

Liberty • Equality • Fraternity

FRENCH REPUBLIC

Report on Services of General Economic Interest

25 July 2018

Table of contents

1. Expenditure overview	2
2. Description of the application of the 2012 SGEI Decision	3
2.1) Hospitals (Article 2(1)(b))	3
2.2. Social services (Article 2(1)(c))	8
a) childcare	9
b) access to and reintegration into the labour market	9
c) social housing.	19
2.3. SGEI compensation not exceeding an annual amount of EUR 15 million [Article 2(1)(a)]:	24
a) young people and community life	24
b) standardisation (French Standardisation Organisation - AFNOR)	31
c) local and regional authorities (other SGEIs)	33
3. Description of the application of the 2012 SGEI Framework	34
3.1. SGEI compensation exceeding EUR 15 million outside the scope of the SGEI Decision	34
a) postal services	34
b) culture	37
c) financial services	40
4. Complaints by third parties	45
5. Miscellaneous questions	46

1. Expenditure overview

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)

	2016	2017
Compensation for Services of General Economic Interest (1+2)	92482	93553
(1) Compensation granted on the basis of the SGEI Decision*	91827	92907
(2) Compensation granted on the basis of the SGEI Framework	655	646

Not compulsory: 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.

*SGEI Decision expenditure not including figures from local and regional authorities in the annex (access to and reintegration into the labour market and others)

2. Description of the application of the 2012 SGEI Decision

2.1. Hospitals (Art. 2(1)(b))

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 SGEI as clearly as possible.

Article L. 6111-1 of the Public Health Code assigns to each healthcare institution a mission to carry out the 'diagnosis, monitoring and treatment of the sick, the injured and pregnant women'.

Healthcare institutions 'provide medical care, where necessary palliative care, with or without accommodation, to outpatients and patients in their own homes [...] They take part in coordinating healthcare with all the members of the health professions working in office-based practices and in medical-social institutions and services, within the limits laid down by the regional health care agency in agreement with the departmental councils, within the limits of their powers.'

These missions, set out in Article L. 6111-1 of the Public Health Code, constitute Services of General Economic Interest (SGEI) in the hospital sector.

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

The entrustment takes the form of an obligation for the healthcare institutions to conclude a multiannual contract covering objectives and means (CPOM) with the Regional Healthcare Agencies (ARS), the decentralised health authorities. Moreover, healthcare institutions must seek authorisation to provide healthcare services. Authorisation is issued by the Regional Health Agencies. A standard multiannual contract covering objectives and means and a copy of a decision issued by a Regional Healthcare Agency are attached as examples.

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.

Multiannual contracts covering objectives and means are concluded for a five-year period (Article L. 6114-1 of the Public Health Code). There are no such contracts with a longer period of validity. The period of validity of authorisation to provide healthcare is set at seven years (Article R. 6122-37 of the Public Health Code).

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

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

Public and private healthcare institutions receive financing under the compulsory health insurance schemes as well as investment aid paid by the Fund for the Modernisation of Public and Private Healthcare Institutions (FMESPP) (see below).

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. For medical, surgery and obstetric services, the financing arrangements for healthcare institutions is a combination of two elements:

- charges for each service (T2A) makes it possible to allocate resources depending on the nature and volume of the services provided by each institution;

- the Regional Intervention Fund (FIR) and the allocation for general interest services and aid for contracting procedures (MIGAC) finance the services provided outside the scope of the general principle of charging for each service (research, training, etc.); moreover, the Fund for the Modernisation of Public and Private Healthcare Institutions finances, for instance, the investment aid for healthcare institutions.

There are two methods of compensation:

1. Main financing from national charges

Under the IT Medicalisation Programme (PMSI), the accommodation situation of each patient is classified within a homogenous group of patients associated with one or more homogenous accommodation groups.

For each stay in hospital that is invoiced, the healthcare institutions are paid on the basis of national charges set down in an order by the Ministers responsible for Health and Social Security. The resources allocated therefore depend on the service provided. In the case of the charges for each service (T2A), a single price is set for the same type of service supplied by all healthcare providers. The charge is set for each homogenous patient group (GHM). The nomenclature of the homogenous patient groups is intended to classify the very diverse range of medical services in a complete list of groups that are distinctive in both medical and financial terms (hospital stays for which the consumption of resources are broadly similar).

In order to provide a legitimate financial basis, the charges corresponding to each homogenous patient group are defined in a national cost study (ENC) produced from a sample of public and private health institutions. The Hospitalisation Information Technical Agency (*agence technique de l'information sur l'hospitalisation* - ATIH) collects these costs (via the IT Medicalisation Programme - PMSI), processes them and determines the charges for accommodation (homogenous accommodation groups) based on these processed figures corrected by a price-volume budget adjustment to take account of the national health insurance expenditure target (*objectif national des dépenses d'Assurance maladie* -ONDAM) and public policies.

The financing for charges for each service (T2A) is calculated by multiplying the charge for each homogenous patient group by the number of corresponding hospital stays.

2. Complementary financing by means of allocations and intervention appropriations

Complementary financing can come from various sources:

- The allocation for financing general interest services and aid for contracting procedures (MIGAC)

General interest missions (MIG) cover specific, properly identified activities that cannot be financed individually either because there is no suitable classification or because they cannot be associated with a given patient. The activities can be classified in two broad categories:

- education, research, reference and innovation (MERRI) set out in Article D. 162-6-1 of the Social Security Code.
- the other missions set out in paragraphs 2, 3 and 4 of Article D. 162-7 of the Social Security Code, including epidemiological monitoring and surveillance, health monitoring, risk prevention and management, the intervention of multidisciplinary teams and coordination in the case of certain specific pathologies.

In addition, the Ministry of Health has drawn up a guide to financing general interest services and aid for contracting procedures (MIGAC). In line with this guide, resources can be allocated depending on the missions, and based on gradual modelling work. Two equally important goals are pursued:

- to increase the legal certainty of notifications of appropriations financing general interest missions;
- to increase the quality of the dialogue concerning management and its transparency between the Regional Healthcare Agencies and health institutions by continuing clarification of the limits of general interest missions and documenting the resources needed to perform them.

In this guide, the methodology is set out and repositories provided for each mission to support the Agencies and healthcare institutions in the contracting procedures. The objective is to ensure that each mission financed by the general interest mission allocation is subject to a contract for a fixed amount, on an equitable basis, which sets out the resources to be applied and indicators of the expected results, hence ensuring transparency with all the institutions.

- The Regional Intervention Fund (FIR)

Other appropriations can be allocated to healthcare institutions for targeted, ad hoc support. The Regional Intervention Fund is intended to provide Regional Health Agencies with greater management flexibility throughout the field of healthcare, medical and social activities, and prevention. The Agencies' use of appropriations from this Fund is the subject of an annual report, in accordance with Annex 7 of the Social Security Financing Law (LFSS).

- The Fund for the Modernisation of Public and Private Healthcare Institutions (FMESPP)

The envelope for the Fund for the Modernisation of Public and Private Healthcare Institutions provides support to healthcare institutions in the context of restructuring operations (aid for real estate investment) and of modernising hospital IT systems. It is allocated on the basis of an addendum to the multiannual contract covering objectives and means.

COPERMO (Interministerial Committee for performance and modernisation of the provision of hospital care) is a standing interministerial body for decision-making and advice set up in December 2012 which examines exceptionally large investment projects and those requiring

support at national level in accordance with rigorous criteria concerning the efficiency of the planned organisation, financial sustainability and added value for healthcare provision.

II. For follow-up care and rehabilitation, and psychiatric treatment, the financing arrangements differ depending on the legal status of the institution:

Public and private non-profit-making healthcare institutions

These institutions are financed by means of an annual operating allocation provided for by law (Article L. 174-1 of the Social Security Code). The envelope and regional distribution of this allocation are laid down in an interministerial order. The appropriations are then divided by the Regional Health Agency on the basis of eight criteria listed in Article R. 162-32-3 of the Social Security Code (e.g. forecasted development of the activity, healthcare organisation plans, healthcare institution's costs compared with other institutions in the region, etc.).

Profit-making healthcare institutions

They are financed on the basis of the daily rate. The daily rates are set out down by law in Article L. 162-22-1 of the Social Security Code. The daily rates are set down in contracts by the Regional Health Agencies by means of an addendum to the multiannual contract covering objectives and means, based on the missions carried out and the charges provided for in the institution's budget.

Follow-up healthcare has been reformed, with the aim of financing both public and private healthcare institutions (profit-making and non-profit-making) by means of the same 'activity-oriented allocation', thus ending the current dichotomy.

The target measure consists of four components:

- The activity component: the aim is to introduce some financing for the activity based on an activity-oriented allocation, consisting of a base related to the activity in the two previous years and a variable calculated using the activity during the current year. For the activity-oriented allocation, the method of setting charges is based on an analysis of costs incurred by healthcare institutions for the various services covered by the mandatory health insurance schemes.
- 'Costly molecules' component: the objective is to introduce the equivalent of the list for follow-up care and rehabilitation (SSR) by automatically listing the costly molecules in addition to medical, surgery, obstetric and odontology services (MCO) to facilitate continued cover in the follow-up care and rehabilitation section while adding the molecules specific to this care and rehabilitation.
- The component for general interest tasks and contracting aid (MIGAC) finances specific tasks on a fixed-rate basis such as education and schooling for children in the context of paediatric follow-up care and rehabilitation, or 'remedial' follow-up care and rehabilitation because of a very specialised activity (e.g. severe chronic respiratory failure). Thus financing of this component is based on the analysis of costs incurred by healthcare institutions.
- 'Specialised technical platforms' component: This is intended to cover the specific expenditure arising from rehabilitation platforms, for instance spa treatments, isokinetic platforms and robot assistance.

Until 31 December 2019 , healthcare institutions will be financed on the basis of a combination of old and new methods of financing, with the application of a transition coefficient.

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

In general terms, the rate-setting method enables any overcompensation to be avoided because it is based on the analysis of costs incurred by healthcare institutions for the various services covered by the mandatory health insurance schemes. The national costs study (étude nationale des coûts – ENC), which involves a common methodology, in principle ensures the absence of overcompensation, since the allocated amounts are mainly calculated using the rates resulting from the costs of the activity performed. Under the rate neutrality principle, rates must be as neutral as possible, by remaining as close as possible to costs.

In addition, Article L.162-23-13 of the Social Security Code provides for an invoicing review mechanism, which aims to ensure that the services invoiced by healthcare institutions correspond to the activity actually performed. In the event of non-compliance with the invoicing rules, a procedure for the health insurance fund to recover sums unduly received is applied, and penalties may also be imposed by the director-general of the Regional Health Agency.

Appropriations from the MIGAC allocation are allocated in such a way that, as far as possible, they correspond to the tasks performed by healthcare institutions. The full justification approach helps to limit the risks of overcompensation. In the measure introduced by the Organic Law on the Budget of 1 August 2001, budget appropriations are no longer justified by distinguishing between services adopted / new measures, but rather on a 'full justification' basis. This Organic Law in fact states that the State budget is henceforth structured in terms of public policy goals and checked against the results. Thus the use of appropriations entered in the budget is justified in terms of the analysis of the cost and performance of each programme and measure, on the basis of full justification (from the first euro and not only for new measures).

Moreover, the methodological guide to preparing CPOMs expressly refers to a non-overcompensation obligation, whatever the form of financing, and therefore enables Regional Health Agencies to claim the reimbursement from institutions of sums unduly received.

For example, with regard to the investment appropriations granted under the Fund for the Modernisation of Public and Private Healthcare Institutions (FMESPP) each year, the Ministry of Health, in association with the Regional Health Agencies, ensures compliance with commitments made by the healthcare institutions in relation to the operational and financial trajectory of investment projects, in return for the financial support granted by the State. In the event of overcompensation or a change in the initial project cost, modifications may be made to the appropriations granted.

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).

Rates are set in a collaborative and transparent manner and, in general, the financing model for healthcare institutions is produced in the same way. The methodology arising from research into costs, which underlies part of the annual modifications, is published on the website of the Technical Agency for Hospitalisation Information (ATIH). Information is also available to the public on the Scansanté website (www.scansante.fr): summary data such as medical statistics per group (homogeneous patient group, etc.), diagnostic, act or consumption of medicines and implantable medical devices, as well as Hospi-Diag performance indicators, case mix per institution, appeal rates, mapping of activities of institutions, the national cost repository, etc.

Every year the financing of healthcare establishments is the subject of a detailed report submitted to Parliament under Article L.162-23-14 of the Social Security Code.

In addition, the amounts of the education, research, reference and innovation tasks are published on the Ministry of Health’s website (<http://solidarites-sante.gouv.fr/systeme-de-sante-et-medico-social/recherche-et-innovation/l-innovation-et-la-recherche-clinique/article/les-missions-d-enseignement-de-recherche-de-reference-et-d-innovation-merri>), thus contributing to compliance with the transparency requirements in the SGEI Decision.

Furthermore, the amount allocated to healthcare institutions by the Regional Health Agency is set out in an order published in the region’s compendium of administrative acts, whatever the amount may be.

Amount of aid granted

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

2016	2017
77 567 (implementation of the national health insurance expenditure target - hospitals)	78 595 (implementation of the national health insurance expenditure target - hospitals)

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

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 SGEI as clearly as possible.

APEC (Executive employment agency):

- Aid to safeguard professional careers by offering information, advice and support services to all executives and young graduates, as well as specific services adapted to certain situations;
- aid to safeguard recruitment by companies by providing suitable information and advice, and by offering innovative services as a matter of priority to micro-enterprises and SMEs;
- compilation and advertising of executive vacancies;
- development of a study and labour market monitoring programme for executives in order to find out more about this actual market and disseminate the results.

Employment Office:

- jobseeker support activities: four types of support: monitoring, guiding, reinforcing and comprehensive support;
- recruitment support for undertakings: intermediation, specific schemes for micro-enterprises and SMEs;
- anticipation of labour market needs and developments.

Agefiph (Agency promoting employment of the disabled):

- raising awareness and mobilisation of economic players on the subject of disabilities;
- support and guidance for disabled jobseekers in moves towards employment and in employment;
- aid for undertakings in the recruitment and hiring of disabled jobseekers;
 - aid for developing career plans, qualifications and vocational training policies;
- compensation for the consequences of disabilities;
- creation or takeover of businesses;
- prevention of occupational exclusion and aid for job retention.

The work of the Specialised Placement Agents (OPS - *Opérateurs de placement spécialisés*) matches the general interest tasks set out in Article L. 5214-3-1 of the Labour Code:

- the preparation, support, permanent monitoring and maintaining in employment of the disabled, including providing career advice
- participation in the specific professional integration and support measure for disabled workers introduced by the State, the public employment service, Agefiph, and the Fund for the Integration of the Disabled into the Civil Service (FIPHFP - *Fonds pour l'Insertion des Personnes Handicapées dans la Fonction Publique*).

Second-chance school (*Ecole de la deuxième chance*):

Second-chance schools (E2C) offer training to young people aged between 16 and 25 who do not have a professional qualification or diploma. Based on an education philosophy that differs from traditional practices (personalised progression, significant involvement of companies), the aim of the E2C is social and professional integration of young people who need meet no criterion other than motivation, by helping them to build a personal professional project.

AFPA (Association for Adult Vocational Training):

AFPA's public service tasks come under the following four pillars:

- arrangement of professional certification on behalf of the State;
- training in emerging skills and trades;
- development of forward-looking expertise to anticipate local skills needs;
- support for agents responsible for professional career development advice and contributing to equal access nationwide to public employment and vocational training services and to the promotion of diversity in trades.

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

APEC (Executive employment agency):

The two agreements on public service entrustment for APEC (2012-2016 and 2017-2021) set out the public service tasks and indicate that the amount of the mandatory contribution received by APEC cannot exceed the amount necessary to cover the costs arising from the performance of those tasks. The two entrustments define the requirements and principles:

- cost accounting to distinguish between commercial activities and public service activities;
- exclusive use of the mandatory contribution for public service activities;
- compensation, avoidance and correction of any overcompensation;
- quest for efficiency by setting a productive efficiency target.

They also set out the measures by which the State supervises the use of the mandatory contribution and the procedures for monitoring and evaluating the public service entrustment agreements.

Employment Office:

The public service is entrusted through the law (Article L.5312-1 of the Labour Code) and the tripartite agreement between the State, Unédic (National union for employment in industry and trade) and the Employment Office (2015-2018). The law clarifies the nature of the public service mission and also the scope and general operating conditions of the

Employment Office, whereas the agreement defines the public service obligations to be fulfilled in a given period.

Second-chance schools (*Ecoles de la deuxième chance*):

The entrustment is conferred by Article L. 214-14 of the Education Code which states that the State and the region must contribute to the training given under the conditions set out in the agreements.

Agreements lasting three years are thus concluded between the E2C and the Ministry of Labour's decentralised offices. The State's financial contribution is set annually, during a management meeting, and is based on the school's needs and on a fixed rate per young person.

Agefiph (Agency promoting employment of the disabled):

The public service is entrusted in texts set out in the law (Article L.5214-1 et seq. of the Labour Code). The law lays down the methods of financing (contribution linked to the obligation to employ disabled workers), nature of the public service mission, and also the scope and general operating conditions of the institution.

Under the Budget Law for 2011, the agreement of 3 January 2013 between the State and Agefiph also provides for the transfer of the annual declaration on the obligation to employ disabled workers. This agreement sets out the respective tasks of Agefiph (management and checking of declarations) and the State (monitoring of framework agreements on the obligation to employ disabled workers and application of administrative penalties) in relation to the employment obligation.

Specialised Placement Agents (OPS):

The texts which form the basis of the public service entrustment are the Law of 11 February 2005 which grants the OPS a public service task in the context of the professional integration of the disabled into normal workplaces (Article L. 5214-3-1 of the Labour Code), complementing the public employment service, and Article 101 of the Law of 8 August 2016 extending the mission of OPS to maintaining people in employment from 1 January 2018. The Law defines public service missions, while the multiannual objectives agreement signed at regional level by the OPS, the State, Agefiph and the FIPHFP defines the OPS' commitments to implement the general economic interest project aimed at ensuring the preparation, support, permanent monitoring and maintaining in employment of disabled persons.

AFPA (Association for Adult Vocational Training):

Order No 2016-1519 of 10 November 2016, ratified by Law No 2017-204 of 21 February 2017, establishes within the public employment service a public institution tasked with professional adult training. The operation of this institution is set out in the Decree of 15 November 2016.

The public service is entrusted in texts set out in the law (Articles L. 5315-1 and L.5315-2 1°,2°, 3° et 4° a) of the Labour Code. An agreement will be concluded for the period 2018 to 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.

APEC's public service entrustment agreement was signed for a period of five years, which is also the period of validity of the Agency's strategic plan. A mid-entrustment evaluation conducted by the Inspectorate-General of Social Affairs allows amendments to be proposed during the entrustment, if necessary. A final evaluation is also envisaged. Two public service entrustments have been concluded, for 2012-2016 and 2017-2021.

As regards the Employment Office, the entrustment is renewed via the tripartite agreement (duration of three or four years) following a mid-term evaluation and a final evaluation.

For the Second-chance schools, the entrustment is renewed via a new agreement every three years following evaluation of the previous one.

The law entrusts Agefiph with the public service tasks for an unlimited duration. The multiannual national tripartite agreement on mobilising the disabled for employment, signed in November 2017, was concluded for three years (2017-2020). The Laws of 11 February 2005 and 8 August 2016 do not specify any limitation in time.

The missions of the OPS are covered at national level in the national multiannual multipartite agreement 2017-2020. At regional level, the multiannual objectives agreement was concluded from 1 January 2018 to 31 December 2022, thus a five-year period.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

Not applicable.

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

Direct subsidies to operators

Mandatory contributions - companies

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

APEC (Executive employment agency):

The public service entrustment for 2012-2016 stated: the mandatory contribution paid by executives and companies is used only to finance the activities listed in this public service entrustment. The commercial activities of APEC may under no circumstances be financed directly or indirectly by this contribution and must therefore achieve a strictly independent financial balance. As APEC carries out activities in addition to these public service tasks, it has separate accounts for those activities benefiting from the proceeds of the

aforementioned contribution and for those activities not benefiting from this contribution, in accordance with Order No 2004-503 of 7 June 2004 transposing Directives 80/723/EEC and 2006/111/EC. To this end, APEC uses cost accounting which enables its income and expenditure to be distributed between the various activities and the results of each activity to be calculated. This measure is based on the generally accepted principles of cost accounting and is set out in Annex 1 to the current entrustment agreement. ‘

The public service entrustment for 2017-2021 runs as follows: the mandatory contribution paid by executives and companies is used only to finance the activities linked to the public service tasks set out in this agreement. The commercial activities of APEC may under no circumstances be financed directly or indirectly by this contribution and must therefore achieve a strictly independent financial balance. As APEC carries out activities in addition to these public service tasks, it has separate accounts for those activities benefiting from the proceeds of the mandatory contribution provided for in Article 3 of this entrustment and the activities not benefiting from this contribution, in accordance with Order No 2004-503 of 7 June 2004 transposing Directives 80/723/EEC and 2006/111/EC. To this end, APEC uses cost accounting which enables its income and expenditure to be distributed between the various activities and the results of each activity to be calculated. This measure is based on the generally accepted principles of cost accounting and is set out in Annex 1 to the current entrustment agreement.

Employment Office:

Article L.5312-7 of the Labour Code states that the contribution from the State and the contribution from the body managing the unemployment scheme shall be set at a level compatible with performance of the institution's activities, taking account of developments in the labour market. In the tripartite agreement, the subsidy calculation parameters for revising the subsidy are objective and transparent: if there is a cumulative and sustained drop (six consecutive months) in the number of jobseekers at the month-end in category AB below a level of 4 000 000 and in the number of long-term jobseekers at the month-end in category AB below a level of 1 180 000, this subsidy may be reduced following an opinion from the monitoring committee. ‘

Second-chance schools (*Ecoles de la deuxième chance*):

Article L. 214-14 of the Education Code states that the State and the region must contribute to the training given under the conditions set out in the agreements.

The State's financial contribution is set annually (by the State and local authorities), during a management meeting, and is based on the school's needs and capacities, and on a fixed rate per young person.

Agefiph (Agency promoting employment of the disabled):

The public service tasks of Agefiph involve the occupational integration and job retention of disabled workers in undertakings. Its resources are based on the gap between the obligation of undertakings to employ disabled workers (at least 6 % of employees must be disabled people) and the number of actual jobs. The number of disabled workers in undertakings has

an automatic effect on both the actions needed to promote their integration and the resources of Agefiph.

For establishments with 20 employees or more, 6 % of the total number of their employees must be beneficiaries of the employment obligation.

They can meet all or part of this obligation by directly or indirectly employing disabled people, hosting trainees, applying an approved agreement or paying a contribution to Agefiph.

The amount of this contribution, calculated per missing beneficiary, depends on the size of the undertaking: 400 times the minimum wage (from 20 to 199 employees), 500 times the minimum wage (from 200 to 749 employees) and 600 times the minimum wage (+750 employees). This contribution can be reduced by applying reduction coefficients where severely disabled people are employed and by deducting, under certain conditions, the costs incurred to encourage the employment, integration or retention of disabled workers.

The match between resources and needs is checked every year by the Ministry for Employment at the time when the Agefiph budget is approved: the resources and their use, as well as the intensity of actions according to the occupational integration needs of disabled workers, are examined for this purpose.

Specialised Placement Agents (OPS):

Article L.5214-3-1 of the Labour Code defines the category of specialised placement agents responsible for the preparation, support, permanent monitoring and maintaining in employment of the disabled, contributing to the specific support and occupational integration measure aimed at the disabled, implemented by the State, the public employment service, Agefiph and the FIPHFP. This article states that they have concluded an agreement with Agefiph, the FIPHFP and the Employment Office.

Article 4 of the multiannual objectives agreement with the OPS defines the conditions for determining the amount of the financial contribution, mentioning for each of the three financing bodies the amount of the provisional budget for each strand and area concerned, plus the means of determining the final compensation paid to the OPS.

AFPA (Association for Adult Vocational Training):

The methodology used to monitor the compensation mechanism is based on the principles of cost accounting, which were adopted in 2017.

Article R. 5315-10 of the Labour Code states that the Agency must use cost accounting. It must comply with the management requirements for services of general economic interest and the evaluation requirements for public service obligations eligible for compensation, but must also guarantee the objectivity and non-subsidised nature of the costs imputed to competitive activities; more broadly, EPIC's cost accounting must make it possible to determine and analyse the cost of operations and assess their profitability.

Cost accounting principles were studied in the autumn of 2016, the aim being to identify any necessary modifications to be made. Subsequently, in the first half of 2017, AFPA defined the modifications to be made to cost accounting in order to meet the requirements set out in Commission Decision 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.

Some changes are envisaged in the course of 2018 to ensure convergence between real costs and standard costs, in the wake of work carried out on the objectives and performance contract.

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

APEC (Executive employment agency):

As regards APEC, the 2012-2016 public service entrustment states that, if the implementation of the APEC action programmes, as part of its public service tasks, results in surpluses indicating overcompensation, the monitoring committee must meet, when the accounts are closed each year, to examine the measures to be adopted. Any overcompensation having occurred at any point of the entrustment agreement that is identified on its expiry must be repaid to the state budget. The monitoring committee, which must involve the social partners and state representatives, oversees the implementation of the public service entrustment, in particular based on activity and performance indicators. At the mid-term point (February 2015), the review of the application of the public service entrustment agreement delivered by the Inspectorate-General of Social Affairs concluded that there was no undercompensation (use of the contribution to finance competitive activities) or overcompensation (underuse of the contribution). The end-of-entrustment report was produced. Following the closure of the accounts for the 2016 financial year (last financial year in the 2012-2016 entrustment), it was found that there had been no overcompensation at any point in the period.

The 2017-2021 public service entrustment states that the conditions for compensating APEC's public service tasks were verified. They were examined in depth by the monitoring committee [...] and by the Inspectorate-General of Social Affairs (IGAS) during mid-entrustment and end-entrustments evaluations. Where the APEC action programmes result in surpluses indicating overcompensation, or in a deficit, revealing undercompensation, the monitoring committee must meet, when the accounts are closed each year, to examine the measures to be adopted. The overcompensation found at the end of the current public service entrustment will be repaid to the State budget once the APEC accounts for the year 2021 have been issued. The entrustment states that APEC must provide evidence of the absence of overcompensation to the State each year and that the State, represented by the DGEFP (*Délégation Générale à l'emploi et à la formation professionnelle* - General Employment and Vocational Training Delegation), will be invited to attend, without voting rights, the meeting of the APEC supervisory committee which will examine the financial and accounting operations of the association.

As regards the Employment Office, a number of checks allow the public authorities to ensure the absence of overcompensation:

- cost accounting, and method of accounting in non-fungible sections; with only intervention, operating and investment expenditure being partly financed by the public service subsidy paid by the State and adopted in the Budget Law;
- check by the governing bodies of the Employment Office (management board, audit and accounts committee, evaluation committee);
- external checks provided for by the tripartite agreement: two external evaluations by the end of 2016 and start of the first half of 2018, evaluation report by the Inspectorates-General of Finance and Social Affairs, checks by the Court of Auditors. The Employment Office, just like any other public service, does not make a profit. The subsidy cannot therefore be regarded as overcompensation.

Second-chance schools (*Ecoles de la deuxième chance*): The schools must have cost accounting, which is necessary for labelling. Moreover, the accounts must be certified by an auditor.

Agefiph is subject to administrative and financial control by the State, and in particular by the Comptroller-General for the Economy and Finance, whose task is to ensure that public money is correctly used. The Minister for Labour and Employment approves the Agefiph statutes. Every year the agency submits its budget to the latter for approval.

Several inspections are carried out to ensure that there is no overcompensation in relation to the OPS:

- a method of evaluation set out in the multiannual objective agreement with the OPS: the sponsors - State, Agefiph, FIPHP and the Employment Centre - carry out an evaluation of the quantitative and qualitative plans at least once a year (and whenever necessary), in the presence of the OPS, during an annual regional management meeting;
- the sponsors examine the financial report and the quantitative and qualitative report of the project for year N comprising all the components defined by the sponsors, including the implementation of the local cooperation project,
- the sponsors examine the annual accounts for the year N and the auditor's report provided for in Article L 612-4 of the Commercial Code or, where appropriate, the reference to their publication in the Official Gazette;
- establishment of the amount of payments by 1 October of year N+1 at the latest, based on verification of the absence of overcompensation and checks carried out by the sponsors in accordance with the commitments made in the multiannual objectives agreement;
- during the 3rd and 5th year of the agreement, a more comprehensive evaluation is carried out by the sponsors on the quality of the projects organised and the related costs. These evaluations may give rise to audits and checks on the spot and on documents;
- towards the end of the agreement, the OPS undertakes to provide to the sponsors at least four months before the end of the agreement, a comprehensive qualitative and quantitative report.

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Several inspections are carried out to ensure that there is no overcompensation in relation to the OPS:

- a method of evaluation set out in the multiannual objective agreement with the OPS: the sponsors - State, Agefiph, FIPHP and the Employment Centre - carry out an evaluation at least once a year (and whenever necessary) in the presence of the OPS of the quantitative and qualitative plans, during an annual regional management meeting;
- the sponsors examine the financial report and the quantitative and qualitative report of the project for year N comprising all the components defined by the sponsors, including the implementation of the local cooperation project,
- the sponsors examine the annual accounts for the year N and the auditor's report provided for in Article L 612-4 of the Commercial Code or, where appropriate, the reference to their publication in the Official Gazette;
- establishment of the amount of payments by 1 October of year N+1 at the latest, based on verification of the absence of overcompensation and checks carried out by the sponsors in accordance with the commitments made in the multiannual objectives agreement;
- during the 3rd and 5th year of the agreement, a more comprehensive evaluation is carried out by the sponsors on the quality of the projects organised and the related costs. These evaluations may give rise to audits and checks on the spot and on documents;
- towards the end of the agreement, the OPS undertakes to provide to the sponsors at least four months before the end of the agreement, a comprehensive qualitative and quantitative report.

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). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2016	2017
APEC: €110.67 million	APEC: €112.2 million
Employment Office: €4 605 million	Employment Office: €4 665 million
Second-chance schools: €53.8 million (€+24.6 million of other resources, including the ESF)	Second-chance schools: Not available

Agefiph: €450.2 million (2016 budget implemented)

Cap Emploi (OPS): €45.6 million (not including Agefiph financing)
AFPA: €97.6 million

Agefiph: €460 million (initial 2017 budget)

Cap Emploi (OPS): €48.7 million (not including Agefiph) financing
AFPA: €109.8 million

A: Total amount of aid granted (in millions EUR) paid by national central authorities

2016

2017

B: Total amount of aid granted (in millions EUR) paid by regional authorities

2016

2017

C: Total amount of aid granted (in millions EUR) paid by local authorities	
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)	
2016	2017
Ecole de la deuxième chance: 14 338 young people hosted	Ecole de la deuxième chance: 14 664 young people hosted
Cap Emploi: 180 759 disabled persons monitored; 106 000 employers supported	Cap Emploi: 178 062 disabled persons monitored; 111 856 employers supported
APEC: 38 888 client companies and 112 703 executives supported.	APEC: figures currently being consolidated
Employment Office:	Employment Office:
At December 2015: 3 039 855 job-seekers monitored/supported	At December 2017: 3 604 036 job-seekers monitored/supported
At December 2016: 3 630 302 job-seekers monitored/supported	

c) social housing

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 SGEI as clearly as possible.

Article L.411-2 of the Construction and Housing Code defines the social housing SGEI as follows:

- The construction, purchase, improvement, allocation, management and transfer of capped-rent rental housing, where this is intended for persons whose income is below the ceilings set by the administrative authority for the allocation of subsidised rental housing

under the conditions defined in Article L.351-2 and access to which is subject to means testing. However, the service of general interest also includes the aforementioned operations aimed at persons on middle incomes whose means do not exceed the ceilings set in Book III, Title IX, where the corresponding housing accounts for less than 10 % of the social rental housing referred to in Article L.302-5 held by the body in question;

- the conducting of ownership access operations aimed at persons whose income is below the ceilings set by the administrative authority for the allocation of subsidised rental housing under the conditions defined in Article L.351-2 and access to which is subject to means testing. However, the service of general interest also includes, up to a limit of 25 % of the housing sold by the body, operations aimed at persons on middle incomes whose means exceed the aforementioned ceilings, without exceeding the ceilings set in Book III, Title IX, where all the operations are accompanied by guarantees for the person accessing ownership under the conditions laid down by Council of State decree;

- the management or purchase with a view to resale, with the agreement of the mayor of the municipality concerned and of the state representative in the département, of housing situated in co-owned properties affected by major operating difficulties or covered by a rescue plan pursuant to Article L.615-1 or by a planned operation for the improvement of housing referred to in Article L.303-1 and, for a maximum period of 10 years from the initial transfer, the management of co-owned properties resulting from the transfer of the rental housing referred to in the ninth paragraph, while the selling body remains the owner of housing;

- ancillary services to the aforementioned operations.

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

Public service tasks entrusted to social housing operators are assigned by means of an official act of the public authorities. Once operators have obtained approval, enabling them to become involved in the social housing SGEI, the main elements of this entrustment are explicitly set out in Article L.411.2 of the Construction and Housing Code, as well as in other articles of this Code, which particularly define the housing allocation rules to which social housing operators are subject and the personalised housing assistance agreements, which specify the nature of the entrustment for each programme.

The Housing and Anti-Exclusion Law No 2009-323 of 25 March 2009, codified for the low-cost housing bodies in Articles L.445-1 et seq. of the Construction and Housing Code, and in Article L.481-2 of the same Code for semi-public housing construction bodies, makes the conclusion of social utility agreements compulsory for all social landlords and semi-public companies, and also lays down financial penalties where bodies refuse to engage in the agreement preparation process or seriously breach their obligations under an agreement. In addition to provisions concerning the body's asset and investment policy (including sales), this agreement includes social management conditions and service quality undertakings. These serve to translate the aims of national housing policy into asset-related and social objectives, particularly as regards the enforceable right to housing and housing allocation, and also adapting the supply of social housing.

These agreements include performance indicators through which bodies undertake to meet quantified targets, particularly as regards the improvement of their assets. These indicators are defined on the basis of the strategic asset plan required by law. This plan is based on a multi-factor analysis of the assets, focusing particularly on their quality and appeal, as well as on the body's financial capacity.

The preparation of this plan requires the low-cost housing sector to have a strategic, forward-looking vision for the development of an appropriate supply and for the short-term and long-term asset improvement and maintenance programme.

The indicators associated with the undertaking to maintain and improve existing assets are set out as follows in the agreements:

- amount of investment in euros per dwelling and per year (renovation work on the housing stock and replacement of components);
- amount of operating expenditure in euros per dwelling and per year (maintenance expenditure, which covers routine maintenance and major maintenance);
- number of buildings for which energy performance certificates are obtained within the first 18 months of the agreement;
- percentage of housing renovated in sensitive urban areas and outside sensitive urban areas.

Decree No°2017-922 of 9 May 2017 lays down the new indicators to be applied to the next generation of social utility agreements.

In addition to its ability to house sections of the population who cannot find accommodation on the private market, the low-cost housing sector is developing a quality policy to ensure that its housing is clean and sanitary.

Semi-public social housing companies are subject to the same constraints as low-cost housing bodies.

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 entrustment has no time-limit and the entrusted body is required to comply with the provisions of the Construction and Housing Code. As the ability to provide the social housing SGEI and therefore benefit from State aid depends on the existence of this entrustment, its duration systematically exceeds 10 years. This is also justified by the size of the investments made by social housing bodies.

As a result, the public service obligations are not subject to a time-limit, since the Construction and Housing Code provides that, on the date when an agreement provided for by Article L.351-2 and covering housing belonging to a low-cost housing body ceases to have effect, all the provisions of this Book shall apply to that housing. In particular, landlords must continue to apply the rules relating to income ceilings and allocations.

Furthermore, the transfer of such housing, besides being extremely tightly regulated (Article L.443-7 et seq. of the Construction and Housing Code), does not extinguish the public service obligations associated with that housing (Articles L.411-3 and L.411-4).

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

Only entrusted undertakings can provide the social housing SGEI and therefore benefit from State aid.

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

Direct aid, loans and guarantees are used.

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

The decision to finance an operation enables operators to obtain preferential financing from the *Caisse des dépôts et consignations* (Deposits and Consignments Fund) through loan agreements that refer to the social nature of the financed housing.

It also gives them the opportunity to benefit from tax incentives, the provisions of which are laid down by legislation.

Lastly, budget subsidies are covered by financing decisions that accompany the personalised housing assistance agreement, but are distinct from this.

In terms of the State's budget programme, the maximum amount of subsidies allocated to operations depends on the social return obtained from housing (rent and resources capping) and is laid down in a regulation, using basic parameters (rental value per square metre, etc.), which are updated regularly, taking into account the specific nature of each operation (area, cost, etc.). In reality, however, the amounts of the subsidies actually granted to operations are in most cases set on a fixed-rate basis, at a much lower level than the maximum set down in the above regulation in order to take account of available resources compared with the volume of operations to be financed. These amounts are reviewed each year in line with changes in available resources and needs, and are adjusted to regional situations (according to the operational costs in the regions), depending on social returns. The 'most social' housing (lowest rents and households with lowest incomes) consume up to 80 % of the envelopes available each year.

The methods of intervention of the authorities in terms of subsidisation and the amounts involved are set during discussions by them, and may differ from year to year depending on the available resources, changing needs and local priorities.

The subsidies granted by the State and the authorities are integrated into the financing plan of the operations, which are subject, at the same time as the approval procedure, to a joint simulation of their long-term financial standing based on parameters that are updated each year. This provides an indication of the absence of overcompensation of the social return from the operations.

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

The public authorities possess broad supervisory and penalty powers over low-cost housing bodies: ex ante approval, including the definition of a geographical area of responsibility; participation of local authorities – often in the chair – in the management board of Public Housing Offices (public-sector low-cost housing bodies); supervisory power of the National Social Housing Agency (ANCOLS), which can impose financial penalties; supervisory power of the *préfet* (prefect). In the event of serious infringement, the administrative authority can withdraw the body's approval and even dissolve the body.

Financing decisions taken by the authorities are subject to prior financial analysis of the forecast balance of the operation. This analysis serves to set a rent contribution in relation to the maximum scale for operations that are easier to balance, and to monitor the general health of the body in the event of a loss-making operation.

Low-cost housing bodies, and social housing operations in general, are subject to ex post supervision by ANCOLS, which covers the regularity and quality of their management. They are also subject to monitoring by prefects and local authorities.

In addition, compliance with personalised housing assistance agreements may be subject to scrutiny by the decentralised services of the Ministry of Housing, which can result in loss of the personalised housing assistance entitlement, and by the tax authorities, which can lead to the recovery of tax incentives.

Article L.353-11 of the Construction and Housing Code states that the application of the agreements defined in this chapter ... must be scrutinised by the National Agency for the Supervision of Social Housing. The same article provides that the State representative in the département, who finds irregularities in the application of personalised housing assistance agreements, shall inform and report to ANCOLS.

The frequency of scrutiny is also set. Checks can be carried out, in particular, on first occupation, through periodic surveys, through the social housing occupation survey (social mix) or by ANCOLS. The latter carries out comprehensive evaluations of the management of social housing bodies at regular intervals.

Furthermore, bodies responsible for social housing are required to submit their accounts to the authorities. This submission comprises the regulatory statements, including the financial information (balance sheet, operating account). The Public Housing Offices are subject to audit by the regional audit courts, which check their accounts and management at regular intervals. Low-cost housing bodies formed as limited companies and offices subject to the accounting rules laid down by the Commercial Code must have their accounts certified by an auditor, regardless of the size of their budget.

The penalties for non-compliance with undertakings are laid down by law, the regulation or the agreements. Penalties can be of a criminal, tax or financial nature or result in the termination of agreements. The list of these administrative penalties expressly includes repayment of subsidies in the event of a discrepancy.

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 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).

The various types of compensation for which social housing construction or purchase operations, whether or not involving work, may be eligible are precisely described in the Construction and Housing Code, in the Regulatory Part, Book III, Title III, Sole Chapter, Section 1.

The development of the LOLA software, which allows reports to be produced on the financial balance of each PLUS, PLAI and PLS housing construction or purchase operation, meets the transparency requirement for the operation financing mechanism. The terms of the compensation mechanism are set out in this software, which is easy for the public to access.

Amount of aid granted

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

2016	2017
€6 556.8 million ¹	€6 568.9 million ²

2.3) SGEI compensation not exceeding an annual amount EUR 15 million (Art. 2(1)(a)):

a) young people and community life

- Popular education and information for young people

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 SGEI as clearly as possible.

In relation to young people and community life, the aid granted under the exemption Decision 2012/21/EU of 20 December 2011 on the compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI), compensation is granted to associations covered by the Law of 1 July 1901.

This aid is aimed at two separate areas.

¹ Includes expenditure on social housing in overseas territories (cf. Annex)

² Includes expenditure on social housing in overseas territories (cf. Annex)

First, it covers popular education, which is both a philosophical trend and an educational measure. It is based on a general goal of educating people in a bid to bring about positive social and societal transformation, through access to culture, involvement in the public sphere and lessons in citizenship. Given that popular education is part of a project that is in the public interest and promotes coexistence in inner cities, and that it aims to foster innovation and remain a space favourable to experimentation; given that the methods used in popular education are based on active teaching methods where learners are placed in the centre of the learning situation, that they are included in the process that is organised for and with them, and based on their participation, the State entrusts to these associations an SGEI which these associations have already started, involving a one- or three-year agreement.

Second, the aid covers information for young people. Article L.6111-3 of the French Labour Code states that everyone is entitled to the right to be informed, advised and supported in relation to career guidance pursuant to the right to education guaranteed to all in Article L. 111-1 of the Education Code. The State and the regions guarantee the public lifelong guidance service. In conjunction with the regional public guidance service, the regions also coordinate information structures for young people that have been awarded a label (information quality label) by the State. These structures are intended to guarantee all young people access to general, objective, reliable, quality information concerning every area of their daily life. To provide this SGEI, these structures, set up in the form of associations, receive aid.

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

The State entrusts to these associations an SGEI, by means of a one- or three-year agreement, which these associations have started and which is recognised by the above-mentioned label. Once the aid is granted, the entrustment takes the form of a legal commitment: the signing of a one-year or multiannual agreement. The entrustment is explicitly referred to in Article 1 and then defined in detail in Annex 1 to this agreement. Cf. standard multiannual agreement as in Annex 3 to Circular No 5811-SG of 29 September 2015 (http://circulaires.legifrance.gouv.fr/pdf/2015/09/cir_40062.pdf)

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.

Most entrustments are for three years or one year. There are no entrustments for over 10 years.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No exclusive or special rights are assigned.

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

All of these entrustments come under the subsidy arrangements provided for in French law by Articles 9-1 and 10 of Law No 2000-321 of 12 April 2000.

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

The annual eligible costs for the project are set down in Annex I to the agreement; they take account of all proceeds and income of the project:

This concerns all the costs directly linked to the implementation of the project, which:

- are linked to the purpose of the project and evaluated in Annex II;
- are necessary to complete the project;
- are reasonable from the point of view of the principle of good management;
- arise in the course of completing the project;
- are spent by 'the association';
- are identifiable and verifiable.

Also included are indirect costs (or structural costs) that are eligible for fixed-rate funding based on the total eligible direct costs.

During the implementation of the project, the association can adjust its provisional budget(s) upwards or downwards provided that this does not affect the completion of the project and that the adjustment is not substantial compared with the total estimated eligible cost set out in the agreement. The association must notify such adjustments to the authorities in writing as soon as it can evaluate them, and in any case before 1 July of the current year. The public financing takes into account, where necessary, any reasonable surplus that is recorded. The surplus may not be higher than the total eligible costs of the project that are actually paid. The State reserves the right to adapt the amount paid in line with the outcome of any checks carried out and, where appropriate, on the basis of the acceptance of the envisaged adjustments.

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

In the case of an infringement by the association, the State can order the repayment of all or part of the sums already paid in accordance with Article 43-IV of Law No 96-314 of 12 April 1996, following an examination of the justifying document produced by the association and a hearing attended by its representatives. In the event that the association fails to perform the agreement, amends it substantially or delays performing it, without the prior written agreement of the State, the latter can order the repayment of all or part of the sums already paid in accordance with Article 43-IV of Law No 96-314 of 12 April 1996, or the suspension or reduction of the subsidy following an examination of the justifying documents produced by the association and a hearing attended by its representatives. Any refusal to communicate or late communication of the financial report will result in the termination of the subsidy pursuant to Article 112 of Law No 45- 0195 of 31 December 1945. Any refusal to

communicate accounts will also result in the termination of the subsidy pursuant to Article 14 of the Decree-Law of 2 May 1938.

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

All information on State subsidies can be found at: <https://www.data.gouv.fr/> and <https://www.performance-publique.budget.gouv.fr/>

Amount of aid granted

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

2016	2017
11.16	11.24

A: Total amount of aid granted (in millions EUR) paid by national central authorities

2016	2017
11.16	11.24

B: Total amount of aid granted (in millions EUR) paid by regional authorities

2016	2017
0	0

C: Total amount of aid granted (in millions EUR) paid by local authorities

2016	2017
0	0

Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 % direct grants	100 % direct grants

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2016	2017
In 2016, subsidies amounting to between €2.4 million and €0.17 million were granted to 31 associations. The average figure was €0.35 million.	In 2017, subsidies amounting to between €2.3 million and €0.17 million were granted to 30 associations. The average figure was €0.37 million.

- PIA (*Projets innovants en faveur de la Jeunesse* - innovative projects for young people)»

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 SGEI as clearly as possible.

The PIA Jeunesse projects may comprise the following public service missions:

- development of educational, cultural and sports services, and promotion of commitment approach - strengthening of young people's sense of initiative and responsibility);
- information, guidance and support for young people to encourage their social and professional integration;
- support and structuring of educational paths to prevent young people from dropping out from school or university;
- employability of young people and development of partnerships with companies (entrepreneurial culture to be reinforced);
- development of initiative as regards involvement in socially innovative activities carried out on a voluntary basis by individuals, associations or foundations, the aim being to deal with the new challenges facing our society, for which traditional intervention by the authorities is no longer sufficient.

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

Once the aid is granted, the entrustment takes the form of a legal commitment: the signing of a multiannual agreement between the project promoter and ANRU (*Agence nationale pour la rénovation urbaine* - national agency for urban renovation). The entrustment is explicitly defined in Article 1 of this agreement. Cf. standard multiannual agreement attached.

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.

5 years (on average)

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No exclusive or special rights are assigned.

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

Direct subsidies.

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

The costs to be charged to the project must be strictly connected with the completion of the project under the measure 'Innovative projects for young people', cf. General and Financial Regulation attached (detail of eligible expenses, Article VI.2. Eligible expenses: subsidy base p.19 et seq).

The subsidy rate is limited to 50 % of the subsidy base.

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

The total amount paid as a subsidy must not exceed the maximum amount set out in the agreement. In the event of failure to comply with the commitments in the agreement, the base and rates used to calculate the subsidy may also be reviewed downwards, cf. General and Financial Regulation attached (details p.22 et seq).

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).

Amount of aid granted

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

2016	2017
48.315	2
A: Total amount of aid granted (in millions EUR) paid by central national authorities nationales	
2016	2017
In 2016, 14 projects were subsidised amounting to €48 314 962.00 with State appropriations from the forward-looking investment programme 'Innovative projects for young people'	In 2017, 1 project was subsidised amounting to €2 million with State appropriations from the forward-looking investment programme 'Innovative projects for young people'
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2016	2017
0	0
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2016	2017
0	0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 % direct grants	100 % direct grants
Additional quantitative information (for example, number of beneficiaries per sector, average aid amount, size of undertakings)	
2016	2017
In 2016, 14 projects received a subsidy ranging from €1 323 312 for the lowest to €5 919 102 for the highest.	In 2017, aid paid out amounted to €2 million.

b) standardisation (French Standardisation Organisation - AFNOR)

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 SGEI as clearly as possible.

The French Standardisation Association (AFNOR), established pursuant to the 1901 Law on associations, provides a general interest service in the field of standardisation consisting of:

- guiding and coordinating the drafting of French standards and the participation of French stakeholders in drafting European and international standards;
- acting as the French member of European (CEN and CENELEC) and international (ISO and IEC) standardisation bodies.

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

Decree No 2009-697 of 16 June 2009 covers the organisation of the French standardisation system and entrusts a general interest mission to AFNOR.

An annual agreement lays down the guidance and coordination activities, plus general interest tasks, to be carried out during the year.

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.

One year set out in the annual agreement.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No.

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

Direct subsidy.

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

The subsidy accounts for 40 % of the amount of the public service costs paid by AFNOR

Typical arrangements for avoiding and repaying any overcompensation..

There is no overcompensation since the subsidy is limited to 40 % of the amount of the public service costs paid by AFNOR.

Moreover:

- Article 1 of the annual agreement states explicitly that only guidance and coordination activities relating to general interest tasks are eligible for the subsidy. These activities are listed in the technical annex to the agreement.
- Article 7 of the annual agreement states that, if the holder were to refuse to provide the required documents or did not use the subsidy for the purposes stipulated in the agreement, the State would require repayment of all or part of the sums paid. In this case, the sums would have to be repaid automatically without any need for judicial or extrajudicial proceedings.

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 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).

The subsidy is less than €15 million.

Amount of aid granted

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

2016	2017
8.173	8.163

A: Total amount of aid granted (in millions EUR) paid by national central authorities

2016	2017
8.173	8.163

B: Total amount of aid granted (in millions EUR) paid by regional authorities

2016	2017
0	0

C: Total amount of aid granted (in millions EUR) paid by local authorities

2016	2017
------	------

0

0

Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 %	100 %
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2016	2017
One beneficiary - AFNOR ASSOCIATION Large enterprise	One beneficiary - AFNOR ASSOCIATION Large enterprise

c) local and regional authorities (other SGEIs)

NB: Because of conversion problems; the Excel table containing information on local and regional authorities is attached to this report.

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3. Description of the application of the 2012 SGEI Framework

3.1. SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision

a) postal services

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 SGEI as clearly as possible.

The task of contributing to territorial management entrusted to La Poste, which is also known as 'postal coverage', consists of La Poste contributing, via its network of contact points, to territorial management and development, in addition to its universal postal service obligations³.

³ Article 6 of Law No 90-568 of 2 July 1990, as amended, concerning the organisation of the public service of de La Poste and France Télécom.

This mission consists of providing all postal service users, regardless of their geographical location, with quality services that are accessible and affordable with a view to ensuring social and territorial cohesion.

The mission is in addition to La Poste's universal postal service obligations as the designated operator, and is a response to the ambitious goal of ensuring postal coverage throughout the country by providing, on the basis of accessibility conditions laid down by law, local postal services nationwide, including in areas where the contact points would not be able to remain open on the basis of economic criteria alone (rural or mountainous areas, overseas *départements*, priority urban policy neighbourhoods).

The accessibility rule laid down by law states that save in exceptional circumstances, not more than 10 % of the population of each *département* should be further than five kilometres or over twenty minutes by car, in the traffic conditions prevalent in that area, from the closest La Poste contact points. In addition, the law imposes a dense La Poste network in the country of at least 17 000 contact points spread all over French territory, taking into account the special features of the territory, in particular in overseas *départements* and communities.

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

The components of the entrustment are of a legislative and contractual nature.

1) The designation of La Poste as the provider of the general interest service and the content of the service are set out in the Law of 2 July 1990. Article 2 states that La Poste and its subsidiaries form a public group which performs [...] public service and general interest missions [...] ». These public service and general interest missions include contributing, via its network of contact points, to territorial management and development. Article 6 states that, in performing its activities referred to in Article 2 [...], La Poste contributes, via its network of contact points, to managing and developing the national territory, in addition to its universal service obligations [...] and in compliance with the principles laid down in Article 1 of Law No 95-115 of 4 February 1995 on guidelines for territorial management and development. In addition, this last Article sets out very precisely the conditions for performing this mission and the obligations to be met by the company.

2) The Law of 20 May 2005⁴ lays down the rule of accessibility in relation to the territorial management mission, complementing the rule relating to the universal service. The limits of this territorial scope were set down in the Law of 9 February 2010⁵, with obligation being fixed at a minimum of 17 000 contact points at national level.

3) The methods of performing the territorial management mission are described and specified in a business contract between the State and La Poste, pursuant to Article 9 of the Law of 2 July 1990. Under this multiannual contract, the conditions of performance of the mission are regularly reviewed. 2016 and 2017 are covered by the 2013-2017 business contract signed on 1 July 2013.

⁴ Law No 2005-516 of 20 May 2005 regulating postal activities

⁵ Law No 2010-123 of 9 February 2010 on the public enterprise, La Poste, and postal activities

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 was aligned with the duration of the State-La Poste 2013-2017 business contract, namely five years.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

La Poste is the only company entrusted with performing the territorial management mission.

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

The compensation given to La Poste in exchange for its territorial management mission is in the form of local tax relief which is applied to land tax bases and the bases of territorial financial contributions (land contribution by companies and added-value contribution for companies) owed by La Poste. It therefore constitutes a State tax expense rather than revenue which local authorities would be deprived of (particularly since the relief is calculated at national level and is not regionalised).

The rate of these rebates is set each year by decree, up to a limit of 95 % of the amount normally paid by La Poste.

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..

The amount of the compensation granted to La Poste is set on a provisional basis in the business contract between the State and La Poste, and in the three-year territorial postal coverage contract.

The real annual amount of the compensation is set each year when determining the rebate rate to be used, based on an evaluation of the net cost of the mission calculated every year by the Post and Electronic Communications Regulator (*Autorité de régulation des communications électroniques et des postes* – ARCEP).

The cost of the mission is calculated by Arcep using the net avoided cost, set out in Decree No 2011-849 of 18 July 2011⁶. The net cost of the mission is equal to the avoided costs minus lost revenue in the absence of the territorial management mission.

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

The mechanism used guarantees that La Poste will not receive any overcompensation.

⁶ Decree No 2011-849 of 18 July 2011 specifying the method of calculating the net cost of the additional network that allows La Poste to perform its territorial management task (cf. Annex 5).

Arcep assesses the cost of the task each year. The ARCEP decision on the cost of the task in the previous year is taken before the rate of the local direct taxation rebates, from which La Poste will benefit in the current year, is set by decree, in accordance with Article 1635 sexies of the General Taxation Code. Any overcompensation identified in the previous year will therefore result in an adjustment, in equivalent proportion, to the rate of the local taxation rebates for the current year.

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).

The Directorate-General for Enterprise publishes, on its website, all the public information on the public service tasks assigned to La Poste, which includes in particular information relating to the territorial management mission⁷.

In addition, a great deal of information on the performance by La Poste of its public service tasks is available on the company's website⁸.

Amount of aid granted

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

2016

2017

170

172

170		172	
A: Total amount of aid granted (in millions EUR) paid by central national authorities			
NATIONAL			
2016		2017	
170		172	
B: Total amount of aid granted (in millions EUR) paid by regional authorities			
2016		2017	
0		0	

⁷ See <http://www.entreprises.gouv.fr/services/mission-d-amenagement-territoire>

⁸ See <http://legroupe.laposte.fr/profil/les-missions-de-service-public/la-contribution-a-l-amenagement-du-territoire#>

C: Total amount of aid granted (in millions EUR) paid by local authorities	
2016	2017
0	0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 % local tax rebate	100 % local tax rebate
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2016	2017
Sole beneficiary: La Poste Large enterprise Turnover: EUR 23 294 million Number of staff: 251 249 people;	Sole beneficiary: La Poste Large enterprise Turnover: EUR 24 110 million Number of staff: 253 219 people

b) culture

Decision C(2014) 7802 final of 28 October 2014 – SA.30481 (2012/E) State Aid in favour of Agence France-Press (AFP)

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 SGEI as clearly as possible.

1. independence of the AFP;
2. international network of establishments;
3. constant information gathering and processing;
4. production of information for French and foreign users;
5. quality requirements of the information produced;
6. regular and uninterrupted distribution of information.

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

- Law No 57-32 of 10 January 1957 laying down the statutes of the AFP;

- - AFP objectives and resources contract 2014-2018.

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.

10 years.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No.

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

Direct subsidy.

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

Net avoided cost method – separation between the accounts of the SGEI activities and those of purely commercial activities.

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

The AFP objectives and resources contract provides that, in the event of overcompensation identified by the Financial Commission (consisting of members of the Court of Auditors) after the accounts for year n have been closed and audited, the AFP will repay to the State, in year n+1, any overcompensation of the net cost of the general interest task that it may have received.

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).

The Framework stipulates that the principles set out in paragraphs 14, 19, 20, 24 and 60 do not apply to aid granted before 31 January 2012, which is the case with the AFP.

Total amount of aid granted

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

2016	2017
107.42	110.82
A: Total amount of aid granted (in millions EUR) paid by central national authorities	
NATIONAL	
2016	2017
107.42	110.82
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2016	2017
0	0
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2016	2017
0	0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2016	2017
100 % direct subsidy	100 % direct subsidy
Additional quantitative information (for example, number of beneficiaries per sector, average amount of aid, size of undertakings) ⁹	
2016	2017
Large enterprise	Large enterprise

⁹ 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.

b) financial services

- Mission of banking accessibility entrusted to La Banque Postale

The extension of the bank accessibility mission entrusted to La Banque Postale after 2017 was authorised by the Commission in Decision No C(2017) 7068 final of 24 November 2017 on aid under SA.41147 provided by France to La Banque Postale

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 SGEI as clearly as possible.

La Banque Postale is required to offer a product – the Livret A (Savings Account A), with the specific characteristics laid down by law – allowing certain people who are excluded from accessing current accounts to have access to certain basic banking services:

- obligation to open a 'Livret A' account free of charge for anyone who requests this;
- free standing orders for payments in relation to welfare benefits paid by the local authorities and social security services, as well as standing orders for payments of pensions to civil servants;
- free direct debits for payments such as income tax, property tax, land tax, broadcasting licence fee, water, gas and electricity bills as well as rent owed to low-rent housing bodies and public/private companies managing social housing;
- free cash withdrawals and deposits from a minimum amount of €1.5 in all La Poste offices where these current account transactions are allowed;
- free bank transfers to the current account of the Livret A holder, his or her legal representative or the holder of a power of attorney for this account, regardless of which institution holds the account;
- free banker's cheque for the Livret A holder, his or her legal representative or the holder of a power of attorney for this account;
- availability of free debit card that can be used in all La Banque Postale's ATM machines.

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

- Article 2 of the Law of 2 July 1990
- Articles L.221-2, L.221-3, L.518-25 and L.518-25-1 of the Monetary and Financial Code (COMOFI), Articles R.221-3 and R.221-5 of COMOFI, laying down certain public service obligations for La Banque Postale.
- Articles L.221-6 and R.221-8-1 of COMOFI, which lay down the principle of the payment of compensation.

- Order of 26 February 2015 adopted pursuant to Article R.228-8-1 of COMOFI, which sets the compensation amount.
- the Livret A Agreement.
- The methods of performing the mission are described and specified in a business contract between the State and La Poste, pursuant to Article 9 of the Law of 2 July 1990. Under this multiannual contract, the conditions of performance of the mission are regularly reviewed. 2016 and 2017 are covered by the 2013-2017 business contract signed on 1 July 2013. 2018 to 2020 are covered by the 2018-2022 business contract signed on 18 January 2018.

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..

6 years.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No.

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

Monthly compensation by the Fonds d'épargne (subsidy).

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

Net avoided cost method – separation between the accounts of the SGEI activities and those of purely commercial activities.

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

Under the Addendum to the Livret A Agreement, every year La Banque Postale sends the French authorities the overall Livret A separate account, which is produced according to the criteria described in the methodological note on the Livret A of 10 July 2009. This separate account sets out the revenue generated and all the costs associated with managing the Livret A. The difference between the revenue and costs represents the net costs associated with managing the Livret A. If the compensation paid exceeds the net costs arising from the Livret A in the same year, the French State decides whether this excess can be treated as a reasonable profit under EU case-law, taking into account the risks and regulatory constraints associated with this activity. Otherwise, the French State determines the proportion of the excess amount of compensation that La Banque Postale must repay to it. Where this excess amount does not exceed 10 % of the compensation actually due to La Banque Postale for the net costs arising from the Livret A, it may be carried forward and deducted from the payment due to La Banque Postale for the next month. Otherwise, La Banque Postale must repay this excess to the State no later than the 5th day of the following month.

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).

The Directorate-General for Enterprise publishes, on its website, all the public information on the public service tasks assigned to La Poste, which includes in particular information relating to the bank accessibility mission¹⁰.

In addition, a great deal of information on the performance by La Poste of its bank accessibility tasks is available on the company's website¹¹.

In its Decision SA.41147, the Commission stated that the transparency requirements in point 60 of the 2012 SGEI Framework had been complied with.

Amount of aid granted

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

2016	2017
355	340

A: Total amount of aid granted (in millions EUR) paid by national central authorities

2016	2017
355	340

B: Total amount of aid granted (in millions EUR) paid by regional authorities

2016	2017
0	0

C: Total amount of aid granted (in millions EUR) paid by local authorities

2016	2017
0	0

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

¹⁰ <https://www.entreprises.gouv.fr/services/mission-daccessibilite-bancaire>

¹¹ <http://legroupe.laposte.fr/profil/les-missions-de-service-public/l-accessibilite-bancaire>

2016

2017

100 %

100 %

Additional quantitative information (for example, number of beneficiaries per sector, average amount of aid, size of undertakings) ¹²	
2016	2017
Sole beneficiary: La Poste Turnover: €23 294 million Number of staff: 251 249 people;	Sole beneficiary: La Poste Turnover: €24 110 million Number of staff: 253 219 people

c) Metrology: LNE (*Laboratoire national de métrologie et d'essais* – national metrology and testing laboratory)

- Decision C(2006) 5477 of 22 November 2006 on the State aid implemented by France for the *Laboratoire national de métrologie et d'essais* (C24/2005) - State aid compatible with Article 88 of the EC Treaty

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 SGEI as clearly as possible.

1. Provision of new measurement options, materials and traceable reference methods allowing manufacturers to connect their equipment.
2. Study and development, on behalf of various authorities, of test methods needed for the drafting of regulations and standards.
3. Development of tools to boost the competitiveness of undertakings and the quality of products.
4. Coordination of French metrology.

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

- Articles L 823-1 and L 823-2 and R 823-1 to R 823-14 of the Consumer Code;
- Objectives and resources contract 2017-2020.

¹² 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.

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..

4 years.

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.

No.

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

Direct subsidies.

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..

Methodology based on cost breakdown (cost accounting)

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

The activities covered by the SGEIs are often loss-making despite the aid.

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).

Publication on the LNE website: <http://www.lne.fr/>

Amount of aid granted

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

2016	2017
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23	23
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A: Total amount of aid granted (in millions EUR) paid by national central authorities

2016	2017
23	23

B: Total amount of aid granted (in millions EUR) paid by regional authorities

2016	2017
0	0

C: Total amount of aid granted (in millions EUR) paid by local authorities

2016	2017
0	0

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

2016	2017
100 % direct subsidy	100 % direct subsidy

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

2016	2017
Beneficiary undertaking size: Intermediate (750 people)	Size of enterprise Intermediate

4. Complaints by third parties

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures falling within the 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.

LNE: a complaint was lodged in 2005 concerning the measure. This complaint was investigated by the Commission which, after opening a formal investigation proceeding, terminated the complaint as it considered that the measure was compatible with Article 86(2) of the Treaty (see Commission Decision of 22 November 2006 C24/2005).

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) to (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.

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;**

With regard to carrying out a public consultation, the French authorities consider that the requirement as regards the condition of compatibility must remain reasonable. Moreover, even if we agree with the purpose of this condition of compatibility, it must not undermine the freedom of Member States to define the content and terms of SGEI (case of La Banque Postale). This condition of compatibility may result in an administrative burden and additional major costs for the authorities.

- 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;**

As regards determining the net avoided cost, the French authorities stress that this method can prove to be highly complex depending on the characteristics of the SGEI, as defined by the Member State.

Furthermore, it involves the generation of counterfactual scenarios (sometimes costly for the Member State) that make it much more difficult to determine the amount of compensation. The assumptions that have to be made when generating these scenarios sometimes seem artificial.

- 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.

The task of contributing to territorial management entrusted to La Poste : the French authorities did not encounter any particular problem with these points.

Please note in relation to public procurement that La Poste is the only operator capable of carrying out the territorial management mission since it is the only operator with a single network of the size and density allowing it to perform such a mission. Consequently, this mission comes under the exemption regarding the presence of a single provider and it was thus possible to entrust it to La Poste without having recourse to a tendering procedure.

Mission of banking accessibility entrusted to La Banque Postale : the French authorities did not encounter any particular problem with these points.

As regards compliance with public procurement rules, the Commission considered in Decision SA.41147 that La Banque Postale was, at the present time, the only operator capable of performing the bank accessibility tasks. Since La Banque Postale makes use of the La Poste network, it therefore has a unique logistical and retail network in terms of density and size [...] As a result, the Commission considers that the bank accessibility mission can come under the exemption concerning a single service provider and can be entrusted using a negotiated procedure without prior publication in accordance with Article 32(2)(point b) of Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC.