]).

1. Waterproofing of cells 3 and 4 of the Landfill of the North-West Unit of the Thessaloniki Prefecture - Phase B (MIS code: 5003338)

The institution set up for this project, that is responsible for the management of municipal waste, is the 'Regional Association of Solid Waste Management Organisations (SWMO) of Central Macedonia'.

Financing decision: Decision No 442/27-1-2017 entitled: 'Integration of Operation

“Waterproofing of cells 3 and 4 of the Landfill of the North-West Unit of the Thessaloniki Prefecture - Phase B” with MIS Code 5003338 in the Operational Programme “Transport Infrastructure, Environment and Sustainable Development 2014-2020”.

2. Waste Transfer Station of the Northwest Thessaloniki Urban Development Complex (MIS code: 5003944)

The institution set up for this project, that is responsible for the management of municipal waste, is the ‘Regional Association of Solid Waste Management Organisations (SWMO) of Central Macedonia’.

Financing decision: Decision No 9461/6-12-2016 entitled: ‘Integration of Operation

“Waste Transfer Station of the Northwest Thessaloniki Urban Development Complex - Phase 2” with MIS code 5003944 in the Operational Programme

“Transport Infrastructure, Environment and Sustainable Development 2014-2020”.

3. Extension of the landfill site of the 1st Administrative Unit of the Pella Prefecture (Almopia landfill site) and modernisation of the existing sewage treatment plant - Phase B (MIS code: 5003948)

The implementation of the project was entrusted to the Almopia Municipality following a Programming Agreement with the former Association for the Cleaning of Almopia and the current SWMO of the Region of Central Macedonia as the universal successor of the previous organisation. In addition, the SWMO of the Region of Central Macedonia will undertake the operation, environmental control and maintenance of the infrastructure after its completion.

Financing decision: Decision No 445/27-1-2017 entitled: ‘Integration of Operation

“Extension of the landfill site of the 1st Administrative Unit of the Pella Prefecture (Almopia landfill site) and modernisation of existing sewage treatment plant - Phase B” with MIS code 5003948 in the Operational Programme

“Transport Infrastructure, Environment and Sustainable Development 2014-2020”.

4. Extension of the existing Waste Transfer Station of the Thessaloniki Municipality, with procurement of equipment to increase its capacity and works for the upgrade of the site (MIS code: 5003967)

The municipality of Thessaloniki has been operating since 1995, serving the collection, transportation and transshipment of municipal waste. According to the law, it is the sole organisation responsible for waste management in its area.

Financing decision: Decision No 9423/27-12-2016 entitled: ‘Integration of Operation “Extension of the existing Waste Transfer Station of the Thessaloniki Municipality, and procurement of equipment to increase its capacity and works for the upgrade of the site - Phase 2” with MIS code 5003967 in the Operational Programme “Transport Infrastructure, Environment and Sustainable Development 2014-2020”.

5. Waste/Residue Landfill of the 4th Administrative Unit of Chalkidiki - Phase 2 (MIS code: 5004007)

The implementation of the project was entrusted to the Aristotelis Municipality following a Programming Agreement with the former Association of the 4th Administrative Unit and the current SWMO of the Region of Central Macedonia as the universal successor of the previous organisation. In addition, the SWMO of the Region of Central Macedonia will undertake the operation, environmental control and maintenance of the infrastructure after its completion.

Financing decision: Decision No 444/27-1-2017 entitled: 'Integration of Operation "Waste/Residue Landfill of the 4th Administrative Unit of Chalkidiki - Phase 2" with MIS code 5004007 in the Operational Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020"'.

6. Extension of the Kassandra landfill - Phase 2 (MIS code: 5004118)

The implementation of the project was entrusted to the Aristotelis Municipality following a Programming Agreement with the former Association of the 1st Administrative Unit and the current SWMO of the Region of Central Macedonia as the universal successor of the previous organisation. In addition, the SWMO of the Region of Central Macedonia will undertake the operation, environmental control and maintenance of the infrastructure after its completion.

Financing decision: Decision No 443/27-1-2017 entitled: 'Integration of Operation "Extension of the Kassandra landfill - Phase 2" with MIS code 5004118 to the Operational Programme "Transport Infrastructure, Environment and Sustainable Development 2014-2020"'.

Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.

For SGEIs with a maturity of more than 10 years, the following applies on a case-by-case basis:

2. Waste Transfer Station of the Northwest Thessaloniki Urban Development Complex (MIS code: 5003944)

The duration of the entrustment of the service provided by the SGEI provider (SWMO of the Region of Central Macedonia) following completion of the relevant infrastructure will be twenty-eight

(28) years. This period is considered reasonable, as the provision of the service requires a significant investment, which needs to be amortised over a longer period in accordance with generally accepted accounting principles.

3. Extension of the landfill site of the 1st Administrative Unit of the Pella Prefecture (Almopia landfill site) and modernisation of the existing sewage treatment plant - Phase B (MIS code: 5003948)

The duration of the entrustment of the service provided by the SGEI provider (SWMO of the Region of Central Macedonia) following completion of the relevant infrastructure will be thirteen (13) years. This period is considered reasonable, as the provision of the service requires a significant investment, which needs to be amortised over a longer period in accordance with generally accepted accounting principles.

5. Waste/Residue Landfill of the 4th Administrative Unit of Chalkidiki - Phase 2 (MIS code: 5004007)

The duration of the entrustment of the service provided by the SGEI provider (SWMO of the Region of Central Macedonia) following completion of the relevant infrastructure will be twenty-six (26) years. This period is considered reasonable, as the provision of the service requires

a significant investment, which needs to be amortised over a longer period in accordance with generally accepted accounting principles.
Explanation if enterprises have been entrusted with (typically) exclusive or special rights.
No exclusive or special rights have been granted to recipients of the subsidy other than those already provided for by the applicable framework governing their competences.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct subsidy from NSRF 2014-2020 (Axis 14 of OP 'Transport Infrastructure, Environment, Sustainable Development' financed by the Cohesion Fund)
Explanation of the (typical) compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The framework governing the operation of the financial instrument, the operation of waste management service providers (SWMO and municipalities) and the entrustment and management of public contracts require the application of a methodology based on cost allocation for the calculation of the amount of the subsidy.</p> <p>The amount of public financing of the operation is determined by means of a financial analysis of the determination of compensation, in accordance with the applicable SGEI law, which includes the cost of the required infrastructure up to the amount of the financing deficit resulting from the relevant financial analysis.</p> <p>For each individual case, the compensation granted for the services provided shall be limited to the extent necessary to cover all or part of the costs incurred in meeting the obligation to provide the specified SGEI, taking into account the relevant estimated revenue and the framework governing urban waste management and the functioning of SWMOs.</p> <p>The exact parameters that are taken into account for the determination of the compensation granted are described in detail in the relevant SGEI Documentation Report and the financial analysis accompanying the SGEI dossier and have been subject to evaluation for the integration of the relevant operation into the OP 'Transport Infrastructure, Environment, Sustainable Development'.</p> <p>These parameters are assessed with the utmost precision to minimise the risk of overcompensation of the provider, i.e. the risk that the latter receives compensation that exceeds the net cost including a reasonable profit. If the financial analysis accompanying the project provides for a profit percentage, this will be considered reasonable if it does not exceed the relevant swap rate plus 100 basis points. The relevant swap rate is the swap rate whose maturity and currency correspond to the duration and currency of the entrustment act.</p>
Explanation of the (typical) arrangements for avoiding and recovering (refunding) any

overcompensation.		
If the parameters taken into account for the determination of the compensation granted for the service provided are altered during the period of entrustment of the SGEI and lead to overcompensation, corrective actions shall apply.		
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please include also some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (if so, provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).		
Not applicable.		
Amounts of aid granted		
Total amount of aid granted (in million EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)		
M.I.S.	2016	2017
5003338	0.00	1 474 106.85
5003944	0.00	4 797 874.47
5003948	0.00	2 365 873.29
5003967	1 400 036.28	162 000.00
5004007	0.00	0.00
5004118	0.00	0.00

A.4) ORGANISATION: Region of Western Greece, Special Management Service of OP 'Western Greece 2014-2020'.
A clear and complete description of how the relevant services are organised in your Member State.
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.
The Special Management Service (SMS) of the Region of Western Greece finances the following

actions, which include actions related to the provision of SGEIs and are supported in accordance with the provisions of SGEI Decision No 2012/21/EU.

1. 'Construction of a Landfill in the Regional Unit of Ilia' MIS: 5002956

The scope of the operation is the construction of the landfill and its accompanying works, i.e. the construction of a leachate treatment plant in the landfill and the provision of the necessary equipment, as provided for by the approved RWMP of the Region of Western Greece, as well as the provision of technical support, the connections of the works with utilities, and the necessary archaeological work and research.

The scope of the service includes the treatment of municipal solid waste and the safe disposal of the processing waste and municipal waste in a landfill to serve all the municipalities of the Regional Unit of Ilia and the Region of Western Greece. More specifically, the service includes the receipt of the MSW of the Regional Unit of Ilia, the treatment and deposition of residues in the landfill. In order for the SGEI provider to adequately provide the described service, the construction and operation of a Solid Waste Treatment Plant is required. A landfill of non-hazardous solid waste with a capacity of 15 400 tn/year, is currently in operation. Meanwhile, until the construction of the plant, a mobile mechanical recycling and composting plant is operating, which aims at the processing of 73 000 tons of municipal mixed waste and the disposal of residues in the landfill.

Explanation of the (typical) forms of entrustment. If standard templates are used for entrustments for a particular domain, please attach them hereto.

The decision to entrust the SGEI consists of a series of regulatory and administrative acts, namely:

1. the institutional framework governing waste management
2. the approved RWMP of the Region where the service is provided
3. the institutional framework for the establishment and operation of the SGEI provider
4. the financing decision for each operation

The Regional Waste Management Plan of each Region determines how municipal waste management is to be carried out in each geographical unit (management unit) to achieve the objectives set, which must comply with national targets and relevant national and EU legislation on waste management. The RWMP sets out the tasks to be managed per waste stream in each area, the infrastructure necessary to carry out said tasks, and the bodies responsible for the provision of each service/work. Decision No 144/02.12.2016 of the Regional Council of the Region of Western Greece approving the Revised RWMP of the Region of Western Attica, ratified by JMD No 61491/5301/23-12-2016 Government Gazette, Series II, No 4175, 2016).

Solid waste management bodies have been assigned the obligation for municipal waste management (temporary storage, transshipment, recovery/treatment and final disposal), in accordance with Article 7(2)(a) of Joint Ministerial Decision No 50910/2727/2003, Article 1 of Joint Ministerial Decision 2527/2009, Article 16 of Law 4071/2012 and Article 77 of Law 4257/2014. In addition, Joint Ministerial Decision 2527/2009 establishes the SWMO pricing policy for the services provided, showing that their budget is in balance, therefore there is no economic profitability for the organisations from the services provided. In addition, SWMOs are obliged to continuously provide the municipal waste management service to their Member States

<p>without discrimination. Beneficiaries of the subsidies are the authorities which are authorised by law to provide the relevant municipal solid waste management services (Joint Ministerial Decision 50910/2727 of 16.12.2003 [Government Gazette, Series II, No 1909, 2003] and Law 4071/2012 [Government Gazette, Series I, No 85, 2012]), namely for operation with MIS code 5002956, under Decision No 13/2012 (Internet Posting No: B499OPHN-BFM) of the Management Board of the Solid Waste Management Association of the Prefecture of Ilia, on the conclusion of a Programming Agreement between the SWMO of Ilia and the Municipality of Ilida, the former (the SWMO of Ilia) is the body responsible for the provision of the SGEI and the latter (the municipality of Ilida) is its Implementing Body. Upon the establishment of the Regional SWMO, the responsibilities of providing the SGEI will be transferred to it.</p> <p>The financing of the operation was approved with Decision No 5274/28.11.2016 entitled: 'Construction of a Landfill in the Regional Unit of Ilia' with MIS code 5002656 of the Operational Programme 'Western Greece 2014-2020', as amended by Decision 2560/30.06.2017</p> <p>The beneficiary of the operation, namely the municipality of Ilida, entrusted the construction of subprojects through open calls for tenders.</p> <p>The procedures for the entrustment of construction-supplies [(a) construction of landfill, (b) supply of equipment, (c) Technical Advisor during the assignment and construction of the landfill, as well as its operation (a) 26-month operation and maintenance of the mechanical recycling and composting plant, (b) temporary operation of the installation (completion of a Project until the start of the mechanical recycling and composting plant)] are public, open and take place in accordance with applicable national and European legislation to achieve the lowest cost for the society as a whole and the best technical and economic outcome. In all cases, the award criterion is the most advantageous price.</p>	<p>Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>The plant is currently operated under a contract for the provision of the service provided by the SGEI provider for a period of 26 months starting from 28 June 2016. The scope of the contract is:</p> <ul style="list-style-type: none"> (a) the treatment of 73 000 tonnes of municipal mixed waste in a mobile mechanical recycling and composting plant, and (b) the disposal of the residue to the landfill. 	<p>Explanation if enterprises have been entrusted with (typically) exclusive or special rights.</p>
<p>No exclusive or special rights have been granted to recipients of the subsidy other than those already provided for by the applicable framework governing their competences.</p>	<p>Which aid instruments have been used (direct subsidies, guarantees, etc.)?</p>
<p>Direct subsidy from NSRF 2014-2020 (Axis 2 of OP 'Western Greece 2014-2020' financed by the</p>	

ERDF
Explanation of the (typical) compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The framework governing the operation of the financial instrument, the operation of waste management service providers (SWMO and municipalities) and the entrustment and management of public contracts require the application of a methodology based on cost allocation for the calculation of the amount of the subsidy. The amount of public financing of the operation is determined by means of a financial analysis of the determination of compensation, in accordance with the applicable SGEI law, which includes the cost of the required infrastructure up to the amount of the financing deficit resulting from the relevant financial analysis. For each individual case, the compensation granted for the services provided shall be limited to the extent necessary to cover all or part of the costs incurred in meeting the obligation to provide the specified SGEI, taking into account the relevant estimated revenue and the framework governing urban waste management and the functioning of SWMOs. The exact parameters that are taken into account for the determination of the compensation granted are described in detail in the relevant SGEI Documentation Report and the financial analysis accompanying the SGEI dossier and have been subject to evaluation for the integration of the relevant operation into the OP 'Western Greece 2014-2020'. These parameters are assessed with the utmost precision to minimise the risk of overcompensation of the provider, i.e. the risk that the latter receives compensation that exceeds the net cost including a reasonable profit. If the financial analysis accompanying the project provides for a profit percentage, this will be considered reasonable if it does not exceed the relevant swap rate plus 100 basis points. The relevant swap rate is the swap rate whose maturity and currency correspond to the duration and currency of the entrustment act.</p>
Explanation of the (typical) arrangements for avoiding and recovering (refunding) any overcompensation.
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please include also some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (if so, provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).
The project concerned is < EUR 15 million.
Amounts of aid granted
Total amount of aid granted (in million EUR). This includes all aid granted in your territory,

including aid granted by regional and local authorities. (A+B+C)	
2016	2017
EUR 1 919 076.15	
A: Total amount of aid granted (in million EUR), paid by national central authorities	
2016	2017
B: Total amount of aid granted (in million EUR), paid by regional authorities	
2016	2017
EUR 1 919 076.15	
C: Total amount of aid granted (in million EUR), paid by local authorities	
2016	2017

Total amounts of aid granted for waste collection and management actions.	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities for the years 2016 and 2017.	
2016	2017
4 431 431.88 EUR 2 547 473.60 million (based on programming contracts)	12 199 642.16 EUR 2 547 473.60 million (based on programming contracts)

B. TABLE OF SERVICES FOR WHICH NO COMPENSATION HAS BEEN PAID IN THE YEARS 2016-2017

SGEI LEGAL FRAMEWORK	AID INSTRUMENT	OPERATION	SGEI PROVIDER	DURATION OF THE SGEI ENTRUSTMENT	COMPENSATION PAID IN 2016	COMPENSATION PAID IN 2017
1. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	WASTE TRANSFER STATION OF THE REGION OF EPIRUS (PHASE 1)	REGIONAL ASSOCIATION OF SOLID WASTE MANAGEMENT ORGANISATIONS OF THE REGION OF EPIRUS	25 YEARS	0.00	0.00
2. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	CONSTRUCTION OF TWO WASTE TRANSFER STATIONS IN THE MUNICIPALITY OF KYMI-ALIVERI	SWMO OF SOUTH EVIA	25 YEARS	0.00	0.00
3. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	COMPOSTING OF PRESORTED ORGANIC FRACTION OF WASTE AT THE SITE RIMAMPELLA IN THE MUNICIPALITY OF ARCHANES-ASTEROUSIA	WASTE MANAGEMENT ASSOCIATION OF ARCHANES-ASTEROUSIA	26 YEARS	0.00	0.00
4. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	INTEGRATED WASTE MANAGEMENT OF ZAKYNTHOS THROUGH A MUNICIPAL WASTE TREATMENT PLANT AND LANDFILL	WASTE MANAGEMENT ASSOCIATION OF ZAKYNTHOS	27 YEARS	0.00	0.00
5. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	MECHANICAL SORTING OF MIXED WASTE AND ORGANIC FRACTION COMPOSTING PLANT IN THE LANDFILL OF THE MUNICIPALITY OF HERSONISSOS	SWMO OF NORTHERN PEDIADA	27 YEARS	0.00	0.00
6. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	LOCAL WASTE MANAGEMENT PLANT OF THE MUNICIPALITY OF PARANESTI	ANAPTYXIAKI EASTERN MACEDONIA WASTE MANAGEMENT SA	27 YEARS	0.00	0.00

7. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	CENTRAL NON- HAZARDOUS URBAN SOLID WASTE TREATMENT PLANT OF THE EASTERN SECTOR OF THE REGION OF EASTERN MACEDONIA-THRACE (ALEXANDROUPOLI)	ANAPTYXIAKI OF THRACE WASTE MANAGEMENT OF EASTERN MAKEDONIA SA	26 YEARS	0.00	0.00
8. DECISION 2012/21/EU	DIRECT ESIF SUBSIDY (COHESION FUND)	ACTIONS FOR THE INTEGRATED MANAGEMENT OF URBAN WASTE IN THE REGIONAL UNIT OF CHANIA	DEDISA	21 YEARS	0.00	0.00

II. IMPLEMENTATION OF THE SGEI FRAMEWORK 2012

1. IN THE POST OFFICE-ELTA

The Greek authorities submitted notice ref. SA.35608(2014/N)/20.6.2014 concerning the financing of the universal postal service in accordance with the provisions of the SGEI Framework 2012. However, it is noted that the EU assessment was made on the basis of the SGEI Decision (EU Decision SA.35608 (2014/C) (ex 2014/N) - Hellenic Post Office (ELTA) - Compensation to finance the provision of universal postal services).

A clear and complete description of how the relevant services are organised in your Member State.

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI**, as clearly as possible.

According to Law 4053/2012, ELTA will remain the universal service provider until 31 December 2028. The content of the universal service obligation is defined in Article 6 of the above law as follows:

The universal service includes at least the following specific services:

(a) collection, transport, sorting and distribution of postal items weighing up to 2 kg;

(b) collection, transport, sorting and distribution of postal parcels weighing up to 20 kg, with the possibility of introducing special arrangements for the delivery of such parcels at home, following a decision by EETT;

(c) services for registered items and insured items.

Services falling under the universal service are defined on the basis of user needs, technological developments and the evolution of market forces. Any change in the content of the universal service must take into account the necessary period of adaptation of the universal service provider and/or the recovery of potential costs.

In addition to postal SGEI services, non-postal SGEI services are also provided.

Article 8 (5) of Law 4053/2012 sets out that the provision of additional services beyond the

universal service obligations, such as the distribution of pensions and money orders, is not subject to compensation mechanisms that require the contribution of postal service providers, but may be financed in accordance with the rules of EU State aid law.

It should be noted that Article 4 (2) of the entrustment contract awarded on 19 April 2015 between ELTA and the Hellenic Republic provides that the network of ELTA SA across the country and particularly in rural areas is recognised as an important contributor to the social and economic development of these areas. ELTA SA makes every effort to maintain the level of the network's presence throughout the term of the contract. It should be noted that Directive 2008/6/EC on the full accomplishment of the internal market of Community postal services directly establishes the right of the universal service provider to compensation for the costs associated with the provision of such service.

These services are provided in remote or sparsely populated areas (mainland and islands) where, due to their geographic circumstances, there is no easy access to or presence of State agencies or other organisations, banks etc., and where ELTA SA contributes decisively with its network to the day-to-day service of the residents by providing the following services:

1. Payment of all the tax liabilities of the residents of the above areas to the State and their levies to organisations.
2. Payment of pensions (upon agreement with the beneficiary) on behalf of the Greek State in areas of the territory where there is no credit institution.
3. Payment of bills to organisations (PPC, OTE, alternative power and telephony providers, local authorities, local water organisations, etc.).
4. Press release services, subsidised by the General Secretariat of the Publishers Association throughout the territory.
5. Connection of the Automatic Teller Machine terminals network to corresponding interbank and other computer systems throughout the territory.
6. Implementation of the postal checks service at national and international level, in accordance with the contracts signed by Greece within the framework of the Universal Postal Union UPU), an agency of particular importance for those living in remote areas, without bank service, as well as for those with limited mobility.

These services cover the whole territory, with a single tariff.

It should be noted that the provision of non-postal SGEI services of general economic interest by ELTA is based on the following criteria:

- their nature as services offered to citizens by the State or the State organisations through the extensive postal network;
- the extent to which these services are offered throughout the Greek territory, mainly at the premises of the recipients, which is of major importance for the rural - island regions.
- No other State or private agency can offer such services.
- They are offered with a single tariff, regardless of the efficiency of the services offered in different regions, especially in the remote ones.

Such services as payment of pensions, social allowances, payment of bills, etc. are

considered as services undertaken by ELTA on behalf of the Greek State, public organisations, local authorities, etc. These services, especially in remote and inaccessible areas, are services of general economic interest, as defined by national and EU law. Therefore, services to citizens, as mentioned in the proposed actions, are SGEIs according to the above criteria.

Explanation of the (typical) **forms of entrustment**. If standard templates are used for entrustments for a particular domain, please attach them hereto.

Article 4(b) 'Competences of the Ministry of Infrastructure, Transport and Networks' {as in force in conjunction with Article 4(3) of Presidential Decree No 123/2016), Article 7 'Provision of universal service', Article 21 'Transitional provisions' of Law 4053/2012 (Government Gazette, Series II, No 44, 07.03.2010) state inter alia that:

- ELTA will remain the universal service provider until 31 December 2028.
- The conditions for the provision of the universal service are determined by the entrustment contract concluded between the Minister for Digital Policy, Telecommunications and Media and ELTA.

The universal postal service entrustment contract between the Hellenic State and ELTA SA was signed on 19 April 2017 and is effective as of 19 April 2015.

Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.

ELTA will remain the universal service provider until 31 December 2028, pursuant to Law 4053/2012.

The validity of the aforementioned entrustment contract shall be six years and shall expire on 18 April 2021. The Minister for Digital Policy, Telecommunications and Media may review the terms and the way of providing the universal service, following the recommendation of the Hellenic Telecommunications and Post Commission (EETT), and may request a renegotiation of the relevant terms of the entrustment contract.

Explanation if enterprises have been entrusted with (typically) **exclusive or special rights**.

Since 1 January 2013, ELTA operates in a fully liberalised postal market pursuant to Law 4053/2012, in accordance with the 3rd EU Directive on postal services. ELTA enjoyed the benefit of exclusivity (reserved area) until 31 December 2012, which concerned its specific right of being the sole provider of mail-handling services for items weighing less than 50 gr, as a compensation for providing universal services.

Pursuant to Article 7 (1) of that entrustment contract, ELTA SA is granted the exclusive right to issue stamps and the associated philatelic activities.

Which aid instruments have been used (direct subsidies, guarantees, etc.)?

For the period 2016-2017 under consideration, no State aid for the provision of the universal postal service has been paid to ELTA.

Law 4053/2012 (Annex I, Part C) on the coverage of the net cost of universal postal service obligations, states:

The recovery or financing of any net costs of universal postal service obligations may require designated universal service providers under Article 6 to be compensated for the services that they provide under non-commercial conditions.

Compensation for the net cost will come from the State budget and/or be allocated to postal service providers and/or users in such a manner as to ensure objectivity, transparency, impartiality and proportionality and to minimise distortions of competition and user demand.

Explanation of the (typical) **compensation mechanism** as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

In full compliance with the provisions of Law 4053/2012 (Annex I, Part B) and EETT's Regulatory Decision No 697/129/2013 (Government Gazette No 2016/16-8-2013) regarding the calculation of the Net Cost of the Universal Postal Service, the calculation methodology followed is based on the following:

The net cost of universal postal service obligations is calculated as the difference between the net operating cost of the universal postal service provider with universal postal service obligations and the operating cost of the same postal service provider without universal postal service obligations.

The calculation shall take into account all other relevant elements, including any possible intangible benefits and market benefits accruing to a postal service provider entrusted with the provision of a universal postal service, the right to reasonable earnings and cost-effectiveness incentives.

The calculation of the net cost of specific aspects of universal postal service obligations is to be made separately so as to avoid the double counting of any direct or indirect benefits and costs.

The overall net cost of universal postal service obligations to any designated universal postal service provider is to be calculated as the sum of the net costs arising from the specific components of universal postal service obligations, taking account of any intangible benefits. The responsibility for verifying the net cost lies with EETT.

To verify the net cost of the period 2013-2015, the methodology of net avoided costs has been used by EETT.

Concerning the compensation mechanism for the financing of the Universal Service, Law 4053/2012 (Article 8, paras. 1 and 2), as amended and currently in force, provides that:

The net cost of providing the universal service shall be borne by the universal service provider in so far as it concerns the provision of postal services as part of the universal service, postal service providers as part of the universal service and the State budget.

A joint decision of the Minister for Finance and the Minister for Digital Policy, Telecommunications and Media shall set the part of the net cost for providing the universal service that is charged to the State budget. The same decision, following a recommendation by EETT, shall set the method and procedure for allocating the part of the net cost borne by the postal service providers and the penalties imposed on them in the event of non-compliance. The cost allocation shall be transparent, objective and neutral in order to avoid the risk of double contributions for both the outputs and inputs of the postal operators taking into account, inter alia, the geographical distribution of the postal service provided by each operator and the corresponding revenue.

A transitional phase shall be set to compensate for the universal service for the years 2013, 2014 and 2015. For the transitional phase, the Universal Service Provider (USP) shall submit to EETT the calculation of the net cost of universal service provision for the years 2013, 2014 and 2015 by 30 June 2017. EETT shall then check the submitted data and verify, in accordance with the provisions in force, the net cost of providing the universal postal service in the above years, if any such cost exists. From the net cost of providing the universal postal service, as verified by EETT, for the years 2013, 2014 and 2015, the State budget shall cover up to EUR fifteen million (15 000 000) per year as a Service of General Economic Interest (SGEI). The amount shall be attributed directly to the beneficiary USP. A joint decision of the Minister for Finance and the Minister for Digital Policy, Telecommunications and Media shall set the time and manner of attribution, the necessary supporting documents, as well as all the necessary details.

Pursuant to Article 14 of Law 4463/2017, a new paragraph is inserted at the end of Part B (as Part C) of Annex I to Law 4053/2012, as follows:

The net cost of universal service is an ‘unfair financial burden’ when it exceeds 1 % of the revenues of the USP from the provision of universal services. If EETT finds that verified net cost is an unfair financial burden for the USP, this cost shall be entirely recovered. In particular, for the period 2013-2015, if EETT finds that verified net cost constitutes an unfair financial burden for the USP, this cost shall be compensated with up to a maximum of EUR fifteen million (15 000 000) per year. If EETT finds that the verified net cost does not constitute an unfair financial burden, it shall be borne solely by the USP.

Explanation of the (typical) arrangements for avoiding and recovering (refunding) any overcompensation.

The arrangements for avoiding overcompensation are set out in EETT’s Regulatory Decision No 697/129/2013 (Government Gazette No 2016, 16-8-2013) [Article 4 (1)], specifying the general principles for calculating the net cost of universal service obligation, according to which:

The calculation of the net cost of Universal Service Obligations shall take into account the

benefits, including intangible benefits and market benefits accruing to a postal service provider (USP) entrusted with the provision of universal postal service, the right to reasonable earnings and cost-effectiveness incentives.

Moreover, pursuant to the above Regulatory Decision [Article 8 (6)] concerning the verification of the net cost calculation:

When verifying the net cost, due consideration should be given to the correct estimation of the costs that would be avoided by any designated universal service provider, if it was not in charge of the universal service obligation. EETT shall take into account the level of effectiveness of the USP with a view to its possible ineffectiveness not to affect the outcome of the net cost. The approved net cost must not exceed what is necessary to cover all or part of the costs incurred in the discharge of the public service obligations, taking into account the relevant receipts and a reasonable profit for discharging those obligations.

A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with.

No aid of more than EUR 15 million/year has been granted in the years 2016 and 2017.

Amounts of aid granted

Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities **for the years 2016 and 2017.**

2016	2017
No aid has been paid for the provision of the universal postal service	No aid has been paid for the provision of the universal postal service

Share of expenditure per aid instrument (direct grant, guarantees, etc.), if available.

2016	2017
No aid has been paid for the provision of the universal postal service	No aid has been paid for the provision of the universal postal service

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings).

2. PPC – OBLIGATIONS TO PROVIDE SERVICES OF GENERAL INTEREST

‘Single pricing of electricity in the Interconnected System and Non-Interconnected Islands (SA 32060)’ - Description of the implementation of the 2012 SGEI Framework

This is an SGEI compensation, which exceeds the threshold of EUR 15 million and is therefore not covered by the SGEI Decision. This State aid (SA 32060) was approved by the Commission in its Decision C 2014/6436 final/16.9.2014, considered as State aid compatible with the internal market pursuant to Article 106(2) TFEU for the duration of the derogation from market opening granted by Commission Decision C(2014) 5902 of 14 August 2014 (hereinafter the ‘Derogation Decision’).

BACKGROUND

Ministerial Decision Δ5/ΗΛ/Β/Φ1Β/12924/13.06.2007 (Government Gazette, Series II, No 1040, 2007), which was adopted by virtue of Article 28 of Law No 3426/2005, defined the Services of General Interest (SGIs). Ministerial Decision No Δ5/ΗΛ/Β/Φ.29/off.19046/24.09.2010 (Government Gazette, Series II, No 1614, 2010) introduced the social domestic tariff in PUS. Document ref. Δ5/ΗΛ/Β/Φ.1.16/οικ.20837/15.10.2010 of the Power Generation Directorate (document of the Ministry of the Environment, Energy and Climate Change ref. Δ16/Φ2.12Ι/23071/1471/08.11.2010 to the Permanent Representation of Greece to the EU) announced the SGI services to the European Commission.

Ministerial Decision No Δ5/ΗΛ/Β/Φ1/off.27547/02.12.2011 (Government Gazette, Series II, No 2783, 02.12.2011), issued pursuant to Article 55(3) of law 4001/2011, established that the SGI are provided by all electricity suppliers.

Ministerial Decision No Δ5-ΗΛ/Β/Φ.1.17/1614/off.27217/17.12.2010 (Government Gazette, Series II, No 1960, 2010) established the Methodology of Allocation of the Annual Compensation

for covering SGI costs. Moreover, Article 56(2) of Law 4001/2011 stipulates that the methodology for calculating the cost and the compensation due for discharging SGI obligations under Articles 55, 56 and 57 of the same law is determined by decision of RAE [RAE Decision No 14/2014 (Government Gazette, Series II, No 270, 2014) 'Methodology for calculating the compensation to cover the costs of providing Services of General Interest (SGIs) on the Non-Interconnected Islands'].

Law 4067/2012 [Article 36(1) and (3)] established the unit charges for electricity users for 2012 and the prices for the years 2009 to 2011. Under Article 36(2) of Law 4067/2012, the persons liable to pay the SGI compensation are the users concerned of each electricity supply, through the electricity supply tariffs, while the SGI compensation is reimbursed by the suppliers in a special account kept by ADMIE S.A.

RAE Decision No 241/2017 (Government Gazette, Series II, No 1148) established the adjustment of the limit of the annual charge imposed on electricity customers to cover the cost of providing Services of General Interest (SGIs) in 2017, according to Article 55(7) of Law 4001/2011.

Article 55 of Law 4508/2017 (Government Gazette, Series I, No 200) amended the provisions of Law 4067/2012 (Government Gazette, Series I, No 79) and set the unit charges due in exchange for Services of General Interest (SGI compensation) from 1 January 2018. It was also established that, if the four-month electricity consumption exceeds the consumption thresholds of a certain scale in the LV household categories, only the excess consumption is charged on the basis of the charges applicable to the next scale. Moreover, it was established that the users of each electricity supply, as well as the self-supplied customers, are liable to pay the SGI compensation. Finally, pursuant to Article 57, it was established that as of 1 January 2018, HEDNO SA will be substituting ADMIE SA in the management of the SGI special account under Article 55(8) of Law 4001/2011 and shall become its sole administrator in the Greek territory.

RAE Decision No 243/2018 (Government Gazette, Series II, No 1148/2018) established the adjustment of the limit of the annual charge imposed on electricity customers to cover the cost of providing Services of General Interest (SGIs) in 2018, according to Article 55(7) of Law 4001/2011.

Finally, Article 24 of Law 4414/2016 *‘New support scheme for renewable energy sources and high-efficiency combined heat and power plants - Provisions for the legal and operational unbundling of the supply and distribution divisions in the natural gas market, and other provisions’* incorporated into Greek law (Government Gazette, Series I, No 149) Commission Decision 2014/536/EU granting a derogation.

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

**Explanation of what kind of services in the respective sector have been defined as SGEI:
Content of the services entrusted as SGEI**

The relevant service of general interest (‘SGI_NII’) was defined pursuant to Decision No ΠΔ5/ΗΛ/Β/Φ1Β/12924 of the Minister for Development (Government Gazette, Series II, No 140, 25.06.2007), as a requirement for the suppliers of electricity to supply the NIIs and Isolated Micro-Networks consumers with electricity, with similar tariffs, per consumer category, to those of the Interconnected System.

This SGI, as a particular form of price regulation, aims to address the very specific geographic and economic situation of the NIIs.

In its decision on the State aid case SA 32060, the Commission considered that the present SGI represents a genuine and properly defined service of general economic interest, in accordance with Article 106(2) of the Treaty (see paras. 136-144).

Explanation of the (typical) forms of entrustment.

The obligation to provide services of general interest was expressly introduced for the first time in the Greek legal order by Article 28 of Law 3426/2005, which granted the Minister for Development the power to define the services of general interest. By way of delegated Decision No ΠΔ5/ΗΛ/Β/Φ1Β/12924 of the Minister for Development, the supply of electricity to the NII consumers at tariffs applied by consumer category to the consumers of the interconnected network was defined as a service of general interest.

Furthermore, Article 25 of Law 2773/1999 (as amended by Article 16 of Law 3426/2005) stipulated

that as of 1 July 2007, *'all consumers shall be designated as eligible customers'*, but introduced an exemption for NII consumers, provided derogation from Directive 2003/54/EC could be obtained (now, Article 33 of Directive 2009/72).

Such derogation was actually granted to the Hellenic Republic by the European Commission under its Decision C(2014) 5902 (2014/536/EC), with retroactive effect from 5 December 2003.

It should be noted in this regard that under Article 137A of Law 4001/2011, the island of Crete does not qualify for the derogation from supply, while the island of Rhodes was excluded from this derogation as of 1 January 2017, and as a result other energy suppliers in addition to PPC SA started operating on these islands. Furthermore, following RAE Decision No 908/2017 (Government Gazette, Series II, No 4461, 19.12.2017), which was issued on the basis of the aforementioned Article 137A(1), and by way of which it was decided to exclude all of the NIIs from the derogation scheme provided for in the aforementioned Decision 2014/536/EU and the opening of the market for the supply of electricity to all if the NIIs was completed on 1 January 2018, with infrastructure for a transitional period of application of the NII Code, similar to those that were already in place in the systems of Crete and Rhodes.

The national framework governing the entrustment of this SGI meets the criteria set out in the 2012 SGEI Framework, in line with the Commission's decision on the relevant State aid case SA 32060 (see paras. 149-152)

- Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.

It is not possible to determine the duration of the obligation to provide the public service in question

Understandably, when any of the islands interconnects with the mainland, its consumers will be able to benefit from the prices applicable to the interconnected system and, therefore, there will no longer be any need to impose an SGI obligation.

Furthermore, pursuant to the EU Decision to grant a derogation to Greece from the provisions of Article 33 of Directive 2009/72/EC on market access, PPC is de facto and legally responsible for providing this SGI throughout the period of validity of the derogation. This derogation shall be valid until 17 February 2016 or until the full installation of the infrastructure, as provided for in the NII Code, whatever comes later. According to recital 82 of the Decision on the derogation concerning isolated networks, the derogation applies until an interconnection between that

network and the Greek interconnected network becomes fully operational. In any event, this derogation shall cease to apply on 17 February 2019.

In the light of the above parameters, the duration of the SGI obligation is considered to be limited in time, provided that the interconnection of the island is considered to be the most cost-effective solution to the autonomous development of the island (see, in this respect, para. 90 et seq. of Commission Decision 2014/536/EU, as well as 108A and 133 of Law 4001/2011).

Explanation if enterprises have been entrusted with (typically) exclusive or special rights.

Commission Decision C(2014) 5902 (2014/536/EU) granted Greece a derogation from the provisions of Article 33 of Directive 2009/72/EC on market access, which applied retroactively from 5 December 2003 (see also Articles 2 and 5 of the Decision). This derogation concerns small isolated networks and isolated micro-networks, that is to say all of the NIIs. The derogation granted shall be valid until 17 February 2016 or the full installation of the infrastructure as provided for in Article 237(7) of the NII Code, whatever comes later. In any event, the derogation shall cease to apply on 17 February 2019.

It should also be noted that (a) consumers of the Crete system, which pursuant to Directive 2009/72/EC is a small isolated system, are designated as eligible customers under Law 4001/2011; (b) for other islands, which are isolated micro-networks and whose current legal framework defines consumers as non-eligible customers [Article 134 (5) and Article 137 of that Law), the selection of market opening for the introduction of new suppliers is a legislative option of the Greek State and depends on the time of setting up the necessary infrastructure.

In particular, as mentioned above, pursuant to Article 137A of Law No 4001/2011, the island of Crete is not subject to the derogation and the island of Rhodes has been excluded from the derogation for the supply of electricity on 1 January 2017. Furthermore, RAE Decision No 908/2017 excluded all of the NIIs from the above derogation scheme from 1 January 2018 and opened the market in the electricity supply sector to all of the NIIs with infrastructure for a transitional period of implementation of the NII Code.

Although no exclusive or special rights have been granted to PPC SA or other undertaking due to the particular circumstances inherent in the activity of suppliers on the NIIs, which are also acknowledged by the Derogation Decision, PPC is currently *de facto* the only supplier on the NIIs, except Crete and Rhodes.

Which aid instruments have been used (direct subsidies, guarantees, etc.)?

The amount of 'SGI_NII compensation' is approved by RAE decision, and is paid by the customers of all electricity suppliers, on the basis of distinct charges on their bills. Indeed, as provided for in Article 36(2) of Law 4067/2012, the relevant cost is evenly distributed to each category of (final) customers across the territory: '2. The persons liable to pay the SGI compensation are the users concerned of each electricity supply, who must pay it to the electricity suppliers on the basis of distinct charges on the consumption bills which they receive, as such consumption is determined by the competent System Operator.'

It is further noted that the above provision of Article 36(2), as replaced by Article 55(2) of Law 4508/2017 (Government Gazette, Series I, No 200, 22.12.2017), now stipulates that the persons liable to pay the SGI compensation are self-supplied customers. The same article also stipulates that 'The SGI compensation shall be paid in accordance with the relevant Administration Codes by the suppliers and self-supplied customers to the special SGI account held by the competent Operator pursuant to Article 55(8) of Law 4001/2011. From the proceeds of the special account, the competent Operator shall pay the full compensation to the electricity supply licence holders for the services of general interest provided by them. In the case of a deficit or surplus in the annual balance of the SGI special account, the unit charges for the SGIs compensation referred to in paragraph 1a shall be adjusted as part of the special account monitoring, upon RAE's recommendation, which shall also take account of any cumulative deficits, pursuant to Article 55(10) of Law 4001/2011, estimations of the amount of SGI compensations for the next three years, as well as any costs covered by the State budget, according to the following paragraph. By decision of the Minister for Finance, the cost for providing Services of General Interest may be fully or partially covered by the State budget, by making a respective credit as an inflow to the special administration account for services of general interest, held by the relevant administrator, pursuant to Article 55(8) of Law 4001/2011'. Pursuant to the enabling provision of the last paragraph, Decision ref. ΔΟΔ/0002445/ΕΞ2017 of the Minister for Finance on covering the SGI cost (Government Gazette, Series II, No 4487, 19.12.2017) was adopted, by virtue of which the amount of EUR 476 000.000 was paid from the State budget to the special administration account for services of general interest, held at the time of adoption of said decision by ADMIE SA, as its administrator, according to Article 55(8) of Law 4001/2011, as applicable at that point in time, in order to be subsequently attributed by ADMIE SA to the recipients of the SGI_NII compensation.

Typical compensation mechanism as regards the respective services and whether a
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methodology based on cost allocation or the net avoided cost methodology is used.

‘RAE decision No 14/2014 on the basis of the net avoided cost’

The cost of production of electricity on the NII taken into account in the calculation of the compensation for the SGI provision obligation concerns only the production of electricity on these islands and, therefore, does not include the cost of any other PPC activities. Therefore, the methodology for calculating the SGI compensation does not take into account any indirect costs.

The existing compensation methodology (RAE Decision No 14/2014) adopts the net avoided cost methodology set out in the 2012 SGEI Framework. In particular, the compensation covers the difference resulting from the cost of electricity on the interconnected network and the NII network, which exceeds the basic regulated charges such as the network usage fees, the greenhouse gas reduction levy, etc. The compensation is computed monthly and for each independent island electricity system (NII system) so that the supplier operating in the specific NII system recovers the SGI compensation corresponding to that network. A final annual settlement of accounts for the monthly compensation computed during the previous year is carried out after RAE checks and approves the costs taken into account in the computations, and whether those costs are reasonable.

The avoided costs deriving from the fact that the national electricity transmission system is not being used for the supply of electricity to the NII are taken into account and used to reduce the overall cost of providing the public service and thus the amount that needs to be recovered via public service charges applied to all consumers.

In establishing the SGI compensation, the Greek authorities take into account the entire revenue earned from the sale of electricity into the NIIs. PPC does not have any special or exclusive rights that could create excessive profits. Although PPC is, de facto, the sole supplier on the NIIs, with the exception of Crete and Rhodes, this is a consequence of the specific situation of electricity generation on the NIIs (as recognised by the Derogation Decision) and does not entail any special and exclusive rights.

The applicable compensation mechanism has been held to be compatible with the 2012 SGEI Framework (see Commission Decision on the State aid case SA 32060, paragraphs 164-190).

Typical arrangements for avoiding and repaying any overcompensation.

‘Ex post data review and approval of compensation – retrospective review and provision for corrective settlements’

Greece has set up and consistently applies a system for checking each year that the suppliers in

the NIs are not receiving compensation in excess of the amount determined as per the respective methodologies described above.

More specifically, Article 20(11) of Law 4203/2013 requires that RAE prepares an annual report on the inspection of cost data used to compute the compensation so that consumers do not have to pay unreasonable costs. In that provision it is stated that *'[t]he amount of the cost for the production activity performed by conventional units, under these contracts, is checked by RAE and is recognised in the accounts when determining the compensation owed for providing the Services of General Interest to the consumers of the Non-Interconnected Islands under the current legislation.'*

Moreover, RAE is also in charge of checking the separate accounts of licence holders relating to their activities performed under licences which relate to any supply to eligible or non-eligible customers (see, Article 28 (3) and (4) of Law 3426/2005). In addition, Article 141 of Law 4001/2011 provides that the integrated undertakings must keep separate accounts for each of their activities (supply, production, distribution) and that the accounts must be presented in separate accounting records. As regards PPC, in particular, and its operations in the non-interconnected islands, the relevant obligation is also stated in Article 5(2) of Annex 7 of the Electricity Generation and Supply License Regulation No Δ5/B/Φ1/οικ. 17773 (Government Gazette, Series II, No 1423, 22/10/2001). Furthermore, the obligation to keep separate accounts showing the financial compensation given for discharging the SGI obligations, is also expressly stated in Article 55 of Law 4001/2011. Moreover, the keeping of separate accounts is a requirement for compensation to be paid [Article 55 (8), last sentence].

Some relevant provisions of the applicable framework are listed below:

RAE Decision No 14/2014 on the *'Methodology for computing the compensation to cover the cost of providing Services of General Interest on the Non-Interconnected Islands'* (Government Gazette, Series II, No 270, 07.02.2014)

Recital (in B):

'Whereas, taking into account the criteria set out in the first, second and third indent of Article 56(2) of Law 4001/2011 and in the light of the foregoing, it is evident that the compensation computed does not exceed the difference between the operating costs of a supplier under a service of general interest obligation and one without such obligation, since, in order to provide the customers with single tariffs as aforesaid, the difference in the supply cost is covered using the methodology.'

Furthermore, the methodological approach for the SGI_NII compensation does not take into account the costs the supplier would have sought to avoid, had there been no SGI, since these are costs the supplier would bear in all events for supplying electricity on a NII system. The provision of the SGI_NII is associated exclusively with charges that are imposed solely by virtue of the structure and operation of the market of the NII system in which a supplier decides to operate and are not dependant on the framework and conditions of operation of its undertaking. [...]

Whereas, according to the provisions of Article 20(11) of Law 4203/2013, when computing the SGI_NII compensation, an annual audit must be carried out of the costs data on which this compensation is calculated to avoid it being charged with unreasonable costs.'

Article 1(6): 'After the end of each calendar year (t) and within the time limits provided by the NII Management Code and the relevant Producers and Suppliers NII Market Participation contracts, the unitary monthly final compensation $MA_M\Delta N\Sigma M, \mu$ Settle and $MA_M\Delta N\Lambda\Pi E, \mu$ Settle for every month (μ) of the year (t) are calculated by the NII Operator, taking into account the final available cost and energy accounting data of paragraphs (2) and (3) above. The results of the calculations are submitted to RAE for approval, along with the detailed raw data on which the calculations were based (Table of Annex I and any accompanying supporting data). On the basis of the unitary monthly final compensations, as well as the accounting data of energy charges corresponding to each supplier (j) operating in each NII system ($QX, \Sigma M(\mu, j)$ Settle and $QX, \Lambda\Pi E(\mu, j)$ Settle), the NII Operator calculates the monthly final settlement compensations $A_M\Delta N\mu, j$ Settle for each Supplier, applying the below formula (7) and fully settles any differences arising from the corresponding provisional compensations $A_M\Delta N\mu, j$ Temp.

$A_M\Delta N\mu, j$ Settle = $MA_M\Delta N\Sigma M, \mu$ Settle X $QX, \Sigma M(\mu, j)$, Settle + $MA_M\Delta N\Lambda\Pi E, \mu$ Settle * $QX, \Lambda\Pi E(\mu, j)$ Settle - $XX\Sigma\mu, j$ Settle (7)'.

RAE Decision No 39/2014 on the 'Code of Management of Electric Power Systems on the Non-Interconnected Islands'

Article 171 – Accounting operations on the Accounts

1. The accounting records of Article 170 shall include all accounting operations and particularly debit and credit operations of the Participants, as provided for in the provisions of this Code. They shall also include debits or returns from previous payments of Participants needed to balance the relevant accounting records. The movements of these Accounts shall be executed for the Producers per Unit and for the Load Representatives per Meter category they represent.
2. This Code shall set out, separately for each Account, the calculation method of the credits and

debits of the Participants as well as the method of allocating the surplus and the deficit of the relevant accounting records. Details regarding the accounting operations of this Chapter may be specified in the NII Market Operation Manual.

Article 179 – Accounting operations for the Services of General Interest (SGI) Special Account (Λ-H)

1. Payments of the NII Operator to the beneficiaries of the compensation for discharging Services of General Interest (SGI) on the Non-Interconnected Islands shall be debited in the Λ-H Account, according to the provisions of the applicable legislation.
2. The amounts corresponding to the consumers of the Load Representatives, as these appear from the energy consumed per meter category they represent in the NII, and the charges for covering the SGI compensation shall be credited in the Λ-H Account, according to the provisions of the applicable legislation.
3. The Λ-H Account shall also be debited and credited as appropriate so that it remains balanced after completion of both the Monthly Settlement and the Annual Final Settlement by means of the necessary fund transfers from and to the Services of General Interest Special Account, kept by the System Operator. In the event where the Λ-H Account of the NII Operator has a debit balance, it shall be credited with funds from the Services of General Interest Special Account, kept by the HTS Operator to bring it to a balanced position; otherwise, the Λ-Θ Account of the NII Operator shall be debited by transferring the surplus funds to the Services of General Interest Special Account, kept by the HTS Operator to bring it to a balanced position.
4. The procedure of Monthly Settlement and Final Annual Settlement shall apply to the above debits and credits, and these amounts shall also be included in the relevant Settlement Statements.

Article 184 - Annual Final Settlement Procedure

1. At the end of each calendar year, the NII Operator shall prepare the Annual Final Settlement for the current year per NII System, in the context of which:
 - (a) It shall take into account any potential differences between the meter reading and other data which were used for the calculation of the debits and credits of the Monthly Settlement Statements and the final accounting data for the year.
 - (b) It shall identify any potential errors in the initial calculation of the debits and credits of the Monthly Settlement Statements.
 - (c) It shall verify on the basis of the latest data any estimates made in the event of settlement in

exceptional situations, pursuant to Article 187.

(d) It shall fix the accounting cost for the Cover of an Emergency pursuant to Article 155.

(e) It shall fix the accounting cost for the Cover of Operating Expenses and Fixed Assets pursuant to Article 180.

(f) It shall take into account the outcome of any Dispute Settlement Procedure.

2. In order to determine the amount of debits and credits during the procedure of the Annual Final Settlement and to make the relevant bank operations, the NII Operator shall use the NII Market Settlement function of the NII Information System.

3. The Annual Final Settlement of the NII Market shall be carried out per NII system and include the separate final settlements regarding: Energy Purchases/Sales, Auxiliary Services, Mechanism Securing Sufficient Power, Special Accounts of the NII RES and the NII SGI, Cover of Emergency Costs, Cover of Operating Expenses of the NII Operator and the Management of Fixed Assets, Collection of Fees in favour of Third Parties / Network Usage Charges as well as Fines.

4. The NII Operator shall submit to RAE, for its review, the cost and energy accounting data for each NII system by the fifteenth (15) of February of the year following the settlement year. By the fifteenth (15) of March of the year following the settlement year, RAE shall approve by decision the final cost data as to the reasonability of the level and the type of the separate costs of the production activity, on which the NII operator computed the compensation for the provision of the SGIs of Article 1(1) of Ministerial Decision ΠΔ5/ΗΛ/Β/Φ1Β/12924/13.062007 (Government Gazette, Series II, No 1040, 25.06.2007), as amended and currently in force, for each NII system, according to the provisions of the applicable legislation.

5. The NII Operator shall send to each Participant the Annual Settlement Statement concerning the current year by the twenty sixth (26) of March of the year following the settlement year. The Annual Settlement Statement includes debits and credits arising from the Annual Final Settlement.

6. Any participant who disputes the contents of the Annual Settlement Statement shall submit in writing and within ten (10) calendar days from the notification of such Statement reasoned objections to the NII Operator stating the precise reasons of the objections, the disputed amount, the Allocation Date as well as the relevant data and evidence which support the objections.

7. The NII Operator shall make a reasoned decision on such objections within ten (10) calendar days from notification of the objections, and any differences shall be included in the Settlement Statement of the next settlement procedure, as practically possible, in accordance with the applicable tax legislation. Any dispute between the parties which remains unsolved following the

above procedure shall be resolved in accordance with the provisions of Chapter 2.

8. The Annual Settlement Statement shall be issued in the same format and with the same content as the Monthly Settlement Statement, for each month of the settlement year.

9. In the event where the Annual Final Statement shows a debit balance for the NII Operator, the Participant shall promptly issue and send the relevant invoice to the NII Operator, duly certified, on the basis of the data stated in the Annual Settlement Statement, notwithstanding any objections of the Participant. The NII Operator shall issue the relevant bank order for the payment of the Participant within ten (10) working days from the notification of the invoice, notwithstanding any objections on the amounts due.

10. In the event where the Annual Final Settlement shows a credit balance for the NII Operator, the NII Operator shall issue and send the relevant invoice to the Participant, duly certified, along with the Annual Settlement Statement. The Participant shall pay the above debt within five (5) working dates, notwithstanding any objections on the amounts due.

11. If, after the expiry of the above time limit, the debt has not been paid in its entirety, the Participant shall be presumed to be unable to pay the relevant amounts. The total sums which the Producer is unable to pay shall be set off with the payments he is due to receive at the procedure of the next Monthly Settlement. The total sums which the Load Representative is unable to pay shall constitute a Transaction Deficit for the settlement year and the procedures of Article 185 shall apply.

12. Any Participant collaborating with the NII Operator to resolve the dispute arising from a specific Annual Settlement Statement shall be obliged to pay the expenses for the execution of repeated settlement calculations pursuant to the provisions of Article 41. These amounts shall be returned to the Participants if the outcome of the repeated settlement calculations shows that the Annual Settlement Statement was erroneous. These expenses shall be recorded in the Monthly Settlement Statement of the next settlement period.

13. Details regarding the format and content of the Annual Settlement Statement and the relevant invoices and bank operations, as well as the manner and content of the communication between the Participants and the NII Operator in the context of the Annual Final Settlement may be set out in the NII Market Operation Manual.

Annex to NII Code 'Load Representative Participation Agreement in the NII Market'

Article 4 'Calculation of Debits / Credits'

1. For each settlement period, the NII Operator shall calculate the following debits / credits per

NII System:

a) The debits of the Load Representative ($\text{XE}\Phi_j$) for the energy shall be calculated as follows: $\text{XE}\Phi_j$

$$= \text{MΠKΠ}_i \times \text{QX}_{(\Sigma\text{M})i} + \text{MMK}_{(\text{M}\Delta\text{N})i} \times \text{QX}_{(\text{AΠE})i}$$

where:

MΠKΠ_i : the price, in €/MWh, arising from the average full cost of electric energy production from Conventional Units in each NII System, as calculated by the NII Operator;

$\text{QX}_{(\Sigma\text{M})i}$: the Energy Invoiced to the Load Representative from Conventional Units in the NII System per settlement period;

$\text{MMK}_{(\text{M}\Delta\text{N})i}$: the price, in €/MWh, of the Average Variable Cost of electric energy production from Conventional Units, as these are calculated by the RAE which is valid for the NII System for the settlement month, according to the applicable provisions;

$\text{QX}_{(\text{AΠE})i}$: the Energy Invoiced to the Load Representative from Renewable Energy Sources / High Performance CHP and Hybrid Units in the NII system per invoicing period;

(b) The debits and credits of the Load Representative for the Services of Public Interest (SGI) which arise from the calculation of the amounts owed to the Load Representative as compensation for its operation in the NII System, as well as the amount which it must pay to the relevant NII Operator from the relevant SGI charges corresponding to his Customers, according to the applicable provisions of the law. More specifically, the credits for the compensation of the Supplier for its operation in the NII (the NII SGI), shall be calculated in the first instance by the NII Operator for each settlement period on the basis of the remuneration data of the Producer from the Conventional Stations and in accordance with the calculation methodology used for these SGI expenses and then shall be finally settled on an annual basis, following a RAE check as to the reasonability of the level and type of the separate expenses of the production activity in the calculation of the SGI compensation of Article 1(1) of Ministerial Decision ΠΔ5/ΗΛ/Β/Φ1Β/12924/13.06.2007 (Government Gazette, Series II, No 1040, 25.06.2007), as amended and currently in force. As regards the credits for the compensation of the remaining PSO discharged by the Load Representative, the provisions of the applicable legislation shall apply.

(c) Other debits or credits of the Load Representative (Network Usage Charges, in favour of third parties etc.) in accordance with the provisions of the applicable legislation, provided that the applicable legislation does not explicitly provide a different method for the allocation to their beneficiaries.

2. The total debit/credit of the Load Representative is the sum of the partial debits/credits for the totality of the NII (n) Systems, i.e.:

$$XE\Phi = \sum_{i=1}^n XE\Phi_i$$

Annex, Article 8 'Transaction Settlement - Invoicing'

1. At the end of each settlement period, the NII Operator shall calculate the amounts of Article 4, and shall apply the procedure of the Monthly Settlement provided for in the NII Code (issue and notification of the Monthly Settlement Statement, assessment of the objections, issue of the invoices, accountancy recording / repayment etc.) with the appropriate adjustments for the application of the provisions on the basis of the average monthly amounts. The Monthly Settlement Statement shall be prepared on the basis of the data submitted by the Producers from Conventional Units in the NII as well as other data available to the NII Operator (meter readings etc.).

2. At the end of each calendar year, the NII Operator shall calculate the final accounting amounts of Article 4, taking into account the accounting data for the production activity in the NII Systems and shall apply the Annual Final Settlement Procedure, as provided for in the NII Code (submission to RAE of the accounting data for review and approval, issue and notification of the Annual Settlement Statement, assessment of the objections, issue of the invoices, accountancy recording/repayment).

As a result of the intensive monitoring and thorough examination of the data concerning the critical parameters of the Methodology (RAE Decision No 14/2014), it is noted that in 2017 the Authority approved the interim Compensation for the years 2014-2016 on an ex post basis with its Decision No 688/2017.

As shown from the current statutory framework, in view of the accounting settlement procedure which is pursued vigorously, the possibility to grant compensation exceeding the necessary amount ('overcompensation') is sufficiently and duly prevented.

- Compliance with the condition of transparency

The statutory framework on the provision of SGIs on the NII can be found on RAE's website:

http://www.rae.gr/site/categories_new/global_regulation/global_national/global_national_law

s.csp?power=electricity&lawfek=&type=&lawcode=&low_text=&btn_search=%CE%91%CE%BD%CE%B1%CE%B6%CE%AE%CF%84%CE%B7%CF%83%CE%B7.

The results of the public consultation carried out by RAE in respect of the new calculation methodology of the compensation for discharging Services of General Interest on the Non-Interconnected Islands are also posted on the internet on RAE's website:

(http://www.rae.gr/categories_new/about_rae/activity/global_consultation/history_new/21102013.csp).

Moreover, the amounts of the aid granted to undertakings providing SGIs every year are also posted on RAE's website (alternatively: follow the links, RAE (Home Page) >

Consumers > FAQs

http://www.rae.gr/site/categories_new/consumers/faq/electricity.csp).

Finally, in compliance with the transparency requirements governing the granting of State aid, RAE publishes separately the relevant data on the following link: RAE (Home page) > / State Aid / Electricity / SGI (http://www.rae.gr/site/categories_new/statesub/elec/yko.csp).

Amount of granted aid (in million EUR)

By RAE Decision No 688/2017, issued on 2 August 2017, the Authority approved a temporary consideration to cover the costs for the provision of SGI to the NIIs for the years 2014, 2015 and 2016. The SGI_NII compensation for these years is considered temporary in the above decision because its calculation was made on the basis of the data relevant to the SGI_NII methodology which was taken into account and checked by RAE at the time of the decision. It is expressly stated in the operative part of the decision that, upon finalisation and notification of all the elements and parameters required by the Methodology for the calculation of the SGI_NII Compensation to the Authority, a decision will be made for the adoption of a definitive consideration for the years 2014-2016. Specifically, RAE Decision No 688/2017 states that *'upon approval by RAE of the Regulatory Registry of Fixed Assets held for regulatory purposes for the activity of production from conventional units in the NII for the said years, the definitive determination of the weighted average purchase price that was formed by the activity of Suppliers on the wholesale market in the Interconnected System for the year 2016 and the issuance of the RAE decisions for the estimation of extraordinary needs for the years 2014, 2015 and 2016, the Authority shall adopt, according to the recitals, a decision on the final ex post settlement of the SGI_NII compensations for the years 2014-2016'*. It is therefore necessary to mention the amount of compensation provisionally

approved by RAE Decision No 688/2017 for the years 2014-2016 to correct the relevant reports of the Authority in the previous SGI reports, to the extent they referred to those years, as no such compensation was stated in these Reports as, by the time of submission, no decision had been adopted by the Authority on its approval.

(a) SGI_NII compensation for the year 2014

Annual (temporary) SGI_NII compensation (in million EUR)
673 264 257.36

In the context of re-examining the cost data for the calculation of the SGI_NII Compensation with the NII Operator, HEDNO SA, for the purpose of approving a definitive consideration by the end of 2018, it is expected that a small deviation will be recorded in relation to the above-mentioned approved SGI_NII provisional compensation for the year 2014, the amount of which does not however affect this consideration.

(b) SGI_NII compensation for the year 2015

Annual (temporary) SGI_NII compensation (in million EUR)
601 805 608.64

In the context of re-examining the cost data for the calculation of the SGI_NII Compensation with the NII Operator, HEDNO SA, for the purpose of approving a definitive consideration by the end of 2018, it is expected that a small deviation will be recorded in relation to the above-mentioned approved SGI_NII provisional compensation for the year 2015, the amount of which does not however affect this compensation.

(c) SGI_NII compensation for the year 2016

Annual (temporary) SGI_NII compensation (in million EUR)
482 646 228.98

Regarding the SGI_NII compensation for the year 2016, it is noted that from July of that year, besides PPC SA, there are also other suppliers active in Crete. Therefore, the amount of EUR 482 646 228.98 includes the compensation also received by alternative providers, i.e. energy suppliers other than PPC SA, which provided SGIs in Crete in 2016.

(d) SGI_NII compensation for the year 2017

The exact amount of aid granted was not available on the date of submission of this report, as RAE's ex post review of the monthly final SGI_NII unit compensations in accordance with the

‘Methodology for computing the compensation to cover the cost of providing Services of General Interest on the Non-Interconnected Islands’ (see RAE Decision No 14/2014, Government Gazette, Series II, No 270, 07.02.2014) has not yet been completed. Upon completion of the above review, the relevant RAE decision will be adopted and published.

Finally, concerning Part 4 ‘Third party complaints’ of the SGEI Report, it is noted that PPC SA has appealed against RAE Decision No 688/2017 requesting its cancellation before the Administrative Courts. The decision on PPC SA’s application for cancellation is not expected before the end of 2018.

OTHER NON-MANDATORY INFORMATION

I. AIR LINKS FOR MARGINAL ROUTES

Clear and comprehensive description of how the respective services are organised in your Member State.

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

Since 2001 (following the approval of the European Commission), the Ministry of Transport and the Civil Aviation Authority (CAA), taking into account the provisions of Article 4 of Council Regulation (EEC) No 2408/92 of 23 July 1992 *on access for Community air carriers to intra-Community air routes, as replaced by Regulation (EC) No 1008/2008*, moved forward in the implementation of programmes for the provision of public services on regular air routes throughout Greek territory.

The implementation of these programmes has ensured specific levels of air services as regards frequency, capacity and fares, to the great satisfaction of local authorities and local inhabitants, as it has contributed to solving the problem of isolation and supporting further development in these areas.

The obligation for the provision of public services was initially imposed on 10 routes (their exploitation began after a tender process in December 2001), i.e.:

- *Athens – Astipalea*
- *Athens – Ikaria*
- *Athens – Leros*
- *Athens – Milos*
- *Athens – Skiros*
- *Thessaloniki – Samos*
- *Thessaloniki – Chios*
- *Limnos – Mytilini – Chios – Samos – Rhodes*
- *Rhodes – Karpathos – Kasos*
- *Rhodes – Kastelorizo*

In 2003, 12 more routes were integrated into a programme for the provision of public services. Namely:

- *Athens – Kithira*
- *Athens – Naxos*
- *Athens – Paros*
- *Athens – Karpathos*
- *Athens – Sitia*
- *Athens – Skiathos*
- *Thessaloniki – Skiros*
- *Thessaloniki – Corfu*
- *Rhodes – Kos – Leros – Astipalea*
- *Corfu – Aktio – Kefalonia – Zakynthos*

- *Alexadroupoli – Sitia*
- *Aktio– Sitia*

In 2006, the obligations imposed on the *Athens – Astipalea* route to *Kalimnos* and the *Rhodes – Karpathos – Kasos* route to *Sitia* were extended.

In 2007, the routes integrated into a programme for the provision of public services were the following:

- *Thessaloniki – Kalamata*
Athens – Kalimnos (with the commencement of operations on this route, the Athens-Astipalea route started operating independently again, i.e. without the extension to Kalimnos)

Thessaloniki – Limnos – Ikaria (the tender for its exploitation proved fruitless)

In 2010, the routes integrated into a programme for the provision of public services were the following:

- *Athens – Kozani – Kastoria* and
- *Thessaloniki – Limnos – Ikaria*

During the renewal of the imposed obligations, as of 1 April 2012, the extended routes were the following:

Rhodes – Kos – Leros – Astipalea, so as to include *Kalimnos* as an intermediate station, and *Corfu – Aktio – Kefalonia – Zakynthos* to *Kithira*.

On 1 April 2012, the routes integrated in a programme for the provision of public services were the following:

- *Athens – Siros* and
- *Athens – Zakynthos*

The renewal of the total programme for the provision of public services on scheduled air services within Greece in 2016 amended the imposition of the obligations since 1 October 2016 on the following routes:

Corfu – Aktio – Kefalonia – Zakynthos the connection to *Kithira* was interrupted.
Rhodes – Karpathos – Kasos the connection to *Sitia* was interrupted.

Explanation of the (typical) **forms of entrustment**. If standard templates are used for entrustments for a particular domain, please attach them hereto.

The current Obligations for the Provision of a Public Service, as well as the applicable fares on each route are shown in

Tables I and **II**, respectively.

Average duration of the entrustment (in years) and proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.

The assignment of the operation of routes to air operators and the time period for the exploitation thereof was not more than 4 years. An analysis of the relevant data is shown in **Table III**.

Explanation if enterprises have been entrusted with (typically) exclusive or special rights .
<p>Following public, international tenders, the right to the exclusive exploitation of the regular air routes has been assigned under Article 16(9) of Regulation (EC) No 1008/2008.</p> <p>The attached Table III shows whether the routes are exclusively operated or not.</p>
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct subsidies in the form of financial compensation.
Typical compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>To determine the amount of the financial compensation, air operators/bidders are required to submit a financial tender which includes the total amount of the requested financial compensation both per quarter and for the entire duration of the contract (i.e. four years), for the proper fulfilment of the imposed obligations related to the provision of a public service on each route for which an offer is submitted.</p>
<p>More specifically, the financial tender includes:</p> <p>(i) A detailed analysis of the estimated annual costs (direct and indirect operating cost) of each service, per route, quarter and year: The estimated annual costs of the use of the aircraft in each route comprise direct operating costs (<i>cost of capital / aircraft lease, crew cost, aircraft insurance, agent commission, aircraft maintenance, fuel, catering, airline fees, cost of ground handling and other direct costs, if any, which the air operator must determine accurately</i>) and indirect operating costs (<i>marketing and sales expenses, station expenses, administrative costs and other indirect costs, if any, which the air operator must determine accurately</i>).</p> <p>(ii) A detailed analysis of the estimated revenue from the exploitation of the service: The estimated annual revenue is calculated based on the fares already determined per service by the Civil Aviation Authority and included in the tender notice, after also taking into account (per service, quarter and year) the available round-trip, the load factor and the number of passengers.</p> <p>(iii) The reasonable profit rate per route and service: The estimated reasonable profit rate per service, route and year does not exceed 10 % of the total cost (<i>direct and indirect operating cost</i>) per route and service (<i>profit = 10 % * total cost</i>).</p>
Typical arrangements for avoiding and repaying any overcompensation .
If only one tender is submitted, which is deemed to be seeking financial compensation that is too high, the tender committee negotiates with the bidder in order to achieve a reduction in the

amount of financial compensation. Usually, a 2-3 % reduction in the profit rate is achieved.	
A short explanation of how the transparency requirements (see paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and, if so, provide the link to this website), or alternatively explain if <i>and how the publication takes place at the level granting the aid (e.g. central, regional or local level)</i> .	
<p><i>The notice of the Imposition of Public Service Obligations on scheduled air routes and the Call for Proposals is published in the Official Journal of the European Union and in the Greek Government Gazette/Issue of Public Tender Notices.</i></p> <p><i>The full text of the Imposition of obligations and the Call for Proposals is posted on the CAA's website (hcaa.gr)</i></p> <p><i>Moreover, the full text of the Call is published in two national newspapers.</i></p>	
Amount of aid granted	
Total amount of aid granted (in million EUR) ¹² . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2016	2017
46 019 424	18 563 150
A: Total amount of aid granted (in million EUR) paid by the national central authorities	
2016	2017
46 019 424	18 563 150
B: Total amount of aid granted (in million EUR) paid by regional authorities	
2016	2017
0	0
C: Total amount of aid granted (in million EUR) paid by local authorities	
2016	2017
0	0
Share of expenditure per aid instrument (direct grant, guarantees, etc.), if available	
2016	2017

0		0	
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)			
2016		2017	
Aegean Airlines	445 893		
Astra Airlines	6 758 102	Astra Airlines	1 629 607
Sky Express	9 987 804	Sky Express	4 788 450
Olympic Air	28 827 624	Olympic Air	12 145 092

TABLE I

Obligations for the Provision of Public Services
Minimum frequency of flights
and minimum offered places per week in each route

	<i>Air route</i>	<i>Weekly frequencies per season</i>	<i>Minimum offered places per week</i> <i>per season</i>
		low/shoulder/high	low/shoulder/high
1	Athens – Astipalea	3 / 4 / 6	90/120/180
2	Athens – Kalimnos	3 / 4 / 6	75/100/150
3	Athens – Ikaria	3 / 4 / 6	90/120/180
4	Athens – Leros	3 / 4 / 6	90/120/180
5	Athens – Milos	3 / 4 / 6	90/120/180
6	Athens – Skiros	3 / 4 / 6	90/120/180
7	Athens – Kithira	3 / 4 / 6	90/120/180
8	Athens – Naxos	3 / 4 / 6	90/120/180
9	Athens – Paros	7 / 10 / 14	140/200/280

10	Athens – Karpathos	3 / 4 / 6	90/120/180
11	Athens – Sitia	3 / 4 / 6	120/160/240
12	Athens – Skiathos	3 / 4 / 6	60/80/240
13	Athens – Siros	3 / 4 / 6	60/80/120
14	Athens – Zakynthos	5 / 6 / 7	175/300/350
15	Thessaloniki – Samos	3 / 4 / 6	180/240/360
16	Thessaloniki – Chios	3 / 4 / 6	180/240/360
17	Thessaloniki – Corfu	2 / 2 / 2	90/90/90
18	Thessaloniki – Skiros	2 / 2 / 2	60/60/60
19	Thessaloniki – Kalamata	3 / 4 / 6	150/200/300
20	Thessaloniki – Limnos – Ikaria	3 / 4 / 6	90/120/180
21	Limnos – Mytilini – Chios – Samos – Rhodes	2 / 2 / 3	50/50/75
22	Rhodes – Kastelorizo	3 / 4 / 6	60/80/120
23	Rhodes – Karpathos – Kasos	3 / 4 / 6	90/120/180
24	Rhodes – Kos – Leros – Astipalea	2 / 2 / 3	50/50/75
25	Corfu – Aktio – Kefalonia – Zakynthos	2 / 2 / 3	50/50/75
26	Alexandroupoli – Sitia	2 / 2 / 2	60/60/60
27	Aktio – Sitia	2 / 2 / 2	60/60/60
28	Athens – Kozani – Kastoria	3 / 3 / 3	120/120/120

Low season means the IATA winter season.

Shoulder season means the season from the start of the IATA summer season, April, May and October, until the end of the IATA summer season.

High summer season means the months of June, July, August and September.

TABLE II**Fares**

The reference value of a single economy class fare cannot exceed the following amounts:

ROUTE	Maximum value of fare in the low and shoulder season	Maximum value of fare in the high summer season
Athens – Astipalea	65	80
Athens – Ikaria	60	75
Athens – Leros	65	80
Athens – Milos	55	70
Athens – Kithira	60	70
Athens – Naxos	65	80
Athens – Paros	65	80
Athens – Karpathos	75	90
Athens – Sitia	75	90
Athens – Skiathos	60	75
Athens – Kalimnos	70	90
Athens – Skiros	50	65
Athens – Zakynthos	55	70
Athens – Siros	55	70
Athens – Kozani	60	75
Athens – Kastoria	70	80
Kozani – Kastoria	35	40
Thessaloniki – Samos	80	95
Thessaloniki – Chios	70	85
Thessaloniki – Corfu	70	85

Thessaloniki – Kalamata	85	100
Thessaloniki – Skiros	70	90
Thessaloniki – Limnos	65	75
Thessaloniki – Ikaria	70	85
Limnos – Ikaria	40	55
Alexadroupoli – Sitia	80	95
Aktio – Sitia	80	95
Corfu – Aktio	45	55
Corfu – Kefalonia	45	55
Corfu – Zakynthos	50	65
Aktio – Kefalonia	40	50
Aktio – Zakynthos	45	55
Kefalonia – Zakynthos	45	55
Limnos – Rhodes	70	85
Limnos – Mytilini	45	55
Limnos – Chios	45	55
Limnos – Samos	45	55
Mytilini – Chios	40	50
Mytilini – Samos	45	55
Mytilini – Rhodes	65	80
Chios – Samos	40	55
Chios – Rhodes	50	70
Samos – Rhodes	45	60
Rhodes – Kasos	45	60

Rhodes – Karpathos	40	55
Karpathos – Kasos	35	45
Rhodes – Kos	50	65
Rhodes – Kalimnos	55	65
Rhodes – Astipalea	60	70
Rhodes – Leros	60	70
Kos – Astipalea	60	70
Kos – Kalimnos	45	60
Kos – Leros	50	65
Astipalea – Leros	50	65
Kalimnos – Leros	45	60
Astipalea – Kalimnos	50	60
Rhodes – Kastelorizo	40	55

The above fares do not include VAT and fees imposed by the Athens International Airport ‘Eleftherios Venizelos’ on departing passengers.

Finally, pursuant to Article 16(c) of Law 2892/2001, no Airport Modernisation and Development Fee (TEAA) is imposed on the air links included in the Public Service Provision Obligation Programme.

TABLE III

ROUTE		AIR OPERATOR THAT OPERATES THE ROUTE	CONTRACT VALIDITY PERIOD
1.	Athens – Paros	OLYMPIC AIR - SKY EXPRESS	01/10/2016 to 30/09/2020
2.	Athens – Zakynthos	OLYMPIC AIR - SKY EXPRESS	01/10/2016 to 30/09/2020
3.	Athens – Ikaria	OLYMPIC AIR - SKY EXPRESS	01/10/2016 to 30/09/2020
4.	Athens – Karpathos	OLYMPIC AIR - SKY EXPRESS	01/10/2016 to 30/09/2020
5.	Athens – Kithira	OLYMPIC AIR - SKY EXPRESS	01/10/2016 to 30/09/2020
6.	Athens – Skiathos	OLYMPIC AIR - SKY EXPRESS	01/10/2016 to 30/09/2020
7.	Thessaloniki – Samos	OLYMPIC AIR - SKY EXPRESS - ASTRA AIRLINES	01/10/2016 to 30/09/2020
8.	Thessaloniki – Chios	OLYMPIC AIR - SKY EXPRESS - ASTRA AIRLINES	01/10/2016 to 30/09/2020
9.	Athens – Milos	OLYMPIC AIR - SKY EXPRESS	01/04/2017 to 31/03/2021
10.	Athens – Naxos	OLYMPIC AIR - SKY EXPRESS	01/04/2017 to 31/03/2021
11.	Athens – Sitia	OLYMPIC AIR	01/04/2017 to 31/03/2021
12.	Athens– Siros*	SKY EXPRESS	01/10/2016 to 30/09/2020
13.	Athens – Astipalea	SKY EXPRESS	01/10/2016 to 30/09/2020
14.	Thessaloniki – Limnos – Ikaria	ASTRA AIRLINES	01/10/2016 to 30/09/2020

15.	Athens – Leros*	OLYMPIC AIR	01/10/2016 to 30/09/2020
16.	Athens – Skiros	OLYMPIC AIR	01/10/2016 to 30/09/2020
17.	Thessaloniki – Kalamata*	OLYMPIC AIR	01/10/2016 to 30/09/2020
18.	Rhodes – Kastelorizo	OLYMPIC AIR	01/10/2016 to 30/09/2020
19.	Rhodes – Karpathos–Kasos	SKY EXPRESS	01/10/2016 to 30/09/2020
20.	Athens – Kalimnos	SKY EXPRESS	12/04/2018 to 30/09/2020
21.	Thessaloniki – Skiros	SKY EXPRESS	01/04/2017 to 31/03/2021
22.	Limnos – Mytilini – Chios – Samos – Rhodes	SKY EXPRESS	01/04/2017 to 31/03/2021
23.	Corfu – Aktio – Kefalonia – Zakynthos	SKY EXPRESS	01/04/2017 to 31/03/2021
24.	Thessaloniki – Corfu	SKY EXPRESS	12/04/2018 to 31/03/2021
25.	Aktio – Sitia	SKY EXPRESS	01/10/2017 to 30/09/2021
26.	Alexandroupoli – Sitia	SKY EXPRESS	until 31/05/2018
27.	Rhodes – Kos – Kalimnos – Leros – Astipalea	SKY EXPRESS	until 31/05/2018
28.	Athens – Kozani – Kastoria	ASTRA AIRLINES	until 31/08/2018

Notes: 1. Routes 1-11 run on Open PSOs following interest expressed by airlines.

2. Routes 12, 15, 17 are run without compensation, exclusively under a tendering procedure.
3. The definitive entrustment of routes 26, 27 is pending due to legal bottlenecks.
4. A new tender procedure has been launched for line 28.

TABLE IV

TEMPLATE FOR COMPLETING
THE FINANCIAL BID INFORMATION

1. ESTIMATED ANNUAL REVENUE

Based on the fares mentioned in the technical tender, the estimated annual revenue (on a quarterly basis from the start date of the routes) is presented as follows:

Service:.....	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Available capacity (round-trip)					
Average load factor					
Number of passengers					
Revenues					

ESTIMATED ANNUAL EXPENSES

Each of the three tables below should be completed per flight and on a quarterly basis from the scheduled start date of the flights.

Service:.....	Per flight	Per quarter				Annual total
		1st quarter	2nd quarter	3rd quarter	4th quarter	
Aircraft utilisation (in block hours)						
Trip length (in nautical miles)						
Block time (in minutes)						
Block time (in hours)						
Block fuel (in Kg)						

Direct costs	Per flight	Per quarter				Annual total
		1st quarter	2nd quarter	3rd quarter	4th quarter	
Aircraft: cost of capital/lease						
Crew						
Insurance						
Agent commission						
Maintenance						
Fuel						
Catering						
Duties						

Ground handling						
Other (please specify)						
TOTAL						

Indirect costs (in EUR)	Per flight	Per quarter				Annual total
		1st quarter	2nd quarter	3rd quarter	4th quarter	
Marketing						
Sales						
Station expenses						
Administrative						
Other (please specify)						
TOTAL						

3. COMPENSATION

The amount of compensation required by the candidate air carrier for the operation of flights for the air service per flight, per quarter, per year, in detail and in total for the four years is:

	Per flight	Per quarter				Annual total
		1st quarter	2nd quarter	3rd quarter	4th quarter	
Total cost (direct + indirect)						
- Revenues						
= Difference						
+ Profit						

(percentage of profit* Total cost)						
= <u>Financial compensation sought</u>						

TOTAL FINANCIAL COMPENSATION OF THE FOUR-YEAR PERIOD:

.....

TABLE V

TOTAL FINANCIAL COMPENSATION PAID DURING THE FOUR-YEAR PERIOD 2013-2017

In million EUR

(actual disbursements after the relevant audits were completed)

2013	2014	2015	2016	2017
49 517 448	41 194 298	51 618 989	46 019 424	18 563 150

II. MARITIME LINKS FOR MARGINAL ROUTES

Clear and comprehensive description of how the respective services are organised in your Member State.
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.
<p>In order to provide the public with adequate transport services, public service contracts are concluded between the Greek State and the Community shipowners following a public, international, open tender procedure, in accordance with the provisions of Article 4 of Council Regulation (EEC) No 3577/92 of 7 December 1992, Article 8 of Law 2932/2001 (Government Gazette, Series I, No 145), as amended and currently in force, and Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council, of 26 February 2014, transposed into Greek law by Law 4413/2016 (Government Gazette, Series I, No 148) and Law 4412/2016 (Government Gazette, Series I, No 147), respectively.</p> <p>The contract notice and thus the conclusion of the public service contracts only take place if it has been determined, for each route under procurement, that either there is lack of business interest for operating transport services or the existing regular transport services would be inadequate if their provision was left to market forces alone; furthermore, the details of the routes under procurement are clearly defined in the notice of invitation to tender.</p> <p>The maritime routes which are served under public service contracts concern maritime links on which the average annual traffic during the two financial years preceding that in which the service was assigned does not exceed 300 000 passengers.</p> <p>Under the public service contracts in question, specific maritime routes are operated, which on the one hand ensure a satisfactory level of the provided services (frequency, fares, etc.) and on the other hand connect the densely-populated Greek islands with the mainland, thus making a decisive contribution to the economic, social and territorial cohesion of Greece.</p>
Explanation of the (typical) forms of entrustment . If standard templates are used for entrustments for a particular domain, please attach them hereto.
<p>The award of public service contracts shall be carried out following a public, international, open tender procedure, in accordance with the provisions of Article 4 of Council Regulation (EEC) No 3577/92 of 7 December 1992, Article 8 of Law 2932/2001 (Government Gazette, Series I, No 145), as amended and currently in force, and Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council, of 26 February 2014, transposed into Greek law by Law 4413/2016 (Government Gazette, Series I, No 148) and Law 4412/2016 (Government Gazette, Series I, No 147), respectively.</p> <p>A model of the public service entrustment contracts is shown in TABLE I attached hereto</p>
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
<p>Due to budgetary constraints, approximately 73 % of public service contracts are of one-year duration. The proportion of contracts with a duration of more than ten years is around 12 % and concerns public service contracts awarded in 2009 and 2010.</p> <p>The possibility of concluding public service contracts for a duration of up to twelve (12) years is expressly</p>

provided for in Article 8(5) of Law 2932/2001 (Government Gazette, Series I, No 145) and is in full compliance with the sectoral EU legislation. More specifically, in paragraph 5.7 of the Communication from the Commission on the interpretation of Council Regulation (EEC) No 3577/92 of 7 December 1992 COM (2014) 232 final of 22 April 2014, the Commission clearly takes the view that a longer duration of contracts, of 12 years, might be acceptable, since experience, and particularly a study carried out on behalf of the Commission, shows that ‘small islands’ could be understood to mean islands where the total annual number of passengers carried by sea to and from the island is around 300 000 or fewer.
Explanation if enterprises have been entrusted with (typically) exclusive or special rights.
No exclusive or special rights have been entrusted to the undertakings in question.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
The cost for the operation of the routes is covered by national sources and more specifically from the State Budget KAE 2131 ‘Marginal Routes Grants’ of the special body 41-140.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>In accordance with the Altmark criteria, on the one hand, the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner, and on the other hand, the compensation cannot exceed what is necessary to cover all or part of the costs incurred in discharging the public service obligations, taking into account the relevant receipts and a reasonable profit for discharging those obligations.</p> <p>The conditions of the contract notice define, in a clear, objective and transparent manner, the maximum compensation limit per case, which is different and specific to each route. In this way, in order to define the compensation, the consumption of fuel required to cover the distance in nautical miles between the linked ports, the length of the ship, its age, its capacity in passengers as well as its capacity in vehicles, are taken into account, as specified by the Maritime Transport Committee of Law 2932/2001.</p> <p>The shipowners of the Community who participate in the tender are invited to submit an offer lower than the offer of the State for each route under procurement.</p> <p>Thus, taking into account that the tender procedure is open (international, public tender procurement), the compensation is in fact defined in accordance with the market price for the provision of the service, i.e. to cover the net cost (including a reasonable margin of profit), envisaged by each bidder.</p>
Typical arrangements for avoiding and repaying any overcompensation.
Taking into account the fact that, firstly, the maximum compensation offered is defined in advance and is known to the EU shipowners who participate in the tender and, secondly, that each EU shipowner decides whether he will submit an offer in the tender, solely on the basis of business and/or economic criteria, it is evident that the lower price criterion, as a criterion for the selection of the lowest bidder among the EU shipowners who will express their desire to participate in the tender, is a guarantee that the compensation offered does not exceed what is necessary for the provision of the public service.
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above EUR 15 million to undertakings that also have activities outside the scope of the SGEI are being complied with.

<p>The choice of an open tender procedure (Article 27 of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014), which constitutes a guarantee for a transparent and fair procedure, as opposed to a restricted or negotiated procedure, and also the rules regarding the publication of the notice and the time limit for receipt of tenders (Article 39 of Directive 2014/23/EU), which must be thirty (30) days from the date on which the contract notice was sent to the Publications Office of the European Union, constitute a procedure which effectively minimises the distortion of competition. Where appropriate, information (notices, awards, contracts, etc.) is published at national and European level on the following website: https://simap.europa.eu/enotices/ http://www.eprocurement.gov.gr/ https://diavgeia.gov.gr/</p>	
<p>Amount of aid granted</p>	
<p>Total amount of aid granted (in million EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities (A+B+C)</p>	
<p>2016</p>	<p>2017</p>
<p>Budget: EUR 88.1 million</p>	<p>Budget: EUR 88.1 million</p>
<p>Share of expenditure per aid instrument (direct grant, guarantees, etc.), if available</p>	
<p>2016</p>	<p>2017</p>
<p>Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings).</p>	

III. Information on other means to ensure the provision of SGEI services

SGEI LEGAL FRAMEWORK	AID INSTRUMENT	OPERATION	SGEI PROVIDER	DURATION OF THE SGEI ENTRUSTMENT	COMPENSATION PAID IN 2016	COMPENSATION PAID IN 2017
ALTMARK CRITERIA	DIRECT ESIF SUBSIDY (COHESION FUND)	SOLID URBAN WASTE TREATMENT PLANT OF THE REGION OF EPIRUS	PRIVATE PARTNERSHIP	27 YEARS	0	6 020 244.14
ALTMARK CRITERIA	DIRECT ESIF SUBSIDY (COHESION FUND)	IMPLEMENTATION OF THE WASTE TREATMENT PLANT IN THE PREFECTURE OF SERRES	PRIVATE PARTNERSHIP	27 YEARS	0	5 441 294.13
DE MINIMIS	DIRECT ESIF SUBSIDY (COHESION FUND)	ACTIONS FOR INTEGRATED WASTE MANAGEMENT IN THE MUNICIPALITY OF VARI-VOULA-VOULIAGMENI	MUNICIPALITY OF VARI-VOULA-VOULIAGMENI	3 YEARS	0	0