

**SGEI report in accordance with Article 9 of the 2012 Commission Decision
on services of general economic interest and point 62 of the
2012 EU Framework for services of general economic interest, for the
period 1.1.2016 - 31.12.2017,
Operational Programme 'Health', Priority axis 1**

The following SGEI report falls under the Operational Programme 'Health', Priority axis 1 – Modernisation of the hospital healthcare system, 2007 – 2013 programming period, and is complementary to the SGEI report for the period 1.1.2014 - 31.12.2015 submitted to the Slovak Antimonopoly Office.

In accordance with Section 5(1) of Act No 358/2015 regulating certain relations in the field of State aid and *de minimis* aid and amending certain acts (State Aid Act), the day on which the legal act, on whose basis aid is granted to the beneficiary, came into effect is considered the day on which the aid was granted, and thus the day on which the grant agreement takes effect.

The report submitted for the period 2014 – 2015 presented expenditure that did not fall under the previous sentence, but that constituted funds actually paid out on the basis of submitted payment requests.

For the above reasons, we hereby enclose this SGEI report as an addendum to the report for the period 2014 – 2015, setting out government spending on SGEI paid out on the basis of payment requests during 2016.

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<i>Compensation for Services of General Economic Interest (1+2)</i>	EUR 1 481 971	0
1. Compensation granted on the basis of the SGEI Decision	EUR 1 481 971	0
2. Compensation granted on the basis of the SGEI Framework	0	0

Optional: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI *de minimis* aid ...) and the sectors in which they are used.

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

Clear and comprehensive description of how the respective services are organised in your Member State¹

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.

Healthcare

Healthcare is defined as a service of general economic interest by Act No 576/2004 on healthcare and healthcare-related services and amending certain acts. Section 4(1) lays down that: 'Healthcare in a healthcare facility for out-patient care and in a healthcare facility for in-patient care shall be a service of general economic interest.' However, State aid in the form of public service compensation under the Operational Programme 'Health' is not granted for the actual provision of healthcare. In line with Article 5(3)(d) of the Decision, aid under the Operational Programme 'Health' is linked with investments concerning infrastructure in which out-patient or in-patient care is demonstrated to be provided.

Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used for a certain sector, please attach them.

Operation of a service of general economic interest is entrusted to the undertaking concerned under Article 4 of the Decision by way of several acts that can be divided into two levels:

- a) the level of acts concerning healthcare provision
- b) the level of acts concerning investments into infrastructure in which healthcare is provided

The provision of healthcare services is entrusted to a healthcare provider on the basis of a decision licensing the operation of a healthcare facility pursuant to Sections 11-26 of Act No 578/2004 on healthcare providers, health workers and professional organisations in the healthcare sector and amending and supplementing certain acts. The content of this decision intended for assessing conformity with the Decision consists mainly of a specification of the type of healthcare facility for the operation of which the licence is issued.

Beneficiaries are entrusted through a grant agreement with making investments into infrastructure in which healthcare is provided under the rules of use of the structural funds. The specifications of the investment project which is the subject of the entrustment are annexed to the agreement.

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

¹ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

entrusted with a duration exceeding 10 years and explain how this duration is justified.
<p>The commitment begins when the decision licensing the operation of a healthcare facility enters into force and effect and, except for the operation of ambulances, is issued for an indefinite period (Section 15 of the Act). The public service obligation ends with the suspension, revocation or termination of the licence (Sections 18, 19 and 20 of the Act).</p> <p>At the level of investment into infrastructure, the duration of the commitment (implementation of the investment project and its sustainability) is set out in the grant agreement, specifically in Article 7 Implementation of project activities, point 1 of the General terms for the grant, with reference to Article 2 Object and purpose of the agreement, point 2.4 The grant. A detailed description of the duration of activities is set out in Annex 2 The grant - Subject of the grant, mainly under part 7. Time frame for implementing the project and project activities and part 7a. Time frame for implementing the project's main and support activities. Then the project's sustainability is set out in Article 1 General obligations, point 4 and Article 3 Obligation to provide information and submit monitoring reports, point 4 of the General terms of the grant. Taking into account the length of the implementation of supported projects and the subsequent five-year period of sustainability, none of the projects supported under the Operational Programme 'Health' exceeded a duration of 10 years.</p>
Explanation of whether (typically) exclusive or special rights are assigned to the undertakings.
<p>The decision licensing the operation of a healthcare facility specifies the facility for which the licence is issued and its place(s) of operation.</p> <p>All rights relating to the type of healthcare facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.</p> <p>At the level of investment into infrastructure, all of the Beneficiary's rights and obligations are set out in the grant agreement. The relevant territory is specified in Article 2 Object and purpose of the agreement (point 2.1) of the grant agreement, which states the place of the project's implementation. The basic special right is the acquisition of funding to implement an approved investment into infrastructure in which healthcare is provided.</p>
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
A grant from the structural funds and State budget from the Operational Programme 'Health'.
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 applying the Decision to provide aid from the structural funds and the State budget from the Operational Programme 'Health', when State aid is provided for modernising

the infrastructure required for providing public services, the provisions of Article 4(d) and (e) of the Decision do not form part of the decision licensing the operation of a healthcare facility, but are laid down by the rules governing aid from structural fund resources, defined in the relevant call for grant applications. The rules are then reflected in the grant agreement, specifically in Article 16 Payments of the General terms of the grant, while in Article 5 Specific conditions, point 5.1 The grant, a specific type of financing is set out in respect of the Beneficiary's legal form, and this is used in the project.

The parameters for calculating and assessing compensation in connection with health facility infrastructure investments are included in the relevant call for grant applications in the form of a separate annex: *Methodology for establishing the amount of compensation provided from EU funds and the State budget, further to Commission Decision No 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest* (the 'Methodology'). The Methodology itself contains the procedure for the applicant to establish the compensation and a template for calculating it (Annex 1 to the Methodology), and for the provider to verify the calculation. The amount of compensation established is verified during the formal accuracy check (administrative check) as part of the preliminary financial check. The result of the check on the establishment of the amount of compensation is put in the form 'checking the established amount of compensation' (Annex 2 to the Methodology). This form is part of the checklist from the preliminary financial check. In the evaluation process (during the expert evaluation), an expert evaluator assesses the accuracy of the calculation of overcompensation and the subsequent establishment of the grant under evaluation criterion 3.1 Sources of co-financing and budget. The call under which the project was submitted is set out in Article 2 Object and purpose of the agreement, point 2.2 The grant.

The method applied is based on Article 5(1) and (2) of the Commission Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest – net costs are calculated as the difference between costs, as defined in paragraph 3, and revenue, as defined in paragraph 4.

Typical arrangements for avoiding and repaying any overcompensation.

The obligation for the grant applicant set out in points 8 (Conditions for providing State aid) and 9 (Form of aid) of the call for submitting a grant application can be considered an arrangement for avoiding and repaying any overcompensation.

Overpayments are avoided ex-ante by verifying the calculation of the amount of compensation established by the applicant on the basis of the Methodology. If overcompensation is found, the Ministry of Health reduces the amount of the grant

before the grant contract is signed. If overcompensation is found after the grant agreement is signed (double financing or misleading information provided by the applicant during verification of the amount of compensation in the assessment and selection process), the grant agreement defines a mechanism for refunds in the General terms for the grant in Article 10 Settlement of financial relations and contractual penalty.

Furthermore, during the project's implementation, the purpose of administrative and on-the-spot checks is to verify the eligibility of expenditure and its conformity with the approved investment project under the rules in the grant agreement. Once projects are completed, subsequent monitoring focuses on the sustainability of the project, whether the project shows evidence of ineligible revenue and whether all the conditions for granting aid are met, as well as whether the project's purpose - of whether healthcare is still being provided in the modernised infrastructure - has been attained. This is carried out by means of an administrative check (of output from the accounts) as well as an on-the-spot check.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI) are being complied with. 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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

Amount of aid granted

Total amount of aid granted (in millions EUR)². This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)

2016	2017
EUR 1 481 971 (EU source + SR source)	0
A: Total amount of aid granted (in millions EUR) paid by national central authorities³	
2016	2017
EUR 1 481 971	0
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁴	
2016	2017

² As stipulated in Article 9(b) of the 2012 SGEI Decision.

³ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

⁴ See footnote 3.

C: Total amount of aid granted (in millions EUR) paid by local authorities⁵	
2016	2017
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 % of the expenditure reported was provided through a grant.	
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ⁶	
2016	2017
number of beneficiaries: 3 average amount of aid: EUR 493 990 maximum annual total aid for services of general economic interest: EUR 416 019	

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

N/A.

4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

⁵ See footnote 3.

⁶ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

No complaints have been received.

5. MISCELLANEOUS QUESTIONS

- a) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

No difficulties have been identified.

- b) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with paragraph 19 of the SGEI Framework;
- determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

N/A.

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

We have no comments

**SGEI report in accordance with Article 9 of the 2012 Commission Decision
on services of general economic interest and point 62 of the
2012 EU framework for services of general economic interest, for the period
1.1.2016 - 31.12.2017,
Operational Programme ‘Health’, priority axis 2**

The following SGEI report falls under the Operational Programme ‘Health’, priority axis 2 – Health promotion and health risk prevention, 2007 – 2013 programming period, and is complementary to the SGEI report for the period 1.1.2014 - 31.12.2015 submitted to the Slovak Antimonopoly Office.

Within the meaning of Section 5(1) of Act No 358/2015 regulating certain relations in the field of State aid and *de minimis* aid and amending certain acts (State Aid Act), the day on which the legal act, on whose basis aid is granted to the beneficiary, came into effect is considered the day on which the aid was granted.

The report submitted for the period 2014 – 2015 presented expenditure that did not fall under the previous sentence, but that constituted funds actually paid out on the basis of submitted payment requests.

For the above reasons, we hereby enclose this SGEI report, as an addendum to the report for the period 2014 – 2015, where government spending on SGEI paid out on the basis of a payment request during 2016 is set out.

6. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<i>Compensation for Services of General Economic Interest (1+2)</i>	EUR 3 484 541	EUR 0
1. Compensation granted on the basis of the SGEI Decision	EUR 3 484 541	EUR 0
2. Compensation granted on the basis of the SGEI Framework		

Optional: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI *de minimis* aid ...) and the sectors in which they are used.

7. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

Polyclinics and health centres (priority axis 2 of Operational Programme ‘Health’)

Clear and comprehensive description of how the respective services are organised in your Member State⁷
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>Healthcare</p> <p>Healthcare is defined as a service of general economic interest by Act No 576/2004 on healthcare and healthcare-related services and amending certain acts. Section 4(1) lays down that: 'Healthcare in a healthcare facility for out-patient care and in a healthcare facility for in-patient care shall be a service of general economic interest.' However, State aid in the form of public service compensation under the Operational Programme 'Health' is not granted for the actual provision of healthcare. In line with Article 5(3)(d) of the Decision, aid under the Operational Programme 'Health' is linked with investments concerning infrastructure in which out-patient or in-patient care is demonstrated to be provided.</p>
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.
<p>Operation of a service of general economic interest is entrusted to the undertaking concerned under Article 4 of the Decision by way of several acts at two levels:</p> <p>(a) the level of acts concerning healthcare provision</p> <p>(b) the level of acts concerning investments into infrastructure in which healthcare is provided</p> <p>The provision of healthcare services is entrusted to a healthcare provider on the basis of a decision licensing the operation of a healthcare facility pursuant to Sections 11-26 of Act No 578/2004 on healthcare providers, health workers and professional organisations in the healthcare field and amending and supplementing several acts. The content of this decision intended for assessing conformity with the Decision consists mainly of a specification of the type of healthcare facility for the operation of which the licence is issued.</p> <p>Beneficiaries are entrusted through a grant agreement with making investments into infrastructure in which healthcare is provided under the rules of use of the structural funds. The specification of the investment project which is the subject of the entrustment is annexed to the agreement.</p>
Average duration of the entrustment (in years) and the proportion of entrustments

⁷ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

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>The commitment begins when the decision licensing the operation of a healthcare facility enters into force and effect and, except for the operation of ambulances, is issued for an indefinite period (Section 15 of the Act). The public service obligation ends with the suspension, revocation or termination of the licence (Section 18, 19 and 20 of the Act).</p> <p>At the level of investment into infrastructure, the duration of the commitment (investment project implementation and its sustainability) is set out in the grant agreement, specifically in Article 7 Implementation of project activities, point 1 of the General terms for the grant, with reference to Article 2 Object and purpose of the agreement, point 2.4 The grant. A detailed description of the duration of activities is set out in Annex 2 The grant - Subject of the grant, mainly under part 7. Time frame for implementing the project and project activities and part 7a. The time frame for implementing the project's main and support activities, as well as the project's sustainability, is set out in Article 1 General obligations, point 4 and Article 3 Obligation to provide information and submit monitoring reports, point 4 of the General terms of the grant.</p> <p>Taking into account the length of the implementation of supported projects and the subsequent five-year period of sustainability, none of the projects supported under the Operational Programme 'Health' exceeded a duration of 10 years.</p>
Explanation of whether (typically) exclusive or special rights are assigned to the undertakings.
<p>The decision licensing the operation of a healthcare facility specifies the facility for which the licence is issued and its place(s) of operation.</p> <p>All rights relating to the type of healthcare facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.</p> <p>At the level of investment into infrastructure, all of the Beneficiary's rights and obligations are set out in the grant agreement. The relevant territory is specified in Article 2 Subject and purpose of the agreement, point 2.1 of the grant agreement, where the place of the project's implementation is set out. The basic special right is the acquisition of funding to implement an approved investment into infrastructure in which healthcare is provided.</p>
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
A grant from the structural funds and State budget from the Operational Programme 'Health'.
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 applying the Decision to provide aid from the structural funds and the State budget from the Operational Programme ‘Health’, when State aid is provided for modernising the infrastructure required for providing public services, the provisions of Article 4(d) and (e) of the Decision do not form part of the decision licensing the operation of a healthcare facility but are laid down by the rules governing aid from structural fund resources, defined in the relevant call for grant applications. The rules are then reflected in the grant agreement, specifically in Article 16 Payments of the General terms of the grant, while in Article 5 Specific conditions, point 5.1 The grant, a specific type of financing is set out in respect of the Beneficiary’s legal form, and this is used in the project.

The parameters for calculating and assessing compensation in connection with health facility infrastructure investments are included in the relevant call for grant applications, in the form of a separate annex. *Methodology for establishing the amount of compensation provided from EU funds and the State budget, further to Commission Decision No 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (the ‘Methodology’)*. The Methodology itself contains the procedure for the applicant to establish the compensation and a template for calculating it (Annex 1 to the Methodology), and for the provider (the Ministry of Health) to verify the calculation (Annex 2 to the Methodology). The determination of the amount of compensation is verified during the formal accuracy check (administrative check), as part of the preliminary financial check. The result of the check on the establishment of the amount of compensation is put in the form ‘checking the established amount of compensation’ (Annex 2 to the Methodology). This form is part of the checklist from the preliminary financial check. In the evaluation process (during the expert evaluation), an expert evaluator assesses the accuracy of the calculation of over-compensation and the subsequent establishment of the grant under evaluation criterion 3.1 Sources of co-financing and budget. The call under which the project was submitted is set out in Article 2 Object and purpose of the agreement, point 2.2 The grant.

The methodology applied is based on Article 5(1) and (2) of the Commission Decision on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest – net costs are calculated as the difference between costs, as defined in paragraph 3, and revenue, as defined in paragraph 4.

Typical arrangements for avoiding and repaying any overcompensation.

The obligation for the grant applicant set out in points 8 (Conditions for providing State aid) and 9 (Form of aid) of the call for submitting a grant application can be considered an arrangement for avoiding and repaying any overcompensation.

Overpayments are avoided ex-ante by verifying the calculation of the amount of

compensation established by the applicant on the basis of the Methodology. If overcompensation is found, the Ministry of Health reduces the amount of the grant before the grant contract is signed. If overcompensation is found after the grant agreement is signed (dual financing or misleading information provided by the applicant during verification of the amount of compensation in the assessment and selection process), the grant agreement defines a mechanism for refunds in the General terms for the grant in Article 10 Settlement of financial relations and contractual penalty.

Furthermore, during the project's implementation, the purpose of administrative and on-the-spot checks is to verify the eligibility of expenditure and its conformity with the approved investment project under the rules in the grant agreement. Once projects are completed, subsequent monitoring focuses on the sustainability of the project, whether the project shows evidence of ineligible revenue and whether all the conditions for granting aid are met, as well as whether the project's purpose - of whether healthcare is still being provided in the modernised infrastructure - has been attained. This is carried out by means of an administrative check (of output from the accounts) as well as an on-the-spot check.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI 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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

Amount of aid granted

Total amount of aid granted (in millions EUR)⁸. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)

2016	2017
EUR 3 484 541 (EU source + State budget source)	EUR 0
A: Total amount of aid granted (in millions EUR) paid by national central authorities⁹	
2016	2017
EUR 3 481 971	0
B: Total amount of aid granted (in millions EUR) paid by regional authorities¹⁰	

⁸ As stipulated in Article 9(b) of the 2012 SGEI Decision.

⁹ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

¹⁰ See footnote 3.

2016	2017
C: Total amount of aid granted (in millions EUR) paid by local authorities¹¹	
2016	2017
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 % of the expenditure reported was provided through a grant.	
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ¹²	
2016	2017
number of beneficiaries; 18 average amount of aid: EUR 193 586 maximum annual total aid for services of general economic interest: EUR 773 314	

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

N/A.

4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

No complaints have been received.

¹¹ See footnote 3.

¹² The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

5. MISCELLANEOUS QUESTIONS

- a) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

No difficulties have been identified.

- b) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with paragraph 19 of the SGEI Framework;
- determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

N/A.

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

We have no comments

**SGEI report in accordance with Article 9 of the 2012 Commission Decision
on services of general economic interest and point 62 of the 2012
EU Framework for services of general economic interest, for the period
1.1.2016 - 31.12.2017,
Integrated regional operational programme, specific objective 2.1.3**

The following SGEI report falls under the Integrated regional operational programme, specific objective 2.1.3 - Modernising the infrastructure of institutional facilities providing acute healthcare for the purpose of increasing their productivity and effectiveness, programming period 2014 – 2020.

In the period under review (2016 -2017), no compensation was granted for SGEI for the specific objective concerned.

8. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<i>Compensation for Services of General Economic Interest (I+2)</i>	EUR 0	EUR 0
1. Compensation granted on the basis of the SGEI Decision	EUR 0	EUR 0
2. Compensation granted on the basis of the SGEI Framework		

Optional: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI de minimis aid ...) and the sectors in which they are used.

9. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

Clear and comprehensive description of how the respective services are organised in your Member State¹³
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.
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.
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.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Typical arrangements for avoiding and repaying any overcompensation.
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. 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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

¹³ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Amount of aid granted	
Total amount of aid granted (in millions EUR)¹⁴. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)	
2016	2017
A: Total amount of aid granted (in millions EUR) paid by national central authorities¹⁵	
2016	2017
B: Total amount of aid granted (in millions EUR) paid by regional authorities¹⁶	
2016	2017
C: Total amount of aid granted (in millions EUR) paid by local authorities¹⁷	
2016	2017
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ¹⁸	
2016	2017

¹⁴ As stipulated in Article 9 b) of the 2012 SGEI Decision.

¹⁵ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

¹⁶ See footnote 3.

¹⁷ See footnote 3.

¹⁸ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

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

1. SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):
 - i) Postal services
 - ii) Energy
 - iii) Waste collection
 - iv) Water supply
 - v) Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
 - vi) Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
 - vii) Culture
 - viii) Financial services
 - ix) Other sectors (please specify)

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

Clear and comprehensive description of how the respective services are organised in your Member State¹⁹
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.
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.

¹⁹ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

<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>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</p>	
<p>Which aid instruments have been used (direct subsidies, guarantees, etc.)?</p>	
<p>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>Typical arrangements for avoiding and repaying any overcompensation.</p>	
<p>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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Amount of aid granted</p>	
<p>Total amount of aid granted (in millions EUR)²⁰. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)</p>	
2016	2017
<p>A: Total amount of aid granted (in millions EUR) paid by national central authorities²¹</p>	
2016	2017

²⁰ As stipulated in Article 62 b) of the 2012 SGEI Framework.

²¹ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

B: Total amount of aid granted (in millions EUR) paid by regional authorities²²	
2016	2017
C: Total amount of aid granted (in millions EUR) paid by local authorities²³	
2016	2017
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ²⁴	
2016	2017

4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

5. MISCELLANEOUS QUESTIONS

d) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;

²² See footnote 21.

²³ See footnote 21.

²⁴ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

– determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;

– regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

e) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

– carrying out a public consultation in line with paragraph 14 of the SGEI Framework;

– complying with public procurement rules in line with para 19 of the SGEI Framework;

– determining the net avoided cost as required by paras 25-27 of the SGEI Framework;

– determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

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

SGEI report in accordance with Article 9 of the 2012 Commission Decision on services of general economic interest and point 62 of the 2012 EU Framework for services of general economic interest, for the period 1.1.2016 - 31.12.2017, awarding of subsidies and contributions from the State budget

10. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<i>Compensation for Services of General Economic Interest (I+2)</i>	EUR 20 072 665	10 080 970
1. Compensation granted on the basis of the SGEI Decision	EUR 20 072 665	EUR 10 080 970
2. Compensation granted on the basis of the SGEI Framework		0

Optional: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI de minimis aid ...) and the sectors in which they are used.

11. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

3. Hospitals (Article 2(1)(b))

Clear and comprehensive description of how the respective services are organised in your Member State²⁵

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.**

Healthcare.

Healthcare is defined as a service of general economic interest by Act No 576/2004 on healthcare and healthcare-related services and amending certain acts. Section 4(1) lays down that: 'Healthcare in a healthcare facility for out-patient care and in a healthcare facility for in-patient care shall be a service of general economic interest.' However, State aid in the form of public service compensation under the State budget is not granted for the actual provision of healthcare.

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

The provision of services of general economic interest is entrusted to a healthcare provider on the basis of a decision licensing the operation of a healthcare facility pursuant to Sections 11-26 of Act No 578/2004 on healthcare providers, health workers and professional organisations in the healthcare field and amending and supplementing several acts. The content of this decision intended for assessing conformity with the Decision consists mainly of a specification of the type of healthcare facility for the operation of which the licence is issued.

Beneficiaries are entrusted with carrying out investments in the form of a subsidy agreement or on the basis of a notification on the provision of a capital transfer from the State budget. The specification of the investment project, which is the subject of the entrustment, is annexed

²⁵ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

to the agreement or notification.
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 commitment begins when the decision licensing the operation of a healthcare facility enters into force and effect and, except for the operation of ambulances, is issued for an indefinite period (Section 15 of the Act). The public service obligation ends with the suspension, revocation or termination of the licence (Sections 18, 19 and 20 of the Act).
Explanation of whether (typically) exclusive or special rights are assigned to the undertakings.
<p>The decision licensing the operation of a healthcare facility specifies the facility for which the licence is issued and its place(s) of operation.</p> <p>All rights relating to the type of healthcare facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.</p> <p>At the level of investment into infrastructure, all of the Beneficiary's rights and obligations are set out in the grant agreement or notification on the provision of a capital transfer from the budget chapter of the Slovak Ministry of Health.</p>
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
subsidies and contributions from the State budget
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 compensation mechanism is in the form of a subsidy and a contribution within the meaning of Act No 523/2004 on the budgetary rules of public administration and Act No 525/2010 on granting subsidies within the competence of the health sector. For subsidies, the rules for granting aid from State budget funds are defined in the relevant call for submitting subsidy applications. The rules are then reflected in the agreement on granting a subsidy from the budget chapter of the Slovak Ministry of Health.</p> <p>The methodology established for allocating expenditure and the methodology for calculating net costs do not apply to granting funds.</p>
Typical arrangements for avoiding and repaying any overcompensation.
<p>The Ministry of Health verifies the amount of compensation established by the applicant.</p> <p>If overcompensation is found, the Ministry of Health reduces the amount of the grant before the subsidy agreement is signed, or before the notification on providing a capital transfer from the State budget. If overcompensation is found after the subsidy agreement is signed (dual financing or misleading information provided by the applicant during verification of the amount of compensation in the assessment and selection process), a mechanism for refunds is defined under the Slovak Ministry of Finance Instruction on clearing financial transfers from the</p>

<p>State budget.</p> <p>Furthermore, following the project's implementation, the purpose of administrative and on-the-spot checks is to verify the eligibility of expenditure and its conformity with the approved investment project under the rules in the subsidy agreement or in the notification on the provision of a capital transfer from the State budget.</p>	
<p>A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. 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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Amount of aid granted</p>	
<p>Total amount of aid granted (in millions EUR)²⁶. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)</p>	
2016	2017
EUR 20 072 665	EUR 10 080 970
<p>A: Total amount of aid granted (in millions EUR) paid by national central authorities²⁷</p>	
2016	2017
EUR 20 072 665	EUR 10 080 970
<p>B: Total amount of aid granted (in millions EUR) paid by regional authorities²⁸</p>	
2016	2017
<p>C: Total amount of aid granted (in millions EUR) paid by local authorities²⁹</p>	
2016	2017

²⁶ As stipulated in Article 9(b) of the 2012 SGEI Decision.

²⁷ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

²⁸ See footnote 3.

²⁹ See footnote 3.

Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ³⁰	
2016	2017
the number of beneficiaries; 30	the number of beneficiaries; 22
average amount of aid: EUR 669 000	average amount of aid: EUR 458 226
maximum annual total aid for services of general economic interest: EUR 3 374 490	maximum annual total aid for services of general economic interest: EUR 3 996 204

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

The SGEI framework does not apply to subsidies/contributions from the State budget awarded by the Slovak Ministry of Health.

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

2. SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):

- x) Postal services
- xi) Energy
- xii) Waste collection
- xiii) Water supply
- xiv) Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
- xv) Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
- xvi) Culture
- xvii) Financial services

³⁰ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

xviii) Other sectors (please specify)

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

Clear and comprehensive description of how the respective services are organised in your Member State³¹
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.
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.
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?
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Typical arrangements for avoiding and repaying any overcompensation.
A short explanation of how the transparency requirements (see Paragraph 60 of the

³¹ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Amount of aid granted	
Total amount of aid granted (in millions EUR)³². This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)	
2016	2017
A: Total amount of aid granted (in millions EUR) paid by national central authorities³³	
2016	2017
B: Total amount of aid granted (in millions EUR) paid by regional authorities³⁴	
2016	2017
C: Total amount of aid granted (in millions EUR) paid by local authorities³⁵	
2016	2017
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)³⁶	

³² As stipulated in Article 62 b) of the 2012 SGEI Framework.

³³ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

³⁴ See footnote 21.

³⁵ See footnote 21.

³⁶ The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

2016	2017

6. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

No complaints have been received.

7. MISCELLANEOUS QUESTIONS

g) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

No difficulties have been identified.

h) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with paragraph 19 of the SGEI Framework;
- determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

N/A.

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

We have no comments.

Provider: Slovak Ministry of the Economy

<i>Total SGEI government expenditure by legal basis (millions EUR)</i>		
	2016	2017
<i>Compensation for Services of General Economic Interest (1+2)</i>	95.460255	95.408561
<i>1. Compensation granted on the basis of the SGEI Decision</i>	95.460255	95.408561
<i>2. Compensation granted on the basis of the SGEI Framework</i>		
<p><i>Optional: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI de minimis aid ...) and the sectors in which they are used.</i></p>		
<p>Decisions of the Slovak Ministry of the Economy in the context of administrative proceedings impose obligations in the general economic interest on the electricity market operators concerned, as follows:</p> <ul style="list-style-type: none"> Slovenské elektrárne (SE) – for the production of electricity from indigenous lignite and the provision of ancillary services from the Elektrárne Nováky power plant; Slovenská elektrizačná prenosová sústava (SEPS) – to ensure priority access to the Slovak electricity grid; For electricity distribution (ZSDIS, a.s., SSE-D, a.s. a VSD, a.s.) - to ensure priority access and priority distribution of electricity produced from indigenous coal; For electricity supply (ZSE Energia, a.s., SSE, a.s. a VSE, a.s.) - to supply on a priority basis the prescribed quantities of electricity produced from indigenous coal in the total quantity of electricity supplied to end-users. <p>The current wholesale/market price of electricity is considerably lower than the costs to produce it at Elektrárne Nováky power plant. On the basis of its implementing decree laying down price regulation in the electricity sector, the Office for the Regulation of Network Industries (ÚRSO) will issue a decision laying down the size of the additional payment for SE, a.s. to compensate for eligible costs and average profit, which is calculated using the ‘cost plus’ method. Through the short-term electricity market operator, this additional payment is collected from end-users by means of a system-operation tariff, the size of which is set by ÚRSO.</p> <p>Electricity produced in SE’s portfolio is sold on the open, liberalised, market-driven electricity market. The price of electricity is set on the basis of supply and demand, and is</p>		

therefore exclusively market-driven.

Clear and comprehensive description of how the respective services are organised in your Member State³⁷

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

In the context of administrative proceedings, the Ministry of Economic Affairs takes decisions imposing obligations on the electricity market operators concerned to ensure the generation and supply of electricity from indigenous coal and the priority transmission, distribution and supply of electricity for a period of one year.

*Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.*

The Ministry of the Economy issues decisions in the context of administrative proceedings.

³⁷ If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

<i>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.</i>
In Slovakia, ‘general economic interest’ has applied to electricity generation from indigenous coal since 2005, and the electricity market operators concerned are obliged to ensure the generation and supply of electricity from indigenous coal and the priority transmission, distribution and supply of electricity generated from indigenous coal. In 2015 the decisions concerned were issued set to expire in 2030.
<i>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</i>
The Ministry of the Economy does not grant the electricity market operators concerned exclusive or special rights when imposing a general economic interest obligation.
<i>Which aid instruments have been used (direct subsidies, guarantees, etc.)?</i>
<i>Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</i>
Every year, on the basis of a decision by the Ministry of the Economy, Slovenské elektrárne submits to the Office for the Regulation of Network Industries (ÚRSO) a budget for costs for the quantity of electricity generated from indigenous coal for the following year and a budget for revenues from the sale of electricity supplied at market prices plus a reasonable profit. The compensation mechanism uses a cost allocation calculated on the final consumption of electricity, expressed as a system-operation tariff.
<i>Typical arrangements for avoiding and repaying any overcompensation.</i>
Overcompensation is avoided by law under Act No 250/2012, the Network Industries Regulation Act, and laid down in more detail in Implementing Decree No 18/2017 laying down price regulation in the electricity sector and some conditions for conducting regulatory activities in the electricity sector (ÚRSO Implementing Decree).

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<p>A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. 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 and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Decisions issued by the Slovak Ministry of the Economy on electricity production in the general economic interest are published here: http://www.mhsr.sk/energetika/energeticka-politika/rozhodnutia-vovseobecnom-hospodarskom-zaujme. The Slovak Republic does not comply with Article 7(b) of the SGEI Decision 'publication of the annual amounts of aid granted to an undertaking'.</p>	
<p>Amount of aid granted</p>	
<p>Total amount of aid granted (in millions EUR)² . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)</p>	
2016	2017
95.460255	95.408561
<p>A: Total amount of aid granted (in millions EUR) paid by national central authorities³</p>	
2016	2017
95.460255	95.408561
<p>B: Total amount of aid granted (in millions EUR) paid by regional authorities</p>	
2016	2017
-	-
<p>C: Total amount of aid granted (in millions EUR) paid by local authorities²</p>	

² As stipulated in Article 9(b) of the 2012 SGEI Decision.

³ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

2016	2017
-	-
<i>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</i>	
2016	2017
-	-

Complaints by third parties

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

The Slovak Republic was only officially requested in 2017 by DG COMP to make comments on the complaint lodged by the European Institute for the Protection of Consumers and the Rule of Law (EICP), represented by Peter Ďuriš, on the basis of which it sent 41 questions regarding electricity generation in the exclusive economic zone. On 28 March 2017, at the request of DG COMP, a meeting took place addressing issues regarding electricity generation from indigenous coal in the general economic interest. Several consultations took place during 2017 and 2018 (face-to-face and by telephone) regarding this issue. Negotiations are currently under way aimed at revising the measures, and, according to the information available to the Ministry of Health, the complaint itself has not yet been officially closed.

Miscellaneous questions

- a) *We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:*

- *drawing up an entrustment act that complies with Article 4 of the SGEI Decision;*

As already stated in previous replies, the Ministry of Health issues decisions imposing the obligations in the general economic interest on the electricity market operators concerned to provide the approved volume of the generation and supply of electricity from indigenous coal. Ministry of Health decisions do not comply with Article 4(d) and (e) of the SGEI Decision.

- *specifying the amount of compensation in line with Article 5 of the SGEI Decision;*

The amount of compensation (additional payment) for electricity generation from indigenous coal is calculated in accordance with Section 11(4) of the ÚRSO Implementing Decree. The amount of compensation is thereby strictly restricted to covering eligible costs for meeting SGEI commitments and reasonable profit.

- *determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;*

As already stated in a previous answer, the amount of the additional payment is established by the ÚRSO on the basis of the pre-established formula set out in Section 11(4) of the ÚRSO Implementing Decree. It is only possible to include precisely listed items in this formula, including reasonable profit.

- *regularly checking overcompensation as required by Article 6 of the SGEI Decision;*

The ÚRSO has powers under Act No 250/2012, the Network Industries Regulation Act, under which the approval process takes place and all cost items are monitored.

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

- b) *We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:*

- *carrying out a public consultation in line with paragraph 14 of the SGEI Framework;*

The Ministry of Health, as the central government authority, drew up a proposal for using indigenous coal for generating electricity in the general economic interest. On 4 May 2005 the Slovak Government adopted Decree No 356/2005 approving the proposal to use indigenous coal to generate electricity in the general economic interest and to secure the quantity of indigenous coal necessary for this purpose. On the basis of the Decree, the Slovak government tasks the Ministry of the Economy in the general economic interest with imposing obligations on the electricity market operators concerned to provide the approved volume of the generation and supply of electricity from indigenous coal, including ancillary services and the transmission and distribution of electricity. Under the standard consultation procedure, the operators concerned were given the opportunity to present their views on the document presented.

- *complying with public procurement rules in line with paragraph 19 of the SGEI Framework;*

There is no other electricity producer in the Bystričany nodal area that would generate electricity from indigenous coal in order for the power station's output to be exported to the Bystričany nodal area. In a public tender, therefore, no more than one bid would be submitted from an electricity producer. On the basis of this fact, the Slovak Republic did not conduct a public procurement for electricity generation from indigenous coal in this nodal area.

- *determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework;*

The ÚRSO has powers under Act No 250/2012, the Network Industries Regulation Act, under which the approval process takes place and all cost items are monitored.

- *determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework; Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.*

As already stated in a previous reply, the ÚRSO has powers under Act No 250/2012, the Network Industries Regulation Act, under which the approval process takes place and all cost items are monitored; one of the components of the price formation is reasonable profit.

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

We also draw attention to the fact that pre-notification process preparations are currently under way with DG COMP representatives.