

**Report by the Federal  
Government of the Federal  
Republic of Germany to the  
European Commission**

Re: HT.2807 – Services of general economic interest: Reporting pursuant to the SGEI Decision of 2012 and the SGEI Framework of 2012

Subject: Letters from the European Commission dated 29 January 2020 and 8 May 2020

On the basis of the information made available to it by the German authorities, the Federal Government is reporting on the years 2018 and 2019 pursuant to Article 9 of the SGEI Decision of 2012 and paragraph 62 of the SGEI Framework of 2012.

Reference should be made to the annexes for details of the aid granted by the *Länder* and the municipalities. A summary of the information available on social housing can also be found in this report (see 2. below).

The information in this report (with the exception of that concerning the social housing sector) relates to the Federal Government.

## **1. Expenditure overview**

According to the information available, the total amount of aid granted on the basis of the SGEI Decision (at federal level) was around EUR 155.8 million in 2018 and around EUR 192.7 million in 2019. Reference should also be made to the annex 'Federal Government – total amounts'.

As regards the SGEI Framework, reference should furthermore be made to the annexes relating to major nature conservation projects.

## **2. Description of the application of the SGEI Decision of 2012**

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

Cf. 2(a) ('Innovation Fund for Promoting New Forms of Healthcare Provision'). According to the information available, no aid was otherwise granted on the basis of the SGEI Decision in this sector at federal level.

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

a) Health and long-term care

**Innovation Fund for Promoting New Forms of Healthcare Provision**

(Federal Ministry of Health)

***Content of the services of general economic interest***

The material provisions of the Act strengthening the provision of healthcare in the statutory health insurance sector (*Gesetz zur Stärkung der Versorgung in der gesetzlichen Krankenversicherung*, GKV-Versorgungsstärkungsgesetz) entered into force on 23 July 2015. The goal of this Act is to ensure that high-quality medical healthcare will continue to be easily accessible for patients in the future. One of the measures implemented to achieve this goal was the creation of the Innovation Fund. The Innovation Fund is intended to fund projects that break new ground in the field of healthcare provision, thereby further raising the quality of healthcare provision in Germany's statutory health insurance sector.

The Act strengthening the provision of healthcare in the statutory health insurance sector tasks the Federal Joint Committee (*Gemeinsamer Bundesausschuss*, G-BA) with promoting new forms of healthcare provision that go beyond the previous customary provision and funding research projects in the healthcare provision sector aimed at gaining new findings that improve the existing healthcare provision in the statutory health insurance sector (Section 92a(1) and (2) of Volume V of the Social Code (*Sozialgesetzbuch*, SGB)).

The Federal Joint Committee has established an Innovation Committee to discharge this obligation (Section 92b(1) sentence 1 of Volume V of the Social Code). The Innovation Committee publishes funding announcements that specify the priorities and criteria for the funding of projects that involve new forms of healthcare provision (Section 92a(1) of Volume V of the Social Code) and research into healthcare provision (Section 92a(2) of Volume V of the Social Code). The Innovation Committee furthermore takes decisions on the funding applications it receives (Section 92b(2) sentences 1 and 2 of Volume V of the Social Code).

During the period between 2016 and 2019, funding worth EUR 300 million was available each year; of this sum, EUR 225 million was earmarked for the funding of new forms of healthcare provision. The burden of funding is shared on a 50/50 basis between the Central Health Fund (*Gesundheitsfonds*) (liquidity reserve) and the health insurance funds participating in the risk adjustment scheme (Section 92a(4) sentence 1 of Volume V of the Social Code). The Federal Insurance Office (*Bundesversicherungsamt*) collects and manages the funding and pays it out on the basis of the Innovation Committee's decisions (Section 92a(4) sentence 2 of Volume V of the Social Code).

Funding measures (inter alia with regard to entrustment acts) commenced in 2016 with the publication of funding announcements, the Innovation Committee's decisions and project-related notifications. The projects relating to new forms of healthcare provision funded by the Innovation Committee contribute to the further development of healthcare provision in the statutory health insurance sector. These projects are aimed at improving cross-sectoral healthcare provision pursuant to Section 92a(1) sentence 2 of Volume V of the Social Code. Funding is granted subject to the proviso that scientific supervision and evaluation measures are put in place with a view to the long-term adoption of the relevant form of healthcare provision (Section 92a(1) sentence 3 of Volume V of the Social Code).

It can be assumed that the statutory health insurance funds and service providers, as well as any other participants involved in a project funded by the Innovation Committee in the field of new forms of healthcare provision, will not provide the relevant resources for the further development of healthcare provision in the statutory health insurance sector without funding, or will not do so to the same extent. The projects therefore meet the requirements according to which State aid granted in the form of compensation for

the provision of SGEIs is exempted from notification.

### ***Forms of entrustment***

The projects are entrusted by means of a funding notice (see Annex 1 for a template). In the event that portions of the funding are transferred onwards, the correspondingly marked binding ancillary conditions apply equally to all consortium partners (last beneficiaries). In addition, a transfer agreement under private law must be concluded between the consortium leader (first beneficiary) and each consortium partner, according to which the funding notice also applies on a binding basis to the consortium partner (see Annex 2). All beneficiaries are accordingly entrusted with the provision of SGEIs by means of the funding notice.

### ***Duration of the entrustment***

The duration of the entrustment (= project term) is typically three years. The durations may differ on the basis of the relevant project application. The maximum duration of an entrustment is four years (Section 92a(3) sentence 6 of Volume V of the Social Code).

### ***Exclusive or special rights***

Not applicable

### ***Aid instruments***

The Innovation Fund grants subsidies (which are normally non-repayable) on an expenditure basis as part of project funding.

Depending on the nature of the project, a distinction can be made (in accordance with the General Ancillary Conditions for Grants under the Innovation Fund (*Allgemeine Nebenbestimmungen zum Innovationsfonds*, ANBest-IF), see Annex 3) between partial, fixed or shortfall financing and full financing.

### ***Compensation mechanism***

When submitting an application, the beneficiary must summarise in a financing plan all expenditure exclusively related to the proposed project. The beneficiary must prove that all the human and material resources requested are necessary and that the amounts requested are reasonable. Profits are generally excluded from eligibility (see the General Ancillary Conditions for Grants under the Innovation Fund). Similarly, the financing plan must include the relevant revenues and third-party funds that the entrusted company expects to receive during the period of the SGEIs to be provided.

If revenues and funds from third parties in excess of the financing plan are earned over the period during which the SGEIs are provided, they will reduce the amount of funding to be granted.

The examination of the application under funding law incorporates the examination of all expenditure under the headings of the financing plan in terms of earmarking, economy and cost-effectiveness. Likewise, it must be determined whether it is necessary to carry out the project tasks and whether the tasks are reasonable. Furthermore, compliance with the binding ancillary provisions of the funding notice as well as the General Ancillary Conditions for Grants under the Innovation Fund, which are annexed to the notice and which are also binding, must be examined later in the course of the project.

The compensation mechanism is implemented by granting the beneficiary funding up to the maximum amount of the individual eligible headings. Throughout the term and after the end of the term, the beneficiary must submit interim or complete statements of expenditure that provide information on the expenses actually incurred under each heading.

☒ Cost allocation methodology

☐ Net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

A core element of the process under funding law before the undertaking is entrusted is the examination of each individual expenditure heading to determine whether it is necessary for the success of the project and whether it is appropriate and cost-effective. If one of these criteria is not fulfilled, the heading will be reduced or cancelled. Once approved, the funds granted may only be drawn down by the entrusted undertaking in accordance with the General Ancillary Conditions for Grants under the Innovation Fund, as required and at defined intervals. The undertaking must set up and manage a separate project account for the compensation payments. Furthermore, all expenses actually incurred must be proven to the funding authority by means of supporting documents and timekeeping records. The correctness, reasonableness and appropriate use of the compensation payments are examined in detail when the interim or full statements of expenditure that must be submitted are checked. This serves as a safeguard against overcompensation. If any overcompensation is identified during these checks, application of the General Ancillary Conditions for Grants under the

Innovation Fund results in offsetting of the corrected amounts or a recovery.

This ensures that the payment of compensation is continuously monitored and any overcompensation prevented during examination of the application or reclaimed during or after the end of the project term. In addition, provisions have been adopted concerning the investments made to fulfil the funding objective (see the General Ancillary Conditions for Grants under the Innovation Fund). For example, the investments made must be sold by the beneficiary after the expiry of the funding period and the funding authority must participate in the proceeds, or the residual value of the investments made must be settled.

### ***Transparency requirements***

Funding exceeding EUR 15 million for a single project has not been awarded to any beneficiaries to date. It is also unlikely that a single undertaking will receive compensation for an SGEI that exceeds this threshold in the future. Should this nevertheless occur, the Office of the Innovation Committee will provide the relevant information via a website.

### ***Amount of aid granted***

Total amount of aid granted (in million EUR)	
2018	2019
EUR 73.11 million	EUR 101.09 million
Total amount of aid granted (in million EUR) paid by national central authorities	
2018	2019
EUR 73.11 million	EUR 101.09 million

### ***Share of expenditure per aid instrument:***

The funding was granted as a subsidy within the framework of full financing.

### ***Additional quantitative information:***

2018:

In 2018, a variety of SGEIs were provided under a total of 80 projects within the framework of the Innovation Committee's funding programme relating to new forms of healthcare provision. On the basis of funding notices, 80 undertakings were entrusted as first beneficiaries and a further 461 undertakings were entrusted as last

beneficiaries (total: 541 first and last beneficiaries). Not all of these undertakings drew down funding in 2018. A total of 76 first beneficiaries and 384 last beneficiaries did so under 76 projects.

It is not possible to specify an average aid amount. The funding amount per project and per first and last beneficiary covers too large a range (from EUR 3 087.00 to EUR 8 817 317.16).

Similarly, it is not possible to specify an average size of undertaking. The clients of the beneficiaries range from a registered association with only a few members, research institutions and hospitals through to health insurance funds and their sponsoring organisations.

2019:

In 2019, a variety of SGEIs were provided under a total of 114 projects within the framework of the Innovation Committee's funding programme relating to new forms of healthcare provision. On the basis of funding notices, 114 undertakings were entrusted as first beneficiaries and a further 686 undertakings were entrusted as last beneficiaries (total: 800 first and last beneficiaries). Not all of these undertakings drew down funding in 2019. A total of 100 first beneficiaries and 535 last beneficiaries did so under 100 projects.

It is not possible to specify an average aid amount. The funding amount per project and per first and last beneficiary covers too large a range (from EUR 1 500.00 to EUR 9 463 106.46).

Similarly, it is not possible to specify an average size of undertaking. The clients of the beneficiaries range from a registered association with only a few members, research institutions and hospitals through to health insurance funds and their sponsoring organisations.

#### b) Childcare

According to the information available, no aid was granted in this sector at federal level on the basis of the SGEI Decision.

c) Access to and reintegration into the labour market

**Federal Government programme for improved counselling and integration of persons with severe disabilities** (Federal Ministry of Labour and Social Affairs)

***Content of the services of general economic interest***

In 2006, the UN General Assembly adopted the Convention on the Rights of Persons with Disabilities (CRPD). It entered into force in 2008. With a view to implementing the CRPD, the Federal Government published a National Action Plan on 15 June 2011 and amended it on 28 June 2016 by publishing the National Action Plan 2.0.

The guiding idea and central operational principle of this action plan is the concept of inclusion. In the future, people with disabilities should no longer have to adapt to society. Instead, everyday life should be organised in such a way that people with disabilities can participate in the life of society as a matter of course and with equal rights. The Federal Ministry of Labour and Social Affairs (*Bundesministerium für Arbeit und Soziales*, BMAS) acts as the governmental focal point pursuant to Article 33 CRPD. It is in this context that the Federal Ministry of Labour and Social Affairs has developed a National Action Plan for implementation of the UN Convention on the Rights of Persons with Disabilities, which summarises the Federal Government's goals and measures in the field of disability policy.

Project funding granted by the Federal Ministry of Labour and Social Affairs is intended to supplement existing instruments aimed at promoting access to employment by persons with severe disabilities. The Federal Government programme for improved counselling and integration of persons with severe disabilities aims to improve local and regional conditions for severely disabled persons as regards access to the labour market, in particular by creating new and stabilising existing employment relationships, facilitating entry into employment and developing in-company training. The experiences and insights collected and the action concepts developed are transformed into transferable knowledge and made available to other institutions and interested parties. It is expected that the experiences and outcomes from the projects will make an important contribution to the greater participation of persons with (severe) disabilities. Long-term use of the results is therefore guaranteed. At the same time, the Federal Ministry of Labour and Social Affairs supports various model and research projects in the field of medical and vocational rehabilitation with a view to promoting the participation of persons with disabilities.



The projects are funded under the Compensation Fund (Ausgleichsfonds) administered by the Federal Ministry of Labour and Social Affairs pursuant to Section 161 of Volume IX of the Social Code.

All of the projects funded by the Federal Ministry of Labour and Social Affairs under this programme are concerned with the provision of services of general economic interest (SGEIs). They meet the requirements according to which State aid granted in the form of compensation for the provision of SGEIs is exempted from notification.

#### ***Forms of entrustment***

The projects are entrusted by means of grant notices. In the event that portions of the grants are transferred onwards, the correspondingly marked binding ancillary conditions apply equally to all last beneficiaries. In addition, a grant contract under private law must be concluded between the first beneficiary and each last beneficiary, ensuring that the grant notice applies on a binding basis even to the last beneficiary. All beneficiaries are accordingly entrusted with the provision of SGEIs by means of the grant notice.

#### ***Duration of the entrustment***

The average duration of entrustment (= project term) is typically three years. The durations may differ on the basis of the relevant project application.

#### ***Exclusive or special rights***

Not applicable

#### ***Aid instruments***

The Federal Ministry of Labour and Social Affairs issued a non-repayable grant on an expenditure basis within the framework of project funding under the programme. Only grants based on full financing were approved.

#### ***Compensation mechanism***

When submitting an application, the beneficiary was obliged to submit a financing plan summarising all the individual headings under which expenses would be incurred solely in connection with the planned project. The applicant was obliged to provide evidence that all of the human and material resources applied for were required and

that their level was customary for the market. The prohibition on preferential treatment also applies, inter alia with regard to the estimated ancillary personnel expenses or costs. Similarly, the financing plan had to include the relevant revenues and third-party funds that the entrusted undertaking expected to receive during the period of the SGEIs to be provided. If revenues and funds from third parties in excess of the financing plan are earned over the period during which the SGEIs are provided, they will reduce the amount of compensation to be granted. Profits are generally excluded from eligibility for funding.

An integral part of the examination of applications under funding law is the examination of all headings in the financing plan with regard to their eligibility according to Sections 23 and 44 of the Federal Budget Code (*Bundeshaushaltsordnung*, BHO) and the administrative regulations issued thereto (*Verwaltungsvorschriften*, VV). Likewise, it must be determined whether it is necessary to carry out the project tasks and whether the tasks are reasonable. The compensation mechanism is implemented by issuing to the beneficiary a grant up to the maximum amount of the individual headings recognised as eligible, on the basis of full financing. During the term and after the end of the term, the beneficiary must submit interim or complete statements of expenditure providing information on the expenses actually incurred under the headings.

A cost allocation methodology was used as a basis.

#### ***Arrangements for avoiding and repaying any overcompensation***

A central element of the process under funding law prior to the entrustment of the undertaking was the examination of each individual cost or expenditure heading to determine whether it was necessary for the success of the project and whether it was reasonable. If one of these criteria was not met, the heading was reduced or cancelled. After approval, the approved funds may only be drawn down by the entrusted undertaking in accordance with the General Ancillary Conditions for Project Grants (*Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung*, ANBest-P) or the General Ancillary Conditions for Project Grants to Local Authorities and Consortia of Local Authorities (*Nebenbestimmungen für Zuwendungen zur Projektförderung an Gebietskörperschaften und Zusammenschlüsse von Gebietskörperschaften*, ANBest-Gk) as required and at defined intervals. The undertaking must set up and manage a separate project account for the compensation payments. Furthermore, evidence of all expenses or costs incurred must be provided

to the funding authority by means of supporting documents and time records. The correctness, reasonableness and appropriate use of the compensation payments is examined in detail when the interim or full statements of expenditure that must be submitted are checked. This serves as a safeguard against overcompensation. If overcompensation is identified during the checks, offsetting of the cash balance or an interest-bearing recovery automatically results from application of the Federal Budget Code and the administrative regulations issued thereto.

This means that compensation is continuously monitored and any overcompensation is prevented during examination of the application or reclaimed during or after the end of the project term.

#### ***Transparency requirements***

No beneficiary received a grant exceeding EUR 15 million for a single project. Since there will be no further approvals under the programme, this threshold will not be exceeded.

#### ***Amount of aid granted***

Total amount of aid granted (in million EUR)	
2018	2019
EUR 11 886 820.15	EUR 4 576 909.67
Total amount of aid granted (in million EUR) paid by national central authorities	
2018	2019
EUR 11 886 820.15	EUR 4 576 909.67

#### ***Share of expenditure per aid instrument:***

All grants were provided as subsidies on the basis of full financing.

#### ***Additional quantitative information:***

2018:

Under the Federal Government programme for improved counselling and integration of persons with severe disabilities, SGEIs were provided in a total of 59 projects. According to the grant notice, 59 undertakings were entrusted as first beneficiaries and

a further 89 undertakings as last beneficiaries, meaning that a total of 148 first and last beneficiaries received compensation for a service of general economic interest under the programme. Not all of the undertakings entrusted under the programme drew down funds during the reporting period: in 2018, there were 57 first beneficiaries and 98 last beneficiaries in a total of 57 projects.

Furthermore, four additional beneficiaries received payments in connection with checks of statements of expenditure for projects whose term had already ended.

A total of 61 first beneficiaries and 98 last beneficiaries under 61 projects thus received compensation for SGEIs in 2018.

It is not possible to specify an average aid amount. The grant amounts per project as well as per first or last beneficiary cover too wide a range.

It is not possible to specify an average size of the undertakings. The customers of the beneficiaries range from a provider of counselling services employing only a few people through to the Federal Employment Agency (*Bundesagentur für Arbeit*).

2019:

Under the Federal Government programme for improved counselling and integration of persons with severe disabilities, SGEIs were provided in a total of 59 projects. According to the grant notice, 59 undertakings were entrusted as first beneficiaries and a further 89 undertakings as last beneficiaries, meaning that a total of 148 first and last beneficiaries received compensation for a service of general economic interest under the programme. Not all of the undertakings entrusted under the programme drew down funds during the reporting period: in 2019, there were 37 first beneficiaries and 64 last beneficiaries in a total of 37 projects.

It is not possible to specify an average aid amount. The grant amounts per project as well as per first or last beneficiary cover too wide a range.

It is not possible to specify an average size of the undertakings. The customers of the beneficiaries range from a provider of counselling services employing only a few people through to the Federal Employment Agency (*Bundesagentur für Arbeit*).

d) Social housing

***Content of the services entrusted as SGEIs***

The construction and promotion of social housing is a service of general economic interest. Entrustments are made in respect of measures aimed at safeguarding and improving the supply of housing for population groups who are unable to provide themselves with adequate accommodation on the open housing market and therefore rely on support. These groups include low-income households, families with children, single parents, pregnant women, elderly and disabled persons and other vulnerable persons. Target groups are defined on the basis of income thresholds in the vast majority of cases, with proof of compliance requested on a case-by-case basis. The service of general economic interest is aimed primarily at increasing the supply of social housing through building new stock, purchasing stock and modernising existing rental stock, resulting in a lasting increase in the practical value of rented apartments or buildings, long-term improvements in general living conditions and permanently reduced consumption of energy and water, which also reduces the amount paid for utilities. For an ageing society, the promotion of social housing also covers support for accessible buildings and living environments appropriate for the elderly, such as housing for groups with particular care needs or sheltered housing. For the further benefit of the groups targeted by measures to promote social housing, agreements can also be reached to assume responsibility for other commercial housing, construction and social measures, in particular those aimed at improving living environments, eliminating social problems and developing neighbourhoods. The provider of the service of general economic interest (commercial housing company/landlord) makes available housing which is rented out at a discount to the aforementioned target group.

Legislative jurisdiction for implementing the promotion of social housing in Germany has rested with the *Länder* since 2006, following the reform of the federal system. The statutory provisions can be found in the *Land* funding laws. If the *Länder* have not adopted their own funding laws, the Housing Promotion Act (*Wohnraumförderungsgesetz*) adopted by the Federal Government applies.

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

### ***Forms of entrustment***

Entrustments are made on a legal basis. Undertakings receiving funding for the promotion of social housing are entrusted with a clearly defined public service obligation. Within their respective fields of competence, the funding bodies grant approvals on the basis of the application required from the beneficiary and by means of an executive decision, usually an administrative deed. Pursuant to Article 4(f) of the Exemption Decision (Commission Decision 2012/21/EU), the entrustment also includes a reference to the Decision.

The funding decision specifies in particular the purpose of the funding, the amount and type of grants, the terms for repayment (in the case of loans) as well as the form and duration of the considerations to be provided by the funding authority and the requirements to be observed.

The special arrangements described here in relation to the provision of services of general economic interest apply specifically to social housing construction, and differ from those in other sectors, for example in the hospital sector.

### ***Duration of the entrustment***

The duration of the entrustment is generally 10 to 40 years as a result of the high level of investment and the long refinancing period.

In the Exemption Decision (Commission Decision 2012/21/EU, recital 12), social housing is explicitly named as an example of when application of the Decision does not have to be limited to a maximum of 10 years because of the significant investment involved.

As a basic principle, funding is organised differently in the *Länder*.

The proportion of entrustments with a duration exceeding 10 years is very high because loans for the construction of rental housing do not typically have a term of less than 10 years. Precise figures cannot be supplied since some of the funding is provided by towns/cities and municipalities.

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings. The funding system is market-oriented. Any natural or legal person carrying out a building project described in the funding programme and complying with the required occupancy and rent commitments is in principle entitled to funding in the context of the promotion of

social housing, irrespective of their other area of business. Domestic and foreign undertakings/investors are treated equally in this respect. Notwithstanding the alignment of funding with the respective demands, one of the benefits of this approach is the opportunity for dispersal of social housing, which avoids spatial concentration of socially disadvantaged groups. The rents for these rental properties are typically below the market level.

### ***Aid instruments***

The promotion of social housing is property-specific. Funding is granted on the basis of low-interest or subsidised loans, redemption subsidies, other subsidies, the underwriting of sureties and other guarantees, the provision of low-cost land for building or a combination of these funding methods. The most frequently used funding instruments are long-term low-interest loans or subsidies or a combination of both.

### ***Compensation mechanism***

The promotion of social housing in Germany is designed to be property-specific rather than undertaking-specific. Occupancy and rent commitments are typically approached as a public service obligation, i.e. the properties are rented exclusively to households meeting the respective income limits and the rent levels are capped. The rent levels are capped to ensure affordability of living costs for the target groups. They are generally below the market level.

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

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

#### ***Arrangements for avoiding and repaying any overcompensation***

The funding programmes stipulate the general requirements to be met as regards both public service obligations and the calculation of compensation payments. Within this framework, the funding authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the beneficiary has not been overcompensated for the public service obligations (which must also be described in detail). Typical precautionary measures include not only the imposition of particular public service obligations on the undertaking, but also the establishment of a legal basis, either in legislation or in the funding notice, effectively to control and enforce strict compliance with these obligations in respect of undertakings and social tenants. This includes obligations to provide information, to allow the inspection of documents and to grant access to land, buildings and apartments. It is also possible to initiate administrative proceedings to enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is possible to revoke (in part) the funding and to claim back funding which has already been approved. Statutory periods of continued application are specified in advance for the rent and occupancy commitments to cover instances where loans are repaid prematurely or an undertaking becomes insolvent.

#### ***Transparency requirements***

As a general rule, the funding is well below EUR 15 million. If, in exceptional cases, subsidies of more than EUR 15 million are granted to undertakings that carry out other activities in addition to services of general economic interest, the transparency requirements are met (e.g. by maintaining a transparency database).

#### ***Amount of aid granted***

According to the information provided to the Federal Government by the German authorities, aid totalling around EUR 1 953.81 million (2018) or around EUR 1 855.11 million (2019) was granted by the *Länder* and the municipalities.



e) Care and social inclusion of vulnerable groups

**Funding under the Compensation Fund, under the federal budget in connection with the National Action Plan 2.0 (NAP 2.0) and in relation to medical rehabilitation projects** (Federal Ministry of Labour and Social Affairs)

***Content of the services of general economic interest***

The UN General Assembly adopted the Convention on the Rights of Persons with Disabilities (CRPD) in 2006, and it entered into force in 2008. Pursuant to Article 29 CRPD, States Parties shall undertake to ensure that persons with disabilities can effectively and fully participate in political and public life on an equal basis with others.

The Federal Ministry of Labour and Social Affairs acts as the governmental focal point pursuant to Article 33 CRPD. In this context, the Federal Ministry of Labour and Social Affairs has developed a National Action Plan (NAP) for the implementation of the UN Convention on the Rights of Persons with Disabilities, which summarises the Federal Government's goals and measures in the field of disability policy. The first version of the NAP was published on 15 June 2011, and the second (with the title **National Action Plan 2.0 or NAP 2.0**) on 28 June 2016.

The guiding idea and central operational principle of the two NAPs is the concept of inclusion. In future, the everyday life of persons with disabilities should be organised in such a way that they can participate in the life of society as a matter of course and with equal rights. The aim of the NAP 2.0 is to ensure enforcement of the CRPD not only by means of legal amendments, but also by means of funding programmes, research projects and events, as well as to increase awareness of the concept of inclusion and to engage in a gradual process of driving forward implementation. Funding will be provided under the federal budget for **innovative model projects that implement the CRPD** and that pilot new approaches. This also includes **projects in the field of medical and vocational rehabilitation**. Funding is given to individual projects that can be delimited in terms of duration and content (project funding).

In Section 19 of the Act on the Equal Treatment of Disabled Persons (*Behindertengleichstellungsgesetz*, BGG), the federal legislator created a foundation for strengthening participation by people with disabilities in the administration of public affairs at federal level. With this in mind, on 26 October 2016 the Federal Ministry of

Labour and Social Affairs adopted **Guidelines on the promotion of participation by persons with disabilities and their organisations in the administration of public affairs**.

The guiding idea and central goal is to allow or facilitate organisations of persons with disabilities, in particular self-representing bodies, to participate actively and comprehensively in the administration of public affairs, and to allow or facilitate the participation of persons with disabilities in political decision-making processes.

The promotion of participation by the Federal Ministry of Labour and Social Affairs is intended to foster the skills and opportunities needed for organisations representing persons with disabilities to participate in the administration of public affairs at federal level, in particular through skill building, encouraging young talent, providing structural and start-up support and compensating for additional costs incurred in connection with disabilities.

The programme is funded by the Federal Government under the National Action Plan for the Convention on the Rights of Persons with Disabilities (NAP 2.0); these funds are provided for the purpose of implementing the Guidelines on the promotion of participation by persons with disabilities and their organisations in the administration of public affairs.

Under the **Compensation Fund**, and on the basis of Section 161 of Volume IX of the Social Code, the Federal Ministry of Labour and Social Affairs also funds projects that meet the requirements of Section 41(1)(4) to (6) of the Regulation on the Compensatory Levy for Non-Employment of Severely Disabled Persons (*Schwerbehinderten-Ausgleichsabgabeverordnung*, SchwbAV). The projects that receive funding are **model projects of supra-regional significance relating to access to employment by severely disabled persons** whose results are transferable at federal level. In substantive terms, the model projects are aimed at further developing the promotion of access to employment for persons with severe disabilities, in particular through in-company integration management, the promotion of training for severely disabled young people or the development of technical work aids, or at implementing educational, training and research measures. Funding is given to individual projects that can be delimited in terms of duration and content (project funding).

The experiences and project outcomes collected and the action concepts developed are transformed into transferable knowledge and made available to other institutions and interested parties. It is expected that the experiences and outcomes from the projects will make an important contribution to the greater participation of persons with (severe) disabilities and to their ability to act as more equal participants in politics and society. Long-term use of the results is therefore guaranteed.

The projects funded by the Federal Ministry of Labour and Social Affairs in the reporting years 2018 and 2019 are concerned with the provision of services of general economic interest (SGEIs). They meet the requirements according to which State aid granted in the form of compensation for the provision of SGEIs is exempted from notification.

#### ***Forms of entrustment***

The projects are entrusted by means of grant notices. In the event that portions of the grants are transferred onwards, the correspondingly marked binding ancillary conditions apply equally to all last beneficiaries.

In addition, a grant contract under private law must be concluded between the first beneficiary and each last beneficiary, ensuring that the grant notice applies on a binding basis even to the last beneficiary. All beneficiaries are accordingly entrusted with the provision of SGEIs by means of the grant notice.

#### ***Duration of the entrustment***

The average duration of the entrustment (= project term) is 3.5 years in the case of funding under the Compensation Fund. In the case of funding granted by the Federal Government under NAP 2.0, the average duration is 2.9 years; in the case of projects aimed at medical rehabilitation, the average duration is one year. The duration is based on the relevant project application.

The duration of the entrustment (= project term) for the Participation Fund is up to 36 months.

There are no projects with a term exceeding 10 years.

#### ***Exclusive or special rights***

Not relevant

### ***Aid instruments***

In the case of funding under the Compensation Fund, funding granted by the Federal Government under NAP 2.0 and medical rehabilitation projects, the Federal Ministry of Labour and Social Affairs issued non-repayable grants on an expenditure basis within the framework of project funding under the programme, as full financing, proportionate financing or shortfall financing.

In the case of funding under the Participation Fund, the Federal Ministry of Labour and Social Affairs or the DLR Project Management Agency (appointed by the Federal Ministry) issued non-repayable grants on an expenditure basis within the framework of project funding under the programme, as proportionate financing. This type of financing is prescribed by the corresponding Funding Guidelines (cf. Section 6 of the Funding Guidelines).

### ***Compensation mechanism***

When submitting an application, the undertaking (beneficiary) was obliged to submit a financing plan summarising all the individual headings under which expenses would be incurred solely in connection with the planned project. The applicant was obliged to provide evidence that all of the human and material resources applied for were required and that their level was customary for the market. The prohibition on preferential treatment also applies, inter alia with regard to the estimated ancillary personnel expenses. Similarly, the financing plan had to include the relevant revenues and third-party funds that the entrusted undertaking (beneficiary) expected to receive during the period of the SGEIs to be provided. If revenues and funds from third parties in excess of the financing plan are earned over the period during which the SGEIs are provided, they will reduce the amount of the compensation or grant to be awarded.

An integral part of the examination of applications under funding law is the examination of all headings of the financing plan with regard to their eligibility according to Sections 23 and 44 of the Federal Budget Code and the administrative regulations issued thereto. Likewise, it must be determined whether it is necessary to carry out the project tasks and whether the tasks are reasonable. The compensation mechanism is implemented by issuing to the undertaking (beneficiary) a grant up to the maximum amount of the individual headings recognised as eligible. During the term and after the end of the term, the beneficiary must submit interim or complete statements of expenditure providing information on the headings/expenses actually incurred.

☒ Cost allocation methodology

☐ Net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

A central element of the process under funding law prior to the entrustment of the undertaking (beneficiary) was the examination of each individual expenditure heading to determine whether it was necessary for the success of the project and whether it was reasonable. If one of these criteria was not met, the heading was reduced or cancelled. After approval, the approved funds may only be drawn down by the entrusted undertaking (beneficiary) in accordance with the General Ancillary Conditions for Project Grants as required and at defined intervals. The undertaking (beneficiary) must set up and administer a separate project account for the compensation payments. Furthermore, all expenses incurred must be proven to the funding authority in a legally binding manner by means of a statement of expenditure, together with corresponding supporting documents and justification where applicable. The correctness, reasonableness and appropriate use of the compensation payments are examined in detail when the interim or full statements of expenditure that must be submitted are checked. This serves as a safeguard against overcompensation. If overcompensation is identified during the checks, offsetting of the cash balance or an interest-bearing recovery automatically results from application of the Federal Budget Code and the administrative regulations issued thereto.

This means that compensation is continuously monitored and any overcompensation is prevented during examination of the application or reclaimed during or after the end of the project term.

***Transparency requirements***

No grant exceeding EUR 15 million for a single project was paid to an undertaking (beneficiary).

The volume of funding made available for projects under the Compensation Fund was EUR 9 963 655.97 for 20 projects in 2018, and EUR 12 324 304.54 for 16 projects in 2019. In the case of projects funded by the Federal Government under the NAP 2.0, EUR 107 719.00 was made available in 2018 for two projects, and

EUR 110 345.00 in 2019 for one project; in the case of medical rehabilitation projects, EUR 100 000 was made available for one project in both 2018 and 2019. The total

volume of funding for the Participation Fund was EUR 1 million in 2018 and EUR 1.1 million in 2019, which means that funding on this scale can continue to be ruled out in the future.

***Amount of aid granted***

Total amount of aid granted (in million EUR)	
2018	2019
Compensation Fund, NAP 2.0 and medical rehabilitation: 7 882 578.45	Compensation Fund, NAP 2.0 and medical rehabilitation: 8 620 675.51
Participation Fund: 394 509.28	Participation Fund: 359 669.15

Additional quantitative information:

Compensation Fund, NAP 2.0 and medical rehabilitation: During the reporting period, 41 projects involving the provision of SGEIs were implemented; these were entrusted on the basis of grant notices.

All undertakings (beneficiaries) drew down funding during the reporting period. This included 17 beneficiaries in 2018 and 16 beneficiaries in 2019.

During the reporting period, 10 projects involving the provision of SGEIs were implemented under the Guidelines on the promotion of participation by persons with disabilities and their organisations in the administration of public affairs; these were entrusted on the basis of grant notices.

All undertakings (beneficiaries) drew down funding during the reporting period. This included 10 beneficiaries in 2018 and 6 beneficiaries in 2019.

The undertakings that receive grants under the Participation Fund (beneficiaries) are self-representing organisations of persons with disabilities that meet the eligibility requirements under Section 15(3) sentence 2(1)-(5) of the Act on the Equal Treatment of Disabled Persons.

An average aid amount cannot be specified for all cases. The grant amounts per project cover too large a spectrum, and are determined on a case-by-case basis in line with the principles of cost-effectiveness and economy and the needs-based approval of funding, taking into account additional own resources and third-party resources.

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

According to the information available, no aid was granted in this sector at federal level on the basis of the SGEI Decision.

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

According to the information available, no aid was granted in this sector at federal level on the basis of the SGEI Decision.

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

- i) Postal services

According to the information available, no aid was granted in this sector at federal level on the basis of the SGEI Decision.

- ii) Energy

### **(1) Energy checks and energy consulting for private consumers**

(Federal Ministry for Economic Affairs and Energy)

#### ***Content of the services of general economic interest***

The content of the SGEIs is (1) energy advisory services for tenants (basic checks), for home-owners (building checks, heating checks, solar checks) and detailed checks for special thematic areas, e.g. thermal insulation of buildings, building services etc. or (2) energy consulting at a permanent base, energy consulting by telephone, online advice and brief advice at trade fairs.

#### ***Forms of entrustment***

The entrustments were made by grant notice.

#### ***Duration of the entrustment***

The duration of the entrustment was one or two years.

#### ***Exclusive or special rights***

No exclusive or special rights were assigned.

### ***Aid instruments***

Subsidies (shortfall financing and project funding) were granted.

### ***Compensation mechanism***

A cost allocation methodology was used.

### ***Arrangements for avoiding and repaying any overcompensation***

Overcompensation is avoided through checks of statements of expenditure, brief reports and project discussions.

### ***Transparency requirements***

No grant exceeding EUR 15 million was awarded.

### ***Amount of aid granted***

(1) In 2018, aid was granted in the amount of EUR 7 551 185.50, and in 2019 in the amount of EUR 10 284 181. (2) In 2018, aid was granted in the amount of EUR 5 640 441, and in 2019 in the amount of EUR 6 857 222.

The Federation of German Consumer Organisations) (*Verbraucherzentrale Bundesverband*, vzbv e.V.) is directly supported; the consumer organisations and fee-based consultants are supported indirectly, by means of transfers, on the basis of fee-based consultancy contracts

(2) **Grant to the Franco-German Office for the Energy Transition (*Deutsch-Französisches Büro für die Energiewende*, DFBEW)** (Federal Ministry for Economic Affairs and Energy)

### ***Content of the services of general economic interest***

The Franco-German Office for the Energy Transition is an association registered in Germany (Local Court of Charlottenburg) and founded by the governments of France and Germany in 2006 with a view to fostering cooperation between the two countries in relation to the energy transition. It currently operates within the Federal Ministry for Economic Affairs and Energy in Berlin and the Ministry for the Ecological and Inclusive Transition (*Ministère de la Transition écologique*, MTES) in Paris. Public funding is provided on a 50/50 basis by both countries following a public announcement to this effect by Peter Altmaier and Delphine Batho in 2013. In addition, the Franco-German



Office for the Energy Transition implements projects using the funds it collects from membership fees and revenues from sponsoring and event participation fees.

According to its articles of association of 11 May 2016, the aim of the Franco-German Office for the Energy Transition is to promote cooperation between Germany and France in the field of renewable energies, energy market integration, energy market design, flexibility and efficiency. In order to fulfil its remit as an association, the Franco-German Office for the Energy Transition concentrates its activities on promoting exchanges of information between German and French stakeholders, organising events, translating and making available documents, providing information and contacts and public relations work in the aforesaid fields. On the basis of the tasks set out in its articles of association, the Franco-German Office for the Energy Transition pursues charitable purposes within the meaning of Section 52(2)(1), (13) and (15) of the Fiscal Code (*Abgabenordnung*, AO), in particular for the purpose of promoting science and research, understanding among nations and development cooperation. These services relate to a market failure that is to be compensated for by means of the entrustment.

***Forms of entrustment***

Grant notice of 28 February 2017

***Duration of the entrustment***

Less than 10 years to date (first grant awarded on 10 December 2010)

***Exclusive or special rights***

No exclusive or special rights were assigned.

***Aid instruments***

Non-repayable grant/subsidy

***Compensation mechanism***

The grant does not exceed the amount necessary to cover the net costs incurred in connection with provision of the aforementioned SGEIs. The net costs are the difference between all the costs incurred in performance of the services of general economic interest and calculated in accordance with generally accepted accounting principles on the one hand, and the revenues earned by means of the services of general economic interest on the other hand. The keeping of separate accounts in

accordance with the grant notice plays a decisive role in distinguishing between net costs that are eligible for compensation and other costs. In the case at hand, the grant application dated 23 September 2016 submitted by the Franco-German Office for the Energy Transition was used as a basis for assessing the costs that were eligible and could be compensated in accordance with the entrustment act, together with the expected expenses and revenues. This was due primarily to the fact that a) the Franco-German Office for the Energy Transition, by virtue of its legal form, categorically does not act on a for-profit basis, so that the use of interest on sales or capital can be dispensed with, and b) the description of the project and the work schedule submitted on 23 September 2016 are consistent with the field of activity expressly described in the articles of association dated 11 May 2016.

***Arrangements for avoiding and repaying any overcompensation***

The grant is awarded for a specific purpose. It may only be used for the project described in the beneficiary's application, with due regard for any amendments and the financing plan. The General Ancillary Conditions for Project Grants and other ancillary conditions cited in the grant notice must be observed.

***Transparency requirements***

Not applicable

***Amount of aid granted***

Total amount of aid granted (in million EUR)

<b>2018</b>	<b>2019</b>	
252 242	252 242	252 242

Total amount of aid granted (in million EUR) paid by national central authorities

<b>2018</b>	<b>2019</b>
252 242	252 242

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

<b>2018</b>	<b>2019</b>
252 242 (grant to the Franco-German Office for the Energy Transition)	252 242 (grant to the Franco-German Office for the Energy Transition)

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

<b>2016</b>	<b>2017</b>
12 employees	13 employees

iii) - (vi) Waste collection, water supply, culture, financial services

According to the information available, no aid was granted in this sector at federal level on the basis of the SGEI Decision.

(g) Other sectors

According to the information available, the following measures were implemented at federal level on the basis of the SGEI Decision.

**(1) Consumer protection** (Federal Ministry of Justice and Consumer Protection  
(*Bundesministerium der Justiz und für Verbraucherschutz, BMJV*))

***Content of the services of general economic interest***

- Measures in the field of consumer information:
- independent comparison tests of goods and services and publication of the results,
- representation and legal enforcement of consumers' interests,
- coordination of consumer organisations in Germany,
- quality assurance of consumer-related work.

***Forms of entrustment***

In the case of the Federal Ministry of Justice and Consumer Protection, entrustments were made predominantly on the basis of grant notices by the Federal Office of Administration (*Bundesverwaltungsamt, BVA*) for project or institutional funding. A sample grant notice for SGEI entrustments by the Federal Ministry of Justice and Consumer Protection is used. A separate entrustment act was issued in one instance. In all cases, reference was made to the *Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest* (SGEI Exemption Decision).

***Duration of the entrustment***

In the majority of cases, the duration of the entrustment corresponds to the term of the funded measures, which is typically one year. Projects lasting several years with a term up of to three years were, however, entrusted in the field of consumer information. In one case, an entrustment was made for a duration of nine years.

***Exclusive or special rights***

Not applicable

***Aid instruments***

Non-repayable subsidies for the funding of institutions or projects

***Compensation mechanism***

Funding is granted primarily in the form of shortfall financing, i.e. costs are only funded if they cannot be covered by the beneficiary using its own resources or third-party resources. Grant notices based on fixed amount financing were issued in one case.

☒ Cost allocation methodology

☐ Net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

As a basic principle, a statement of expenditure is checked in accordance with the provisions of funding law. In one case, provision was made for separate overcompensation checks in connection with a reconciliation on a revenue and expenditure basis.

***Transparency requirements***

Not applicable, since no aid exceeding EUR 15 million was granted.

***Amount of aid granted***

The volume of aid granted amounted to EUR 33 726 507 in 2018 and EUR 37 219 688 in 2019.

Share of expenditure per aid instrument: Only non-repayable subsidies are granted.

Additional quantitative information:

2018:

Institutional funding was granted (Federation of German Consumer Organisations) (EUR 12 222 000 in annual funding; around 208 employees).

Furthermore, Stiftung Warentest (around 350 employees) received a grant of EUR 3.3 million; in addition, in 2018 it received income from the Federal Government for its endowment totalling EUR 1 381 891.

In the case of the measures financed by means of project funding, the funding amount is between EUR 20 937 (proportionate annual funding amount for an expert companion published by the German Federal Association for Debt Counselling (*Bundesarbeitsgemeinschaft*

*Schuldnerberatung*, e.V.)) up to around EUR 5 million (Financial Markets Watchdog (*Marktwächter Finanzen*) operated by the Federation of German Consumer Organisations and consumer organisations).

An example of an average funding amount is that received by the Consumer Council of the German Institute for Standardisation (*Verbraucherrat beim Deutschen Institut für Normung*, DIN VR) which represents consumers' interests in the field of standardisation, with funding of around EUR 844 464, around eight employees in the office and 60 volunteers.

2019:

Institutional funding was granted (Federation of German Consumer Organisations) (EUR 13 471 000 in annual funding; around 208 employees).

Furthermore, Stiftung Warentest (around 350 employees) received a grant of EUR 2.9 million; in addition, in 2019 it received income from the Federal Government for its endowment totalling EUR 1 606 813.

In the case of measures financed under the heading of project funding, the funding amount is between EUR 4 900 (proportionate annual support for a student newspaper competition relating to consumer issues, organised by Jugendpresse Deutschland e.V.) up to around EUR 5 000 000 (Financial Markets Watchdog, operated by the Federation of German Consumer Organisations and consumer organisations).

An example of an average funding amount is that received by the Consumer Council of the German Institute for Standardisation with funding of around EUR 843 846, around eight employees in the office and 60 volunteers.

## **(2) Consumer information** (Federal Ministry for Food and Agriculture (*Bundesministerium für Landwirtschaft und Ernährung*))

### ***Content of the services of general economic interest***

Measures to promote consumer information in the field of nutrition (consumer health protection) and prevention of food waste.

### ***Forms of entrustment***

The entrustment is typically made by means of an administrative deed (grant notice).

There are no standardised templates for such entrustments, as the project goals and the technical and substantive requirements vary from project to project.

***Duration of the entrustment***

The average duration of the entrustment on the basis of each entrustment act is below 10 years.

***Exclusive or special rights***

No exclusive or special rights are typically assigned to the beneficiaries of aid.

***Aid instruments***

As a general rule, subsidies are used as aid instruments.

***Compensation mechanism***

As a general rule, grants are awarded up to the amount of the individual headings recognised as eligible.

A cost allocation methodology is primarily used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

As a basic principle, grants can only be paid up to the amount of the annual approved funds. The beneficiaries produce an annual report on implementation of the project, as well as a numerical statement of expenditure for all grants received. All payments and/or expenditures made in connection with implementation of the project must be listed and documented separately in the relevant verification period. If no approval has been given for individual expenses or if payments cannot be clearly assigned to the project, this will be contested as part of the checks of statement of expenditure and the corresponding funds will be reclaimed.

***Transparency requirements***

Not applicable

**Amount of aid granted**

Total amount of aid granted (in million EUR)	
Total amount of aid granted (in million EUR) paid by national central authorities	
2018	2019
Grant notice to the WWF (Dialogue Forum for Food Waste Reduction in the Out-of-Home Sector): EUR 202 125.00	Grant notice to the WWF (Dialogue Forum for Food Waste Reduction in the Out-of-Home Sector): EUR 195 685.56
Project funding to the Federation of German Consumer Organisations ('Lebensmittelklarheit' website): EUR 0.00 (not relevant for the 'Lebensmittelklarheit' project, since the SGEI rules were only applied to the 'Lebensmittelklarheit' project from February 2019 onwards.)	Project funding to the Federation of German Consumer Organisations ('Lebensmittelklarheit' website): Launch in February 2019 EUR 569 266.60
Activities under NAP IN FORM: EUR 3 196 954.89	Activities under NAP IN FORM: EUR 4 283 510.48
Funding for consumer organisations: EUR 3 000 000.00	Funding for consumer organisations: EUR 2 998 363.00
<b>TOTAL: EUR 6 399 079.89</b>	<b>TOTAL: EUR 8 046 825.64</b>
Share of expenditure per aid instrument (direct subsidy, guarantee etc.) (if available)	
2018	2019
Not available	

**(3) Labelling system Travel for All in Germany (*Reisen für Alle in Deutschland*)**

(Federal Ministry for Economic Affairs and Energy)

**Content of the services of general economic interest**

Introduction of the labelling system Travel for All in Germany – development of a nationwide standardised and robust labelling and certification system for accessible tourism offerings, development of quality standards and a collection and evaluation database, implementation of training measures (until July 2018).

Safeguarding of the introduction of the labelling system Travel for All in Germany – safeguarding and further development of the collection and evaluation database, inspection body and certification of undertakings, further development and optimisation of the system, implementation and further development of training measures (from August 2018)

***Forms of entrustment***

Administrative deed in the form of a grant notice

***Duration of the entrustment***

The duration of the entrustment is 4 years.

***Exclusive or special rights***

No exclusive or special rights were assigned.

***Aid instruments***

The grant was awarded in the form of shortfall financing.

***Compensation mechanism***

The grant is approved in the form of shortfall financing for net costs, meaning that there is no additional compensation.

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

- Choice of aid instrument (grant/General Ancillary Conditions for Grants to Fund Projects)
- Examination of application documents
- Compensation is calculated only for actual costs incurred without reasonable profit, taking into account all revenues

***Transparency requirements***

Not applicable

***Amount of aid granted***

2018:

EUR 0.3154 million = EUR 315 400.00 (until 31 July 2018)

EUR 0.089563 million = EUR 89 563.00 (from 1 August 2018)

The entrustment was made by means of a grant notice. The project term ended on 31 July 2018. On 1 August 2018, it was succeeded by a follow-up project. Two instalments were therefore calculated for 2018.



2019:

EUR 0.1975 million = EUR 197 500.00

Share of expenditure per aid instrument: Subsidy (2018 and 2019)

Additional quantitative information: one entitlement to benefits (2018 and 2019)

#### **(4) Major nature conservation projects**

(Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)

##### ***Content of the services of general economic interest***

The service involves the federal programme 'chance.natur – Bundesförderung Naturschutz (opportunity.nature – Federal Funding for Nature Conservation)'. It serves to establish and safeguard protected areas of countryside and landscape of nationally representative significance. The programme contributes to the protection of biodiversity and the preservation of natural heritage in Germany.

The projects will preserve or restore habitats typical of the natural environment and protect their wild species by acquiring land and implementing measures to improve and secure the situation of endangered species and habitats.

The programme contributes to the achievement of supranational nature conservation objectives, such as the achievement of the EU goal of halting further loss of biodiversity, and the long-term protection of Natura 2000 sites in the EU.

##### ***Forms of entrustment***

The entrustment takes the form of approving a grant for a specific project for which an application has been submitted. The approval is usually issued by way of an administrative deed (grant notice). There are no standardised templates for such entrustments, as the project goals and (in particular) the technical and substantive requirements vary from project to project.

##### ***Duration of the entrustment***

The duration of the entrustments is 7.6 years on average. The share of entrustments with a duration exceeding 10 years is around 12.5%. These are projects requiring a longer implementation period in accordance with the recognised principles of nature conservation.

### ***Exclusive or special rights***

No exclusive or special rights are assigned within the framework of project funding.

### ***Aid instruments***

These are grants in the form of project funding. They are non-repayable grants that are approved on an expenditure basis.

### ***Compensation mechanism***

All expenditure necessary for implementation is calculated before project funding, and a financing plan is drawn up. The grant is approved on the basis of this financing plan. Grants are only awarded for expenditure necessary solely for implementation of the project. Funds may only be drawn down, i.e. grants may only be paid out, for this expenditure that has been specifically approved.

In substantive terms, the net avoided cost methodology is used. It is defined as the difference between the net costs of the 'entrusted undertaking' with the public service obligation and the net costs without this obligation. The public service obligation in this case is the implementation of the major nature conservation project as such. The obligation to cover part of the costs using own resources means that the amounts awarded as grants are even lower than the compensation payments permitted under State aid law.

### ***Arrangements for avoiding and repaying any overcompensation***

As a basic principle, grants can only be paid up to the amount of the annual approved funds.

The beneficiaries submit an annual report on project implementation and a numerical statement of expenditure for all grants received. All payments and/or expenditures carried out for implementation of the project must be listed and documented separately in each verification period. If no approval has been issued for individual expenses or if payments cannot be clearly assigned to the project, this will be contested as part of the checks of statements of expenditure, and the corresponding funds will be reclaimed.

### ***Transparency requirements***

Detailed descriptions of all the grants, including the project, the beneficiary and the volume of funding, can be found at:  
<https://www.bfn.de/foerderung/naturschutzgrossprojekt/liste-laufender-vorhaben.html>.

**Amount of aid granted**

Total amount of aid granted (in million EUR)	
2018	2019
EUR 4.675 million	EUR 6.135 million
A: Total amount of aid granted (in million EUR) paid by national central authorities	
2018	2019
Federal Government: EUR 3.690 million	Federal Government: EUR 4.878 million
B: Total amount of aid granted (in million EUR) paid by regional authorities	
2018	2019
Länder: EUR 0.985 million	Länder: EUR 1.257 million
Additional quantitative information	
2018	2019
Number of beneficiaries: 8	Number of beneficiaries: 8

**(5) Federal Programme for Biological Diversity**

(Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)

**Content of the services of general economic interest**

The Federal Programme for Biological Diversity supports services that contribute to the preservation and development of biodiversity in Germany, and is an instrument for implementing the National Strategy on Biological Diversity (*Nationale Strategie zur biologischen Vielfalt*, NBS).

The measures carried out under this Federal Programme implement measures of nationally representative significance within the framework of the National Strategy on Biological Diversity, or implement this strategy in a particularly exemplary and benchmark-setting manner. The measures help to halt the decline in biodiversity in Germany and to reverse the trend in the medium to long term.

Eligible actions include those aimed at the protection, sustainable use and development of biological diversity, which go beyond the legally required standards and fall under one of the following four priorities: 'Species for which Germany holds special responsibility', 'Biodiversity hotspots', 'Safeguarding ecosystem services' and 'Other measures of particular representative significance for the strategy'.

Information and communication measures aimed at promoting acceptance are intended to increase and consolidate social awareness of biodiversity in all projects.

#### ***Forms of entrustment***

The entrustment is made in the form of an administrative deed (grant notice). It defines and records the obligations incumbent upon the beneficiary; where applicable, it also defines and records the territorial range, scope and duration of the grant, as well as the amount per project. In addition, the grant notice contains provisions on the compensation mechanism, checks of how the grant has been used and a reference to the SGEI Decision.

There are no standardised templates for this entrustment, as the project goals and the technical and substantive requirements may vary from project to project. Provisions on the compensation mechanism and checks of how the grant has been used can be found in standardised ancillary conditions that form part of the grant notice.

#### ***Duration of the entrustment***

As a general rule, the duration of the entrustment should be no more than six years in accordance with the funding guidelines for the Federal Programme for Biological Diversity. The average duration of the entrustment is five years.

None of the entrustments has a duration exceeding 10 years.

#### ***Exclusive or special rights***

Exclusive or special rights are not assigned.

#### ***Aid instruments***

The services are financially compensated by means of grants as project funding. These are non-repayable grants that are typically approved and financed on the basis of expenditure.

#### ***Compensation mechanism***

The net avoided cost methodology is used as a basis.

Prior to project funding, all expenditure required for implementation is calculated and included in a financing plan. Approval of the expenses required for implementation is based on this financing plan. Grants are only made for expenses that are necessary solely for realisation of the project. The grant may only be used for these expenses that have been specifically recognised as eligible.

### ***Arrangements for avoiding and repaying any overcompensation***

As a basic principle, grants can only be paid up to the amount of the annual approved funds. The beneficiaries produce an annual report on project implementation and a numerical statement of expenditure. All expenditure incurred in connection with project implementation must be listed and documented separately in the relevant verification period. If no approval has been granted for individual expenses or if payments cannot be clearly assigned to the project, this will be contested as part of the checks of the statement of expenditure, and the corresponding funds will be reclaimed.

### ***Transparency requirements***

No grant exceeding EUR 15 million was awarded.

### ***Amount of aid granted***

In 2018, aid was granted in the amount of EUR 3.895 million; in 2019, aid was granted in the amount of EUR 8.088 million.

## **(6) National Natural Heritage**

(Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)

### ***Content of the services of general economic interest***

The service involves the preservation of areas of particular conservation value in accordance with contractually defined nature conservation obligations by way of the transfer without consideration of federally-owned National Natural Heritage sites to nature conservation associations and foundations, as part of the Federal Government's initiative to preserve Germany's National Natural Heritage.

### ***Forms of entrustment***

The provision of SGEIs is expressly entrusted by means of a contractual agreement concluded between the beneficiaries of land and the Federal Government.

The transfer is subject to the condition that the beneficiaries of land permanently preserve and maintain the conservation quality of the land as part of the National Natural Heritage of the Federal Republic of Germany. The beneficiaries undertake to respect the nature conservation principles set out for the purpose of the contractual agreement and attached as an annex. The beneficiaries have an obligation to the Federal Government to ensure on a long-term basis that the land is used for the

intended purpose of nature conservation. The parcels of land are transferred by:

- concluding a contractual agreement between the beneficiaries of the land, the transferring federal body, the *Land*, and the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety,
- notarising the transfer of land,
- guaranteeing the purpose of the transfer by way of an entry in the land registry (in the case of nature conservation associations and foundations) in the form of a limited personal encumbrance in favour of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.

On 14 December 2011, the Budget Committee of the German Bundestag ruled with regard to the second tranche that, by way of an alternative to transfers of land, land owned by the Institute for Federal Real Estate (*Bundesanstalt für Immobilienaufgaben*, BImA) may also be permanently surrendered to the *Länder* and associations (subject to the assumption of personnel costs and limited liability) through the conclusion of a contractual agreement. This provision also applies to the third tranche of the National Natural Heritage, adopted on 17 June 2015.

#### ***Duration of the entrustment***

The duration of the entrustment is indefinite for all beneficiaries of land, owing to the permanent restriction of use to nature conservation. The entrustment is initially made for a period of 10 years. This time limit is contractually agreed and guaranteed under the provisions of land register law. After expiry of the 10-year deadline, the beneficiary of the land can be entrusted with nature conservation tasks in respect of the same plot of land again.

#### ***Exclusive or special rights***

Exclusive or special rights are not assigned.

#### ***Aid instruments***

Transfer of ownership rights to land without consideration, transfer of land without consideration

#### ***Compensation mechanism***

Cost allocation methodology

Revenues from the performance of SGEIs are offset by costs which the beneficiaries of land have to cover on the land that is transferred or surrendered. This includes all costs incurred in connection with the long-term preservation of the nature conservation quality of the land as part of the National Natural Heritage of the Federal Republic of Germany.

Revenues from commercial (nature conservation) activities on National Natural Heritage sites represent the only opportunity for nature conservation organisations to cover the costs incurred in connection with their conservation obligations. No subsidies are granted for the activities; instead, the subsidy is the fact that the activities may be carried out on land transferred without consideration.

***Arrangements for avoiding and repaying any overcompensation***

If revenues from use of the land (= preservation and development for nature conservation purposes) exceed costs, the balance must be used exclusively for the preservation and improvement of the National Natural Heritage site or, alternatively, must be paid to the Federal Government.

Beneficiaries must submit an annual report showing how the revenues were used.

Further transfers (sales) are subject to the approval of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, and also the approval of the Institute for Federal Real Estate in the event that land is sold by this body. The resulting revenues must be reinvested in the preservation and development of National Natural Heritage sites (if the land remains in the seller's ownership) or the purchase of land of equal or higher value. If this does not happen, the revenues from the sale must be paid to the transferring federal body.

As a State-owned nature conservation organisation, DBU (*Deutsche Bundesstiftung Umwelt*) Naturerbe GmbH, the German Federal Foundation for the Environment: Natural Heritage, has a contractual obligation to use the revenues it generates in connection with meeting conservation objectives exclusively for the preservation and development of National Natural Heritage sites. DBU Naturerbe GmbH issues an annual report about the company's activities, which it submits to the Federal Government.

Land that has been transferred to DBU Naturerbe GmbH may not be transferred further to third parties.

### ***Transparency requirements***

The maximum funding threshold of EUR 15 million is not exceeded by the respective beneficiaries of land.

### ***Amount of aid granted***

The Commission established in its aid decision that the value of the land is difficult to quantify (paragraph 44 of Decision NN 8/2009), and that the revenues which can be drawn from the use of lands are therefore used as a basis in the analysis of the absence of overcompensation in accordance with the SGEI Framework (paragraph 80 of Decision NN 8/2009).

### ***Additional quantitative information:***

Six nature conservation organisations were entrusted with the performance of a service of general economic interest within the framework of the third tranche of the National Natural Heritage scheme. The notarised transfers have been in progress since 2016 and are not yet complete. In one case the land was surrendered.

## **Annex 1**

List of beneficiaries with the area of land transferred in hectares, revenues, expenditure and purpose of use of surpluses, approvals for further transfers, for 2018 and 2019.

The Annex also serves as a report in accordance with paragraph 3.3.2.4 of Decision NN 8/2009.

## **(7) Climate protection**

(Federal Ministry for the Environment, Nature Conservation and Nuclear Safety)

### ***Content of the services of general economic interest***

The entrustment is intended to achieve the following goal: development and provision of interactive digital educational content for children and young people allowing them to discover strategies that could be used to adapt different natural and cultural landscapes in Germany to the regional consequences of climate change and simulate their execution and impacts in the context of a changing climate. The main goal of the



project is to foster evaluation-related and action-related skills in connection with regional climate change, on the basis of an interactive and interdisciplinary approach.

***Forms of entrustment***

The entrustment is made in the form of an administrative deed (grant notice).

There are no standardised templates.

***Duration of the entrustment***

The duration of the entrustment is three years.

***Exclusive or special rights***

No exclusive or special rights were assigned.

***Aid instruments***

Project funding is awarded in the form of a non-repayable grant on an expenditure basis.

***Compensation mechanism***

The net avoided cost methodology is used as a basis.

Prior to project funding, all expenditure required for implementation is calculated and included in a financing plan. Approval of the expenditure required for implementation is based on this financing plan. Grants are only made for expenses that are necessary solely for realisation of the project. The grant may only be used for these expenses that have been specifically recognised as eligible.

***Arrangements for avoiding and repaying any overcompensation***

As a basic principle, grants can only be awarded up to the level of funding approved on an annual basis, and may only be drawn down in so far as they are required immediately after disbursement for payments falling due; they may not be drawn down earlier. A brief interim report on execution and the current status of the project must be submitted on an annual basis. A final report/statement of expenditure must be submitted no later than six months after the end of the project or after achievement of the purpose of the grant. This comprises a substantive report and numerical evidence. The substantive report must contain a detailed statement of expenditure and details of the result achieved, as well as information concerning the most important headings of the numerical evidence. The numerical evidence must include details of revenues and expenditures in chronological order and broken down in accordance with the structure of the financing plan. The evidence must include all revenues associated with the

purpose of the grant. A tabular overview of the separate supporting documents containing details of the expenditure, broken down by type and chronological sequence, must also be enclosed. If no approval has been issued for individual expenses or if payments cannot be clearly assigned to the project, this will be contested as part of the checks of statements of expenditure, and the corresponding funds will be reclaimed.

***Transparency requirements***

Not applicable.

***Amount of aid granted***

Total amount of aid granted (in million EUR)	
<b>2018</b>	<b>2019</b>
	EUR 0.7 million
Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
	EUR 0.7 million
Additional quantitative information	
<b>2018</b>	<b>2019</b>
	Number of beneficiaries: 1

## **(8) DeFa GmbH**

(Federal Ministry of Health)

The German Agency for International Healthcare Professionals (*Deutsche Fachkräfteagentur für Gesundheits-und Pflegeberufe GmbH*, DeFa), which is wholly State-owned (Saarland), supports the recruitment of healthcare professionals from third countries.

### ***Content of the services of general economic interest***

There is a shortage of healthcare professionals in the Federal Republic of Germany, which means that it is necessary to carry out recruitment measures in third countries. Recruiters and recruitment agencies are not able to meet demand to the necessary extent, and the process is too slow (lasting up to two years in some cases); in addition, demand will only intensify in future. The complex administrative procedure has proven to be a particular problem, and gives rise to significant delays, for example as a result of incomplete visa applications and lack of certainty about whether professional qualifications are equivalent. The process must be accelerated in the interests of the health system; this can only be achieved by bundling together comparable cases and carrying out preliminary assessments of applications. This is not financially viable for recruitment agencies, and hence it has not happened to date. This constitutes a market failure in respect of an activity in the public interest.

DeFa GmbH consolidates all of the application procedures associated with the recruitment of international healthcare professionals that were previously carried out directly by hospitals, nursing homes, other healthcare facilities and recruitment agencies. It carries out preliminary checks of all the necessary applications and documents before forwarding them to the authorities, with the goal of ensuring that healthcare professionals can enter the country three to four months after applying for a visa. In particular,

- the process of checking whether professional qualifications are equivalent (a task carried out by the recognition authorities in the *Länder*) is accelerated by combining applicants with comparable qualifications into single recognition procedures, and providing supplementary sample findings of shortcomings (based on expert opinions) for certain typical qualifications. The documents

forwarded by DeFa GmbH to the recognition authorities for processing are complete and have undergone preliminary checks; they are supplemented by a list of the shortcomings to be overcome and evidence that a training place will be available after entering the country (conversion course/preparation for an assessment test). This ensures that better and more effective use is made of the opportunities available under the Skilled Workers Immigration Act (*Fachkräfteeinwanderungsgesetz*) and the various recognition options (delivery of conversion courses/assessment tests to multiple candidates),

- the visa applications submitted by the healthcare professionals undergo preliminary checks, which minimises the effort required on the part of the visa authorities in terms of processing and checking the applications.

By carrying out these activities, the primary role of DeFa GmbH is to carry out and accelerate complex and multi-layered administrative procedures, thereby relieving the burden on the German authorities that are involved. DeFa GmbH does not itself act as a recruitment agency; instead, it bundles applications forwarded by various agencies on the basis of objective criteria, delivering a cross-provider service that is not performed by the market.

This core process implemented by DeFa GmbH is supplemented by a procedure for awarding the quality seal 'DeFa Partner with Certified Quality'. A list of criteria that sets out specific requirements in terms of the quality and integrity of recruiting activities, agreed with the Federal Ministry of Health, serves as a key basis for this process.

The services provided by DeFa GmbH can be utilised by any legal or natural person wishing to recruit healthcare professionals. This applies in particular to recruitment agencies that recruit healthcare professionals from abroad and wish to benefit from the bundling of their recruitment procedures with those of other providers or recruiting institutions, by a non-competitive organisation. A process management fee of EUR 350 per individual case or per healthcare professional recruited is levied from the German authorities for assistance with the administrative processes.

#### ***Forms of entrustment***

Funding notice ZMVI1-2519PIA400 issued by the Federal Office of Administration on 19 November 2019 (Annex 1) is also an entrustment act within the meaning of Article 4 of the SGEI Exemption Decision, and refers to this latter. As the beneficiary, DeFa

GmbH is accordingly entrusted with the performance of SGEIs by means of the funding notice.

***Duration of the entrustment***

The duration of the entrustment (= project term) is four years (2019-2023).

***Exclusive or special rights***

No exclusive or special rights are assigned to DeFa GmbH.

***Aid instruments***

The grant awarded falls under the heading of shortfall financing (Annex 1).

***Compensation mechanism***

Section II of the entrustment act refers to the financing plan (which applies on a binding basis) for further details of the calculation of compensation (Annex 2).

As regards the monitoring of compensation in the form of approved funding, Section V.14 of the entrustment act obliges the beneficiary to list revenues and expenditures relating to the SGEIs separately from all other activities. To this end, compensation in the form of approved funding must be administered in a separate project account. Furthermore, all expenses actually incurred in connection with performance of the SGEIs must be proven by means of HR records and other supporting documents. This ensures that the funding made available is in fact used exclusively to provide the SGEIs or to achieve the defined targets.

***Arrangements for avoiding and repaying any overcompensation***

Measures for avoiding and recovering overcompensation payments are given due regard in the rules (Sections I.A, V.12 and V.12 of the entrustment act). A claim for repayment can be made if the funding is not used for the intended purpose; funding which is not disbursed cannot be transferred to later financial years, and instead expires. Furthermore, priority must be given to use of the own resources and other resources to be contributed according to the financing plan. Excessive or unplanned revenues earned in connection with the project must be used to cover the costs of the project, thereby in principle reducing the level of the approved grant. Any interest earned on the amounts awarded as a grant must be repaid.

Furthermore, evidence of all expenses incurred must be provided to the funding authority by means of supporting documents and time records. The correctness,

reasonableness and appropriate use of the compensation payments are examined in detail when the interim or full statements of expenditure that must be submitted are checked.

**Transparency requirements**

Funding is not granted in this amount.

**Amount of aid granted**

Total amount of aid granted (in million EUR)	
<b>2018</b>	<b>2019</b>
	0.308 (or EUR 308 686.00)
Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
	0.308 (or EUR 308 686.00)
Share of expenditure per aid instrument	
<b>2018</b>	<b>2019</b>
	The funding was granted as shortfall financing

**3. Description of the application of the SGEI Framework of 2012**

Reference should be made to annexes with details of major nature conservation projects.

**4. Complaints by third parties**

A complaint was submitted to the European Commission concerning alleged payments of State aid to DeFa GmbH (SA.55992 (2020/FC) – Germany). The Federal Government forwarded an opinion to the European Commission on 24 April 2020, which was within the stated deadline. The proceedings are still in progress.

**5. Miscellaneous questions**

Not specified

The SGEI Decision at federal level		Total amount for the Federal Government	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services	EUR 26 846 079.07	EUR 45 819 678.26
Article 2(1)(c)	Health and long-term care	EUR 46 266 993.64	EUR 55 271 984.21
	Childcare		
	Access to and reintegration into the labour market	EUR 11 886 820.15	EUR 4 576 909.67
	Access to and reintegration into the labour market		
	Social housing		
	Care and social inclusion of vulnerable groups	EUR 8 277 087.73	EUR 8 980 344.66
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy	EUR 13 443 868.50	EUR 17 393 645.00
	Waste collection		
	Water supply		
	Culture		
	Financial services		
	Other sectors	EUR 49 100 550	EUR 60 695 699.60

Note: As regards figures for the National Natural Heritage programme (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety), reference should be made to the Annex Federal Government (Federal Ministry for the Environment, Nature Conservation and Nuclear Safety) – SGEI Decision NNE Annex 1 NN8\_2009.



The SGEI Framework at federal level	Total amount for the Federal Government	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors	EUR 7 345 460.52	EUR 6 205 438.79

Innovation Committee within the Federal Joint Committee, Postfach 12 06 06, 10596 Berlin

Name, address and contact person for the beneficiary

**Visitors' address:**  
Gutenbergstraße 13  
10587 Berlin

Contact person within the DLR Project Management Agency: **WM**

**Tel.:**  
+49 228 3821-xxx / 30 67055-xxx

**Fax:**  
+49 228 3821-1257

**Email:**  
**n.n**@dlr.de

**Date:**  
**DD MM YYYY**

## Funding notice

Funding under the Innovation Fund for projects that promote new forms of healthcare provision (Section 92a(1) of Volume V of the Social Code) for the project:

'**Acronym – project title**' Funding  
code: 01NVFYXXXX

Implementing entity: **Name of the implementing entity**

Project manager: **\*Title first name last name**

Your application received on **DD MM YYYY** in the version dated **DD MM YYYY**  
together with all correspondence relevant to the notice  
Approval of the early commencement of measures on **DD. MM YYYY**

Dear Sir/Madam/Dr/Professor **Name**,

The following funding notice constitutes an award under the Innovation Fund on the basis of a decision by the Innovation Committee dated 16 October 2019 for the following project. This funding notice also represents an entrustment act within the meaning of the SGEI Exemption Decision as set out below.

### I. Entrustment

Pursuant to the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11 January 2012, p. 3, 'SGEI Exemption Decision'), the compatibility with the internal market of the compensation of costs incurred by an undertaking in performance

of services of general economic interest (SGEIs) presupposes, among other things, a duly issued entrustment act within the meaning of Article 4 of the SGEI Exemption Decision.

It is hereby confirmed that implementation by **name of the beneficiary** of the project entitled '**Acronym – project title**' constitutes a service of general economic interest. The project contributes to the further development of healthcare provision in the statutory health insurance sector pursuant to Section 92a(1) of Volume V of the Social Code. This funding notice entrusts the **name of the beneficiary** with performance of the service in accordance with the application received on **DD MM YYYY** **in the version dated DD MM YYYY with the above supplements** in the funding period from **DD MM YYYY** until **DD MM YYYY**.

#### Acronym

Funding code: **01NVFJJXXX** Notice dated **DD. MM YYYY**

The provisions of the General Ancillary Conditions for Grants under the Innovation Fund (Annex N) set out the arrangements for the monitoring of compensation in the form of approved funding and any amendments to this compensation. The outcome of the compensation calculations **is set out in the financing plan (Annex F)/will be set out in an amendment notice once the revised financing plan requested pursuant to Section III. 2 has been reviewed**. Use of the approved funding must not exceed what is necessary to cover the expenditure incurred in performance of the public service obligation. Reference should be made to Section 3 of the General Ancillary Conditions for Grants under the Innovation Fund in this connection.

The provisions of Sections 7 and 14 of the General Ancillary Conditions for Grants under the Innovation Fund regulate the monitoring and avoidance of potential overcompensation payments. Section 19 of the General Ancillary Conditions for Grants under the Innovation Fund regulates the recovery of payments.

**These provisions also apply to consortium partners in the event that portions of the funding are transferred onwards.**

## II. Purpose of funding, scope of funding and payment plan

On the basis of your application received on **DD. MM YYYY** **(in the version with the above supplements)**, the following funding has been approved pursuant to Section 92a(1) of Volume V of the Social Code and the Rules of Procedure of the Innovation Committee of the Federal Joint Committee for the period

from **DD. MM YYYY** until **DD MM YYYY** (funding period):

#### **if full financing applies:**

on the basis of **full financing**, a non-repayable amount of

up to **EUR 0.00**  
(in words: **euro amount in hyphenated words**),

whereby the amount must not exceed the eligible expenses.

#### **if shortfall financing applies:**

on the basis of **shortfall financing**, a non-repayable amount of

up to **EUR 0.00**  
(in words: **euro amount in hyphenated words**).

**provided that the eligible expenses cannot be covered by own resources or third-party**

resources.

***if fixed amount financing applies:***

on the basis of **fixed amount financing**, a non-repayable amount of

up to **EUR 0.00**

(in words: **euro amount in hyphenated words**).

as a fixed contribution to the eligible expenses of **EUR 0.00**.

***if proportionate financing applies:***

on the basis of **proportionate financing**, a non-repayable amount of **0.00%** of the eligible expenses/eligible definable partial expenses that cannot be otherwise financed from own resources or third-party resources, amounting to

up to **EUR 0.00**

(in words: **euro amount in hyphenated words**).

The funding is granted for a specific purpose and may only be used for the expenses incurred during the funding period for the above-mentioned project.

The approval is granted on the assumption that the overall financing of the project is guaranteed.

Upon request by the beneficiary, the letter dated **DD. MM YYYY** approved an early commencement of measures from **DD. MM YYYY** onwards.

The financing plan enclosed as Annex F/financing plan including the partial financing plan/financing plan including the partial financing plans and list of investments (Annex I) form(s) a binding part of the funding notice.

The difference of **EUR 0.00** between the approved funding and the stated total amount in the revised financing plan has been included under the heading 'Material expenses (Other material expenses)'. Section III. **xy** must be observed.

In the **(partial) financing plan** of **name of consortium leader/consortium partner**, funds for **xxx** in the amount of **EUR 0.00** have been moved from heading **xxx** to heading **xxx**.

### **III. Ancillary conditions**

**The enclosed General Ancillary Conditions for Grants under the Innovation Fund published by the Innovation Committee of the Joint Federal Committee (Annex N) and the special ancillary conditions set out below form an integral part of this funding notice:**

#### **1. Entrusted undertaking\***

As an entrusted undertaking in accordance with Section I of this funding notice, the beneficiary must list expenses and revenues relating to the SGEIs separately from those relating to all other activities. To this end, compensation in the form of approved funding must be administered in a separate project account. Furthermore, all expenses actually incurred in connection with performance of the SGEIs must be proven by means of HR records and other supporting documents.

## 2. Condition precedent for the funding notice\*

### *if a suspensory condition applies:*

The funding is approved with a suspensory condition (Section 32(2)(2) of Volume X of the Social Code). The suspensory condition is met if the following documents are submitted in agreement with the DLR Project Management Agency, and if checks of the documents result in a positive outcome.

*(Please provide further details together with references to the document or the obligation to provide evidence – see the following examples)*

\* Applies to all consortium partners pursuant to Section 4 sentence 3/sentence 4.

- Submission of a revised financing plan for both the consortium leader and the consortium partner(s), including explanations and the basis for the calculations,
- Submission of an updated spreadsheet (Annex 4 to the project description). The following must be observed:  
Comprehensive details of the intended use of the funding applied for must be provided on the spreadsheet. It must be possible for third parties to understand and follow the information provided without undertaking further research. Where necessary, additional spreadsheets should be provided for the purpose of supplying explanations or justifications for individual expenses. The financing plan must clearly indicate the different amounts that will be spent. The calculation methodology followed must be made clear by using formulas and (where applicable) an extra spreadsheet for additional calculations. In the event that the expenses incurred in connection with healthcare services include investments, these must be broken down in a transparent manner. *[Where applicable: An explanation of why the service cannot be funded using the normal source of financing must also be provided for each service.] [If a conversion into price/service has not been carried out, but would be useful for technical reasons: An explanation of why a conversion into price/service would not be meaningful must also be provided.]* Expenses incurred in connection with healthcare services are only eligible if the healthcare services provided are also subject to scientific supervision and evaluation.
- Submission of an opinion regarding the legislative provisions on which the new form of healthcare provision should be based *(If necessary, provide further details of why the previous information concerning the legal basis is not adequate)*.
- Submission of a more detailed evaluation concept, including a graphical representation of the trial (e.g. CONSORT flowchart), signed by the methodologist responsible. In particular, further details of the methodology, the intervention and control group and case number planning must be provided. Where applicable, additional project-specific details from the notification letter.
- Where applicable, additional project-specific list from the notification letter.
- Submission of an updated and more detailed schedule describing how the required number of cases will be achieved, based on the enclosed template (Annex P).
- Submission of credit rating documents for the consortium leader/the consortium partner, name.
- Submission of a declaration of consent by the consortium leader and the consortium partner(s) name concerning the merging of their applications on the grounds that both/all belong to the same institution. The funds applied for by the consortium partner(s) should then be incorporated into the application submitted by the consortium leader.
- Submission of a project overview based on the enclosed template (Annex Ü).
- Where applicable, additional project-specific list from the notification letter.

The documents must be signed on a legally binding basis and forwarded to the DLR Project Management Agency by DD.MM.YYYY at the latest. This funding notice will only take effect once the aforesaid documents have been checked by the funding authority and it has been confirmed that the checks delivered a positive outcome. A corresponding amendment decision will be issued to this effect. The funding notice may not come into effect until after the planned commencement of the project term on DD.MM.YYYY. An application (with a legally binding signature) must be submitted to postpone the commencement of the term.

***if a suspensory condition applies:***

The funding is approved with the suspensory condition (Section 32(2)(2) of Volume X of the Social Code) that **by DD.MM.YYYY at the latest...** *(provide further details with a reference to the document or the obligation to supply evidence)*

The documents must be signed on a legally binding basis and forwarded to the DLR Project Management Agency. This funding notice will cease to be valid if the documents are not available in their entirety by the above deadline.

### **3. Milestone plan**

The beneficiary must submit a milestone plan for the project in accordance with the enclosed template (Annex M) by **DD.MM.YYYY**.

The milestone plan should typically include at least one relevant milestone for each quarter of the project term. An up-to-date Gantt chart for work planning and scheduling must be presented together with the milestone plan. The milestone plan, the Gantt chart and the schedule describing how the required number of cases will be achieved must correspond to each other without any discrepancies. In the Gantt chart, the quarters must correspond to the years of the project term in order to make it easier to determine whether progress has been made with the project and whether milestones have been achieved.

*Applies if reference is made to submission of a final report:*

The **final report** is included as a **task/as a milestone/as a task and a milestone** in the preceding work plan, schedule and milestone plan. The final report and the statement of expenditure only need to be submitted to the DLR Project Management Agency after the end of the project. Under certain circumstances, the listed report may not therefore form part of the work plan, schedule and milestone plan. This must be taken into account when adapting the documents.

*Applies if no revision is required:*

The template enclosed as Annex M should be used to update the milestone plan that is currently valid.

### **4. Project overview sheet**

*Applies if the project overview sheet has already been submitted:*

The template enclosed as Annex Ü should be used to update the project overview sheet that is currently valid.

*Applies if the funding notice has no suspensory condition and the project overview sheet has not yet been submitted:*

A project overview must be submitted together with the first status report, using the template enclosed as Annex Ü.

### **5. Transfers**

The beneficiary is authorised to transfer portions of the funding onwards **to the consortium partner(s) referred to in the financing plan (Annex F)/to the consortium partners referred to in the above application with the above supplements**. *Applies in the event of a planned merger of the consortium partner application and the consortium leader application:* Section III. 2 of this funding notice must also be observed in respect of the planned consortium partners.

The provisions of Section 1 of the General Ancillary Conditions for Grants under the Innovation Fund and Annex W must be observed. The ancillary conditions marked with an asterisk in this funding notice apply on a binding basis to all consortium partners affected.

## 6. Block on funding\*

A total of **EUR 0.00** is blocked under the following heading(s) of the financing plan:

Personnel expenses:

**EUR 0.00**

Funding of **EUR 0.00** for all items/items X are blocked on the grounds of **missing explanations/missing calculations/missing descriptions of activities/ ...**. To unblock the funding, an informal application, signed in a legally binding manner, with explanations/calculations/descriptions of activities/... for the aforesaid items, must be submitted for review.

Material expenses (healthcare services/orders placed with third parties/travel/other material expenses/flat-rate infrastructure fee): **EUR 0.00**

Funding of **EUR 0.00** for ... is blocked on the grounds of missing explanations/missing calculations/.... To unblock the funding, an informal application, signed in a legally binding manner, with explanations/calculations/... for the aforesaid items, must be submitted for review.

*Example of flat-rate infrastructure fee:* Funding for the flat-rate infrastructure fee is blocked by way of analogy to the aforementioned personnel expenses. To unblock the funding, an informal application, signed in a legally binding manner, with explanations for the aforesaid personnel expenses, must be submitted for review.

Investments:

**EUR 0.00**

Funding in the amount of **EUR 0.00** for ... is blocked on the grounds of missing explanations/missing calculations/.... To unblock the funding, an informal application, signed in a legally binding manner, with explanations/calculations/... for the aforesaid items, must be submitted for review.

Transfers (name of the consortium partner):

**EUR 0.00**

The blocked funding relates to the following heading(s) of the partial financing plan:

***See above for a description of the blocks on funding for each individual heading; where applicable, meaningful summary***

Funding cannot be disbursed under the Innovation Fund if it is blocked. Sections affected by the block cannot be swapped for other headings of the financing plan. The funding authority reserves the right to reduce funding or terminate the project. Once a check has been carried out with a positive outcome, a decision will be taken to unblock the funds and a written amendment notice will be issued.

In the event of a transfer, the application for unblocking of the funds must be submitted by the consortium leader.

## 7. E-health solutions/telemedicine\*

Pursuant to Section 291d of Volume V of the Social Code, the relevant specifications must be observed when using IT systems; in particular, open interfaces and interoperability must be guaranteed. When electronic applications are used, the provisions of Section 291e(10) of Volume V of the Social Code concerning the interoperability registry must be taken into account.

gematik has issued binding stipulations concerning secure procedures for the forwarding of medical documents using the telematics infrastructure pursuant to Section 291b(1e) of Volume V of the Social Code (<https://fachportal.gematik.de/spezifikationen/sichere-uebermittlungsverfahren/>). The beneficiary must check whether the project is affected and make any adjustments required.

When additional electronic healthcare sector applications that go beyond the applications of the electronic health card and health research are used, the requirements set out in Section 291a(7)



sentence 3 of Volume V of the Social Code and gematik's conditions for use pursuant to Section 291b(1b) sentence 3 of Volume V of the Social Code must also be observed (cf. the gematik homepage:

[https://fachportal.gematik.de/fileadmin/user\\_upload/fachportal/files/Spezifikationen/Weitere-Anwendungen/gemRL\\_NvTlwA\\_V1.3.0.pdf](https://fachportal.gematik.de/fileadmin/user_upload/fachportal/files/Spezifikationen/Weitere-Anwendungen/gemRL_NvTlwA_V1.3.0.pdf)). The confirmation procedure carried out by gematik pursuant to Section 291b(1b) sentence 4 of Volume V of the Social Code must be completed at the latest by the project start date.

## 8. Data protection\*

The legal framework for the processing of personal patient data, which is based in particular on the provisions of the General Data Protection Regulation, the Federal Data Protection Act (*Bundesdatenschutzgesetz*, BDSG), Volume V of the Social Code and Volume X of the Social Code, must be observed. In case of doubt, the bodies responsible for data protection must be involved.

## 9. Ethical guidelines\*

When studies on humans are carried out and/or samples of human origin are obtained or used within the framework of this project, the recommendations set out in the Declaration of Helsinki and the guidelines of the CIOMS (Council for International Organizations of Medical Sciences) and the WHO (World Health Organization): 'Proposed International Guidelines For Biomedical Research Involving Human Subjects' must be observed in their currently valid version.

## 10. Ethics committee vote\*

A unanimous positive vote by the competent ethics committee is required before studies on humans are carried out and/or samples of human origin are obtained or used. If the committee does not believe that a vote is necessary, it must issue a declaration to this effect.

## 11. Right of withdrawal\*

If any of the following applies, this notice can be withdrawn and the funding terminated in whole or in part (right of withdrawal pursuant to Section 32(2)(3) in conjunction with Section 47(1)(1) of Volume X of the Social Code):

- the purpose of the funding cannot be achieved,
- a block has been placed on funding for individual sections of the financing plan,
- the undertaking fails to submit evidence in good time or fails to submit complete evidence,
- other compelling reasons are present.

## 12. Statement of expenditure\*

The provisions of Section 14 of the General Ancillary Conditions for Grants under the Innovation Fund apply to statements of expenditure. The corresponding templates will be made available to the beneficiary at the relevant points in time. The template provided as Annex B must be used for the list of supporting documents.

## 13. *if informative and signed letters of intent are not yet available and provision has been made for cooperation with external cooperation partner(s) without own funding: Cooperation with external cooperation partners without own funding\**

*Single:* An informative letter of intent must be submitted for the following external cooperation partner, whose participation is essential for the success of the project; the letter of intent must be submitted by **DD.MM.YYYY** and signed by the person responsible for cooperation:

- Name of the external cooperation partner

*Multiple:* Informative letters of intent must be submitted for the following external cooperation partners, whose participation is essential for the success of the project; the letters of intent must be submitted by **DD.MM.YYYY** and signed by the person responsible for cooperation:

- name of the external cooperation partner,
- name of the external cooperation partner.



#### 14. Project events

The funding authority must be provided with information about or invitations to important dates or events, newsletters etc. Details of the nature, scope and success of the measures carried out must be provided at any time upon request.

#### 15. Disbursement of funding

Funding will be disbursed in accordance with Section 7 of the General Ancillary Conditions for Grants under the Innovation Fund upon request by the beneficiary. Project-related eligible expenditure incurred after the funding start date can be submitted at a later date for settlement together with the payment request.

Funding can only be disbursed if the funding notice has entered into force once the period for lodging an appeal has expired or if the beneficiary has expressly waived the right to lodge an appeal (template provided as Annex E), **and** if confirmation of receipt (template provided as Annex E) has been received **and the condition for effectiveness of the funding notice in line with Section III. 2 of this funding notice has been met.**

*For information purposes in projects without a suspensory condition, for which a payment request can be submitted:* Pursuant to Section 7(1) sentence 2 of the General Ancillary Conditions for Grants under the Innovation Fund, the first payment request can be submitted no later than **DD. MM.YYYY**. The payment request must be submitted on the last day of the month following the start of the quarter, in each case for the current quarter.

When a payment request is drafted, the template set out in Annex Z must be used and account must be taken of Annex H. The template provided as Annex S must be used for the status report to be submitted together with the payment request (see Section 7 of the General Ancillary Conditions for Grants under the Innovation Fund).

**In addition, a report on the current achievement of case numbers under the project must be submitted with each payment request, using the template provided as Annex P.**

**Consortium partners use the template provided as Annex K to request funding from the consortium leader.**

#### 16. Repayments

Repayments of funding and (where applicable) interest must be transferred to the following bank account, specifying the reference code 01NVF **JJXXX**:

Account holder:	Federal Joint Committee
Bank:	Deutsche Apotheker-und Ärztebank eG IBAN:
	DE69 3006 0601 0004 2118 20
BIC:	DAAEDEDXXX

#### 17. Commissioning of a project management agency

At present, the DLR Project Management Agency is commissioned as the project management agency for the Innovation Committee of the Federal Joint Committee; as such, it is responsible for processing project funding under the Innovation Fund.

All transactions relating to the execution and processing of the project must be forwarded to the project management agency:

DLR Project Management Agency  
– Health sector –  
Heinrich-Konen-Str. 1  
53227 Bonn

Technical support:

Last name (WM)

Tel.: +49 228 3821-XXXX / 30 67055-XXX

Email: [name.WM@dlr.de](mailto:name.WM@dlr.de)

Administrative support:

Last name (SB)

Tel.: +49 228 3821-XXXX / 30 67055-XXX

Email: [name.SB@dlr.de](mailto:name.SB@dlr.de)

A **copy** of the notice will be forwarded to the project manager [and the administrative contact](#) by email.

Yours faithfully,

Prof. Josef Hecken

This notice was created electronically and is valid without an original signature.

<b>Annexes:</b>	-General Ancillary Conditions for Grants under the Innovation Fund published by the Innovation Committee of the Joint Federal Committee, last updated August 2018	Annex N
	-Confirmation of receipt and waiver of the right to lodge an appeal	Annex E
	- <a href="#">Financing plan including partial financial plan/including partial financing plans</a>	<a href="#">Annex F</a>
	- <a href="#">List of investments</a>	<a href="#">Annex I</a>
	-Template for a payment request ( <a href="#">on a preliminary basis, for information</a> )	Annex Z
	-Guidance on completion of the payment request ( <a href="#">on a preliminary basis, for information</a> )	Annex H
	-Template for a status report for the payment request ( <a href="#">on a preliminary basis, for information</a> )	Annex S
	- <a href="#">Template of a schedule for achievement of the required number of cases</a>	<a href="#">Annex P</a>
	-Template for a milestone plan	Annex M
	-Template for a project overview sheet	Annex Ü
	-Template for a list of supporting documents as an annex to the statement of expenditure	Annex B
	- <a href="#">Template for a transfer agreement</a>	<a href="#">Annex W</a>
	- <a href="#">Template for a payment request for a consortium partner (on a preliminary basis, for information)/templates for payment requests for consortium partners</a>	<a href="#">Annex K</a>
	-Logo of the Innovation Committee of the Joint Federal Committee (by email)	Annex L
	-Guidance on use of the logo of the Innovation Committee of the Joint Federal Committee	Annex LH

#### Right to lodge an appeal

An appeal can be lodged against this funding notice within one month of its notification; appeals should be submitted to the Higher Social Court of Berlin-Brandenburg, Försterweg 2-6, 14482 Potsdam, either in writing or taken down by the registrar of the court registry. In accordance with the provisions of the Regulation on electronic legal correspondence in the *Land* of Brandenburg

of 14 June 2006 (Gazette of Laws and Ordinances II/06, [No 33], p. 558), in the version of 19 December 2017 (Gazette of Laws and Ordinances II/17, [No 73]), the appeal can also be submitted using a qualified electronic signature in electronic form to the electronic mailbox of the Higher Social Court of Berlin-Brandenburg via the communication channels referred to on the webpage [www.erv.brandenburg.de](http://www.erv.brandenburg.de).

# Transfer agreement

regarding transfers of funding granted by the Innovation Committee of the Federal Joint Committee

Last updated: October 2019

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Section 14	Entry into force

## Annexes

- Annex 1 – Copy of the funding notice of \_\_\_\_\_
- Annex 2 – General Ancillary Conditions for Grants under the Innovation Fund published by the Innovation Committee of the Joint Federal Committee, last updated: August 2018
- Annex 3 – Work plan in line with the project application submitted by the consortium leader of \_\_\_\_\_
- Annex 4 – Partial financing plan of the consortium partner
- *where applicable*: Annex 4a -List of investments
- Annex 5 – Template for a payment request for consortium partners with guidance on completing the payment request
- Annex 6 – Template for a list of supporting documents as an annex to the statement of expenditure
- 

## Preamble

The consortium leader was granted approval in the funding notice issued by the Innovation Committee of the Federal Joint Committee (funding authority) of \_\_\_\_\_, funding code \_\_\_\_\_, for funding of EUR\_. The funding will be granted for a specific purpose and in accordance with the consortium leader's project application of \_\_\_\_\_ for the project '\_\_\_\_\_  
\_\_\_\_\_'.  
\_\_\_\_\_.

The funding notice contains an authorisation to transfer a portion of the funding to the consortium partners involved.

On this basis, the

[LEGALLY BINDING NAME AND ADDRESS]

consortium leader

and

[LEGALLY BINDING NAME AND ADDRESS]

consortium partner

conclude the following transfer agreement with the code\_\_\_\_\_:

## **Section 1**

### **Object of the agreement**

- (1) The object of the agreement is the transfer by the consortium leader of the funding issued by the funding authority to the consortium partner on the basis of the funding notice of \_\_\_\_\_ concerning the implementation of the project ' \_\_\_\_\_ ' with the funding code \_\_\_\_\_.
- (2) The contracting parties will implement the aforesaid project in such a way that the schedules and work plans outlined in the project application can be observed.

## **Section 2**

### **Funding period**

- (1) The transfer agreement is valid for the period from \_\_\_\_\_ to \_\_\_\_\_ (funding period).
- (2) Funding may only be claimed for the expenses incurred in connection with the project during the funding period.

## **Section 3**

### **Entrustment**

- (1) Pursuant to the Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11 January 2012, p. 3, 'SGEI Exemption Decision'), the compatibility with the internal market of the compensation of costs incurred by an undertaking in connection with the performance of services of general economic interest (SGEIs) presupposes, among other things, a duly issued entrustment act within the meaning of Article 4 of the SGEI Exemption Decision.
- (2) Implementation of the consortium leader's project entitled ' \_\_\_\_\_ ' constitutes a service of general economic interest. The project contributes to the further development of healthcare provision in the statutory health insurance sector pursuant to Section 92a(1) of Volume V of the Social Code. The funding notice dated \_\_\_\_\_ entrusted the consortium leader with the provision of this service in accordance with the application of \_\_\_\_\_ in the version of \_\_\_\_\_ during the period from \_\_\_\_\_ to \_\_\_\_\_.
- (3) The provisions of the General Ancillary Conditions for Grants under the Innovation Fund (Annex 2) set out the arrangements for the monitoring of compensation in the form of approved funding and any amendments to this compensation. The outcome of the compensation calculations is recorded in the financing plan enclosed with the funding notice. Use of the approved funding must not exceed what is necessary to cover the expenditure incurred in connection with performance of the public service obligation. Reference should be made to Section 3 of the General Ancillary Conditions for Grants under the Innovation Fund in this connection.

The provisions of Sections 7 and 14 of the General Ancillary Conditions for Grants under the Innovation Fund regulate the monitoring and avoidance of potential overcompensation payments. Section 19 of the General Ancillary Conditions for Grants under the Innovation Fund regulates the recovery of payments.

- (4) These provisions apply equally to the consortium partner.
- (5)

## **Section 4**

### **Funding type and level of funding**

- (1) The consortium partner's funding is non-repayable and is granted as [FULL FINANCING/SHORTFALL FINANCING/FIXED AMOUNT FINANCING/PROPORTIONATE FINANCING see partial financing plan]. Eligible expenditure may be charged against the funding up to the maximum amount.

- (2) **The maximum funding amount is**

\_\_\_\_\_euro

**(in words:** \_\_\_\_\_euro).

- (3) The funding is granted for a specific purpose; it may only be used for the project referred to in Section 1 in accordance with the consortium leader's application of \_\_\_\_\_including any supplements and the enclosed partial financing plan.

Funding may only be claimed for the expenses incurred in connection with the project during the funding period pursuant to Section 2(1).

## **Section 5**

### **Statement of expenditure, right of inspection**

- (1) The consortium partner is obliged to provide the consortium leader with a statement of revenues and expenditure. The consortium partner submits evidence in accordance with Sections 1.4 and 14 of the General Ancillary Conditions for Grants under the Innovation Fund.
- (2) The consortium leader is entitled to supervise the implementation of the project by the consortium partner and the use of the transferred funding for the intended purpose. Similarly, the funding authority, the authorised project management agency, the supervisory authorities of the funding authority and the auditor engaged by the funding authority are entitled to request books, supporting documents and other business records from the consortium partner and to inspect the use of funding by means of on-site visits or to arrange for such inspections to be carried out by authorised representatives. The consortium partner must keep the necessary documents available and supply any information required. The retention periods pursuant to Section 14.3 of the General Ancillary Conditions for Grants under the Innovation Fund apply.

## **Section 6**

### **Rights of use**

- (1) The consortium partner retains the exclusive rights to use the outcomes of the project referred to in Section 1(1). The consortium leader and consortium partner will conclude an agreement concerning the use of the project outcomes and their exploitation by the consortium partner and consortium leader, even after the expiry of this contract. In addition, the provisions of Section 16 of the General Ancillary Conditions for Grants under the Innovation Fund apply.

## **Section 7**

### **Termination**

- (1) The consortium leader and consortium partner are entitled to terminate the agreement

at any time for good cause.

- (2) In particular, a good cause will be deemed to be present if the conditions that must be met in order to conclude an agreement no longer apply.
- (3) Termination of the transfer agreement requires prior written consent by the funding authority.
- (4) In the event of termination, a report must immediately be submitted on the work outcomes achieved, and evidence of the expenses incurred must be supplied. The consortium leader reserves the right to request additional documents.

## **Section 8**

### **Withdrawal and reimbursement of funding, interest**

- (1) The consortium leader is entitled to withdraw from the agreement and may request reimbursement of the funding if:
  - the agreement was concluded on the basis of incorrect or incomplete information supplied by the consortium partner, if said information is of material importance for the agreement,
  - the funding is not or is no longer used for the intended purpose,
  - the expenditure is subsequently reduced or the funding has been modified pursuant to Section 4 of the General Ancillary Conditions for Grants under the Innovation Fund,
  - the funding is not used immediately after disbursement to fulfil the funding objective. Pursuant to Section 7 of the General Ancillary Conditions for Grants under the Innovation Fund, no interest will be charged,
  - the consortium partner does not discharge the obligations arising under this agreement or does not discharge them within a specified deadline; in particular, does not submit the prescribed statement of expenditure or does not do so in good time, or does not meet requirements or does not meet them within a specified deadline,
  - the funding notice becomes invalid on the grounds of failure to fulfil a suspensory condition or the occurrence of a condition subsequent.
- (2) Withdrawal from the transfer agreement requires prior written consent by the funding authority.
- (3) The consortium leader is entitled to assign this reimbursement claim to the funding authority. Interest is charged on the basis of Section 19 of the General Ancillary Conditions for Grants under the Innovation Fund.
- (4) If the circumstances resulting in application of the right of withdrawal are not attributable to the consortium partner, and if the funding is repaid within the deadline specified by the consortium leader, the consortium partner can plead that the demand for interest is unreasonable.



## **Section 9**

### **Repayment**

- (1) The consortium leader is entitled to demand cash reimbursements on a preliminary basis of funding disbursed upon request if it is not used by the consortium partner in a timely manner.
- (2) Funding to be reimbursed and overpayments identified after completion of the project must be transferred by the consortium partner immediately and without further request to the consortium leader, specifying the contract number. The transfer must be made to the following account:

Account holder: \_\_\_\_\_  
Bank: \_\_\_\_\_  
IBAN: \_\_\_\_\_

- (3) The interest to be paid at an annual rate of five percentage points above the base interest rate (Section 50(2a) sentence 1 of Volume X of the Social Code) must be transferred to the aforementioned account of the consortium leader, specifying the contract number.

## **Section 10**

### **Integral parts of the agreement**

- (1) The integral parts of this transfer agreement in the currently applicable version are as follows:
  - The funding notice of \_\_\_\_\_ (Annex 1).  
Depending on their content, the conditions set out in the funding notice that apply to the consortium leader will become an integral part of the agreement and apply to the consortium partner, provided that their nature and subject matter are also relevant to the consortium partner. The consortium partner undertakes to discharge the resulting rights and obligations.
  - The General Ancillary Conditions for Grants under the Innovation Fund of the Innovation Committee of the Federal Joint Committee (Annex 2).  
The consortium leader and consortium partner undertake to discharge the resulting rights and obligations.
  - The work plan in accordance with the project application of the consortium leader of \_\_\_\_\_  
(Annex 3).
  - The partial financing plan (Annex 4).
  - *where applicable*: The list of investments (Annex 4a).

## **Section 11**

### **Amendments and additions to the agreement**

Any amendments and additions to the transfer agreement will only take legal effect if they are agreed in writing. The provisions of Section 1.2 of the General Ancillary Conditions for Grants under the Innovation Fund must be observed.

**Section 12**  
**Validity**

In the event that one of the provisions of this agreement is found to be invalid, this will not affect the validity of the remaining provisions. The contractual partners hereby agree that the invalid provision will, however, be replaced by a provision that comes as close as possible to the invalid provision.

**Section 13**  
**Court of jurisdiction**

The court of jurisdiction is \_\_\_\_\_

**Section 14**  
**Entry into force**

The transfer agreement will enter into force as of \_\_\_\_\_.

\_\_\_\_\_

**(Consortium leader)**

\_\_\_\_\_

**(Consortium partner)**

# **General Ancillary Conditions for Grants under the Innovation Fund**

of the Innovation Committee of the Federal Joint  
Committee

Last updated: August 2018

## **Table of Contents**

The General Ancillary Conditions contain provisions within the meaning of Section 32 of Volume X of the Social Code (Social administrative procedures and social data protection) and any necessary explanations. The ancillary conditions form an integral part of the funding notice unless the latter expressly specifies otherwise.

## **1. Consortium projects**

### **1.1 Conclusion of transfer agreements**

If the consortium leader is authorised to transfer funding in the funding notice, a transfer agreement must be concluded with each consortium partner regarding the transfer of funding. The template for the transfer agreement attached to the funding notice must be used. The transfer agreement regulates the rights and obligations of the consortium partners. The General Ancillary Conditions for Grants under the Innovation Fund also apply to consortium partners unless expressly otherwise specified in the funding notice or in the transfer agreement. The consortium leader will discharge all rights and obligations towards the funding authority in connection with the project. This includes in particular requests for the funding required and compliance with the reporting duties for the consortium project.

### **1.2 Amendments to transfer agreements**

Amendments may only be made with the prior written consent of the funding authority; such amendments include in particular:

- termination of the transfer agreement,
- withdrawal from the transfer agreement,
- amendment regarding a consortium partner,
- amendment regarding the project term,
- amendment regarding the amount of funding transferred to a consortium partner,
- blocks on funding,
- amendments to the financing plan that require consent (see Section 6),
- amendments to the list of investments (see Section 12),
- amendments to the purpose for which funding is used by the consortium leader or the consortium partner,
- derogations from these General Ancillary Conditions.

The consortium leader must request consent for any such amendments from the funding authority in writing. Once consent has been obtained from the funding authority, the transfer agreement must be amended accordingly.

### 1.3 Funding request

Funding will be requested by the consortium leader from the funding authority in accordance with Section 7 of the General Ancillary Conditions for Grants under the Innovation Fund. The consortium partners must submit the corresponding payment request to the consortium leader in good time. The consortium leader is obliged to make the funding available to the consortium partners immediately after disbursement by the funding authority, in accordance with the transfer agreement.

### 1.4 Statement of expenditure

The consortium leader and the consortium partners must submit interim statements and a full statement of expenditure in accordance with Section 14. The consortium leader must produce an overall statement of expenditure for the consortium. The consortium partners must produce statements of expenditure for their sub-projects. All statements of expenditure must be forwarded to the funding authority by the consortium leader in aggregate form. To this end, the consortium partners must forward the relevant statements and reports on their sub-projects to the consortium leader in good time, in accordance with the transfer agreement. The provisions of Section 7 apply to consortium partners on a *mutatis mutandis* basis.

### 1.5 Results and use

The provisions of Section 16 to 18 apply to consortium partners on a *mutatis mutandis* basis.

## 2 Involvement of non-funded partners

It is recommended that cooperation with non-funded partners be regulated in a cooperation agreement. The agreement should contain provisions on the nature and manner of cooperation and the use and utilisation of know-how and results by the respective partners. The interim reports and final report must include details of any cooperation.

## 3 Use of funding

The funding must be used for its intended purpose and in a cost-effective and economic manner. It must be necessary for implementation of the project. Only project-related expenses incurred within the approved funding period and solely as additional expenses in connection with the project are eligible.

All revenues associated with the purpose of funding (in particular third-party funds and services) and, where applicable, any own funds contributed by the beneficiary must be used to cover all expenses connected with the project. These funds will reduce the approved amount of funding pursuant to Section 4.

In the case of financing types other than full financing, the funding can be used as follows:

- in the case of proportionate or fixed amount financing, in each case on a proportionate basis with any subsidies from other funding authorities and the financing planned by the beneficiary (own and third-party financing),
- in the case of shortfall financing, if the financing planned by the beneficiary (own and third-party financing) has been used in full.

#### **4 Subsequent reduction in expenditure or change in funding**

If the total expenses for the funding objective estimated in the financing plan are reduced after the funding notice is issued, or if the funding obtained to cover expenses is increased or other such funding is added, the funding will be reduced:

- in the case of proportionate financing, on a proportionate basis with any subsidies from other funding authorities and the financing planned by the beneficiary (own and third-party financing),
- in the case of shortfall and full financing, by the full amount in question.

#### **5 Flexible use of approved funding**

The financing plan applies on a binding basis in respect of the total amount of funding. The approved funding will only be available for the purpose referred to in the funding notice. In justified cases, and subject to the exemptions referred to in Section 6 and any provisions to the contrary in the funding notice, the approved amounts may be transferred between the respective partners for material expenses and investments in so far as this furthers the project objective. The same applies within the financing plans of consortium partners. Reallocations between the aforesaid expenditure blocks must not result in the circumventing of an explicit rejection in the funding notice.

#### **6 Amendments to the financing plan that require consent**

Amendments to the financing plan may only be made to the agreement with the prior written consent of the funding authority; such amendments include in particular:

- amendments to the approved personnel-related expenses,
- use of staff in a salary category that is higher than approved,
- award of contracts that were not applied for at the time of the approval,
- amendments relating to the unblocking of funding,
- increase/reduction in expenses connecting with transfers under consortium projects,
- amendments to the project term,
- amendments to the level or number of payments for healthcare services,
- amendments to the level or number of case-related compensation for expenses.

## **7 Disbursement of funding**

Funding may only be requested in so far as it is likely to be required within the current quarter for payments that will fall due; it must not be requested any earlier. The payment request must be submitted for the current quarter in each case. The submission deadline must be specified in the funding notice.

The appropriate template must be used for the payment request. The request for each partial amount must contain the information required to assess the funding requirement. In addition, a status report must be submitted for each quarter by the submission deadline specified in the funding notice. The same applies if the decision is taken not to submit a payment request in the relevant quarter. The appropriate template should be used.

If the beneficiary requests too much funding during the funding period, the funding must be repaid if it cannot be offset against the following disbursement. Interest pursuant to Section 50(2a) sentence 3 of Volume X of the Social Code will not be charged, since the effort involved in calculating, levying, auditing and collecting interest is significant, and disproportionately high compared to the potential interest revenues.

## **8 Personnel-related expenses**

The salary groups/salary grades underlying the personnel-related expenses estimated in the enclosed overall financing plan are upper thresholds. This does not, however, absolve the relevant party of its responsibility for ensuring that the salary categories and payments comply with the collective labour agreement.

During the funding period, the expenses actually incurred by each party must be accounted for in accordance with the valid collective labour agreement, the salary category and the level of experience. Including a higher salary group/salary grade than that approved in the statement of expenditure is categorically not permitted. Personnel-related expenses for personnel that are not deployed exclusively on project-related tasks may only be included in the statement of expenditure on a pro rata basis. Evidence of the personnel-related expenses incurred in connection with the project must be provided in the form of appropriate supporting documents (e.g. personnel records).

Allowances, holiday pay and personnel-related material expenses based on collective labour agreements (e.g. severance pay, relocation expenses) are only eligible if they are paid out during the funding period. Benefits paid by health insurance funds as continued remuneration must be credited back to the personnel-related expenses recognised as eligible on a pro rata basis.

## **9 Award of contracts**

Beneficiaries that are subject to procurement rules must comply with these rules.

Beneficiaries that are not subject to procurement rules must submit the following in connection with the award of a contract:

- from EUR 20 000 (net) one bid and
- from EUR 50 000 (net) three bids.

If it is not possible to submit a bid or several bids, this must be substantiated accordingly.

## **10 Flat-rate infrastructure fee**

Expenditure on the project-related flat-rate infrastructure fee in accordance with the applicable financing plan must be accounted for in the payment request and the numerical evidence as a percentage share in relation to the actual personnel-related expenses. If the flat-rate infrastructure fee changes over the course of the project, the new percentage applies retroactively from the start of the project.

The beneficiary must confirm in the statement of expenditure that the flat-rate infrastructure fee that has been received has in fact been used to finance the project-specific infrastructure-related expenses in the amount accounted for.

## **11 Expenditure for business travel**

The payment requests and numerical evidence must account for the actual expenses (based on concrete plans) for business trips. The same applies to travel expenses applied for on a flat-rate basis.

When travel expenses are settled, the rules that apply to the beneficiary must be taken into account. In the event that the beneficiary is not subject to any rules, the Federal Travel Expenses Act (*Bundesreisekostengesetz*, BRKG) must be applied.

## **12 Investments made to fulfil the funding objective**

Investments acquired or created for the purpose of achieving the funding objective must be used for the funding objective and treated with care. The beneficiary may not dispose of them otherwise prior to the end of the funding period. Amendments to the list of investments (annex to the funding notice) require prior consent from the funding authority.

Beneficiaries that are not subject to procurement rules must submit the following when awarding a procurement contract:

- from EUR 20 000 (net) one bid and
- from EUR 50 000 (net) three bids.

If it is not possible to submit a bid or several bids, this must be substantiated accordingly.

In the event that investments acquired or created with the help of the funding are no longer used or required during the funding period for the funding objective, the funding authority will decide on their further use following a notification pursuant to Section 13 and after consulting the beneficiary.



After the end of the funding period, the beneficiary can dispose freely of the investments procured with the help of the funding, provided that their value does not exceed EUR 410 in any individual case.

After the end of the funding period, the beneficiary is obliged to sell any investments made with the help of the funding whose value exceeds EUR 410 in an individual case, and to allow the funding authority to share in the proceeds pursuant to Section 4 or to reimburse the residual value.

### **13 Duties of notification incumbent upon the beneficiary**

13.1 The beneficiary is obliged to notify the funding authority immediately, in particular in the following instances:

- if it receives additional subsidies for the same objective from different bodies after submission of the financing plan, and even after submission of the statement of expenditure,
- if changes occur in relation to the purpose of use or other circumstances that have a significant impact on approval of the funding (e.g. material contractual conditions), or if said circumstances no longer apply; this also includes instances where some of the services provided under the project become part of the standard range of services,
- if it is found that the funding objective can no longer be achieved, or can no longer be achieved using the approved funding,
- if the requested or disbursed amounts cannot be utilised in full for payments falling due during the current quarter,
- if the investments made using the funding can no longer be used in accordance with the funding objective during the funding period, or are no longer required (see Section 12),
- if insolvency proceedings are applied for or initiated in relation to the beneficiary's assets.

13.2 The beneficiary is obliged to notify the funding authority immediately and to obtain prior consent from the funding authority if:

- the beneficiary deviates from the programme of work, in particular the schedule and milestone plan;
- there is a change of project manager;
- changes occur in relation to key cooperation partners;
- changes that are subject to consent occur in relation to a consortium project (see Section 1.2);
- changes that are subject to consent occur in relation to the financing plan (see Section 6);

- changes occur in relation to the list of investments (see Section 12).

## **14 Statement of expenditure**

The beneficiary is obliged to provide evidence that the funding has been used for the appropriate purpose. The corresponding forms and templates must be used to this end.

### **14.1 Evidence to be presented**

In the case of projects that run over multiple years, interim statements must be submitted. These must comprise interim numerical evidence and an interim technical report. The interim statement must be presented by 31 March of the following year at the latest. Interim reports as part of an interim statement may be submitted together with the next report that is due if the reporting period for one calendar year does not exceed three months.

A statement of expenditure must be submitted no later than six months after the end of the project. This must comprise a numerical statement of expenditure, including a list of supporting documents, and a final technical report. It must cover the entire funding period. In addition, a results report and (in the case of a project relating to new forms of healthcare provision) an evaluation report must be presented; these reports must be written in German, be submitted electronically, and be suitable for publication by the funding authority (cf. also Section 18).

The provisions of Section 1.4 must also be observed in respect of consortium projects.

### **14.2 Numerical evidence**

The numerical evidence must indicate the revenues and expenses in accordance with the breakdown used in the financing plan. The evidence must contain all revenues associated with the funding objective (subsidies, third-party contributions, own funds) and expenses.

A tabular overview of the supporting documents containing details of the expenditure, broken down by type and chronological sequence, must be enclosed with the numerical evidence (list of supporting documents). The list of supporting documents must make clear the date, the beneficiary/contributing party, the reason for each payment and the amount of each individual payment.

### **14.3 Supporting documents and retention of supporting documents**

The supporting documents must contain the information and annexes customary for business correspondence or exchanges of technical specifications pursuant to Sections 294 et seqq. of Volume V of the Social Code; in particular, receipts for expenditure must indicate the beneficiary, the reason for the payment, the date of the payment, proof of the payment and (in the case of investments) the purpose of the payment. Supporting documents must also contain a clear reference linking them to the project (e.g. a project number).

The beneficiary must retain the original supporting documents (proof of revenues and expenses) for the individual payments and contracts relating to contract awards, as well as all other documents associated with the funding (cf. Section 15 sentence 1) for five years after submission of the statement of expenditure, unless a different retention period applies under fiscal law or other regulations. Video or data carriers can also be used for retention purposes. The recording and playback procedure must comply with the principles of proper accounting or rules that are generally accepted for public administration purposes.

## **15 Checks of use**

The funding authority, the authorised project management agency, the supervisory authorities of the funding authority and the auditor engaged by the funding authority are entitled to request books, original supporting documents and other business records and to inspect the use of funding by means of on-site visits or to arrange for such inspections to be carried out by authorised representatives. The beneficiary must keep the necessary documents available and supply any information required. The list of supporting documents must be updated as the project progresses, and submitted to the funding authority upon request. In the cases pursuant to Section 14.1(3), the rights awarded to the funding authority must also be stipulated in respect of third parties.

## **16 Results and use by the funding authority**

For the purpose of these Ancillary Conditions, the term 'results' includes all knowledge and procedures created during implementation of the project and recorded in documentation or available to the beneficiary in another form.

The funding authority intends to safeguard the project results for the benefit of the general public, to disseminate them further and to publish them. To this end, the beneficiary issues to the funding authority, without consideration, an irrevocable and unrestricted right of use that can be transferred without the originator's consent.

## **17 Revenues from the utilisation of results**

The beneficiary will be entitled to any revenues it earns after the end of funding through the conclusion of contracts relating to the utilisation of the results or parts thereof, e.g. through the transfer of industrial property rights and/or know-how or the granting of licences, other knowledge or documents.

## **18 Publications**

The funding authority is entitled to make public the following details regarding the project:

- the topic of the project,
- the beneficiary and the executing body,

- the project manager or consortium leader responsible for executing the project,
- the project term,
- the level of funding,
- any consortium partners and other cooperation partners,
- a brief description of the project,
- the outcome of the evaluation.

The beneficiary is obliged to make the results accessible to the expert community in the Federal Republic of Germany no later than six months after the end of the project, by suitable means and at least to the extent of the subject matter covered in the final report. The funding authority will also publish the results report and (in the case of a project relating to new forms of healthcare provision) the evaluation report (cf. Section 14.1).

As regards the publication of the results, the beneficiary is obliged to include the following statement on the cover sheet or in another clearly visible location:

‘The project on which this publication was based was funded by the Innovation Committee of the Federal Joint Committee under funding code xxx.’

## **19 Withdrawal or cancellation of the funding notice, interest**

Pursuant to Sections 45 and 47 of Volume X of the Social Code, the funding notice can be withdrawn or cancelled; pursuant to Section 50 of Volume X of the Social Code, the beneficiary can be asked to repay the funding. The amount of interest charged on the amount to be repaid will be based on Section 50(2a) of Volume X of the Social Code. The same applies to the repayment of funding after the end of the project.

## **General Terms and Conditions of Business of Deutsche Fachkräfteagentur für Gesundheits-und Pflegeberufe GmbH**

### **1. Area of application, written form**

- 1.1 The following General Terms and Conditions of Business apply to contracts concluded between Deutsche Fachkräfteagentur für Gesundheits-und Pflegeberufe GmbH, Bismarckstraße 128, 66121 Saarbrücken (hereinafter '**DeFa**') and the contractual partner. Terms and conditions that run counter to or deviate from these General Terms and Conditions of Business will not apply unless DeFa has expressly consented to their application in writing. The following terms and conditions will apply even if DeFa provides the services unreservedly while being aware that the contractual partner's terms and conditions run counter to or deviate from these General Terms and Conditions of Business. In the event that the general terms and conditions of business are found to contain contradictions, this will not render the entire contract invalid if performance of the contract has already commenced on the basis of mutual agreement.
- 1.2 If the contract is concluded with a consumer, i.e. any natural person engaged in a legal transaction that cannot primarily be attributed to his or her commercial or freelance activities (Section 13 of the Civil Code (*Bürgerliches Gesetzbuch*, BGB)), the natural person is obliged to submit his or her declaration to DeFa (in particular those required pursuant to these General Terms and Conditions of Business) in written form within the meaning of Section 126b of the Civil Code. The declaration must therefore be issued in a format that will allow the written text to be reproduced on a permanent basis. Formats that meet this requirement include computer fax or email, for example.

### **2. Conclusion of the contract**

- 2.1 DeFa's quotes are subject to change and non-binding unless a quote is designated in writing as binding. Unless otherwise specified in the quote, DeFa will be bound by a binding quote for a period of four weeks.
- 2.2 As a general rule, a contract is concluded when the contractual partner confirms a binding quote issued by DeFa. The confirmation must be in writing (Section 126b of the Civil Code). A contract can also be concluded in the form of a contract signed by both parties or written confirmation of an order by DeFa. Furthermore, a contract will be deemed to have been concluded if DeFa does not respond to a customer's order and commences the contractual provision of the services. DeFa's quote may not be withdrawn after the beneficiary has confirmed that it accepts the quote. DeFa can furthermore request that verbal contractual declarations made by the customer are confirmed in writing.

### **3. Services provided by DeFa**

- 3.1 The contractual services provided by DeFa include services associated with the recruitment of healthcare professionals abroad.
- 3.2 This includes accelerated procedures for the recruitment of healthcare professionals and measures relating to their integration. DeFa's procedures relate in particular to the recognition of professional qualifications and entry, residence and work permits. Within the framework of these activities, DeFa in particular carries out document management services; it does not, however, provide advice on in-company, social and professional law integration. Instead, DeFa refers customers to the in-company, social and professional law integration services offered by the German Centre of Excellence for International Skilled Workers in the Healthcare and Nursing Professions (*Deutsches Kompetenzzentrum für internationale Fachkräfte in den Gesundheits-und Pflegeberufen*, DKF). The 'Welcome & Integration Pilot Standards' of the German Centre of Excellence for International Skilled Workers in the Healthcare and Nursing Professions are both a source of support for hospitals and nursing facilities and a source of guidance for healthcare professionals recruited from abroad ([www.dkf-kda.de](http://www.dkf-kda.de)).
- 3.3 Prior to conclusion of the contract, the customer must check whether the contractual services specified by DeFa correspond to its wishes and requirements. The customer must also familiarise itself with the main functional characteristics and conditions of the contractual services.
- 3.4 The scope, nature and quality of the contractual services will be based on DeFa's quote with its annexes or the contract signed by both parties. Other details or requirements will only become an integral part of the contract if the contractual partners agree to this in writing, or if DeFa confirms this in writing. Subsequent changes to the scope of performance must be agreed in writing or confirmed in writing by DeFa.

### **4. Remuneration, payment**

- 4.1 The customer must pay the agreed remuneration to DeFa. If remuneration has not been expressly agreed, the customer must pay DeFa remuneration calculated on the basis of effort in accordance with DeFa's price list that is valid on the date when the order is placed.
- 4.2. Upon request, DeFa provides customers with a written copy of the current price list. Unless otherwise

- agreed, travel expenses and other allowable expenses are accounted for separately on the basis of the tax rates. The prices showed are net prices exclusive of statutory VAT provided they refer to services subject to VAT.
- 4.3 Invoices must be settled within 14 days with no deductions.
- 4.4 DeFa can request appropriate additional remuneration for any potential additional expenses. This is possible if the additional expenses result from a breach of duty on the part of the customer, if the customer fails to cooperate, fails to cooperate in good time or fails to cooperate in the manner agreed, if the customer fails to use the contractual services in line with the specified purpose or contrary to the contractual agreements, or if the customer retroactively amends or expands the performance requirements. The obligation imposed in sentence 1 to provide reimbursement does not apply if the additional expenses are not attributable to the customer.
- 4.5 The customer can only offset claims that are undisputed or established with legal effect. Counter-claims that are ready for a decision without hearing evidence can also be regarded as undisputed.
- 4.6 The customer is only entitled to a right of retention or the right to assert a plea of non-performance within the scope of this contractual relationship.
- 4.7 If the customer defaults on payment of the remuneration and if DeFa sets the customer a payment deadline of at least two weeks, DeFa will be entitled to terminate further performance during the period of default if the payment is not received before this deadline.
- 4.7.1. DeFa must notify the customer of this measure in writing and in advance.
- 4.7.2. The customer will still be obliged to pay the agreed remuneration throughout the period during which performance is refused.
- 4.7.3. Any expenses which are not incurred by DeFa in the period during which performance is refused and which are proven by the customer will be eligible for offsetting.
- 5. Third-party rights**
- 5.1 DeFa hereby warrants that the use of the contractual services in line with the agreed purpose does not infringe third-party rights. As regards third-party rights, DeFa will be deemed to have complied with its contractual obligations by granting the customer, at the latter's discretion, either a legally unobjectionable option to use the contractual services or equivalent services.
- 5.2 The customer must notify DeFa immediately in the event that third parties assert rights (e.g. copyrights or patent rights) in respect of the contractual services. The customer hereby authorises DeFa to contact the third party for the purpose of investigating the matter. The customer will provide DeFa with support in this connection. In particular, the customer must make available the necessary information and relevant documents, and respond to any questions posed by DeFa. The customer is not entitled to recognise any claims asserted by third parties without obtaining written consent in advance from DeFa.
- 6. Handling of transferred documentation**
- The customer is permitted to use the documentation transferred to it by DeFa for internal purposes and to duplicate it for said purposes within the framework of contractual use.
- 7. Warranty/liability**
- 7.1 Claims on the basis of defective performance can only be lodged against DeFa if a direct contractual relationship exists or other provisions have been expressly adopted and if the customer immediately examines the results of performance and immediately criticises any potential defective performance.
- 7.2 In the event of defective performance, DeFa is entitled to a right to choose supplementary performance. DeFa can fulfil its obligation either by eliminating the defect or by delivering performance that is free of defects.
- 7.3 DeFa is liable without limitation for damages resulting from the breach of a warranty or loss of life, injury or damage to health. The same applies to liability resulting from intent and gross negligence and to liability resulting from the fraudulent concealment of defective performance. DeFa is only liable for damages caused by minor negligence if material obligations are infringed that result from the nature of the contract and that are particularly significant for achievement of the contractual purpose. In the event that obligations of this kind are infringed or in the event of default or impossibility of performance, DeFa's liability is limited to damages of the kind that could typically be expected to arise within the framework of the contract. Damage up to a maximum of EUR 10 000 will be regarded as typical for the contract and foreseeable.
- 7.4 The period of limitation for the customer's claims based on defective performance is 18 months and commences upon the date of performance (transfer of risk). Unless this is done for reasons of good will, the period of limitation does not recommence upon supplementary performance. It also applies to claims arising from illegal acts based on defective performance.

## **8. Confidentiality and data protection**

8.1 The privacy statement used by DeFa applies.

8.2 DeFa will only use personal data disclosed to it within the framework of performance for the purpose of proper execution of the contractual services.

8.3 Furthermore, DeFa and the customer undertake to treat as confidential all objects provided or disclosed by the other party before or during execution of the contract (e.g. software, documents, information) which are legally protected, contain business or operating secrets or which are labelled as confidential ('confidential information'), inter alia beyond the end of the contract, unless they are publicly known without any infringement of the duty of confidentiality. DeFa and the customer will store and safeguard confidential information in such a way that it cannot be accessed by third parties.

8.4 After conclusion of the contract, DeFa may cite the customer as a reference and include the customer's name and logo on its own website and in communication materials for reference purposes.

## **9. Social and ethical standards for the recruitment of healthcare professionals**

9.1 DeFa regards itself as bound by the internationally recognised standards for the recruitment of healthcare professionals (for example the International Recruitment Integrity System), and will ensure compliance with these standards within its area of influence. Specifically, this means the following.

9.1.1 The customer is obliged to treat the foreign healthcare professionals equally and not to discriminate against them on the grounds of race, ethnic origin, sexual identify, gender and gender identify, national or social origin, nationality, caste, age, political affiliations, religion, sexual orientation, trade union membership, physical fitness, health, pregnancy, marital or family status or any other status.

9.1.2 The provisions of German law, in particular employment law, apply without restriction. The customer is obliged to observe these provisions and to act accordingly.

9.1.2.1 The customer may only recruit and employ foreign healthcare professionals if they are of full legal age. The recruitment of underage healthcare professionals is prohibited.

9.1.2.2 The recruitment of foreign healthcare professionals with the aim of replacing striking employees is prohibited.

9.1.3 The customer will bear the costs of the recruitment fees and all other costs associated with the recruitment process. Passing on these costs (of any kind) to a foreign healthcare professional is prohibited.

9.1.4 The customer is not permitted to retain the passport, other identity documents, the work permit or other documents belonging to the foreign healthcare professional without a written declaration of consent from the latter.

9.1.5 The customer must provide the foreign healthcare professional with a written copy of the employment contract in the latter's native language prior to the commencement of work. The contract must not use unduly complex wording; it must be easy to understand, and it must contain at least the following information:

- role of the employee,
- job description,
- place of work,
- start date and duration of the contract,
- arrangements for travelling into and leaving the country of destination,
- details of the accommodation, catering, trade union or other statutory fees to be paid by the employee (where applicable),
- employer's name and address,
- salary and date of payment,
- working hours and days off,
- pay rates for overtime,
- holidays and other reasons for absence,
- all statutory deductions from salary,
- services relating to the employment relationship and termination conditions in line with the applicable law.

9.1.6 The customer must ensure that the employment contract is signed by the foreign healthcare professional prior to the commencement of work, without exerting any coercion.

9.1.7 The employment contract between the customer and the foreign healthcare professional must be worded in such a way that the freedom of movement of the foreign healthcare professional is not restricted. This does not affect the validity of the provisions of German employment law.

9.1.8 The customer is obliged to design and maintain on a long-term basis the conditions of employment in such a way that they correspond to the conditions offered to the foreign healthcare professional in advance, and so that they also comply with the applicable laws and practices.

- 9.1.9 In the event that personal and significant data are collected with the agreement of the foreign healthcare workers, these data must be protected and treated confidentially by the customer. The forwarding of data to third parties is prohibited without a statement of the reasons for doing so and without the agreement of the foreign healthcare professional.
- 9.1.10 The customer must ensure that the foreign healthcare professionals have an opportunity to lodge an appeal without being exposed to discrimination, reprisals, dismissal or other consequences such as internal complaint procedures by the employer. The foreign healthcare professionals must be informed about all options for lodging an appeal and provided with unrestricted access to means of legal recourse.
- 9.1.11 The customer undertakes to organise the repatriation from Germany of the mortal remains of any deceased foreign healthcare professional.
- 9.2 DeFa agrees to be bound by the recognised standards for integration and compensation measures and will ensure compliance with these standards within its area of influence. Specifically, this means the following.
- 9.2.1 The customer undertakes to implement and comply with the 'Welcome & Integration Pilot Standards' of the German Centre of Excellence for International Skilled Workers in the Healthcare and Nursing Professions, which can always be accessed in their current version at [www.dkf-kda.de/dkf-pilotstandards](http://www.dkf-kda.de/dkf-pilotstandards), or to implement and comply with equivalent integration standards. DeFa notes that the customer will be provided with support in connection with the implementation of corresponding standards by the German Centre of Excellence for International Skilled Workers in the Healthcare and Nursing Professions.
- 9.2.2 The customer undertakes to implement and comply with a qualification-related measure for the purpose of securing residence pursuant to Section 16d of the Residence Act (*Aufenthaltsgesetz*, AufenthG) 'Recognition of foreign professional qualifications', including the issuing of a permit to use the professional title for the reference profession selected in each case pursuant to the Nursing Care Act (*Krankenpflegegesetz*, KrPflG) or Caring Professions Act (*Pflegeberufegesetz*, PflBG). DeFa notes that the German Centre of Excellence for International Skilled Workers in the Healthcare and Nursing Professions, as part of the compensation measure, can assist the health facilities with implementation, both by means of an adaptation measure and by means of preparation for the assessment test, including the assessment test itself.
- 9.3 The customer undertakes to work towards compliance with these standards within its sphere of influence.
- 9.3 In the event of serious infringements by a customer against these standards, DeFa is entitled to terminate the cooperation without a notice period.
- 10 Final provisions**
- 10.1 The law of the Federal Republic of Germany applies, excluding the UN Convention on the International Sale of Goods.
- 10.2 The sole court of jurisdiction for all claims resulting from the business relationship will be the relevant head office of DeFa. In particular, this is the case if the customer is a businessperson within the meaning of the Commercial Code (*Handelsgesetzbuch*), has no general domestic court of jurisdiction, has moved its head office or customary place of residence abroad after the conclusion of the contract or has a head office or customary place of residence that is not known at the time that the action is brought. DeFa is furthermore entitled to lodge claims before any other permitted court.



Ref. No: ZMV I 1 -25 19 PIA 400									
<b>Project:</b> 'Establishment of the basic structure of an umbrella organisation for coordinating the activities of private recruiters of healthcare professionals'									
<b>Beneficiary:</b> saarland.innovation&standort e.V.(saar.is)									
	* * * <b>PLANNED</b> * * * <b>PLANNED</b> * * * <b>PLANNED</b> * * *								
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>		<b>Explanations</b>	
<b>Project months</b>	<b>4</b>	<b>12</b>	<b>12</b>	<b>8</b>	<b>12</b>				
<b>I. Revenues</b>									
I.1 Equity capital						EUR 0.00			
I.2 Donations						EUR 0.00			
I.3 Registration fees	EUR 0.00	EUR 149 722.35	EUR 119 684.35	EUR 123 226.72	EUR 125 031.97	EUR 517 665.38		Fee for use of the core process	
I.4 Federal Government grants (other than I.8)						EUR 0.00			
I.5 Land grants						EUR 0.00			
I.6 Other public subsidies						EUR 0.00			
I.7 Other revenues						EUR 0.00			
I.8 Federal Government funding applied for (Federal Ministry of Health/Federal Office of Administration)	EUR 308 685.89	EUR 1 038 815.28	EUR 1 077 159.12	EUR 1 109 040.44	EUR 1 125 287.72	EUR 4 658 988.45		No fees will be received in 2019; this will be compensated for in 2020.	
<b>Sum of revenues (total)</b>	<b>EUR 308 685.89</b>	<b>EUR 1 188 537.63</b>	<b>EUR 1 196 843.47</b>	<b>EUR 1 232 267.16</b>	<b>EUR 1 250 319.69</b>	<b>EUR 5 176 653.83</b>			
<b>II. Expenditure</b>									
<b>II.1 Personnel-related expenses</b>	<b>EUR 106 415.97</b>	<b>EUR 815 212.17</b>	<b>EUR 864 592.38</b>	<b>EUR 910 952.82</b>	<b>EUR 931 535.44</b>	<b>EUR 3 628 708.78</b>			
II.1.1 Jobs	EUR 104 015.97	EUR 692 762.17	EUR 725 617.38	EUR 771 977.82	EUR 792 560.44	EUR 3 086 933.78		SEE ANNEX CONTAINING BREAKDOWN OF PERSONNEL COSTS	
II.1.1.1 Salary Group 6 of the Wage Agreement for Public Service	EUR 16 660.24	EUR 68 608.65	EUR 73 804.42	EUR 75 805.71	EUR 77 981.33	EUR 312 860.35		Number of jobs: 1.5, one initially filled in E5 Employment period: Job (a) from 1 October 2019 to 31 December 2023 [scope/50%/AB2] Job (b) from 1 October 2019 to 31 December 2023 [scope/100%/AB1+3] Job (c) from to [scope/xx%/AB]	
II.1.1.2 Salary Group 9a of the Wage Agreement for Public Service	EUR 16 343.59	EUR 94 211.31	EUR 98 327.47	EUR 102 360.23	EUR 105 035.27	EUR 416 277.87		Number of jobs: 2 Employment period: Job (a) from 1 October 2019 to 31 December 2023 [scope/100%/AB1] Job (b) from 1 November 2019 to 31 December 2023 [scope/75%/AB1] Job (c) from to [scope:/AB]	
II.1.1.3 Salary Group 9b of the Wage Agreement for Public Service	EUR 0.00	EUR 108 791.49	EUR 113 237.99	EUR 126 007.00	EUR 129 300.34	EUR 477 336.82		Number of jobs: 3 Employment period: Job (a) from 1 January 2020 to 31 December 2023 [scope/100%/AB2] Job (b) from 1 January 2020 to 31 December 2023 [scope/100% AB2] Job (c) from 1 November to 31 December 2020 [scope 'mini job' (small-scale employment)/AB 3]	

	2019	2020	2021	2022	2023	Total	Explanations			
II.1.1.4 Salary Group 10 of the Wage Agreement for Public Service	EUR 16 853.48	EUR 200 353.78	EUR 208 604.67	EUR 229 353.91	EUR 233 065.35	EUR 888 231.19	Number of jobs: 4 (of which one only for 2M) Employment period: Job (a) from 1 November to 31 December 2023 [scope/AB3] Job (b) from 1 November 2020 to 31 December 2023 [scope/AB3] Job (c) from 1 January 2020 to 31 December 2023 [scope/AB2] Job (d) from 1 October 2019 to 31 November 2019 (VZ/AB3)			
II.1.1.5 Salary Group 13 of the Wage Agreement for Public Service	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	Number of jobs:			
II.1.1.6 Salary Group 14 of the Wage Agreement for Public Service	EUR 21 944.50	EUR 87 920.47	EUR 93 192.48	EUR 95 632.03	EUR 100 229.65	EUR 398 919.13	Number of jobs: 1 Employment period: Job (a) from 1 October 2019 to 31 December 2023 [scope 100%/AB1] Job (b) from 1 January 2020 to 31 December 2023 [scope 100%/AB2] Job (c) from ... to ... [scope/AB X]			
II.1.1.7 AT (one job)	EUR 32 214.16	EUR 132 876.47	EUR 138 450.35	EUR 142 818.94	EUR 146 948.50	EUR 593 308.42	Number of jobs: 1 Employment period: Job (a) from 1 October 2019 to 31 October 2023 [scope/ABX] Job (b) from ... to ... [scope/ABX] Job (c) from ... to ... [scope/AB X]			
II.1.1.8						EUR 0.00				
II.1.1.9						EUR 0.00				
II.1.2 Auxiliary staff	EUR 2 400.00	EUR 19 200.00	EUR 12 100.00	EUR 12 100.00	EUR 12 100.00	EUR 57 900.00	Mini jobs (Raetz, Kugler, Paliot)			
II.1.3 Other personnel-related expenses	EUR 0.00	EUR 103 250.00	EUR 126 875.00	EUR 126 875.00	EUR 126 875.00	EUR 483 875.00	Local employees in target countries (up to eight); remuneration that is typical for the location, i.e. below Germany's standard wage; gradually increasing as part of country development (one or two each planned per country); allocated to AB1 and 2 on a 50/50 basis. Development of BRA depending on the progress of the project in the event that funding is available; see ANNEX			
<b>II.2 -Overheads</b>	<b>EUR 202 269.92</b>	<b>EUR 373 325.46</b>	<b>EUR 332 251.09</b>	<b>EUR 321 314.34</b>	<b>EUR 318 784.25</b>	<b>EUR 1 547 945.05</b>				
II.2.1 -Rental of premises	EUR 5 800.00	EUR 95 000.00	EUR 100 000.00	EUR 100 000.00	EUR 100 000.00	EUR 400 800.00				
II.2.1.1	EUR 5 800.00	EUR 70 000.00	EUR 70 000.00	EUR 70 000.00	EUR 70 000.00	EUR 285 800.00	9.5/m² rent; 3.5/m² utilities and common charges, demand for space 350-450 m²; reduced expenditure is reallocated pursuant to II.1.3			
II.2.1.2	EUR 0.00	EUR 25 000.00	EUR 30 000.00	EUR 30 000.00	EUR 30 000.00	EUR 115 000.00	Rent for Manila + Mexico (note: basis for calculation EUR 35/m²); justification: office space in developing countries is EXTREMELY expensive, price calculated on the basis of market survey in Manila; reduced expenditure is reallocated pursuant to II.1.3			
II.2.1.3	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	Location Brazil; location will be set up as soon as reallocations can be carried out under II.2.1.1 and 2			
II.2.2 -Systems and equipment	EUR 120 000.00	EUR 30 000.00	EUR 23 000.00	EUR 26 500.00	EUR 21 500.00	EUR 221 000.00				
II.2.2.1	EUR 25 000.00	EUR 10 000.00	EUR 3 000.00	EUR 1 500.00	EUR 1 500.00	EUR 41 000.00	Office equipment/meeting room			
II.2.2.2						EUR 0.00				
II.2.2.3	EUR 95 000.00	EUR 20 000.00	EUR 20 000.00	EUR 25 000.00	EUR 20 000.00	EUR 180 000.00	See Annex: IT equipment/telephone connections and software licences			
II.2.3 -Printed matter and office supplies	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	See flat-rate fee			
II.2.3.1						EUR 0.00				

						0					
II.2.3.2						EUR 0.0					
II.2.3.3						0					
						EUR 0.0					
						0					
II.2.4 - Travel expenses	EUR 27 000.0	EUR 80 000.0	EUR 80 000.0	EUR 60 000.0	EUR 60 000.0	EUR 307 000.0					
	0	0	0	0	0	0					

	2019	2020	2021	2022	2023	Total		Explanations			
II.2.4.1	EUR 27 000.00	EUR 80 000.00	EUR 80 000.00	EUR 60 000.00	EUR 60 000.00	EUR 307 000.00		Basis for calculation 2020/2012: Three destination countries, six to eight person-trips each on average EUR 3 500.00 (flight, hotel, domestic transfer, arrangement fee for the Chambers of Commerce Abroad ( <i>Auslandshandelskammer</i> , AHK) etc. Note: flights to Mexico are more expensive)+ approx. EUR 6 000-8 000 domestic travel expenses for maintaining contacts with the recognition authorities and meetings with project partners (Federal Ministry of Health/Kuratorium Deutsche Altershilfe e.V. (KDA)/Expert Body for Healthcare Professions ( <i>Gutachtenstelle für Gesundheitsberufe</i> , GFG)/other federal and <i>Land</i> authorities etc.); flights will reduce from 2022 onwards after the process has been successfully established.			
II.2.4.2	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00					
II.2.4.3						EUR 0.00					
II.2.5 -Award of contracts	EUR 34 500.00	EUR 67 500.00	EUR 22 500.00	EUR 22 500.00	EUR 22 500.00	EUR 169 500.00					
II.2.5.1	EUR 2 500.00	EUR 2 500.00	EUR 2 500.00	EUR 2 500.00	EUR 2 500.00	EUR 12 500.00		Design/copywriting/translation for public relations work, advertising (roll-ups etc.)			
II.2.5.2	EUR 20 000.00	EUR 65 000.00	EUR 20 000.00	EUR 20 000.00	EUR 20 000.00	EUR 145 000.00		SEE ANNEX ON IT: Design/website/technical IT implementation of workflow and CRM/software programming and installation/IT maintenance, creative management/design			
II.2.5.3	EUR 12 000.00					EUR 12 000.00		Technical set-up of rented premises (electricians).			
II.2.6 -Postal and telecommunications expenses	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00		See flat-rate fee			
II.2.6.1						EUR 0.00					
II.2.6.2						EUR 0.00					
II.2.6.3						EUR 0.00					
II.2.7 -Other overheads	EUR 2 200.00	EUR 3 000.00	EUR 3 000.00	EUR 3 000.00	EUR 3 000.00	EUR 14 200.00					
II.2.7.1	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00		Occupational health and safety -FLAT-RATE FEE			
II.2.7.2	EUR 2 200.00	EUR 3 000.00	EUR 3 000.00	EUR 3 000.00	EUR 3 000.00	EUR 14 200.00		Events/meetings/hospitality			
II.2.7.3	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00		Consultancy costs -FLAT-RATE FEE			
II.2.7.4	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00		Further training, .e.g. languages/administration theory			
II.2.7.5						EUR 0.00					
II.2.8 -Flat-rate fee for administrative costs (12% of Item II.1)	EUR 12 769.92	EUR 97 825.46	EUR 103 751.09	EUR 109 314.34	EUR 111 784.25	EUR 435 445.05		Flat-rate fee: Overheads/postal and telecommunications expenses/occupational health and safety/further education/printing costs + office supplies WITHOUT campaigns/brochure design			
Sum of expenditure (total)	EUR 308 685.89	EUR 1 188 537.63	EUR 1 196 843.47	EUR 1 232 267.16	EUR 1 250 319.69	EUR 5 176 653.83		rounded			
Difference between revenues→ expenditure (+ = stock / → increased expenditure)	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00					
cumulative	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00	EUR 0.00					

**Grants by the Federal Ministry of Justice and Consumer Protection under  
the Federal Budget 2016, Chapter: 0701, title: 684 03**

**here: Project: Sample project**

**Annexes:**

- Financing plan, last updated:
- Copy of the General Ancillary Conditions for Project Grants, last updated: 2014
- Template 'Acknowledgement of receipt with waiver of the right to lodge an appeal'
- Template 'Request for funding'
- Template 'Numerical evidence for statement of expenditure'
- Template 'List of supporting documents'
- Template 'Inventory list'

**GRANT NOTICE**

Dear Sir/Madam,

Having regard to the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, Decision 2012/21/EU; OJ L 7 of 11 January 2012, p. 3 – hereinafter: 'Exemption Decision' – the following notice is issued:

In response to your request of , I hereby approve for the budgetary years XXX to XXX, as project funding and by way of full financing/shortfall financing, a non-repayable grant from the budgetary resources of the Federal Ministry of Justice and Consumer Protection, up to a maximum amount of

**EUR xxxxx**

**(in words: EUR xxxxx).**

The granting of federal funding is subject to the availability of the estimated budgetary resources. It cannot be inferred from the grant award that funding at the previous level will be awarded in the future.

This approval includes the following:

- the General Ancillary Conditions for Project Grants with the amendments of 20 December 2013, valid from 1 January 2014 (Joint Ministerial Gazette No 2/2014 p. 33 et seq.),
- where applicable, other ancillary conditions,
- and the following ancillary conditions.

The approval period is specified for the period between **xxxxxx** and **xxxxxx**.

The early commencement of measures has already been approved by of

The entrustment of this service of general economic interest and the award of the grant is intended to achieve the project objectives described below:

- Project target A
- Project target B
- Project target C etc.

The grant is awarded for a specific purpose and, in accordance with your application, solely for the purpose of financing the expenses incurred by you during the approval period for the project [...]. It is provided as follows:

In the financial year XXX, up to EUR XXX is available to you for the aforementioned project. Up to EUR XXX is available for the financial year XXX. Finally, up to EUR XXX is available to you for the financial year XXX. Funds may not be transferred from one financial year to another; funds that are not utilised will therefore expire.

*This is based on the financing plan, last updated [...], which I hereby declare to be binding. Revenues earned in connection with the project must be used to reduce the subsidy paid by the Federal Government. Similar rules apply in respect of reduced expenditure. This also serves to implement the provisions on the level of compensation pursuant to Article 5 of the SGEI Exemption Decision.*

Any derogations from the binding financing plan require my prior written consent. Individual sections within the meaning of Section 1.2 of the General Ancillary Conditions for Project Grants constitute the sub-totals under the headings of personnel-related expenses, material expenses (administrative) and material expenses (project-specific) that are shown and numbered in the financial plan.

Approval of the grant is subject to the requirement that the overall financing is secured.

The grant may only be disposed of during the **approval period**. The grant may only be used to settle expenses whose payment date or payment reason falls within the aforesaid period and which serve the purpose of the grant.

The grant may not be used to settle expenses of other kinds or expenses that fall outside this period.

When the approved funds are used, the principles of cost-effectiveness and economy must be observed.

Pursuant to Section 36(2)(5) of the Administrative Procedures Act (*Verwaltungsverfahrensgesetz*, VwVfG), I hereby reserve the right to include, amend and supplement requirements at a later date in order to ensure that the funding is used in line with the intended purpose.

The enclosed General Ancillary Conditions for Project Grants, last updated in 2014, and the following Special Ancillary Conditions form an integral part of this notice.

*The provisions of the General Ancillary Conditions for Project Grants (with the exception of Section 2.2) are hereby declared binding. This means that there is no de minimis limit for project funding. Any funding remaining at the end of the project (the balance) must be reimbursed in full by the beneficiary regardless of the amount involved, and transferred to the Federal Treasury. This also helps to avoid overcompensation within the meaning of Article 6 of the SGEI Exemption Decision.*

### **Special Ancillary Conditions:**

- The project must be executed in close technical cooperation with Department XXX of the Federal Ministry of Justice and Consumer Protection.
- No later than three months after the job positions referred to in the financing plan are filled, the Federal Office of Administration must be notified of this fact, enclosing a copy of the employment contract that has been concluded and a copy of the corresponding job description.
- A separate project account must be established for the handling of the project; all revenues and expenses associated with execution of the project until its completion, including any interest accrued, must be recorded in this account.
- When travel expenses are calculated, the provisions of the Federal Travel Expenses Act must be applied accordingly in the version that currently applies. Special tariffs must be used. Mileage bonuses, premiums or benefits may only be used for business purposes. Offsetting (e.g. upgrading of a flight) is not permitted. Use for private purposes is prohibited in all instances, even if it is not possible to use the relevant mileage bonuses, premiums or benefits in good time for business purposes and they will therefore expire.
- You are obliged to grant to the Federal Ministry of Justice and Consumer Protection a simple right of use that is not subject to any restrictions in terms of space, time or content to the work outcomes funded on the basis of the grant relationship and protected by copyright.
- The library of the Federal Ministry of Justice and Consumer Protection prefers to receive all publications as electronic documents forwarded to the following email address: [bibliothek-auskunft@bmjv.bund.de](mailto:bibliothek-auskunft@bmjv.bund.de). If the publications are only available in printed form, three copies each must be made available free of charge to the Federal Ministry of Justice and Consumer Protection immediately after publication.
- Events, publications and announcements of all kinds (e.g. publications, work materials, reports, notifications, invitations) must include a clearly visible reference to the funding of the relevant measure by the Federal Ministry of Justice and Consumer Protection (condition). As a minimum, the logo of the Federal Ministry of Justice and Consumer Protection with the statement 'Funded by the Federal Ministry of Justice and Consumer

Protection on the basis of a decision by the German Bundestag' must be included. I will forward the logo template by email at the same time as this notice. The same applies to publications on the Internet.

- The party responsible for running the project is obliged to carry out suitable public relations measures jointly with the Federal Ministry of Justice and Consumer Protection, in consultation with the relevant department. The party responsible for running the project must submit interim reports to the relevant department of the Federal Ministry of Justice and Consumer Protection on an annual basis, describing the work outcomes achieved for the individual project measures.
- Any website that is operated must have an accessible design.

### **Provisions of procurement law**

The following applies to project funding above EUR 100 000.00:

Section 3.1 of the General Ancillary Conditions for Project Grants must be observed when awarding contracts. The General Tendering Regulations for Services/Part A (*Allgemeine Vergabe- und Vertragsordnung für Leistungen/Teil A*) and the Tendering Regulations for Construction Services/Part A (*Vergabe- und Vertragsordnung für Bauleistungen/Teil A*) must accordingly be applied in the case of a grant exceeding EUR 100 000.00. The principle of cost-effectiveness must always be observed (Section 1.1 of the General Ancillary Conditions for Project Grants).

In the case of the direct award of services pursuant to Section 3(5)(i) of the General Tendering Regulations for Services/Part A, the Federal Ministry of Justice and Consumer Protection has specified the maximum value at EUR 15 000.00 (without VAT). The procedure below must be followed:

In the event of an estimated value up to EUR 500.00 (without VAT), procurements can be carried out without a tendering procedure (direct purchase), taking into account the budgetary principle of cost-effectiveness and economy.

In the event of an estimated value over EUR 500.00 and below EUR 1 000.00 (without VAT), comprehensible price calculations from at least three providers must be supplied in any format and documented, pursuant to Section 20 of the General Tendering Regulations for Services/Part A.

In the event of an estimated value from EUR 1 000.00 and up to EUR 15 000.000 (without VAT), at least three written bids must be obtained. The outcome of this examination of bids must be documented, pursuant to Section 20 of the General Tendering Regulations for Services/Part A, and recorded in the file together with the bids.



Reference should be made to the duty of documentation pursuant to Section 20 of the General Tendering Regulations for Services/Part A.

The objects acquired using the grant will remain tied to the purpose of the grant for the entire duration of the project (lock-in period). A separate decision on the continued use or disposal of the inventory objects will be taken after the end of the lock-in period.

### **Transfers**

I hereby authorise you to transfer funding under this approval to the affiliated organisations listed in your application in full (or up to the amount of EUR ...). It is to be ensured that the last beneficiaries meet the requirements for transfers set out in funding law. In particular, these beneficiaries must be managed properly, and must ensure that the measures funded through transfers are financed in full. The transfers must take place in each case on the basis of a contract under private law. Section 6.6 of the General Ancillary Conditions for Project Grants applies to the statement of expenditure in such cases.

This contract must include the following substantive provisions, which are aimed in particular at ensuring that the last beneficiary is subject to the same requirements under funding law as the first beneficiary:

- 1) nature of the grant, amount of the grant issued to the last beneficiary, type of financing and scope of eligible expenditure,
- 2) approval period,
- 3)
  1. purpose of the grant and the individual measures to be funded, and the length of time for which the objects procured for the grant are to be used for the specified purpose,
  2. a detailed description of the tasks to be carried out by the last beneficiary in connection with the project 'sample project' and the amount in which payments are made for the work carried out,
- 4) a statement to the effect that the individuals employed by the last beneficiary for the project 'sample project' must have qualifications that are commensurate with the task,
- 5) recognition of the repayment obligation and the other provisions on repayment by the last beneficiary; this also includes any interest accrued in connection with claims for repayment,
- 6) suitable contractual provisions that safeguard a high standard of quality,
- 7) the General Ancillary Conditions for Project Grants, without Section 2.2, and the Special Ancillary Conditions must be agreed on a binding basis,  
*(Note: In this connection, it must be ensured that the measure(s) must be handled and the use of the grant must be audited in accordance with Sections 1-7 of the General Ancillary Conditions for Project Grants and in*

*accordance with the special provisions concerning the*

*General Ancillary Conditions for Project Grants in the original notice. Depending on their substance, the provisions in question must be included directly in the contract; the right of inspection to be granted for the first beneficiary in accordance with Section 7.1 of the General Ancillary Conditions for Project Grants must also be stipulated for the Federal Ministry of Justice and Consumer Protection (including an authorised representative) and for the Federal Office of Administration and the Federal Audit Office.)*

- 8) recognition of the grounds for withdrawing from the contract,  
*(Note: A good cause for a withdrawal is in particular present if the requirements for conclusion of the contract cease to be met at a later date, if the contract has been concluded on the basis of information supplied by the last beneficiary that was incorrect or incomplete in significant respects or if the last beneficiary does not comply with its obligations.)*
  
- 9) where applicable, provisions concerning overheads, *(Note: A flat-rate fee for administrative expenses for the benefit of the last beneficiary is permitted in suitable cases and, in principle and on the basis of an application, up to an amount of 10% of the personnel-related expenses recognised as eligible. If the last beneficiary, based on the cost-to-performance analysis, can supply evidence of the need for higher lump-sum consolidation, a flat-rate fee for administrative expenses of up to 15% of the personnel-related expenses recognised as eligible can be permitted on an exceptional basis. This applies solely to the grant that has been applied for and the approval period.)*

The contractual provisions must be presented to the Federal Office of Administration for approval and to the Federal Ministry of Justice and Consumer Protection prior to conclusion of the contract.

## **Disbursement**

**The request procedure described in Section 1.4 sentence 3 et seqq. of the General Ancillary Conditions for Project Grants applies.**

Where applicable and upon request, the grant amount is disbursed in instalments within the approval period, after the notice has come into effect. To this end, payments must be requested in line with the requirement for funding. It should be noted that the grant may only be requested in so far as it is required for payments due within six weeks of the disbursement; it may not be requested earlier. As a basic principle, the notice only enters into force after the expiry of the deadline for lodging an appeal. This deadline can be waived if the declaration on the template 'Acknowledgement of receipt with waiver of the right to lodge an appeal' is completed, signed and returned to me; this constitutes a waiver of the right to lodge an appeal.

In addition, please note that your request for funding for the financial year 2016 must be received at the latest by

## **XX.XX.XXX**

so that the funding can be provided in good time before the end of the financial year. As a basic principle, requests that are received later cannot be processed. Any funding that is not requested will expire in this financial year. I hereby make it known that you can in principle schedule the disbursement as late as the last bank working day of the current financial year.

### **Evidence of use**

According to No 6.2 et seqq. of the General Ancillary Conditions for Project Grants, the evidence of use to be submitted consists of a report, numerical evidence and a list of supporting documents. The evidence of use must be submitted by

**XX.XX.XXXX**

Reference should be made to the enclosed forms as regards the structure of the evidence of use. Please only forward supporting documents if specially requested to do so. A copy of the report must be forwarded directly to the Federal Ministry of Justice and Consumer Protection, specifying the reference number.

To avoid the accrual of interest, funding that has not been used must be repaid immediately, regardless of the deadline for the submission of evidence of use.

Please arrange for a transfer to be made to the following account:

Beneficiary	Bundeskasse Trier
Credit institution	Deutsche Bundesbank - <b>Saarbrücken branch</b>
BIC	MARKDEF 1590
IBAN	DE81 5900 0000 0059 0010 20
Purpose	

I will be glad to respond to any queries. On behalf of the Federal Ministry of Justice and Consumer Protection, I would like to thank you for implementing and planning the project.

### **Right to lodge an appeal**

An appeal can be lodged against this decision with the Federal Office of Administration, 50728 Cologne, no later than one month after its announcement.

**Department: Federal Ministry for the Environment, Nature Conservation and Nuclear Safety**

**3. DESCRIPTION OF THE APPLICATION OF THE SGEI FRAMEWORK OF 2012**

<b>Section (e.g. iii) Waste collection or viii) Financial services)</b>
ix) Other sector: Nature protection and landscape conservation (Commission Decision: NN 8/2009 of 2 July 2009) – Major nature conservation projects
<b>Clear and comprehensive description of how the respective services are organised</b>
<b>Services in your Member State<sup>11</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>The service involves the federal programme 'chance.natur – Bundesförderung Naturschutz (opportunity.nature – Federal Funding for Nature Conservation)'. It serves to establish and safeguard protected areas of countryside and landscape of nationally representative significance. The programme contributes to the protection of biodiversity and the preservation of natural heritage in Germany.</p> <p>The projects will preserve or restore habitats typical of the natural environment and protect their wild species by acquiring land and implementing measures to improve and secure the situation of endangered species and habitats.</p> <p>The programme contributes to the achievement of supranational nature conservation objectives, such as the achievement of the EU goal of halting further loss of biodiversity, and the long-term protection of Natura 2000 sites in the EU.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The entrustment takes the form of approving a grant for a specific project for which an application has been submitted. The approval is usually issued by way of an administrative deed (grant notice). There are no standardised templates for such entrustments, as the project goals and (in particular) the technical and substantive requirements vary from project to project.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.

The duration of the entrustment is 11.5 years on average. The share of entrustments with a duration exceeding 10 years is around 50%. These are projects requiring a longer implementation period in accordance with the recognised principles of nature conservation.

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

No exclusive or special rights are assigned within the framework of project funding.

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

These are grants in the form of project funding. They are non-repayable grants that are approved on an expenditure basis.

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

All expenditure necessary for implementation is calculated before project funding, and a financing plan is drawn up.

The grant is approved on the basis of this financing plan. Grants are only awarded for expenditure necessary solely for implementation of the project. Funding may only be drawn down (grant disbursements) for these specifically approved expenses (net avoided cost methodology).

Typical **arrangements for avoiding and repaying any overcompensation**.

As a basic principle, grants may only be disbursed up to the level of the annually approved funding.

The beneficiaries produce an annual report on implementation of the project, as well as a numerical statement of expenditure for all grants received. All payments and/or expenditures carried out for implementation of the project must be listed and documented separately in each verification period.

In so far as individual expenses have not been approved or payments cannot be clearly assigned to the project, objections will be raised as part of the checks of the statement of expenditure, and a request will be made for repayment of the corresponding funding.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

All grants are presented in detail, including a description of the project, the beneficiary and the volume of funding for the project, at:  
<https://www.bfn.de/foerderung/naturschutzgrossprojekt/liste-laufender-vorhaben.html>.

Amount of aid granted	
<b>Total amount of aid granted (in million EUR)<sup>12</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</b>	
2018	2019
EUR 9.234 million	EUR 7.776 million
<b>A: Total amount of aid granted (in million EUR)<sup>13</sup> paid by national central authorities</b>	
2018	2019
Federal Government: EUR 7.345 million	Federal Government: EUR 6.205 million
<b>B: Total amount of aid granted (in million EUR)<sup>14</sup> paid by regional authorities</b>	
2018	2019
<i>Länder</i> : EUR 1.889 million	<i>Länder</i> : EUR 1.571 million
<b>C: Total amount of aid granted (in million EUR)<sup>15</sup> paid by local authorities</b>	
2018	2019
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>16</sup>	
2018	2019
Number of beneficiaries: 10	Number of beneficiaries: 7
<p>Annex</p> <p>A table is attached to this report describing the funded projects, the expenditure incurred in this connection and the resulting revenues. The revenues are offset against the project expenditure. This annex also serves as a report pursuant to Section 3.3.2.4 of Decision NN 8/2009. Further transfers of land acquired with funding were not approved.</p>	

All grants are listed in detail at: <a href="https://www.bfn.de/foerderung/naturschutzgrossprojekt/liste-laufender-vorhaben.html">https://www.bfn.de/foerderung/naturschutzgrossprojekt/liste-laufender-vorhaben.html</a> , including a description of the project, the beneficiary and the financial volume of the project.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>12</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</b>	
<b>2018</b>	<b>2019</b>
EUR 9.234 million	EUR 7.776 million
<b>A: Total amount of aid granted (in million EUR)<sup>13</sup> paid by national central authorities</b>	
<b>2018</b>	<b>2019</b>
Federal Government: EUR 7.345 million	Federal Government: EUR 6.205 million
<b>B: Total amount of aid granted (in million EUR)<sup>14</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<i>Länder</i> . EUR 1.889 million	<i>Länder</i> . EUR 1.571 million
<b>C: Total amount of aid granted (in million EUR)<sup>15</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information: (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>16</sup></b>	
<b>2018</b>	<b>2019</b>
Number of beneficiaries: 10	Number of beneficiaries: 7
Annex A table is attached to this report describing the funded projects, the expenditure incurred in this connection and the resulting revenues. The revenues are offset against the project expenditure. This annex also serves as a report pursuant to Section 3.3.2.4 of Decision NN 8/2009. Further transfers of land acquired with funding were not approved.	

Project/measure	2018				
	Federal Government grant	Land grant	Revenues	Expenditure	Use of surplus revenues
Osterzgebirge (SN) Rural District of Sächsische Schweiz – Osterzgebirge	379 919.79	163 660.00	50 000.00	50 000.00	The revenues are used for habitat management measures.
Baar (BW) District Administrator's Office for the District of Schwarzwald-Baar	147 112.50	73 703.00			
Allgäuer Moorallianz (BY) -Phase II Special-purpose association Naturschutzgroßprojekt Allgäuer Moorallianz consisting of Ostallgäu and Oberallgäu (rural districts)	604 875.00	150 885.00	10 000.00	10 000.00	Project revenues were kept for project-related purposes
Untere Havelniederung (BB and SNA) Naturschutzbund Deutschland (NABU) e.V.	1 891 778.00	446 086.00			
Vogelsberg (HE) Natur-und Lebensraum Vogelsberg e.V.	646 357.00	249 599.00			
Senne und Teutoburger Wald (NW) Special-purpose association Naturpark Eggegebirge und südlicher Teutoburger Wald Consists of: City of Bielefeld, Districts of Gütersloh, Hochsauerlandkreis, Höxter, Lippe and Paderborn	171 432.00	48 980.00	244 595.25	244 595.25	Project revenues were kept for project-related purposes
Bienwald (RP) Rural District of Gernersheim in collaboration with the Rural District of Südliche Weinstraße	735 716.25	275 832.86	13 886.73	13 886.73	Project revenues were kept for project-related purposes
Obere Ahr – Hocheifel (RP) Rural District of Ahrweiler	755 753.80	256 465.00			
Landschaft der Industriekultur Nord (SL) Special-purpose association 'Landschaft der Industriekultur Nord' consisting of Friedrichsthal and Neunkirchen (towns), Illingen, Merchweiler, Quierschied and Schiffweiler (municipalities), the Rural District of Neunkirchen and Industriekultur Saar GmbH	927 073.01	200 929.00			
Mittlere Elbe (ST) WWF e.V.	955 725.00	110 930.00	10 000.00	10 000.00	The revenues are offset against the grant
Hohe Schrecke (TH) Naturstiftung David	647 257.00	129 452.00			
Kellerwald Special-purpose association Kellerwald-Edersee, consisting of Edertal, Gilserberg, Haina, Jesberg, Vöhl and Bad (municipalities)	275 930.67	106 127.18	13 686.00	13 686.00	Project revenues were kept for project-related purposes
Nordvorpommersche Waldlandschaft (MV), Rural District of Nordvorpommern	742 072.60	148 414.00			
Siebengebirge (NW) Rhein-Sieg District	855 000.00	225 975.00			
Rodachtal-Lange Berge-Steinachtal Green Belt (BY, TH) Special-purpose association consisting of Coburg, Hildburghausen, Kronach and Sonneberg (rural districts)	600 000.00	142 786.00			
Neue Hirtenwege im Pfälzerwald (RP) Palatinate District Association	76 585.67	10 772.90			
Natürlich Hamburg Free and Hanseatic City of Hamburg	301 574.76	100 524.92			
Bänder des Lebens im Hunsrück (RP) Rural Districts of Bernkastel-Wittlich and Trier-Saarburg, Nationalparklandkreis Birkenfeld, Stiftung Natur und Umwelt Rheinland-Pfalz	289 806.02	32 755.00			
Workshop 'chance.natur'; funds made available internally	28 594.04				
Revision of 'chance.natur' guidelines, environmental context. The scientific editorial team	2 832.20				
Total	11 035 395.31	2 710 216.86	292 167.98	292 167.98	



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10	7 345 460.52	1 889 347.04	342 167.98	342 167.98	SGEI Framework
10	3 689 934.79	984 529.82	0.00	0.00	SGEI Decision

Project/measure	2019				
	Federal Government grant	Land grant	Revenues	Expenditure	Use of surplus revenues
Baar (BW) District Administrator's Office for the District of Schwarzwald-Baar	324 000.00	116 393.00			
Allgäuer Moorallianz (BY) -Phase II Special-purpose association Naturschutzgroßprojekt Allgäuer Moorallianz consisting of Ostallgäu and Oberallgäu (rural districts)	731 250.00	148 785.00	15 700.00	15 700.00	Project revenues were kept for project-related purposes
Untere Havelniederung (BB and SNA) Naturschutzbund Deutschland (NABU) e.V.	2 625 811.00	630 195.00			
Vogelsberg (HE) Natur-und Lebensraum Vogelsberg e.V.	368 487.40	241 375.00			
Senne und Teutoburger Wald (NW) Special-purpose association Naturpark Eggebirge und südlicher Teutoburger Wald	400 473.14	114 421.00	75 000.00	75 000.00	Project revenues were kept for project-related purposes
Bienwald (RP) Rural District of Germersheim in collaboration with the Rural District of Südliche Weinstraße	639 837.03	231 366.10	8 000.00	8 000.00	Project revenues were kept for project-related purposes
Obere Ahr – Hoheifel (RP) Rural District of Ahrweiler	455 064.99	147 227.00			
Landschaft der Industriekultur Nord (SL) Special-purpose association 'Landschaft der Industriekultur	585 106.44	145 819.00			
Hohe Schrecke (TH) Naturstiftung David	767 896.19	153 579.00			
Nordvorpommersche Waldlandschaft (MV) Rural District of Nordvorpommern	739 297.19	147 859.00			
Siebengebirge (NW) Rhein-Sieg District	1 162 574.13	232 515.00			
Rodachtal-Lange Berg-Steinachtal Green Belt (BY, TH)	574 500.00	128 060.00			
Neue Hirtenwege im Pfälzerwald (RP) Palatinate District Association	487 229.29	76 689.09			
Natürlich Hamburg Free and Hanseatic City of Hamburg	844 105.98	281 368.66			
Bänder des Lebens im Hunsrück (RP) Rural Districts of Bernkastel-Wittlich and Trier-Saarburg, Nationalparklandkreis Birkenfeld,Stiftung Natur und Umwelt	286 082.57	33 135.00			
Workshop 'chance.natur' (BB)	31 739.30				
Updating of PR materials (NW)	59 363.25				
Reprinting of flyers (NW)	806.23				
Total	11 083 624.13	2 828 786.85	98 700.00	98 700.00	
7	6 205 438.79	1 571 392.10	98 700.00	98 700.00	SGEI Framework
11	4 878 185.34	1 257 394.75	0.00	0.00	SGEI Decision

## National Natural Heritage – Reporting pursuant to NN 8/2009 – Germany, Section 3.3.2.4

### Explanations

re) **Column ‘Beneficiary of land’**

Transfers to the land management bodies of the *Länder* and to municipalities took place at federal level. These are not listed in the following report.

re) **Column ‘Land in ha’**

The Federal Government continued the measure ‘Transfer without consideration of federally-owned National Natural Heritage sites’ to the DBU, the *Länder*, nature conservation associations and foundations in accordance with the SGEI exemption rules. On the basis of the resolutions of the Budget Committee of the German Bundestag dated 17 June 2015 and 28 June 2017, 11 200 hectares of land will be transferred to the DBU, and 2 700 hectares of land will be transferred to the *Länder*, nature conservation associations and foundations as part of the third tranche.

re) **Column ‘Revenues/expenditure’**

On the basis of its experiences from the first few years of implementing the measure, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety introduced rules imposing an annual reporting obligation on the beneficiaries of plots of land: *‘As a basic principle, revenues not spent within one reporting year must be paid to the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, but may also be used for multiannual activities relating to the preservation and development of National Natural Heritage in the following year if strict requirements are met. The requirements that must be met in this respect are as follows:*

*(1) the planned purpose of use is clearly described in the report to the Federal Agency for Nature Conservation, and concrete plans/measures/obligations arising from the natural heritage development plan agreed with the Federal Agency for Nature Conservation or the agreed guiding principle are presented, (2) revenues that are not spent within one (reporting) year are as a basic principle used within a subsequent three-year period. Revenues not spent during this period must be paid to the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety. (3) The accumulation of surpluses for a longer period is only possible in exceptional cases, which must be justified to the Federal Agency for Nature Conservation (Bundesamt für Naturschutz, BfN). (4) The revenues that remain must be kept separately from the remaining budgetary resources of the beneficiaries of plots of land. The revenues must not under any circumstances be used for the interim financing of other projects. Potential interest income must be used exclusively for concrete natural heritage measures or obligations, and shown in the annual reports. Alternatively, revenues not spent may be shown in the report as surpluses, and paid every year to the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety.*

These rules do not apply to DBU Naturerbe GmbH. DBU Naturerbe GmbH submits an annual report to the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety regarding the audit of the annual financial statement. In the case of DBU Naturerbe GmbH, no provision has been made for the payment of surpluses to the Federal Government. The funding of natural heritage areas by DBU Naturerbe GmbH results in a long-term shortfall, which is compensated on an annual basis through the provision of funding by DBU.

No	Beneficiary of land	Area in ha	Revenues in EUR	Expenditure in EUR	Purpose of use of surpluses	Approved further transfer of land in ha	
						Decrease	Increase
1	Arbeitsgemeinschaft Natur-und Artenschutz e.V. (Agena)	11.7304	129.73	0.00	<i>The revenues constitute repayment of expenses as a result of unlawful demands (2017)</i>		
2	DBU Naturerbe GmbH	60 122.210 0	8 890 669.97	17 293 574.12			
3	Berlin	5.4847	175.50	240.00			
4	Deutsche Wildtier Stiftung	3 501.6660	97 372.54	258 872.44			
5	Förderverein Feldberg-Uckermärkische Seenlandschaft eV	1 255.2030	53 401.21	38 443.03	Acquisition of land		
6	Förderverein Naturpark Niederlausitzer Landrücken eV	3.4892	0.00	0.00			
7	Municipality of Eching, Town of Garching	433.1563	39 588.57	69 182.13			
8	Heinz Sielmann Stiftung TH	54.4673	4 802.36	34 821.52		4.6498	7.0992
9	Heinz Sielmann Stiftung BB	4 021.5720	253 022.47	780 781.38			
10	Horst Richard Kettner Stiftung	217.4602	10 672.82	17 415.69			
11	Kranichschutz Deutschland gGmbH	92.1573	40 909.64	15 307.97	Conservation and development plan, removal of ditches		
12	Kulturlandschaft Uckermark eV	319.5251	60 825.99	64 040.83			
13	Kulturstiftung Dessau-Wörlitz	3.9972	185.00	185.00			
14	Landesbetrieb Forst Brandenburg	1 895.9127	46 195.00	52 270.00			
15	Landschafts-Förderverein Nuthe-Nieplitz-Niederung eV	18.0002	44 166.15	45 277.64			
16	Landschaftsförderverein Oberes Rhinluch eV	17.3384	38.19	182.75			
17	Landschaftspflegeverband BR Thüringische Rhön eV	74.9071	6 355.96	1 344.00	Conservation and development plan		
18	Landschaftspflegeverband Mecklenburger Agrarkultur eV	44.5336	173 779.35	173 402.50	Acquisition of land Lühburger Graben		44.7895
19	Landschaftspflegeverband Rügen eV	303.1197	57 925.41	143 923.36		0.8760	0.9624
20	Landschaftspflegeverein Mittelbrandenburg eV	37.3297	2 579.27	2 399.14	Biotope conservation measures, traffic safety		
21	Michael Succow Stiftung zum Schutz der Natur	858.6961	66 189.15	50 149.61	Moor rehabilitation measures etc. (surplus from 2017)	2.1000	2.6000
22	NABU Kreisverband Stendal	137.2979	862.30	2 548.44			
23	NABU Stiftung Mecklenburg-Vorpommern e.V.	673.3828	16 415.91	39 789.46		1.0400	3.3480
24	NABU-Stiftung Nationales Naturerbe	7 876.7140	651 554.18	500 936.94	Dismantling of military facilities in Iffezheim	0.1900	
25	Naturschutzverein Elsteraue Falkenberg/Elster eV	16.2597	1 694.22	2 014.15			
26	Naturstiftung David -Stiftung des BUND Thüringen	255.4776	120 538.75	103 641.06	Conservation measures, transport safety		
27	Nordrhein-Westfalen-Stiftung Naturschutz, Heimat und Kulturpflege	1 130.3359	3 923.72	228 324.58			
28	Paul Feind Foundation	279.0000	16 395.51	24 796.90			
29	Sachsenforst	1 729.2203	77 852.00	342 711.00		7.8520	17.7224
30	Stiftung August Bier für Ökologie und Medizin	29.6606	5 568.57	5 780.52			
31	European Natural Heritage Foundation (Euronatur)	60.3226	479.53	4 683.59			
32	Stiftung Hessisches Naturerbe des NABU-Landesverbandes Hessen	364.9028	48 749.46	75 970.87			
33	Stiftung Naturlandschaften Brandenburg	16.0787	0.00	592.80			
34	Stiftung Naturschutz Thüringen	4 040.5133	270 438.00	633 996.07			
35	Stiftung Naturschutz Schleswig-Holstein	874.2074	110 817.73	165 967.29			
36	Stiftung Pro Artenvielfalt	88.8352	2 279.08	2 496.44			
37	Stiftung Reepsholt f. Naturschutz u. umweltgerechte Ressourcennutzung	146.4049	19 092.89	71 923.47			
38	Stiftung Umwelt, Natur und Klimaschutz des Landes Sachsen-Anhalt	3 690.8962	606 777.59	613 427.95			
39	Stiftung Umwelt und Naturschutz MV -Stiftung des Landes MV	1 476.8000	293 958.40	189 819.75	Land acquisition, conservation measures etc.	6.1252	33.1533
40	Stiftung Wälder für Morgen	1 040.4937	120 114.36	246 251.00		2.4209	2.3971
41	ThüringenForst	490.7465	42 700.00	47 339.02			
42	Umweltstiftung WWF	2 020.7719	159 490.21	196 744.92			
43	Vogelschutz-Komitee e.V.	506.2119	22 567.89	27 979.68			

No	Beneficiary of land	Area in ha	Revenues in EUR	Expenditure in EUR	Purpose of use of surpluses	Approved further transfer of land in ha	
						Decrease	Increase
1	Arbeitsgemeinschaft Natur-und Artenschutz e.V. (Agena)	11.7304	0.00	0.00			
2	DBU Naturerbe GmbH	59 907.5416	5 204 250.45	15 522 696.52			
3	Berlin	5.4847	175.50	240.00			
4	Deutsche Wildtier Stiftung	3 496.7141	254 296.91	670 031.55			
5	Förderverein Feldberg-Uckermärkische Seenlandschaft eV	1 260.6392	56 144.18	39 651.88	Acquisition of land		
6	Förderverein Naturpark Niederlausitzer Landrücken eV	3.4892	0.00	0.00			
7	Municipality of Eching, Town of Garching	433.1563	104 271.76	69 756.16	Transport safety		
8	Heinz Sielmann Stiftung TH	54.4673	4 070.48	35 175.16			
9	Heinz Sielmann Stiftung BB	4 021.5720	294 790.65	817 845.37			
10	Horst Richard Kettner Stiftung	217.4602	10 911.18	18 964.06			
11	Kranichschutz Deutschland gGmbH	92.1573	42 105.81	22 835.97	Evaluation of rewetting potential, installation of water level measuring point		
12	Kulturlandschaft Uckermark eV	319.5400	51 405.58	46 965.02	Purchase of land for a turtle project		
13	Kulturstiftung Dessau-Wörlitz	3.9972	185.00	185.00			
14	Landesbetrieb Forst Brandenburg	1 895.9127	13 297.00	40 355.00			
15	Landschafts-Förderverein Nuth-Nieplitz-Niederung eV	18.0002	27 560.10	34 112.81			
16	Landschaftsförderverein Oberes Rhinluch eV	17.3384	251.43	144.56	Planting measures		
17	Landschaftspflegeverband BR Thüringische Rhön eV	74.9071	7 677.90	4 723.92	Guiding principle of the Rhönzinzshut conservation and development plan	0.2085	
18	Landschaftspflegeverband Mecklenburger Agrarkultur eV	64.7914	32 951.76	12 610.05	Acquisition of land Lühburger Graben		
19	Landschaftspflegeverband Rügen eV	303.1197	33 825.15	126 225.96		18.2532	18.8564
20	Landschaftspflegeverein Mittelbrandenburg eV	37.3297	4 233.62	786.42	Biotope conservation measures, traffic safety		
21	Michael Succow Stiftung zum Schutz der Natur	858.6961	33 482.17	27 018.63	Consolidation of National Natural Heritage areas		
22	NABU Kreisverband Stendal	140.3179	1 300.70	2 548.44		1.0058	3.324
23	NABU Stiftung Mecklenburg-Vorpommern e.V.	707.4732	43 055.36	20 902.35	Acquisition of land		
24	NABU-Stiftung Nationales Naturerbe	7 901.0876	617 491.04	438 331.41	Dismantling of military facilities in Iffezheim	12.8723	18.9604
25	Naturschutzverein Elsteraue Falkenberg/Elster eV	16.2597	0.00	0.00			
26	Naturstiftung David -Stiftung des BUND Thüringen	255.4776	50 001.72	54 701.99			
27	Nordrhein-Westfalen-Stiftung Naturschutz, Heimat und Kulturpflege	1 130.3359	60 580.38	1 036 199.54			
28	Paul Feind Foundation	279.0000	13 725.19	18 134.30			
29	Sachsenforst	1 729.2203	69 041.00	255 026.00		1.1051	3.6353
30	Stiftung August Bier für Ökologie und Medizin	29.6606	5 568.57	5 714.73			
31	European Natural Heritage Foundation (Euronatur)	60.3226	105.00	2 538.50			
32	Stiftung Hessisches Naturerbe des NABU-Landesverbandes Hessen	364.9028	86 953.29	170 049.59			
33	Stiftung Naturlandschaften Brandenburg	16.0787	0.00	611.90			
34	Stiftung Naturschutz Thüringen	4 237.1838	181 727.23	587 914.31			
35	Stiftung Naturschutz Schleswig-Holstein	874.2074	53 089.26	90 648.93			
36	Stiftung Pro Artenvielfalt	88.8352	2 279.08	3 195.38			
37	Stiftung Reepsholt f. Naturschutz u. umweltgerechte Ressourcennutzung	146.4049	21 853.06	23 295.08			
38	Stiftung Umwelt, Natur und Klimaschutz des Landes Sachsen-Anhalt	3 642.4091	395 692.97	168 001.54	including planting measures, transport safety, baseline survey Grazing concept, officially ordered forestry measures		
39	Stiftung Umwelt und Naturschutz MV -Stiftung des Landes MV	1 476.4800	200 958.17	75 130.11	Land acquisition, biotope conservation measures, visitor guidance		
40	Stiftung Wälder für Morgen	1 040.4937	51 225.34	209 396.23			
41	ThüringenForst	490.7465	28 124.00	59 002.53			
42	Umweltstiftung WWF	2 020.7719	67 257.65	121 379.36			
43	Vogelschutz-Komitee e.V.	506.2119	23 338.26	23 486.20		0.4706	

## Baden-Württemberg 2020

### 1. Expenditure overview

According to the information provided to the *Land* Government by the authorities, aid amounting to around EUR 402.11 million in total was granted in 2018 and aid amounting to around EUR 438 million in total was granted in 2019 in Baden-Württemberg on the basis of the SGEI Decision. Guarantees are also provided, but no detailed information is available on the gross grant equivalent in this respect (see details below).

### 2. Description of the application of the SGEI Decision of 2012

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

##### ***Content of the services of general economic interest***

Pursuant to Section 3 of the *Land* Hospital Act (*Landeskrankenhausgesetz*), the rural districts must ensure the provision of efficient and needs-based hospital care for the general population. The service of general economic interest involves the operation of hospitals to guarantee the provision of needs-based medical services in hospitals to the general population of the rural district and urban district. The range of medical services is based on the Baden-Württemberg Hospital Plan that is valid in each case. The provision of needs-based healthcare services to the general population in high-performance hospitals pursuant to Section 1(1) sentence 3 of the *Land* Hospital Act is defined as an SGEI. They include in particular the following services:

- Medical care services: internal medicine, surgery, nephrology, urology, orthopaedics, gynaecology/obstetrics, ear, nose and throat surgery, neurology, psychotherapy, ophthalmology, paediatrics, radiotherapy, oral and maxillofacial surgery, dialysis, pain therapy, neurosurgery, anaesthesia, radiology and pathology,
- emergency services: participation in the ambulance service,
- ancillary services directly relating to these principal activities: pre-admission services, post-discharge services, outpatient services,
- operation of clinics in accordance with the provisions of the *Land* Hospital Act of Baden-Württemberg and the Hospital Financing Act (*Krankenhausfinanzierungsgesetz*, KHG), including the Hospital Plan of Baden-Württemberg,
- outpatient care in the relevant specialities,
- social paediatrics,
- ancillary services directly relating to these principal activities, such as:
  - a) training of nurses and healthcare workers,
  - b) operation of a hospital pharmacy,
  - c) operation of a blood bank for patients of the entrusted undertaking,
  - d) provision of catering for patients of the entrusted undertaking,
  - e) rental and leasing of housing and parking spaces for employees, visitors and patients

<b><i>Forms of entrustment</i></b>
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A typical form of entrustment does not exist. Entrustments are made e.g. by means of an administrative deed, (shareholder) agreement, by law, articles of association or decision by the relevant municipal decision-maker

***Duration of the entrustment***

10 years

***Exclusive or special rights***

none

***Aid instruments***

Investment subsidies, the assumption of guarantees and the compensation of annual shortfalls are granted and recapitalisation is financed. Short-term liquidity loans are also granted

***Compensation mechanism***

Generally a cost allocation methodology, but sometimes also a net avoided cost methodology.

***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out using proof of use, which forms part of the audited annual financial statements.

***Transparency requirements***

If aid exceeding EUR 15 million is granted, transparency is guaranteed in particular through publication on the Internet of the budget laws and budget plans of the urban and/or rural districts and the decisions of the relevant municipal decision-makers.

***Amount of aid granted***

According to the information made available to the *Land* Government by the authorities, aid amounting to around EUR 197.86 million in total (2018) or around EUR 221.5 million (2019) was granted by the *Länder* and the municipalities. During the reporting period, guarantees, letters of comfort, guarantor obligations, short-term liquidity loans and transfers of real estate/equipment amounting to EUR 322.17 million (2018) or around EUR 421.98 million (2019) were also granted; there is no information available in this respect on the gross grant equivalent.

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

### a) Health and long-term care

#### ***Content of the services of general economic interest***

Provision and operation of facilities for supporting, caring for, nursing and housing elderly and vulnerable persons, in particular retirement homes and retirement care homes, including short-term care and day care; services in the field of geriatric care and the operation of a hospice providing inpatient care.

Section 1 of the *Land Nursing Care Act (Landespflegegesetz)*: provision of nursing care structured on a local, affordable and cost-effective basis

Home-based nursing care pursuant to Volume V of the Social Code

Operation of a palliative care team.

Establishment and operation of a public community centre

#### ***Forms of entrustment***

The entrustments are made in particular by means of an administrative deed, contract and (municipal) decision.

#### ***Duration of the entrustment***

10 years

#### ***Exclusive or special rights***

none

#### ***Aid instruments***

Subsidies, guarantees

#### ***Compensation mechanism***

In particular, losses are compensated on an annual basis, or specific expenses are reimbursed. A methodology based on cost allocation is used as a basis in the vast majority of cases.

#### ***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out using evidence of use on the basis of an audited annual financial statement; if applicable, separate accounts are kept.

#### ***Transparency requirements***

No aid exceeding EUR 15 million was granted.



***Amount of aid granted***

According to the information made available to the *Land* Government by the authorities, aid amounting to around EUR 10.17 million in total (2018) or around EUR 1.53 million in total (2019) was granted by the *Land* and municipal authorities. During the reporting period, guarantees amounting to around EUR 8.8 million in total (2018) and around EUR 8.7 million in total (2019) were also granted (no information on the gross grant equivalent is available in this respect).

**b) Access to and reintegration into the labour market*****Content of the services of general economic interest***

Funding for the purpose of stabilising, qualifying and integrating (long-term) unemployed persons; the funded project makes it possible to initiate socio-spatial tasks with the aim of integration into the labour market

Qualification measures and projects aimed at facilitating entry and integration into the labour market, including the creation and/or stabilisation of employability.

Support for young people transitioning from education to a career, in particular with a view to avoiding low educational achievement and early school leaving, including school social work.

Employment and qualification measures targeted at job-seekers with physical and/or psychological disabilities.

***Forms of entrustment***

Public contract

***Duration of the entrustment***

10 years

***Exclusive or special rights***

none

***Aid instruments***

Subsidy

***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

The subsidy is subject to strict purpose limitation. According to the ancillary conditions of the transfer notice, a statement of expenditure must also be produced for the costs incurred. An interim statement must be provided on an annual basis. In the event that the total expenditure for the purpose of the grant estimated in the financing plan reduces or the funds used to cover the expenses increase or new funds are added, the grant is reduced accordingly. Furthermore, under certain conditions, the withdrawal or cancellation of the grant is also possible; an interest-bearing request for reimbursement pursuant to Section 49a of the *Land Administrative Procedures Act* (*Landesverwaltungsverfahrensgesetz, LVwVfG*) will be issued.

### ***Transparency requirements***

Below EUR 15 million

### ***Amount of aid granted***

According to the information made available to the *Land* Government by the German authorities, aid amounting to around EUR 0.03 million in total (2018) or around EUR 0.03 million in total (2019) was granted.

### **Social housing**

#### ***Content of the services of general economic interest***

The promotion of social housing is a service of general economic interest. The State's tasks include putting in place the requirements for a reliable supply of affordable housing for citizens. In Baden-Württemberg, this task is regulated in the *Land Housing Promotion Act* (*Landeswohnraumförderungsgesetz*).

The promotion of social housing includes measures for safeguarding and improving the supply of housing for households who would encounter difficulties in accessing appropriate accommodation on the open housing market on their own and are therefore reliant on State support. This includes lower-income households. These constitute the target group or beneficiaries of the funding.

The service is targeted at the creation of housing through the construction of new buildings or the acquisition and modernisation of existing rental stock, resulting in a lasting increase in the practical value of rented apartments or buildings, long-term improvements in general living conditions and permanently reduced consumption of energy and water, which also reduces the amount paid for utilities.

The service can also consist solely in the establishment of social links within the rental housing stock. For an ageing society, the promotion of social housing also involves the funding of accessible buildings and building designs appropriate for the elderly.

#### ***Forms of entrustment***

The entrustment is made on a legal basis.

Undertakings receiving funding for the promotion of social housing are entrusted with

a clearly defined public service obligation. The *Land* funding authority adopts the funding decision on the basis of the application that must be submitted by the beneficiaries, in the form of an administrative act.

Pursuant to Article 4(f) of the SGEI Decision, this entrustment also includes a reference to the Decision itself.

The funding decision clarifies in particular the purpose of funding, the amount and intended use of the grants, and (in the event that loans are granted) the repayment arrangements and the type and duration of the counter-services to be complied with/provided by the beneficiary. The special arrangements described here in relation to the provision of services of general economic interest apply specifically to social housing construction, and differ from those in other sectors, for example in the hospital sector.

#### ***Duration of the entrustment***

In the field of social housing promotion, the duration of the entrustment is 10 to 25 years as a result of the high level of investment and the long refinancing period.

In the Exemption Decision (recital 12), the construction of social housing is explicitly cited as an example of when application of the Decision does not have to be limited to a maximum of 10 years due to the high investment sums involved.

In particular, the proportion of entrustments with a duration of significantly over 10 years is relatively high.

#### ***Exclusive or special rights***

None

#### ***Aid instruments***

The promotion of social housing is designed to be property-specific rather than undertaking-specific. Funding is typically granted in the form of low-interest loans and subsidies.

#### ***Compensation mechanism***

The net avoided cost methodology is generally used as a basis for calculating compensation. The compensation is calculated on the basis of an objective and transparent procedure specified in advance.

☐ Cost allocation methodology

☒ Net avoided cost methodology

#### ***Arrangements for avoiding and repaying any overcompensation***

The published funding programmes and the *Land* Act contain regulations pertaining to both the (aforesaid) public service obligations and the calculation of the compensation payments. Within this framework, the funding authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the beneficiary has not been overcompensated for the public service obligations (which must also be described in detail).

At regular intervals (in each case after three years), the compensation payment is reviewed using the information supplied by the beneficiary in order to avoid retrospective overcompensation by the funding authority. Any portions that constitute overcompensation must be repaid.

Typical precautionary measures include not only the imposition of particular public service obligations on the undertaking, but also the *ex ante* establishment of a legal basis, either in legislation or in the funding notice, with a view effectively to control and enforce strict compliance with these obligations in respect of undertakings and social tenants. This includes obligations to provide information, to allow the inspection of documents and to grant access to land, buildings and apartments. It is also possible to initiate administrative proceedings to enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is possible to revoke (in part) the funding and to claim back funding which has already been approved.

In the event that a loan is repaid early or in the event of a company's insolvency, statutory periods of continued application are specified in advance for the rent and occupancy commitments.

#### ***Transparency requirements***

The funding is below EUR 15 million.

#### ***Amount of aid granted***

According to the information made available to the *Land* Government by the authorities, aid was provided by the *Land* in the following amounts: EUR 125.82 million (2018) and EUR 151.1 million (2019). Aid was provided by the municipalities in the following amounts: EUR 2.05 million (2018) and EUR 4.13 million (2019). The aid granted by the *Land* is passed on through the notification of the Federal Ministry of the Interior, Construction and Home Affairs (*Bundesministerium des Inneren, für Bau und Heimat*, BMI).

#### **Care and social inclusion of vulnerable groups**

##### ***Forms of entrustment***

##### ***Duration of the entrustment***

##### ***Exclusive or special rights***

##### ***Aid instruments***

##### ***Compensation mechanism***

##### ***Arrangements for avoiding and repaying any overcompensation***

##### ***Transparency requirements***

***Amount of aid granted***

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

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

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

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

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

i) Postal services

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

ii) Energy

***Content of the services of general economic interest***

Safeguarding the supply of energy from renewable energy sources

Consultancy and provision of services with the aim of optimising energy savings and the use of renewable energies in the construction and renovation sector and the reduction of greenhouse gases.

***Forms of entrustment***

If the *Land* Government is provided with information by the authorities, the entrustments are made by means of an administrative act, (shareholder) agreement or (municipal) decision.

***Duration of the entrustment***

10 years

***Exclusive or special rights***

None

***Aid instruments***

Subsidies and guarantee

***Compensation mechanism***

Methodology based on cost allocation and net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using evidence of use, frequently on the basis of an audited annual financial statement.

**Transparency requirements**

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

**Amount of aid granted**

According to the information made available to the *Land* Government by the authorities, aid amounting to around EUR 0.46 million in total (2018) or around EUR 0.47 million in total (2019) was granted at *Land* and/or municipal level.

iii) Waste collection**Content of the services of general economic interest**

Safeguarding of waste management;

Recovery and disposal of waste pursuant to Section 20(1) and (3) and Section 22 of the Closed Substance Cycle and Waste Management Act (*Kreislaufwirtschaftsgesetz*, KrWG)

**Forms of entrustment**

Contract under public law (cooperation agreement)...

**Duration of the entrustment**

10 years

**Exclusive or special rights**

none

**Aid instruments**

Warranties in the form of guarantees

**Compensatory mechanism** Cost

allocation methodology

**Arrangements for avoiding and repaying any overcompensation**

Business plan, investment plan,

calculation of fees/costs

Evidence in the form of an audited annual financial statement; request for repayment in the event of overcompensation

**Transparency requirements**



...

***Amount of aid granted***

2018: EUR 177 100; 2019: EUR 222 628

This is a non-cash benefit that involves the granting of guarantees for investments.

iv) Water supply

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

v) Culture

***Content of the services of general economic interest***

Provision and operation of public facilities used for cultural and sporting activities.  
Planning, support and strategic direction of cultural events

Maintenance of historical gardens

***Forms of entrustment***

Municipal decision

Administrative deed

***Duration of the entrustment***

10 years

***Exclusive or special rights***

none

***Aid instruments***

Subsidies

***Compensation mechanism***

Methodology based on cost allocation and net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

The level of compensation is calculated on the basis of the business plan adopted by the Supervisory Board and the evidence supplied in connection with the drawing up and auditing of the annual financial statement.

***Transparency requirements***

No aid exceeding EUR 15 million

***Amount of aid granted***

According to the information made available to the *Land* Government by the authorities, aid totalling around EUR 9.69 million (2016) or around EUR 8.93 million (2017) was granted.

vi) Financial services

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

vii) Other sectors

***Content of the services of general economic interest***

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

- promotion of the economy (including location marketing; market research; advice and support for undertakings; establishment and operation of commercial, technology, start-up and science centres; accompanying measures for inner city development, in particular retail-related measures; activities targeting start-ups; organisation of exhibitions, conferences and trade fairs and the establishment and operation of buildings and green spaces suitable for this purpose),
- promotion of tourism (including marketing; market research; operation of tourism facilities; organisation of tourist activities, events, conferences and congresses, cultural offerings, provision of tourism-related services and activities as an agent in this connection; operation of health resort facilities),
- management of parking facilities (including the provision and operation of parking facilities that do not cover their own costs, such as parking spaces, car parks and underground car parks),

- establishment and operation of transport infrastructures (bicycle rental system, park and ride facilities, underground car parks),
- trade fairs and congresses (organisation of trade fairs, city and public festivals, organisation of events, provision and rental of premises),
- provision and operation of meeting and event venues,
- promotion of business parks (planning, acquisition, development, maintenance and marketing),
- support services for start-ups in the field of biotechnology,
- establishment of a platform for cooperation between undertakings, universities and other institutions for projects, research and initial and further training in the field of logistics and mobility (provision of real estate, funding for research projects),
- promotion of sports (including the promotion of community and elite sport, provision of sports facilities and stadiums, sports marketing, operation of a sports boarding school, development of projects that help to establish structures for the use of 'new media' and to establish their application),
- swimming pools (e.g. operation of indoor swimming pools, water parks and outdoor swimming pools on the basis of socially acceptable tariffs, provision of capacity for school swimming and sports swimming within associations),
- operation of adult education centres,
- youth hostels (investment funding),
- education (improving the capacity for education and the employability of young people that do not have a school-leaving certificate and are unemployed),
- further education after the completion of an initial period of education in school, vocational training or university,
- urban renovation and renewal,
- operation of festival halls, cultural and leisure parks (e.g. for concerts, carnival events, exhibitions, shows, conferences, markets and trade fairs),
- nature protection and landscape conservation,
- climate protection (including provision of information, development of educational offers, public relations and networking activities),

- broadband expansion,
- Consumer protection
- food and education advice,
- sludge recycling.

#### ***Forms of entrustment***

The entrustment is typically made by means of an administrative deed, contract, articles of association or (municipal) decision.

#### ***Duration of the entrustment***

Typically 10 years

#### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings.

#### ***Aid instruments***

In particular, use is made of subsidies, guarantees, loans, capital contributions, membership fees, letters of comfort and transfers of staff and premises.

#### ***Compensation mechanism***

There is not a typical compensation mechanism. Losses are frequently compensated (on an annual basis) with reference to separate accounts, or specific expenses are reimbursed. A methodology based on cost allocation is used as a basis in the vast majority of cases.

#### ***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out by means of evidence of use, frequently on the basis of an audited annual financial statement.

#### ***Transparency requirements***

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

#### ***Amount of aid granted***

According to the information made available to the *Land* Government by the authorities, aid amounting to around EUR 55.85 million in total (2018) or around EUR 50.09 million in total (2017) was granted at federal, *Land* and municipal level.

### **3. Description of the application of the SGEI Framework of 2012**

The Commission has not approved any measures under the SGEI Framework of 2012 to date.

### **4. Complaints by third parties**

none

### **5. Miscellaneous questions**

none

The DAWI Decision in the <i>Land</i> of Baden-Württemberg		Total amount for the <i>Land</i> of Baden-Württemberg in millions	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services	EUR 197.86	EUR 221.50
Article 2(1)(c)	Health and long-term care	EUR 10.17	EUR 1.53
	Childcare		
	Access to and reintegration into the labour market	EUR 0.03	EUR 0.03
	Access to and reintegration into the labour market		
	Social housing	EUR 127.87	EUR 155.23
	Care and social inclusion of vulnerable groups		
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy	EUR 0.46	EUR 0.47
	Waste collection	EUR 0.18	EUR 0.22
	Water supply		
	Culture	EUR 9.69	EUR 8.93
	Financial services		
	Other sectors	EUR 55.85	EUR 50.09

<b>The DAWI Framework in the <i>Land</i> of Baden- Württemberg</b>	Total amount for the <i>Land</i> of Baden- Württemberg	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		



Public contract  
(entrustment act)

for the Rural District of

.....

on the basis of

the  
COMMISSION DECISION  
of 20 December 2011  
on the application of Article 106(2) of the Treaty on the Functioning of the European  
Union to State aid in the form of public service compensation granted to certain  
undertakings entrusted with the operation of services of general economic interest  
(notified under reference number C(2011) 9380)  
(2012/21/EU, OJ L 7 of 11 January 2012, P. 3)  
- Exemption Decision -,

the  
COMMISSION COMMUNICATION  
of 11 January 2012  
on the application of the European Union's State aid rules to  
compensation for the provision of the services of general economic  
interest  
(2012/C 8/02, OJ C 8 of 11 January 2012, P. 4),

the  
COMMISSION COMMUNICATION  
of 11 January 2012  
European Union framework  
for State aid in the form of public service compensation (2011)  
(2012/C 8/03, OJ C 8 OF 11 January 2012, P. 15)

and the  
COMMISSION DIRECTIVE 2006/111/EC  
of 16 November 2006  
on the transparency of financial relations between Member States and public  
undertakings as well as on financial transparency within certain undertakings  
(OJ L 318 of 17 November 2006, P. 17)

**Section 1**  
**Mandate to provide healthcare services**

(1) Pursuant to Section 1 of the *Land Nursing Care Act (Landespflegegesetz)*, the  
general population should be provided with efficient and cost-effective nursing care at

socially acceptable care rates, at locations as close to their home as possible. The urban and rural districts are obliged to safeguard the necessary basic healthcare services (mandate to provide healthcare services). This constitutes a service of general economic interest.

(2) The *Land* Nursing Care Plan for Baden-Württemberg, which pursuant to Section 3(2) of the *Land* Nursing Care Act sets out the principles and objectives for the provision to the general population of basic services that are necessary, efficient and cost-effective, and which forms the framework for the district care plans, specifies the following ranges for inpatient care bed demand in the rural district:

lower range		upper range
-long-term care	...	...
-short-term care	...	...
-day care/night care	...	...

(3) According to the provisions of the District Care Plan ..... (name of the facility) will cover the demand for inpatient care beds in the amount of ....., [. (name of the facility) the demand for purely short-term care beds in the amount of ..... and ..... (name of the facility) the demand for day/night care beds in the amount of .....]

Inclusion in the District Care Plan was confirmed by the District Council in the decision of/in the decisions of .....

(4) (name of the executing body) has concluded with the *Land* associations of the nursing care insurance funds, in agreement with the bodies responsible for social welfare, for (name of the facility) an unlimited contract dated .... to provide ..... inpatient care beds.

or

..... (name of the body responsible for the facility) has concluded with the *Land* associations of the nursing care insurance funds, in agreement with the bodies responsible for social welfare, contracts to provide inpatient care for an unlimited period:

- dated .... for .... inpatient care beds (including ..... interspersed short-term care places) in the facility .....
- dated .... for .... short-term care beds in the facility .....
- dated .... for .... day care/night care beds in the facility .....

Furthermore..... (name of the body responsible for the facility) has concluded with the statutory nursing care insurance funds a contract dated ... to provide outpatient care services pursuant to Volume XI of the Social Code, and is entitled to provide home-based nursing care services pursuant to Volume V of the Social Code.

## Section 2

### Entrusted undertaking, nature of the services (re Article 4 of the Exemption Decision)

(1) The Rural District ..... (name) entrusts .... (name of the body responsible for the care facility/facilities) as the body responsible for (name of facility) [as the body responsible for the following care facilities: ..... (names of the facilities)] with the

performance of the following services of general economic interest:

1. Nursing care services, accommodation and catering

- inpatient care services

for long-term and short-term care, consisting of the necessary nursing care services, including social welfare services and medical treatment as well as accommodation and catering,

- day patient care services in the form of day care [night care]

consisting of the necessary nursing care services, including social welfare services and medical treatment as well as accommodation and catering,

- outpatient care services pursuant to Volume XI of the Social Code and home-based nursing care pursuant to Volume V of the Social Code within the Rural District.

2. Ancillary services directly associated with this activity:

- management of spending money for residents in the facility/facilities,
- provision of additional inpatient care services pursuant to Section 88 of Volume XI of the Social Code, particularly in the field of accommodation and catering, in so far as the performance of the additional service is not to be regarded as an taxable economic activity.

(2) In addition, the care facility provides the following services, which do not qualify as services of general economic interest:

- ☐ .....
- ☐ .....
- ☐ .....

*(List of taxable economic activities)*

(3) The entrustment pursuant to Section 2(1) is limited to the period.....

### **Section 3**

#### **Calculation of compensation and amended calculations**

(Re Article 5 of the Exemption Decision)

(1) In so far as necessary for the performance of the services of general economic interest pursuant to Section 2(1), the rural district grants compensation to the care facility, in particular though the compensation of an annual shortfall, through the granting of investment subsidies, if the measure is not funded in its entirety by the Federal Government or the *Land* of Baden-Württemberg, through short-term lending in the form of a cash pool and through the underwriting of guarantees.\* This entrustment act does not entitle the nursing home to the granting of compensation.

\* The types of compensation listed after the word 'in particular' should be understood merely as examples. Only types of compensation that the rural district is willing to grant for the foreseeable future should be listed in the specific entrustment act. This should also be taken into account with regard to sentence 2 of the following paragraph.

(2) The amount of the maximum annual shortfall to be compensated by the rural district is calculated on the basis of the statutory regulations and the parameters set out therein and the annual business plan adopted by the nursing care facility. The maximum level of borrowing required in the relevant financial year and the amount of the maximum guarantees to be underwritten and other compensation are also calculated on the basis of the annual business plan of the nursing care facility.

(3) If, as a result of unforeseeable events, performance of the services of general economic interest pursuant to Section 2(1) leads to a higher annual shortfall, this can also be compensated.

(4) The compensation does not exceed the amount necessary to cover the net costs incurred in connection with performance of the public service obligation, including a reasonable profit. Article 5(2)-(8) of the Exemption Decision is applied for the calculation of the net costs, the revenues to be taken into account and the reasonable profit.

(5) If the nursing care facility also carries out other activities within the meaning of SECTION 2(2) THAT DO NOT QUALIFY AS SERVICES OF GENERAL ECONOMIC INTEREST COVERED by this entrustment act, the nursing care facility must list in its accounts the expenses and profits associated with performance of the individual services of general economic interest pursuant to Section 2 separately from all other activities.

The nursing care facility keeps separate accounts for this purpose on the basis of the performance plan for the planning year and the certified profit and loss statement for the completed financial year. These separate accounts show the separate expenses and income to be assigned to the individual services of general economic interest. Account should be taken of Article 5(9) of the Exemption Decision. The nursing care facility forwards the separate accounts to the rural district for confidential perusal.

#### **Section 4**

#### **Checks to determine potential overcompensation**

(Re Article 6 of the Exemption Decision)

(1) To ensure that the requirements set out in the Exemption Decision for the granting of compensation are met throughout the entire term of entrustment of the nursing care home, and in particular that the compensation does not result in overcompensation for the performance of services pursuant to Section 2(1), the nursing care home supplies evidence of the use of funds. This takes place in the form of an annual financial statement. For an investment subsidy, the rural district also checks the final accounts for the measures. As regards underwritten guarantees, the rural district also provides an annual overview of the guarantees that have been underwritten.

(2) The rural district asks the nursing care home to repay the overcompensation.

(3) If the overcompensation does not exceed the annual compensation by more than 10%, the nursing care home can carry forward the surplus to the next calendar year and deduct it from the compensation to be paid for this calendar year.

**Section 5**  
**Availability of documents**  
(Re Article 8 of the Exemption Decision)

Without prejudice to more stringent regulations, all documents that can be used to determine whether the compensation granted is compatible with the provisions of the Exemption Decision must be retained and kept available during the entrustment period and for a period of at least 10 years from the end of the entrustment period.

(Reference to committee decision)

(Place, date)

(Signature of the District Administrator)

**Template issued by the Rural District Association of  
Baden-Württemberg for**

**Public contract (entrustment  
act)**

for the Rural District of

.....

on the basis of

the

**COMMISSION DECISION**

of 20 December 2011

on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (notified under reference number C(2011) 9380) (2012/21/EU, OJ L 7 of 11 January 2012, p. 3)

- Exemption Decision -,

the

**COMMISSION COMMUNICATION**

of 11 January 2012

on the application of the European Union's State aid rules to compensation for the provision of the services of general economic interest (2012/C 8/04, OJ C 8 of 11 January 2012, p. 4),

the

**COMMISSION COMMUNICATION**

of 11 January 2012

European Union framework for State aid in the form of public service compensation (2011)

(2012/C 8/03 OJ OJ C 8 of 11 January 2012, p. 15)

and the

**COMMISSION DIRECTIVE 2006/111/EC**

of 16 November 2006

on the transparency of financial relations between Member States and public undertakings as well as on financial transparency within certain undertakings

(OJ L 318 of 17 November 2006, p. 17)

## Section 1

### Mandate to provide healthcare services, assessment decision

(1) Pursuant to Section 3 of the *Land Hospital Act*, the rural districts must safeguard the provision of efficient and needs-based hospital services to the general population. This constitutes a service of general economic interest.

(2) Inclusion in the Hospital Plan, the individual findings thereof and amendments thereto are set out in the assessment decisions by the Regional Administration ..... of ....., ..... and.....

## Section 2

### Entrusted undertaking, nature of services, time limit

(Re Article 4 of the Exemption Decision)

(1) The rural district .....(rural district) commissions the hospital ..... (hospital) with the provision of the following services of general economic interest within the boundaries of the rural district.

#### 1. Medical care services:

- (a) .....
- (b) .....
- (c) .....
- (d) .....
- (e) .....
- (f) .....
- (g) .....
- (h) .....

#### 2. Emergency services:

.....  
.....

#### 3. Ancillary services directly associated with these principal activities:

.....  
.....

(2) In addition, the hospital will provide the following services, which do not qualify as services of general economic interest:

1. ....
2. ....

(3) The commissioning of tasks pursuant to Section 2 is limited to the period of .....

### **Section 3**

#### **Calculation of compensation and amended calculations**

(Re Article 5 of the Exemption Decision)

(z) In so far as necessary for the performance of the services of general economic interest pursuant to Section 2, the rural district grants compensation to the hospital, in particular though the compensation of an annual shortfall, through the granting of investment subsidies, if the measure is not funded in its entirety by the Federal Government or the *Land* of Baden-Württemberg, through short-term lending in the form of a cash pool and through the assumption of guarantees\*. This entrustment act does not entitle the hospital to the granting of compensation.

The types of compensation listed after the word 'in particular' should be understood merely as examples. Only types of compensation that the rural district is willing to grant for the foreseeable future should be listed in the specific entrustment act. This should also be taken into account with regard to sentence 2 of the following paragraph.

(2) The amount of the maximum annual shortfall to be compensated by the rural district is calculated on the basis of the statutory regulations and the parameters set out therein and the annual business plan adopted by the hospital. The maximum level of borrowing required in the relevant financial year and the amount of the maximum guarantees to be underwritten and other compensation are also calculated on the basis of the hospital's annual business plan.

(3) If, as a result of unforeseeable events, performance of the services of general economic interest pursuant to Section 2(1) leads to a higher annual shortfall, this can also be compensated.

(4) The compensation does not exceed the amount necessary to cover the net costs incurred in connection with performance of the public service obligation, including a reasonable profit. Article 5(2)-(8) of the Exemption Decision applies when the net costs, the revenues to be taken into account and the reasonable profit are calculated.



(5) If the hospital also carries out other activities within the meaning of Section 2(2) that do not qualify as services of general economic interest covered by this entrustment act, the hospital must list in its accounts the costs and revenues associated with performance of the individual services of general economic interest pursuant to Section 2(1) separately from all

other activities. The hospital keeps separate accounts for this purpose on the basis of the performance plan for the planning year and the certified profit and loss statement for the completed financial year. These separate accounts show the separate expenses and income to be assigned to the individual services of general economic interest. Account should be taken of Article 5(9) of the Exemption Decision. The hospital forwards the separate accounts to the rural district for confidential perusal.

## **Section 4**

### **Checks to determine potential overcompensation (re Article 6 of the Exemption Decision)**

(1) To ensure that the requirements set out in the Exemption Decision for the granting of compensation are met throughout the entire term of entrustment of the hospital, and in particular that the compensation does not result in overcompensation for the performance of services pursuant to Section 2(1), the hospital supplies evidence of the use of funds. This takes place in the form of the annual financial statement. For an investment subsidy, the rural district also checks the final accounts for the measures. As regards underwritten guarantees, the rural district also provides an annual overview of the guarantees that have been underwritten.

(2) The rural district asks the hospital to repay the overcompensation.

(3) If the overcompensation does not exceed the annual compensation by more than 10%, the hospital can carry forward the surplus to the next calendar year and deduct it from the compensation to be paid for this calendar year.

## **Section 5**

### **Availability of documents** (Re Article 8 of the Exemption Decision)

Without prejudice to more stringent regulations, all documents that can be used to determine whether the compensation granted is compatible with the provisions of the Exemption Decision must be retained and kept available during the entrustment period and for a period of at least 10 years from the end of the entrustment period.

(Reference to committee decision)

(Place, date)

(Signature of the District Administrator)

## **Free State of Bavaria**

*This report does not contain any confidential information.*

### **I. Expenditure overview**

According to the information made available by the Bavarian authorities, aid granted on the basis of the SGEI Decision amounted to approximately EUR 870 million in 2018 and EUR 827 million in 2019 in the form of subsidies, guarantees, capital contributions, land concessions and loans. In particular, the transfer of land whose value could not be quantified was reported in individual cases.

Since its introduction, there have been no notifications (and therefore no expenditure) on the basis of the SGEI Framework in Bavaria.

### **II. Description of the application of the SGEI Decision of 2012**

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

##### a. Funding in the context of local self-government

#### ***Content of the services of general economic interest***

Entrustments were made in the following areas:

- medical care services in the field of inpatient, day patient, pre-admission and post-discharge and outpatient hospital care with all the associated individual services,
- emergency services,
- ancillary activities directly associated with these principal activities (e.g. accommodation and meals, laboratory, radiology, physiotherapy, cleaning of buildings, technical service, administration, but also basic and advanced training and continuing education in hospital professions, hospital fire department, provision of accommodation and parking facilities for staff, provision of staff meals, operation of canteens, hospital kitchens, central pharmacies, cafeterias and kiosks, property administration, operation of day nurseries, medical opinions),
- day and night care for elderly people,
- emergency reserve services for civil protection and infection protection measures,
- midwifery, obstetrics and post-partum care.

### ***Forms of entrustment***

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

### ***Duration of the entrustment***

The duration of the entrustment ranges from one year to (in most cases) 10 years; in some cases, the durations of entrustment are (significantly) longer – between 20 and 32 years – owing to the high levels of investment and long depreciation periods involved, or the loan terms that are used as a basis; one entrustment was made on an unlimited basis.

### ***Exclusive or special rights***

Not relevant

### ***Aid instruments***

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

- transfer without consideration of land/buildings,
- underwriting of guarantees,
- partial reimbursement of pension costs,
- investment grants,
- granting of low-interest/interest-free loans,
- reimbursement of interest/redemption payments,
- assumptions of debt servicing,
- binding letters of comfort,
- capital contributions,
- management of the hospital's current accounts in the municipality's interest compensation network without the municipality charging the interest to the hospital ('cash pooling')

### ***Compensation mechanism***

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

In addition, the following compensation mechanisms are used:

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

A methodology based on cost allocation is used in the majority of cases, but the net avoided cost methodology is also used in individual cases.

***Arrangements for avoiding and repaying any overcompensation***

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

- presentation of separate accounts with audit,
- conclusion of a contract for the use of land/buildings,
- final accounts for the measure.

***Transparency requirements***

Not applicable.

***Amount of aid granted***

2018		2019	
EUR 152 976 829.18		EUR 245 647 675.29	
	2018		2019

Subsidies in various forms, e.g. (investment) subsidy, compensation of losses/compensation of annual shortfalls, reimbursements, interest subsidy and reimbursement.	EUR 143 2992 259.29	EUR 221 752 392.42
Transfer of land/building/staff	EUR 256 280.68 1 x unquantified	EUR 216 308.68 1 x unquantified
Guarantees	EUR 649 125  (Information on the value of the aid was only forwarded in three cases. In total, guarantees amounting to <b>EUR 227 968 296.31</b> were granted.)	EUR 591 647  (Information on the value of the aid was only forwarded in three cases. In total, guarantees amounting to <b>EUR 463 428 280.00</b> were granted.)
(Liquidity) loan	EUR 7 872 592	EUR 15 735 118
Submission of a binding letter of comfort	EUR 3 000 000	EUR 3 000 000
Capital contribution	EUR 91 306	EUR 7 002 780

b. Funding by the *Land* of Bavaria within the area of competence of the *Land* Ministry of Health and Care

***Content of the services of general economic interest***

SGEIs were entrusted in the following sectors:

- telemedicine projects,
- Munich Poisons Information Centre/poisons hotline.

***Forms of entrustment***

The entrustments were made by means of grant notices or approvals.

***Duration of the entrustment***

The duration of the entrustment is between one and three years.

### ***Exclusive or special rights***

No exclusive or special rights were assigned to the undertakings.

### ***Aid instruments***

Subsidies and allocations were used.

### ***Compensation mechanism***

The grant notices, including requirements, conditions and indications, establish the compensation mechanism and the parameters for the calculation, monitoring and amendment of compensation, especially on the basis of the financing plan. The grant notices include in particular provisions concerning the type of financing, funding rate, expenditure and financing plan, personnel expenses, application of the General Ancillary Conditions for Grants to Fund Projects, audit rights, disbursement and statement of expenditure. The approvals include in particular provisions concerning the expenditure and financing plan, personnel expenses, audit rights, allocation and statements of costs.

The cost allocation methodology was used.

### ***Arrangements for avoiding and repaying any overcompensation***

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

Approvals contain provisions on proof of the use of funds and on the consequences of non-use within a specific time frame, and requirements to provide proof of the project deliverables achieved.

### ***Transparency requirements***

Not applicable.

### ***Amount of aid***

2018	2019
EUR 1 189 401	EUR 110 500

## 2. Social services (Article 2(1)(c)) a. Health and long-term care

### aa. Funding in the context of local self-government

#### ***Content of the services of general economic interest***

Entrustments are made in the following areas:

- nursing care services, such as inpatient and day patient care, but also short-term and day care of elderly people, long-term care for people with incurable, progressive illnesses with all associated individual services to allow a dignified end of life (hospice), provision and operation of retirement and nursing homes,
- ancillary services that are directly connected and necessary, including psychological support, catering, provision of a garden for guests, contemplation and prayer room, as well as room cleaning, laundry, rental of housing for employees,
- services in the field of geriatric care, such as inpatient care, housing communities, residential care communities, 'fourth-generation' nursing homes for severely impaired patients,
- basic and advanced training and continuing education in the professions required for operation of the retirement homes.

#### ***Forms of entrustment***

The entrustments are typically made by means of entrustment acts, and in individual cases by means of administrative deeds or contracts.

#### ***Duration of the entrustment***

The duration of the entrustment is typically 10 years; in a small number of cases, it is between one and five years. The duration of the entrustment is 30 years in one instance as a result of the need to refinance the necessary investments.



### ***Exclusive or special rights***

Not relevant

### ***Aid instruments***

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

- capital contributions,
- (loan) guarantees,
- use and transfer without consideration of land and buildings,
- granting of low-interest loans.

### ***Compensation mechanism***

Annual loss compensation in particular is used, but specific expenditure is also reimbursed. A methodology based on cost allocation is used as a basis in the vast majority of cases.

### ***Arrangements for avoiding and repaying any overcompensation***

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

- provision of expenses only according to the business plan adopted by the municipality for the institution,
- enforcement of any recoveries (through the existing authority of the municipality to issue instructions to the institution),
- presentation of separate accounts and audits (by the municipality),
- monthly checks.

### ***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018		2019	
EUR 5 739 070.16		EUR 5 886 787.91	
	2018	2019	
Subsidies in various forms (subsidy or compensation of losses/compensation of annual shortfalls)	EUR 862 265.12	EUR 5 685 589.28	
Low-interest loan	EUR 800	EUR 667	
Guarantee	EUR 35 005.04	EUR 200 531.63	
Transfer of land and buildings without consideration	unquantified	unquantified	

In one case, it was not yet possible to provide information for 2019 as the annual financial statements for the undertaking were not yet available.

bb. Funding by the Free State of Bavaria within the area of competence of the *Land* Ministry of Health and Care

***Content of the services of general economic interest***

SGEIs were entrusted in the following sectors:

- telemedical projects and centres,
- measures and projects for addiction prevention and addiction counselling to prevent risks of addiction through information and counselling,
- measures and projects for HIV/AIDS prevention and AIDS counselling to provide information on the risks of the immunodeficiency syndrome AIDS, on how it is transmitted and on avoidance of infection with HIV,
- establishment and operation of health regions and special projects relating to public relations work. The pooling and further development of existing regional networks is intended to contribute to the improvement of local medical care and prevention,
- structural or design-related measures for the dementia-compatible design of

indoor and outdoor spaces in independently operated institutions providing short-term care, day care and night care,

- professional development in palliative care,
- With Migrants For Migrants (*Mit Migranten für Migranten*, MiMi) Health Project Bavaria: With Migrants For Migrants – intercultural health in Bavaria: for improved access by migrants to the German healthcare system in Bavaria, including its health promotion and prevention services, through multilingual and culturally aware communication of information,
- courses for conversation facilitators pursuant to Section 132g of Volume V of the Social Code (Advance Care Planning (ACP)),
- permanent conversion of long-term care places into short-term care places and creation and operation of permanent short-term care places in care facilities for inpatients,
- establishment and expansion of new outpatient living communities for persons aged 18 or over who require care,
- establishment and operation of a specialist facility for dementia and nursing care at Bavarian level and specialist facilities for dementia and nursing care at regional level in the Bavarian administrative districts,
- funding measures for midwifery on the labour ward and during the post-partum period. Measures that make the prospect of working in the delivery room and in post-partum care more attractive for midwives are subsidised, so that new midwives can be recruited.

### ***Forms of entrustment***

The entrustment was made by grant notice and (in the case of With Migrants For Migrants) by additional subsequent private-law agreements.

### ***Duration of the entrustment***

The duration of the entrustment is between one and five years.

### ***Exclusive or special rights***

No exclusive or special rights were assigned to the undertakings.

## ***Aid instruments***

Subsidies were used.

## ***Compensation mechanism***

The grant notices, including requirements, conditions and indications, establish the compensation mechanism and the parameters for the calculation, monitoring and amendment of compensation, especially on the basis of the cost and financing plan. The grant notices include in particular provisions on the type of financing, approval period, funding amount/funding rate, cost/expenditure and financing plan, personnel expenses, application of the General Ancillary Conditions for Grants to Fund Projects (to municipal authorities) or institutional funding (General Ancillary Conditions for Grants to Fund Projects, General Ancillary Conditions for Grants to Municipal Authorities to Fund Projects and General Auxiliary Conditions for the Innovation Fund), audit rights, disbursement (terms) and statement of expenditure.

The funding of structural or design-related measures for the dementia-friendly design of indoor and outdoor spaces in independently operated institutions providing short-term care, day care and night care is designed on a property-specific basis and granted as proportionate financing under the heading of project funding. The beneficiaries are responsible for implementing projects relating to independently operated care facilities that have been approved by the nursing insurance funds through the conclusion of a supply contract.

These facilities are subject to the provisions of Section 82 of Volume XI of the Social Code on the financing of approved care facilities. This involves the funding of investment expenses that can be calculated separately for those in need of care, unless they are already covered by the public funding.

A methodology based on cost allocation was used in the vast majority of cases.

## ***Arrangements for avoiding and repaying any overcompensation***

The grant notices and ancillary provisions contain measures to avoid and recover overcompensation payments, and in particular provisions that apply in the event of infringement of ancillary provisions, when applications for disbursement are checked, for the statement of expenditure and in the event of recovery or invalidity, withdrawal or cancellation of the grant. This ensures that appropriate use of the grant can be checked (check of statement of expenditure).

Close monitoring of subsidy recipients.

***Transparency requirements***

Not applicable.

***Amount of aid granted***

2018	2019
EUR 13 624 313.37	EUR 20 631 211.94

cc. Funding within the area of competence of the Finance Department (State-owned health resorts):

***Content of the services of general economic interest***

The health resort management companies are responsible for the practical implementation of health resort operations in the area designated in Annex 1 to the Ordinance on the collection of health resort taxes (*Verordnung über die Erhebung der Kurtaxe*), including the provision of natural local remedies and the operation of appropriate health resort facilities for the provision of information, entertainment, accompanying therapeutic care and sports activities to health resort guests.

***Forms of entrustment***

A typical form of entrustment does not exist. Entrustments are made by administrative deed, (shareholder) agreement or contractually agreed consortium arrangement with municipal co-shareholders.

***Duration of the entrustment***

The duration of the entrustment varies between eight years and an unlimited term.

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

In some cases, the Free State bears sole responsibility for the health resort operations.

The involvement of further co-shareholders is not envisaged in the medium term. In this respect, the entrustments were typically made for an unlimited period.

***Exclusive or special rights***

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

***Aid instruments***

The undertakings receive subsidies.

***Compensation mechanism***

A methodology based on cost allocation was used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out using proof of use, which forms part of the audited annual financial statements.

***Transparency requirements***

Not relevant

***Amount of aid granted***

2018	2019
EUR 4 555 000	EUR 4 876 000

**b. Childcare (in the broader sense, in this instance: care and catering) Content of**

***the services of general economic interest*** The following entrustments were made:

- operation of commercial kitchens with delivery of food, operation of sales points during breaks to supply healthy meals/snacks for schoolchildren, supervisors and teachers,
- operation of a school canteen with a specified range of services,
- care of infants in a nursery and primary school children within the framework of lunchtime and holiday supervision.

***Forms of entrustment***

The entrustments are made by means of entrustment acts (in one case by means of a concession).

***Duration of the entrustment***

The duration of the entrustment is between four and ten years.

***Exclusive or special rights***

Not relevant

***Aid instruments***

As a general rule, losses are compensated and substantiated costs are assumed, or the necessary premises and utility services (electricity, water, waste collection) are made available. Compensation payments are made in connection with childcare.

***Compensation mechanism***

The compensation is based on the audited annual financial statement. Either the cost allocation methodology and net avoided cost methodology are used, or the benefit is established by the concession.

***Arrangements for avoiding and repaying any overcompensation***

Checks take place through the presentation of the annual financial statements (by means of statements of expenditure) and audits by the Bavarian Municipal Audit Association.

***Transparency requirements***

Not relevant

***Amount of aid granted***

2018	2019
EUR 745 198	EUR 706 203

***c. Access to and reintegration into the labour market******Content of the services of general economic interest***

Entrustments are made in the following areas:

- in general terms, introduction to and integration into the labour market for the most vulnerable groups in the labour market and the long-term unemployed,
- support for asylum seekers in relation to job searches, integration and qualifications for the German labour market,
- promotion of vocational training and the vocational orientation and qualification of employees that are at risk of or affected by unemployment as a result of structural change, through the creation and provision of further training and qualification options and the execution of projects for the promotion of further vocational training,
- development and execution of courses allowing unemployed persons to gain qualifications,
- execution of vocational guidance and qualification measures to allow attendees to reach a higher level of education.

***Forms of entrustment***

The entrustments are made by means of entrustment acts and grant notices.



***Duration of the entrustment***

The duration of the entrustment is between one and two years (no information was provided in one case).

***Exclusive or special rights***

Not relevant

***Aid instruments***

Subsidies were granted.

***Compensation mechanism***

The specific expenditure is reimbursed on the basis of the annual statement of funds and revenues received and on the basis of evidence of the deliverables achieved. A methodology based on cost allocation is used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

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

***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018	2019
EUR 21 853 157.17	EUR 21 883 146.37

***d. Social housing******aa. Project-specific funding******Content of the services of general economic interest***

The promotion of social housing is a service of general economic interest.

Social housing promotion involves measures aimed at safeguarding and improving

the supply of housing for population groups whose income prevents them from finding appropriate accommodation on the open housing market and who therefore rely on support. This includes in particular low-income households, households with children, single parents, pregnant women, elderly and disabled persons and other vulnerable persons. Target groups are predominantly defined on the basis of income thresholds, with proof of compliance requested on a case-by-case basis.

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

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

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

Jurisdiction for implementing the promotion of social housing in Germany has rested with the *Länder* since 2007, following the first reform of the federal system. The statutory provisions can be found in the *Land* funding laws in so far as the *Länder* have availed themselves of their legislative competence. In Bavaria, the Bavarian Housing Promotion Act (*Wohnraumförderungsgesetz*) has been adopted for this purpose.

### ***Forms of entrustment***

The entrustment is made on a legal basis.

Undertakings receiving funding for the promotion of social housing are entrusted with a clearly defined public service obligation. Within their respective fields of competence, the funding bodies grant approvals on the basis of the application required from the beneficiary and by means of an executive decision, usually an

administrative deed. Pursuant to Article 4(f) of the Exemption Decision (Commission Decision 2012/21/EU), the entrustment also includes a reference to the Decision.

The funding decision specifies in particular the purpose of the funding, the amount and type of grants, the terms for repayment (in the case of loans) and the form and duration of the considerations to be observed/provided by the beneficiary.

The specific special regulations applied to social housing, described here in relation to the performance of services of general economic interest, differ from those of other sectors such as the hospital sector.

### ***Duration of the entrustment***

In the rental housing sector, the duration of the entrustment is generally 10 to 40 years as a result of the high level of investment and the long refinancing period.

In the Exemption Decision (2012/21/EU, recital 12), social housing is explicitly named as an example of when application of the Decision does not have to be limited to a maximum of 10 years because of the significant investment involved.

The funding arrangements vary between the *Länder*, and the duration of the entrustment in Bavaria may therefore differ from that in other *Länder*.

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

### ***Exclusive or special rights***

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

The funding system is market-oriented. Any natural or legal person carrying out a building project described in the funding programme and complying with the required occupancy and rent commitments is in principle entitled to funding in the context of the promotion of social housing under the same conditions, irrespective of their other area of business. Domestic and foreign undertakings/investors are treated equally in this respect. Notwithstanding the alignment of funding with the respective demand, one of the benefits is the opportunity for local dispersal of social housing, which

avoids spatial concentration of socially disadvantaged groups (ghettoisation).

The rents for these rental properties are typically below the market level.

### ***Aid instruments***

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

### ***Compensation mechanism***

The promotion of social housing is designed to be property-specific rather than undertaking-specific.

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

The net avoided cost methodology is generally used as a basis for calculating compensation.

The compensation payments are calculated on the basis of an objective and transparent procedure specified in advance: when funding programmes are adopted, the funding conditions which are put in place in order to calculate the level of net compensation costs in each individual case are designed in such a way that the economic disadvantages incurred as a result of the public service obligation associated with the funding are offset throughout the term of the rent and occupancy commitment. Compensation is provided for the revenue losses caused by the difference between capped rent levels and market rates, the increased costs associated with tenant services, maintenance and administration as result of the occupancy commitment and any increased costs due to special design requirements at the construction stage (e.g. accessible housing).

The level of aid is determined on the basis of the conditions in the relevant housing market. All available data and research reports on land prices, construction costs and market rents are used as a basis.

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

### ***Arrangements for avoiding and repaying any overcompensation***

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

Typical precautionary measures include not only the imposition of particular public service obligations on the undertaking, but also the *ex ante* establishment of a legal basis, either in legislation or in the funding notice, with a view effectively to control and enforce strict compliance with these obligations in respect of undertakings and social tenants. This includes obligations to provide information, to allow the inspection of documents and to grant access to land, buildings and apartments. It is also possible to initiate administrative proceedings to enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is possible to revoke (in part) the funding and to claim back funding which has already been approved.

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

### ***Transparency requirements***

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

***Amount of aid granted***

2018	2019
EUR 503 483 517	EUR 410 047 502
<u>Land:</u> Low-interest loan:EUR 244 687 000  <u>Subsidies: EUR 179 034 000</u> Total: EUR 423 721 000  <u>Municipalities:</u> Low-interest loan: EUR 64 970 426  <u>Subsidies: EUR 14 792 091</u> Total: EUR 79 762 517  <b>Total: EUR 503 483 517</b>	<u>Land:</u> Low-interest loan:EUR 179 902 000  <u>Subsidies: EUR 167 863 000</u> Total: EUR 347 765 000  <u>Municipalities:</u> Low-interest loan: EUR 48 217 667  <u>Subsidies: EUR 14 064 835</u> Total: EUR 62 282 502  <b>Total: EUR 410 047 502</b>

**bb. Undertaking-specific funding*****Content of the services of general economic interest***

A publicly funded housing association was entrusted with the provision of housing for persons seeking accommodation that are unable to find appropriate solutions on the market.

In the event that additional activities by the company are connected with this purpose in such a way as to be inseparable from this purpose, the company can carry them out as well. Criteria used as a basis for determining this include the chronological sequence of these measures, their purpose and the location of the beneficiary undertaking at the time of the measures. This includes e.g. development measures or plans and expert opinions.

Furthermore, the company can also carry out activities without which the provision of housing for persons that cannot find appropriate solutions on the market is not reasonably possible. Depending on the circumstances of the case, this may include e.g. local infrastructure such as daycare centres, local utilities or also cultural institutions.

### ***Forms of entrustment***

Entrustments are made by means of administrative deeds.

### ***Duration of the entrustment***

10 years.

### ***Exclusive or special rights***

No exclusive or special rights are assigned.

### ***Aid instruments***

Contribution of 'basic assets' by the Free State of Bavaria.

### ***Compensation mechanism***

Pursuant to Article 5 of the Exemption Decision, the level of funding must not exceed the amount necessary to cover the net costs incurred in connection with performance of tasks by the housing association.

The net costs are the difference between the costs incurred while performing these tasks on the one hand and the revenues earned in this connection on the other hand.

The costs to be taken into account in this respect include all expenses incurred in connection with the performance of the tasks. The company's activities are restricted to a single comprehensive service of general economic interest, and all the costs of the entrusted company are therefore eligible.

A methodology based on cost allocation is used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out by an external auditor on an annual basis to determine whether overcompensation has occurred.

### ***Transparency requirements***

No activities are carried out outside the social housing sector.

### ***Amount of aid granted***

2018	2019
EUR 50 000 000 (share capital)	-

#### ***e.     Care and social inclusion of vulnerable groups***

### ***Content of the services of general economic interest***

Entrustments are made in the following areas:

- socio-therapeutic care services, such as psycho-social care for the disabled in accordance with Volume XII of the Social Code, including integration assistance and measures providing a daily structure,
- institutions providing care, support and education for various socially disadvantaged groups (mentally ill and disabled, young people and the elderly).

### ***Forms of entrustment***

The entrustments are made by means of entrustment acts.

### ***Duration of the entrustment***

The 10-year duration of the entrustment is exceeded in some cases, whether because the lease contract of the undertaking entrusted had a corresponding term, or because provision is made for use and write-down of the investments over the corresponding term, or because alignment of the term with that of the leasehold contract has been undertaken, inter alia as a result of substantial investments and a long depreciation period (between 12 years and a maximum of 40 years). The duration of the entrustment is one year or 10 years in individual cases.

### ***Exclusive or special rights***

Not relevant



### ***Aid instruments***

Undertakings are granted subsidies (in the form of investment, construction and repayment subsidies), and land and buildings are transferred for use without consideration.

### ***Compensation mechanism***

Compensation is provided by means of construction subsidies depending on the progress of construction, or on the basis of the municipal budget statutes.

Compensation takes place annually on the basis of the annual business plan. A methodology based on cost allocation is used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of statements of expenditure. In addition, a specific use agreement for the land/buildings was concluded, and an annual report on the implementation of the tasks assumed was requested from the municipality.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

2018		2019	
EUR 1 146 400.00		EUR 1 358 032.08	
	2018	2019	
Subsidies	EUR 1 096 000.00	EUR 1 307 632.08	
Transfer of land and buildings without consideration	EUR 50 400.00 1 x unquantified	EUR 50 400.00 1 x unquantified	

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

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

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

### ***Content of the services of general economic interest***

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

### ***Forms of entrustment***

The entrustment is made by means of a decision by the municipal decision-maker and instructions under company law.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years.

### ***Exclusive or special rights***

Not relevant.

### ***Aid instruments***

Subsidies are granted.

### ***Compensation mechanism***

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

A methodology based on cost allocation is used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

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

### ***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018	2019
EUR 75 897	EUR 77 334

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

a. Postal services (no information)

b. Energy

***Content of the services of general economic interest***

- supply of electricity, gas, heat and district heat to the general population, and all activities associated with the production, procurement, supply and distribution of energy and district heat,
- promotion of the efficient use of energy and provision and use of energy from renewable sources,
- energy advice (free of charge) (including with regard to efficiency and environmental compatibility) for end users as well as public relations work with regard to energy saving, energy efficiency and use of renewable energies and municipal climate protection work,
- operation of renewable energy generation plants,
- consulting services and pre-financing for the installation of combined heat and power plants and energy-saving measures for municipal buildings,
- safeguarding the needs-based use of thermal spring water in a manner that is accessible for all citizens in principle,
- cross-border cooperation in respect of energy saving and climate protection and execution of EU funding projects.

***Forms of entrustment***

The entrustments are made by means of entrustment acts, shareholder agreements,

articles of association and public contracts.

***Duration of the entrustment***

In the majority of cases the duration of the entrustment is 10 years; in two cases it is unlimited, since a shareholder agreement was concluded or articles of association were adopted.

***Exclusive or special rights***

Not relevant.

***Aid instruments***

Subsidies (in the form of operating subsidies, rent subsidies and investment subsidies), capital increases and loans are granted and the compensation of losses is used.

***Compensation mechanism***

Compensation is granted for the most part on the basis of the approved annual business plan or the net costs incurred. Compensation payments are also made on the basis of the guarantor obligation pursuant to Article 89(4) of the Bavarian Municipal Code (*Bayerische Gemeindeordnung*). A methodology based on cost allocation is used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

Controls are carried out using statements of expenditure, the audited annual financial statement that is submitted and the imposition of repayment obligations where applicable.

***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018		2019	
EUR 820 342.79		EUR 420 851.35	
	2018		2019

Subsidy or compensation of losses	320 342.79	232 301.35
Capital increase by means of <ul style="list-style-type: none"> <li>- contribution of a plot of land owned by the municipality</li> <li>- payment into the capital reserve</li> </ul>	EUR 500 000.00	EUR 143 550.00  EUR 45 000.00
low-interest loan		unquantified; the value of the aid was not specified  (Loan amount EUR 1 000 000)

c. Waste collection (not specified)

d. Water supply (not specified)

e. Culture

aa. Information in the context of local self-government

***Content of the services of general economic interest***

Entrustments are made in the following areas:

- operation of theatres or renting of venues for theatre and other cultural events, such as drama, opera, operetta/musical, dance, children's and youth theatre, symphony orchestra, literature, cinema, educational theatre, festivals, balls, exhibitions, meetings, conferences and congresses of all kinds and practicable sizes, and bowling events in the existing complex, as well as management of the theatre operation, the functions room operation and the associated ancillary operations,
- realisation and organisation of cultural events, for example folklore events, exhibitions, concerts and guest performances,
- operation of a wildlife park and the associated institutions and institutes.

***Forms of entrustment***

Typical forms of entrustment such as entrustment acts, municipal decisions or the adoption of shareholder agreements are used to make entrustments.

***Duration of the entrustment***

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

***Exclusive or special rights***

Not relevant.

***Aid instruments***

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

***Compensation mechanism***

The compensation payments are made on the basis of the annual business plan. A methodology based on cost allocation is generally used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

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

***Transparency requirements***

Not specified.

***Amount of aid granted***

<b>2018</b>	<b>2019</b>	
<b>EUR 19 648 500</b>	<b>EUR 22 667 347.69</b>	
	<b>2018</b>	<b>2019</b>
Capital contribution (running deficit)		EUR 1 400 000
Subsidies or compensation of losses	EUR 19 648 500	EUR 21 267 347.69
Transfer of land/buildings	-	unquantified
Drawing up of an events programme	-	unquantified

bb. Information from the public administration sector (local TV)

***Content of the services of general economic interest***

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

***Forms of entrustment***

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

***Duration of the entrustment***

4 years.

***Exclusive or special rights***

Not relevant.

***Aid instruments***

Subsidies

***Compensation mechanism***

Methodology based on cost allocation.

***Arrangements for avoiding and repaying any overcompensation***

Check of statement of expenditure.

***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018	2019
EUR 11 918 358.25	EUR 10 390 774.46

f. Financial services (no information)

6. Other sectors

a. Youth hostels

***Content of the services of general economic interest***

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

***Forms of entrustment***

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

***Duration of the entrustment***

25 years (corresponds to the depreciation period for the building)

***Exclusive or special rights***

not applicable

***Aid instruments***

Subsidy

***Compensation mechanism***

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



***Arrangements for avoiding and repaying any overcompensation***

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

***Transparency requirements***

not applicable

***Amount of aid granted***

2018	2019
-	EUR 258 037

***b. Advisory services in various fields, especially in the field of consumer advice******Content of the services of general economic interest***

- consumer education, advice and information by the Bavarian consumer organisations ‘Verbaucherzentrale Bayern e.V.’ and ‘Verbraucherservice Bayern im KDFB e.V.’;
- operation of consumer education support bases with consumer education events by adult education institutions,
- operation of an online conciliation body for consumer disputes arising in connection with e-commerce contracts,
- consumer education for refugees,
- provision of independent consumer information and consumer education in the field of nutrition,
- patent information and advice for inventors.

***Forms of entrustment***

Administrative deed or agreement

***Duration of the entrustment***

Between one and five years

***Exclusive or special rights***

None

***Aid instruments***

Subsidies

***Compensation mechanism***

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

Consumer education from 2019, proportionate financing

***Arrangements for avoiding and repaying any overcompensation***

Checks of proof of use

***Transparency requirements***

Not applicable

***Amount of aid granted***

2018	2019
EUR 7 233 000	EUR 7 684 000

c. Adult education and educational theory (also out of doors)

***Content of the services of general economic interest***

Entrustments take place in the following areas:

- promotion and maintenance of adult education centres covering the usual range of local services,
- promotion of education for adults and adolescents, including the planning, organisation and execution of events, talks, courses, tutorials and seminars aimed at providing general, personal, social, political, vocational and cultural education,
- establishment and operation of a treetop path including an integrated educational concept.

***Forms of entrustment***

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

***Duration of the entrustment***

The duration of the entrustment is generally 10 years.

***Exclusive or special rights***

Not relevant.

***Aid instruments***

Subsidies are granted.

***Compensation mechanism***

The compensation is based on the annual financial statement.

A methodology based on cost allocation is used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

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

***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018	2019
EUR 1 563 103.28	EUR 1 947 370.1

***d Transport (without land transport pursuant to Article 2(5) of the SGEI Exemption Decision)******Content of the services of general economic interest***

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

***Forms of entrustment***

Entrustments are made by means of entrustment acts.

***Duration of the entrustment***

The duration of the entrustment is 4 years.

***Exclusive or special rights***

Not relevant.

***Aid instruments***

Capital contributions are granted.

***Compensation mechanism***

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

A methodology based on cost allocation is used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

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

### ***Transparency requirements***

Not relevant

### ***Amount of aid granted***

2018	2019
EUR 207 000.00	EUR 202 000.00

#### **e. Promotion of economic development and infrastructure and tourism (municipal level)**

### ***Content of the services of general economic interest***

Entrustments are made in the following areas:

- promotion of the economy and of all associated services contributing to the strengthening and promotion of the economic area (including creation of adequate infrastructure and framework conditions for positive economic development; location marketing; market research; advice and support for companies; establishment and operation of centres for commerce, technology, business start-ups and science; development and marketing of commercial property; measures to support inner-city development, in particular in the retail sector; activities aimed at business start-ups and young companies in the IT sector, including in the form of renting office infrastructure, advice, networking, organisational assistance; holding of exhibitions, conferences and trade fairs and establishment and operation of buildings and spaces suitable for such events; development of an information system of an economic/structural nature at rural district level (area database), contact point for questions relating to the energy transition),
- management of parking spaces (including construction, provision and operation of parking facilities such as car parks, multi-storey car parks and underground car parking, and bicycle parking),
- establishment, operation and maintenance of traffic infrastructure (park & ride and bike & ride systems),
- establishment and operation of public charging infrastructure for electric vehicles,

- trade fairs and congresses (holding of trade fairs, city and public festivals, event management, providing and renting premises),
- provision and operation of meeting and event premises,
- municipal promotion of tourism (including marketing; regional development of tourism; marketing concepts; market research; operation of tourist facilities; provision of tourism-promoting infrastructure, running tourist activities, events, conferences and congresses (accompanying health resort treatment); cultural attractions, provision of tourism agency services; operation of tourist information, press and public relations work; arranging accommodation (inbound procurement in the region); looking after tourist interests for the municipality and representation of the municipality in tourist associations, development of quality assurance management and quality campaigns for landlords, innkeepers and tradespeople in the local tourism sector; distribution of local tourist products from the municipal area),
- advice and representation of the interests and coordination of local and regional operators in the tourist sector (internal marketing).

### ***Forms of entrustment***

Entrustments are typically made by means of entrustment acts.

### ***Duration of the entrustment***

The entrustments are made for between five and ten years in the vast majority of cases.

### ***Exclusive or special rights***

Not relevant

### ***Aid instruments***

In many cases, subsidies are granted and annual shortfalls are compensated (deficit compensation, compensation of losses). The following are also used:

- capital contributions,
- compensation payments for costs incurred,
- granting of loans,
- leasing of land/buildings at a reasonable price.

### ***Compensation mechanism***

Compensation is granted on the basis of the relevant (annual) business plan.

A methodology based on cost allocation is used in the majority of cases, but the net avoided cost methodology is also used in individual cases.

### ***Arrangements for avoiding and repaying any overcompensation***

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

- reporting to the responsible body and the supervisory board of the company,
- presentation of final accounts,
- evidence of actual costs.

### ***Transparency requirements***

Not relevant

### ***Amount of aid granted***

2018		2019	
EUR 32 442 572.61		EUR 23 349 440.29	
	2018		2019
Membership fees	EUR 4 590.00		EUR 4 540.00
Apportionments	EUR 34 800.00		EUR 34 800.00
Loan	EUR 662 500.00		EUR 522 500.00
capital contributions,	EUR 1 550 000.00		EUR 335 000.00
Compensation of losses	EUR 6 875 634.50		EUR 7 203 253.07
Subsidies	EUR 21 822 072.78		EUR 15 011 347.22

Consolidated tax filing status	EUR 856 000.00	EUR 238 000.00
Transfer without consideration of land	EUR 352 547.00	/
Guarantees	unquantified  (Information on the aid value of the guarantees was not forwarded. In total, guarantees amounting to <b>EUR 717 425.43</b> were granted.)	unquantified  (Information on the aid value of the guarantees was not forwarded. In total, guarantees amounting to <b>EUR 737 423.99</b> were granted.)

f. Real estate industry

***Content of the services of general economic interest***

An entrustment is made for the purpose of constructing, operating, maintaining and leasing residential and commercial units for the purpose of securing local provision and designing the town centre.

***Forms of entrustment***

Entrustments are made by means of administrative deeds.

***Duration of the entrustment***

The duration of the entrustment is 10 years.

***Exclusive or special rights***

Not relevant.

***Aid instruments***

Investment subsidies are granted and guarantees are assumed.

***Compensation mechanism***

A methodology based on cost allocation is used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

Separate accounting and annual audit by the municipality

***Transparency requirements***

Not relevant.



***Amount of aid granted***

	<b>2018</b>	<b>2019</b>
		<b>EUR 155 908.78</b>
Guarantee		Value of aid EUR 146 008.78  (Guarantee amount EUR 1 500 000.00)
Investment subsidy		EUR 9 900.00

***g Tourism (without municipalities)******Content of the services of general economic interest***

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

- measures generally aimed at raising awareness and highlighting the advantages of the location as an attractive travel destination (e.g. organising events, conferences, congresses and trade fairs),
- development and implementation of marketing concepts for general image advertising for tourism,
- cooperation with other tourism marketing organisations for the purpose of general promotion of tourism within the relevant field of competence,
- general market research on tourism-related topics,
- awareness campaigns for individual tourism-related topics and tourism-related fields in the interests of promoting tourism,

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

***Forms of entrustment***

The entrustment is made in the form of an administrative deed within the framework of the grant notice.

***Duration of the entrustment***

As a general rule, the entrustment is made for one year.

***Exclusive or special rights***

No exclusive or special rights are assigned.

***Aid instruments***

Subsidy.

***Compensation mechanism***

Compensation is based on the cost and financing plan of the relevant tourist association/tourism marketing organisation. Separate accounts are kept. (Cost allocation methodology).

***Arrangements for avoiding and repaying any overcompensation***

Check of statement of expenditure.

***Transparency requirements***

Not applicable.

***Amount of aid granted***

2018	2019
EUR 10 460 054.50	EUR 12 058 992

**h Spas, therapeutic and thermal baths and other leisure facilities*****Content of the services of general economic interest***

Entrustments are made in the following areas:

- proper administration of health resort resources within the framework of the operation of a health resort centre; practical implementation of health resort operations,
- construction and operation of a thermal bath with sports and family area,
- use of the thermal spring opened up to promote health and tourism,

- ancillary services directly associated with the principal activity, such as physical therapy, provision of parking space for cars and motorhomes, saunas, wellness baths, Dead Sea salt grotto, health resort treatments,
- maintenance and operation of leisure facilities (including ice sports facilities, saunas and thermal baths, outdoor and indoor swimming pools, ski lift, camping site, conference centres, in so far as cultural events take place there) and corresponding auxiliary and supporting facilities.

### ***Forms of entrustment***

Entrustments are typically made by means of entrustment acts, and in individual cases also by means of (public-law) contracts and articles of association.

### ***Duration of the entrustment***

The duration of the entrustment is generally 10 years, and has an unlimited term in one case.

### ***Exclusive or special rights***

Not relevant.

### ***Aid instruments***

- subsidies granted (inter alia in the context of the special-purpose association levies),
- deficit compensation payments,
- Guarantees
- capital contributions,
- retention of income from investments.

### ***Compensation mechanism***

A methodology based on cost allocation is generally used, and the net avoided cost methodology is only used in exceptional cases. The relevant (annual) business plans serve as a basis

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out through the presentation of the annual financial statements and audits (by the municipality, advisory board of the contracting parties), through statements of expenditure, reservation of the right of recovery and the annual

settlement of accounts in the context of the preparation of the annual financial statements.

***Transparency requirements***

Not relevant.

***Amount of aid granted***

2018	2019
EUR 30 096 362.96	EUR 36 373 492.86

# Berlin

## 1. EXPENDITURE OVERVIEW

Reference should be made to the Annex Berlin (2) Total amounts.

## 2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION OF 2012

### Section (e.g. 1 Hospitals or 2(b) Childcare)

1 Hospitals, Article 2(1)(b) of the Decision (2012/21//EU)

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

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

The services provided in the hospital operated by Vivantes Netzwerk für Gesundheit GmbH in the scope specified in the *Land* Hospital Plan or a *Land* Hospital Plan that replaces this *Land* Hospital Plan and at the hospital locations listed there and the subsidiaries and associates referred to below with performance of the following services within the catchment area of the *Land* of Berlin, including the investments necessary for this purpose are defined as services of general economic interest:

1. medical care services according to the *Land* hospital plan, including
  - appropriate and adequate medical care for inpatients treated at the hospital, including all associated individual services,
  - medically appropriate and adequate investigation and treatment of outpatients treated at hospital, including all associated individual services, with the exception of emergency admission cases, in particular in the following specialities: ophthalmology, surgery, gynaecology and obstetrics, geriatrics, ear, nose and throat surgery, skin and sexually transmitted diseases, internal medicine, paediatrics, child and adolescent psychiatry and psychotherapy, oral and maxillofacial surgery, neurosurgery, neurology, nuclear medicine, psychiatry and psychotherapy, radiation therapy, urology,
2. emergency inpatient care according to the *Land* hospital plan, in particular at the following locations:
  - Am Urban Clinic, urgent care hospital
  - August-Viktoria Clinic, urgent care hospital
  - Friedrichshain Clinic – Landsberger Allee, urgent care centre
  - Hellersdorf Clinic – Myslowitzer Straße, urgent care hospital
  - Neukölln Clinic, urgent care centre
  - Humboldt Clinic, urgent care hospital
  - Spandau Clinic, urgent care hospital
  - Wenckeback Clinic, urgent care hospital
3. ancillary services directly associated with these principal activities in so far as they are necessary for the performance of the SGEIs; this includes the following:
  - operation of healthcare training institutions,
  - operation of a hospital pharmacy, including caring for outpatients treated at the hospital using the medicinal products dispensed at the hospital,
  - catering services for patients at the hospital.
  - operation of the Institute of Hygiene and Environmental Medicine (*Institut für Hygiene und Umweltmedizin*).

Vivantes Netzwerk für Gesundheit GmbH has holdings in other undertakings; some of these undertakings themselves perform the aforesaid services of general economic interest in relation to patients in accordance with the provisions of their articles of association, including Vivantes-Ida-Wolff-Krankenhaus GmbH, SVL Speiseversorgung und -logistik GmbH, Labor Berlin – Charité Vivantes Service GmbH and Labor Berlin Charité Vivantes GmbH. In some cases, the hospital uses these subsidiaries and associates to perform the aforesaid services of general economic interest incumbent upon them.

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Administrative deed (entrustment act); South German model
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years from announcement
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No special rights are assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies/transfers to the capital reserve
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
A methodology based on cost allocation is used as a basis. The entrustment act serves as an abstract framework for the level of compensation.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
<p>Vivantes Netzwerk für Gesundheit GmbH must provide evidence that the funding is only used in the facilities in which the SGEIs with which they are entrusted are performed. (Separate accounting). The investment subsidies and contributions to the capital reserve must be liquidated. The compensation for an annual shortfall does not exceed the amount necessary to cover the net costs incurred in connection with performance of the SGEIs, including a reasonable profit. This is based on separate accounting on the basis of the performance plan for the planning year and the certified profit and loss statement for the completed year. It is also necessary to clarify that the costs taken into account were necessary for the purpose of performing the SGEIs. The <i>Land</i> of Berlin carries out checks of the use of the funds on the basis of auditors' certificates (annual financial statement and separate accounting), regularly and at the end of the entrustment period and also, in the case of investment subsidies or capital measures, on the basis of the final accounts. If Vivantes Netzwerk für Gesundheit GmbH has received compensation that is higher than required, the <i>Land</i> requests repayment of the overcompensation. Overcompensation can be carried forward to the following calculation period if it does not exceed the average annual compensation by 10% per annum in a maximum of three consecutive years at the time of the first interim check (no later than three years after the announcement of the entrustment).</p>

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

The entrustment act is published in the Berlin Official Gazette. When the grant amount is published on the homepage of the Senate Department responsible for finances, a reference to the publication of the entrustment act must be included.

### Section (e.g. 1 Hospitals or 2(b) Childcare)

#### 2(c) Access to and reintegration into the labour market

#### **Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup>**

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

The *Land* of Berlin grants supplementary wage subsidies in addition to the integration subsidies for older employees pursuant to Sections 88 et seqq. of Volume III of the Social Code and supplementary subsidies to cover material expenses incurred by the employer. The employee to be recruited must be at least 50 years old, and the employer must receive funding from a Berlin Employment Agency (*Agentur für Arbeit*) or a Job Centre at a rate of 50% of the eligible wage pursuant to Section 88 et seqq. of Volume III of the Social Code or contribute it from its own funds/third-party funds. The subsidy is granted as shortfall financing. The funding serves as a supplement to the wage subsidy granted by the Employment Agency or the Job Centre at a rate of 100% of the eligible wage. The employer must be engaged in non-profit activities. As an annual average, 148 participants in the financial year 2018 and 129 participants in the financial year 2019 were co-financed by the *Land* of Berlin.

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

These are grant notices under Section 44 of the *Land* Budget Code.



<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The period for which funding is provided by the <i>Land</i> of Berlin is based on the funding period by the Employment Agency/Job Centre pursuant to Section 88 et seqq. of Volume III of the Social Code. The total funding period may be up to 36 months. In the case of persons with particularly severe disabilities, the funding may be granted for up to 60 months or, from the age of 55, up to 96 months.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No such rights are assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
These are non-repayable subsidies (grants)
Typical <b>compensation mechanism</b> for the individual services and whether a cost allocation methodology or a net avoided cost methodology is used as a basis.

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

The grants are awarded in the form of shortfall financing (wages for participants in the measure) and fixed amount financing (flat-rate fee for material expenses incurred by the employer).
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
Within the framework of proportionate financing, the costs for the participants in the measures are calculated by the Job Centres upon application and settlement, and the <i>Land of Berlin</i> includes the costs that are not to be covered by the Employment Agencies or Job Centres themselves as shortfall financing. Supplementary subsidies for material costs are calculated in such a way that only the most significant expenditure incurred during implementation of the instrument by the employment institutions is covered.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The requirements only apply if a value threshold of EUR 15 million is exceeded. Grants to undertakings (sponsors of measures) do not exceed a value of EUR 15 million.

#### Amount of aid granted

**Total amount of aid granted (in million EUR)**<sup>6</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019
EUR 2 175 318.51	EUR 1 649 512.48
Material cost lump sums to carry out measures account for about 7% of the amount, and participants' costs for the rest. These are pure subsidies granted by Berlin ( <i>Land</i> /municipality).	Material cost lump sums to carry out measures account for about 7% of the amount, and participants' costs for the rest. These are pure subsidies granted by Berlin ( <i>Land</i> /municipality).

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
2(c) <u>Access to and reintegration into the labour market</u>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>According to Section 16e of Volume II of the Social Code (Promotion of employment relationships), a job centre can pay an employer up to 75% of the eligible remuneration if a long-term unemployed beneficiary, for whom it is particularly hard to find a job and who is not expected to have any prospect of integration in the general labour market within the allocation period, is placed. The subsidised activities do not have to meet the criteria of additionality, public interest and competition neutrality. The <i>Land</i> of Berlin participates with a project lump sum which, in terms of amount, ties in with the funding (applicable until 2016) of 25% of the personnel costs of the participants in the measure and the material cost subsidies for the employment institutions. The projects must be services of general interest and are therefore not implemented in the unsubsidised primary labour market.</p> <p>As an annual average, 1 956 participants in the financial year 2018 and 1 242 participants in the financial year 2019 were co-financed by the <i>Land</i> of Berlin.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
These are grant notices under Section 44 of the <i>Land</i> Budget Code.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The appropriation periods in each case cover up to a maximum of two years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No such rights are assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
These are non-repayable subsidies (grants)

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

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

The grants are awarded by means of fixed amount financing (project lump sums for the sponsors of measures).

Typical **arrangements for avoiding and repaying any overcompensation.**

In terms of amount, the project lump sums are based on the funding granted until autumn 2016. Until then, within the framework of proportionate funding, the costs of the participants in the measure were determined by the job centres in the application and settlement process and the *Land* of Berlin paid 25% of them in the reporting years. Supplementary subsidies for material costs (around 30% of total financing by the *Land* of Berlin) are calculated in such a way that only the most significant expenditure in implementing the instrument by the employment institutions is covered. Any increases in the flat-rate fee that occur in the meantime result from the increase in the minimum wage upon which the payment for the participants in the measure is based.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The requirements only apply if a value threshold of EUR 15 million is exceeded. Grants to undertakings (sponsors of measures) do not exceed a value of EUR 15 million.

**Amount of aid granted**

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

**2018**

**2019**

EUR 12 396 095.85	EUR 7 513 688.54
No distinction is made between material costs and participant costs in respect of the flat-rate project fee granted in this respect. These are pure subsidies granted by Berlin ( <i>Land</i> /municipality).	No distinction is made between material costs and participant costs in respect of the flat-rate project fee granted in this respect. These are pure subsidies granted by Berlin ( <i>Land</i> /municipality).

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
2(c) <u>Access to and reintegration into the labour market</u>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>Pursuant to Section 16(i) of Volume II of the Social Code (participation in the labour market), a Job Centre can pay an employer up to 100% of the eligible wage for two years, 90% in the third year, 80% in the fourth year and 70% in the fifth year if a person who has been unemployed for a long time and has received benefits to cover the cost of living for at least six of the past seven years is employed. The subsidised activities do not have to meet the criteria of additionality, public interest and competition neutrality. The <i>Land</i> of Berlin participates by means of subsidies to cover material expenses incurred by the employers and by topping up by the personnel-related costs for the participants in the measures to 100%. The projects must be services of general interest and are therefore not implemented in the unsubsidised primary labour market. The instrument was introduced in 2019.</p> <p>As an annual average, 1 370 participants in the financial year 2019 were co-financed by the <i>Land</i> of Berlin.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
These are grant notices under Section 44 of the <i>Land</i> Budget Code.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The appropriation periods are no more than five years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No such rights are assigned.

Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
These are non-repayable subsidies (grants)
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

The grants are awarded in the form of fixed amount financing (degressive compensation for participant fees) and fixed amount financing (flat-rate fee for material expenses incurred by the parties responsible for the measures).	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
The costs incurred by the participants in the measure are calculated by the job centres as part of the application and settlement process, and the <i>Land</i> of Berlin pays a top-up to 100%. Supplementary subsidies for material costs are calculated in such a way that only the most significant expenditure incurred during implementation of the instrument by the employment institutions is covered.	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
The requirements only apply if a value threshold of EUR 15 million is exceeded. Grants to undertakings (sponsors of measures) do not exceed a value of EUR 15 million.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>

No funding was awarded in 2018.	<p>EUR 5 203 502.44</p> <p>Around 70% of the funding in this year was accounted for by a flat-rate fee for material expenses incurred in connection with the execution of measures, and the remainder was accounted for by participant fees.</p>
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The SGEI Decision in the <i>Land</i> of Berlin		Total amount for the <i>Land</i> of Berlin	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services	EUR 0.00	EUR 164 500 000.00
Article 2(1)(c)	Health and long-term care		
	Childcare		
	Access to and reintegration into the labour market (project involving the promotion of employment relationships)	EUR 12 396 095.85	EUR 7 513 688.54
	Access to and reintegration into the labour market (Project EGZ)	EUR 2 175 318.51	EUR 1 649 512.48
	Access to and reintegration into the labour market (Project 16i)		EUR 5 203 502.44
	Social housing		
	Care and social inclusion of vulnerable groups		
Article 2(1)(d)	Social services		
Article 2(1)(e)	Air or maritime links		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Airports and ports		
	Postal services		
	Energy		
	Waste collection		
	Water supply		
	Culture		
	Financial services		
	Other sectors		



<b>The SGEI Framework in the <i>Land</i> of Berlin</b>	Total amount for the <i>Land</i> of Berlin	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		

### ENTRUSTMENT ACT

of the *Land* of Berlin,  
represented by the Berlin Senate Department for Health, Care and Equality  
(*Senatsverwaltung für Gesundheit, Pflege und Gleichstellung*), Oranienstraße  
106, 10969 Berlin,

and

Vivantes Netzwerk für Gesundheit GmbH,  
Aroser Allee 72-76, 13407 Berlin,

on the basis of

the  
COMMISSION DECISION  
of 20 December 2011

on the application of Article 106(2) of the Treaty on the Functioning of the  
European Union to State aid in the form of public service compensation granted to  
certain undertakings entrusted with the operation of services of general economic  
interest (notified under reference number C(2011) 9380) (2012/21/EU, OJ L 7 of  
11 January 2012, p. 3)

– ‘**Exemption Decision**’ –,

the  
COMMISSION COMMUNICATION  
of 11 January 2012

on the application of the European Union’s State aid rules to  
compensation for the provision of the services of general economic  
interest (2012/C 8/02, OJ C 8 of 11 January 2012, p. 4),

the  
COMMISSION COMMUNICATION  
of 11 January 2012 framework for State aid in the form of public service  
compensation (2011) (2012/C 8/03, OJ C 8 of 11 January 2012, p. 15)

and the  
COMMISSION DIRECTIVE 2006/111/EC  
of 16 November 2006 on the transparency of financial relations between  
Member States and public undertakings as well as on financial transparency within  
certain undertakings OJ L 318 of 17 November 2006, p. 17)

### Preamble

(1) Pursuant to Section 6 in conjunction with Section 1(1) of the Act safeguarding the economic basis for hospitals and regulating the hospital care fees (*Gesetz zur wirtschaftlichen Sicherung der Krankenhäuser und zur Regelung der Krankenhauspflegesätze*) in the version promulgated on 10 April 1991 (Federal Law Gazette I p. 886), most recently amended by Article 3 of the Act of 11 December 2018 (Federal Law Gazette I p. 2394 (‘Hospital Financing Act’), the *Land* of Berlin is obliged to draw up a *Land* hospital plan and investment plans to contribute to the provision of high-quality, patient-centred and needs-based healthcare to the population in high-performance and high-quality hospitals operating on the basis of an independent budget and on the basis of socially acceptable care fees.

(2) With a view to complying with these requirements, the Senate of the *Land* of Berlin, at a meeting held on 24 November 2015 and on the basis of Section 6(1) and (4) of the Hospital Financing Act in conjunction with Section 6 of the *Land* Hospital Act of the *Land* of Berlin of 18 September 2011 (Gazette of Laws and Ordinances 2011 p. 483), most recently amended by Article 15 of the Act adapting the formal requirements for legislation adopted by the *Land* of Berlin (*Gesetz zur Anpassung der Formanforderungen im Berliner Landesrecht*) of 2 February 2018 (Gazette of Laws and Ordinances p. 160) (‘**Land Hospital Act**’), adopted the 2016 Hospital Plan for the *Land* of Berlin (‘**Land Hospital Plan**’).

(3) Vivantes Netzwerk für Gesundheit GmbH, with head office in Berlin and domiciled at Aroser Allee 72-76, 13407 Berlin (‘**the Company**’), based on the Act putting in place the legal conditions for the establishment of an enterprise for city hospitals (*Gesetz zur Schaffung der rechtlichen Voraussetzungen für die Errichtung eines Unternehmens der städtischen Krankenhäuser*) of 30 November 2000 (Gazette of Laws and Ordinances 2000 p. 503) (‘Hospital Enterprise Act’) and entered in the Commercial Register at the Local Court of Charlottenburg under the entry HRB 77849, pursuant to Section 3 of the **Hospital Enterprise Act** or Section 5(2) of the Company’s articles of association in the version dated 1 September 2017, is the

successor to the assets of the city hospitals of the *Land* of Berlin listed below:

pursuant to the Hospital Enterprise Act ( <i>Krankenhausunternehmens-Gesetz</i> ):	pursuant to the <i>Land</i> Hospital Plan:
Am Urban Hospital	Location: Am Urban Clinic [KAU] Dieffenbachstraße 1, 10967 Berlin
Auguste-Viktoria Hospital	Location: August-Viktoria Clinic [AVK], Rubensstraße 125, 12157 Berlin
Hospital in Friedrichshain	Location: Friedrichshain Clinic [KFH], Landsberger Allee 49, 10249 Berlin
Hellersdorf Hospital	Location: Hellersdorf Clinic [KHD], Myslowitzer Straße 45, 12621 Berlin, Brebacher Weg 15, 12683 Berlin
Neukölln Hospital	Location: Neukölln Clinic [KNK], Rudower Straße 48, 12351 Berlin
Prenzlauer Berg Hospital	Location: Friedrichshain Clinic [KFH], Fröbelstraße 15, 10405 Berlin
Reinickendorf Hospital	Location: Humboldt Clinic [HUK], Am Nordgraben 2, 13509 Berlin
Spandau Hospital	Location: Spandau Clinic [KSP], Neue Bergstraße 6, 13585 Berlin
Wenckebach Krankenhaus	Location: Wenckebach Clinic [WBK], Wenckebachstraße 123, 12099 Berlin

#### Section 1

Mandate to provide healthcare services, hospital and assessment decision

(1) Pursuant to Section 1(1) of the *Land* Hospital Act, the *Land* of Berlin provides needs-based and humane inpatient healthcare for the population in efficient and cost-effective hospitals in the *Land* of Berlin. This constitutes a service of general economic interest.

(2) According to the assessment decision of the Senate Department for Health and Social Affairs of 18 October 2016 and the amendments to the following notices with the hospital locations listed in paragraph 3 of the preamble, Vivantes Netzwerk für Gesundheit GmbH is included as a planned hospital ('hospital') in the *Land* Hospital Plan with the individual findings recorded there (cf. *Land* Hospital Plan, p. 178 to 191 (Annex 1)).

#### Section 2

##### **Entrusted undertaking, nature of services, duration of entrustment** (Re Article 4 of the Exemption Decision)

(1) The *Land* of Berlin entrusts the hospital operated by Vivantes Netzwerk für Gesundheit GmbH in the scope specified by the *Land* Hospital Plan or a *Land* Hospital Plan that replaces this *Land* Hospital Plan and at the hospital locations listed there and the subsidiaries and associates referred to in Section 2(2) with performance of the following services of general economic interest within the scope of the healthcare services to be provided by the *Land* of Berlin, including the investments necessary for this purpose:

1. medical care services according to the *Land* hospital plan, including
  - appropriate and adequate medical care for inpatients treated at the hospital, including all associated individual services,
  - medically appropriate and adequate investigation and treatment of outpatients treated at hospital, including all associated individual services, with the exception of emergency admission cases,

in particular in the following specialities:

- ophthalmology,
- surgery,
- gynaecology and obstetrics,

- geriatrics,
  - ear, nose and throat surgery,
  - skin and sexually transmitted diseases,
  - internal medicine,
  - paediatrics,
  - child and adolescent psychiatry and psychotherapy,
  - oral and maxillofacial surgery,
  - neurosurgery,
  - neurology,
  - nuclear medicine,
  - psychiatry and psychotherapy,
  - radiotherapy,
  - urology,
2. emergency inpatient care according to the *Land* hospital plan, in particular at the following locations:
3. ancillary services directly associated with these principal activities in so far as they are necessary for the performance of the SGEIs; this includes the following:
- operation of healthcare training institutions,

Location: Am Urban Clinic [KAU]	Emergency hospital
Location: August-Viktoria Clinic (AVK)	Emergency hospital
Location: Friedrichshain Clinic [KFH] – Landsberger Allee	Emergency centre
Location: Hellersdorf Clinic [KHD] – Myslowitzer Straße	Emergency hospital
Location: Neukölln Clinic [KNK]	Emergency centre
Location: Humboldt Clinic [HUK]	Emergency hospital
Location: Spandau Clinic [KSP]	Emergency hospital
Location: Wenckeback Clinic [WBK]	Emergency hospital

- operation of a hospital pharmacy, including caring for outpatients treated at the hospital using the medicinal products dispensed at the hospital, catering for patients at the hospital,
  - operation of the Institute of Hygiene and Environmental Medicine (*Institut für Hygiene und Umweltmedizin*),
- (2) Vivantes Netzwerk für Gesundheit GmbH has holdings in the following companies (among others):
- a) Vivantes Ida-Wolff-Krankenhaus GmbH (100%)
  - b) Vivantes Rehabilitation GmbH (70%)
  - c) SVL Speiseversorgung und -logistik GmbH (100%)
  - d) VivaClean Nord GmbH (100%)
  - e) VivaClean Süd GmbH (100%)
  - (f) Vivantes Service GmbH (100%)
  - g) Vivantes -Forum für Senioren GmbH (100%)
  - h) Vivantes -MVZ GmbH (100%)
  - i) Vivantes Ambulante Krankenpflege GmbH (100%)
  - j) Vivantes Hospiz gGmbH (100%)
  - k) Vivantes Therapeutische Dienste GmbH (100%)
  - l) Labor Berlin -Charité Vivantes Services GmbH (50%)
  - (m) Labor Berlin -Charité Vivantes GmbH (50%)

Some of these subsidiaries and associates provide their own services of general economic interest in accordance with Section 2(1) to patients on the basis of the provisions of the articles of association. In some cases, the hospital charges these subsidiaries and associates with performance of the services of general economic

interest incumbent upon it pursuant to Section 2(1).

During the term of the entrustment, additional subsidiaries and associates may be involved within the scope of this entrustment if these perform services of general economic interest of their own or on behalf of Vivantes Netzwerk für Gesundheit GmbH.

(3) In addition, the hospital and the subsidiaries and associates referred to in Section 2(2) perform services that do not constitute services of general economic interest, including:

- a) operation of a pharmacy for external third parties,
- b) delivery of pharmaceuticals to pharmacists,
- c) supply of food and drink to external third parties,
- d) rental of telephones and televisions to external third parties,
- e) rental of living space to non-medically-indicated persons accompanying patients and to external third parties,
- f) aesthetic and plastic medicine for non-therapeutic purposes,
- g) radiology, pathology and laboratory services for external third parties,
- h) provision of staff and material resources to employed and resident doctors for the operation of private outpatient clinics,
- (i) optional medical and non-medical services,
- j) expert activities for third parties,
- k) administrative services for subsidiaries and external third parties,
- l) rental and sale of large-scale equipment, tangible assets, other objects,
- m) rental of (parts of) plots of land, buildings, premises to subsidies and external third parties,
- n) clinical trials,
- o) planning, organisation and execution of trade congresses.

Not all of the services provided by Vivantes Komfort Klinik GmbH are to be classified as services of general economic interest.

(4) The entrustment pursuant to Section 2(1) becomes effective upon notification of this entrustment act to Vivantes Netzwerk für Gesundheit GmbH and its subsidiaries and associates, and has a time limit of 10 years from the date of said notification ('entrustment period').

### **Section 3**

#### **Calculation and amendment of compensation (re Article 5 of the Exemption Decision)**

(1) In so far as necessary for the performance of the services of general economic interest by the hospital pursuant to Section 2(1) or by the subsidiaries and associates pursuant to Section 2(2), the *Land* of Berlin, upon written request by Vivantes Netzwerk für Gesundheit GmbH and in accordance with the more detailed provisions of this entrustment act, can grant compensation in accordance with Article 5 of the Exemption Decision, in particular through the compensation of an annual shortfall and the granting of investment subsidies or capital contributions for investment measures and other measures through which advantages are obtained. This entrustment act does not entitle Vivantes Netzwerk für Gesundheit GmbH to the granting of compensation in the form of compensation for an annual shortfall or investment subsidies. Cash amounts will be provided as compensation exclusively to Vivantes Netzwerk für Gesundheit GmbH, even if these are intended for measures carried out by the subsidiaries and associates.

(2) At the start of the term of this entrustment, the *Land* of Berlin grants compensation solely in the form of capital injections, for the purpose of reducing the significant backlog of renovation measures required at the hospital locations, in particular the Neukölln Clinic. Although Vivantes Netzwerk für Gesundheit GmbH recorded a positive group result at the time of the entrustment, it cannot raise the funds required for the renovation and investment measures alone or solely through recourse to the capital markets. The injection of funding by the *Land* of Berlin is an essential prerequisite for the company to be able to carry out the renovation and investment measures. Vivantes Netzwerk für Gesundheit GmbH will cover part of the costs of these measures through its own financing measures. The maximum amount of the capital injections to be provided by the *Land* of Berlin is calculated on the basis of the approved and updated investment plans produced by Vivantes Netzwerk für Gesundheit GmbH. Furthermore, if an annual shortfall results with reference to the approved business plan produced by Vivantes Netzwerk für Gesundheit GmbH on the basis of the statutory provisions, this shortfall can be compensated by the *Land* of

Berlin pursuant to the provisions on separate accounting pursuant to Section 3(4), provided that it relates to the services of general economic interest. If performance of the services of general economic interest pursuant to Section 2(1) and (2), as a result of events that were unforeseeable at the time when the investment plan or business plan were produced, leads to a higher annual shortfall or investment amount, this can also be compensated. The amount of the relevant compensation is determined separately by the *Land* of Berlin.

(3) Vivantes Netzwerk für Gesundheit GmbH is obliged to provide the *Land* of Berlin with evidence that complies with the principles of separate accounting and that shows that the funding for renovation and investment measures has been used in facilities where Vivantes Netzwerk für Gesundheit GmbH or its subsidiaries and associates provide services of general economic interest under this entrustment. The use of funding for facilities in which services are provided pursuant to Section 2(3) should be avoided. Otherwise, it must be noted separately in the evidence of use which facilities and pieces of equipment are also used for services pursuant to Section 2(3) and at the same time ensured that the provision of these facilities and equipment is carried out at least in return for fees that cover costs. Further details are regulated in Section 4(1). Regardless of whether the funding is granted by the *Land* of Berlin as an investment subsidy or as a contribution to the capital reserve, it must be ensured that it is liquidated to the extent of the relevant depreciations (investment subsidies) or in a virtual additional calculation (capital contribution) in an appropriate amount. If maintenance expenses are incurred in connection with the investment measure, the same applies.

(4) If an annual shortfall occurs as a result of performance of the public service obligations pursuant to Section 2(1) and (2), the compensation must not exceed the amount that is necessary to cover the net costs incurred in performing the services of general economic interest including a reasonable profit. Article 5 of the Exemption Decision applies in calculation of the net costs, the costs and revenues to be taken into account and the reasonable profit:

(5) If and in so far as an annual shortfall is incurred by Vivantes Netzwerk für Gesundheit GmbH and its subsidiaries and associates in connection with the performance of the public service obligations under the entrustment, other activities within the meaning of Section 2(3) that do not constitute services of general economic interest must be recorded in the accounts of Vivantes Netzwerk für Gesundheit GmbH separately from the costs and revenues incurred in connection with the performance of the individual services of general economic interest: pursuant to Section 2(1). To this end, Vivantes Netzwerk für Gesundheit GmbH produces, for the first time in the planning year in which an annual shortfall is incurred as a result of the performance of the services of general economic interest, separate accounts on the basis of the planned profits for the planning year and the certified profit and loss statement for the completed financial year. These separate accounts show the separate income and expenses to be assigned to the individual services of general economic interest. To this end, the costs and revenues and (where applicable) amounts from the liquidation of the capital reserve must be recorded firstly for the individual services of general economic interest pursuant to Section 2(1) and secondly for any other activity internally in separate accounts. All costs and revenues are to be allocated to the respective fields according to objectively justified and uniformly applied cost accounting principles. The underlying cost accounting principles must be clearly defined. Vivantes Netzwerk für Gesundheit GmbH keeps records of the allocation of the costs and revenues to the respective fields and of the cost accounting principles applied and in particular of the standards for the categorisation of such costs and revenues. Furthermore, when including costs in the separate accounts that are eligible for consideration in connection with the service of general economic interest pursuant to Section 2(1), in particular infrastructure costs within the meaning of Article 5(3)(d) of the Exemption Decision, Vivantes Netzwerk für Gesundheit GmbH must state that these costs were necessary for performance of the service of general economic interest pursuant to Section 2(1). The provisions of Article 5(9) of the Exemption Decision must also be taken into account. Vivantes Netzwerk für Gesundheit GmbH forwards the separate accounts to the *Land* of Berlin for confidential perusal.

## **Section 4**

### **Checks to determine potential overcompensation**

(Re Article 6 of the Exemption Decision)

(1) To ensure that the requirements set out in the Exemption Decision in respect of the granting of compensation are met throughout the entire period of entrustment for the hospital operated by Vivantes Netzwerk für Gesundheit GmbH and the subsidiaries and associates, and in particular to ensure that the compensation does not result in overcompensation for the performance of the services pursuant to Section 2(1) and (2), Vivantes Netzwerk für Gesundheit GmbH supplies evidence of the use of funds, which is checked by the *Land* of Berlin on a regular basis and at the end of the entrustment period. These checks are carried out no later than three years

after announcement of the entrustment and at the end of the entrustment period on the basis of annual accounts by Vivantes Netzwerk für Gesundheit GmbH that must be certified by an auditor in accordance with the relevant provisions of commercial law and the provisions of the Hospital Accounting Regulation (*Krankenhausbuchführungsverordnung*) and by means of separate accounts to be drawn up pursuant to Section 3(5) and to be audited by an auditor separately from the annual financial statement audit. In the case of an investment subsidy or a capital measure for the financing of an investment, the *Land* of Berlin also checks the final accounts for the measure carried out in respect of the hospital by Vivantes Netzwerk für Gesundheit GmbH.

(2) If Vivantes Netzwerk für Gesundheit GmbH has received for the hospital an amount of compensation or investment subsidy or a capital measure for financing an investment that is higher than provided for in Section 3, the *Land* of Berlin asks Vivantes Netzwerk für Gesundheit GmbH to repay the overcompensation. Vivantes Netzwerk für Gesundheit GmbH is obliged to reimburse overcompensation immediately, and at the latest after being requested to do so in writing by the *Land* of Berlin. Objections and defences against the claim for reimbursement do not entitle Vivantes Netzwerk für Gesundheit GmbH to a right of retention and do not prevent the *Land* of Berlin from asserting the claim for reimbursement.

(3) If, at the time of the first interim check pursuant to Section 4(1), the overcompensation exceeds the average annual compensation in a maximum of three consecutive years by no more than 10% per annum, Vivantes Netzwerk für Gesundheit GmbH can carry this amount forward to the next audit period and deduct it from the compensation to be paid for this period. A calculation of this kind must also be carried out at the end of the entrustment period. Having regard to the provisions of sentence 1, any overcompensation identified in this connection can be carried forward to the following entrustment period provided that there are follow-on arrangements (Section 6(3)). The amount of overcompensation must otherwise be reimbursed to the *Land* of Berlin.

## **Section 5**

### **Availability of documents**

(Re Article 8 of the Exemption Decision)

Without prejudice to more stringent regulations, all documents that can be used to determine whether the compensation granted is compatible with the provisions of the Exemption Decision must be retained and kept available during the entrustment period and for a period of at least ten (10) years from the end of the entrustment period.

## **Section 6**

### **Termination of the entrustment and amendments to the entrustment for good cause**

(1) The *Land* of Berlin is entitled to withdraw this entrustment, inter alia for individual services, if a good cause to do so is provided by Vivantes Netzwerk für Gesundheit GmbH that means that the *Land* of Berlin cannot reasonably be expected to continue the entrustment. For the purpose of these provisions, a good cause will in particular be deemed to be present if Vivantes Netzwerk für Gesundheit GmbH can no longer, in legal or factual terms, perform the tasks assigned to it as a service of general economic interest. In turn, Vivantes Netzwerk für Gesundheit GmbH is entitled to lodge a claim with the *Land* of Berlin asking the latter to withdraw the entrustment if the *Land* of Berlin provides a good cause to do so. A declaration of intent to withdraw or assert a claim to withdrawal of the entrustment must be notified in writing, with a statement of grounds, to the *Land* of Berlin or to Vivantes Netzwerk für Gesundheit GmbH, and a reasonable period of time must be provided to submit opinions or to eliminate the good cause. The withdrawal of the entrustment pursuant to paragraph 1 will be carried out according to best judgement, but with a notice period of at least 12 months to year-end.

(2) Notwithstanding paragraph 1 above, the entrustment will end if the *Land* of Berlin is obliged, for compelling reasons (law, legal rulings, other mandatory legal acts), to regulate the service of general economic interest contained in this entrustment on the basis of other statutory provisions that are incompatible with this entrustment or if this entrustment infringes higher-ranking law. If this only applies to individual services, individual duties under the heading of this entrustment or parts of individual duties under the heading of this entrustment, the remainder of the entrustment will continue. In the event that this entrustment is terminated in accordance with paragraph 2, the *Land* of Berlin is entitled, for the purpose of maintaining the validity of the entrustment, to amend this entrustment retroactively by means of a written declaration to Vivantes Netzwerk für Gesundheit GmbH (e.g. by means of a newly adopted notice, supplementary notice etc.).

(3) The *Land* of Berlin and Vivantes Netzwerk für Gesundheit GmbH will engage in discussions on follow-on arrangements no later than two years before expiry of this entrustment.

## **Section 7**

### **Subsidiarity of the entrustment, invalidity, other provisions**

(1) The content of this entrustment does not amend any existing statutory, contractual or otherwise justified rights or obligations between the *Land* of Berlin and Vivantes Netzwerk für Gesundheit GmbH. This entrustment neither replaces nor regulates official approval or supervisory procedures.

(2) In the event that this entrustment becomes invalid, Vivantes Netzwerk für Gesundheit GmbH will continue to meet the requirements set out in this entrustment act until equivalent provisions are adopted or the entrustment pursuant to this entrustment act has been terminated.

(3) The *Land* of Berlin reserves the right to include, amend or supplement requirements or ancillary conditions in this entrustment at a later date and to adopt differing or supplementary provisions by means of separate notices against which an appeal can be lodged.

#### **Right to lodge an appeal**

An appeal can be lodged against this notice before an administrative court. It must be lodged within one month of publication of this notice with Berlin Administrative Court, Kirchstraße 7, 10557 Berlin, either in writing or taken down by the registrar of the court registry or in electronic form with a qualified electronic signature within the meaning of the Digital Signature Act (*Signaturgesetz*) (cf. [www.Berlin.de/erv](http://www.Berlin.de/erv))



## **Brandenburg**

**Notification by the Ministry for Economic Affairs,  
Labour and Energy of the *Land* of Brandenburg to  
the Federal Ministry for Economic Affairs and  
Energy**

Re: Services of general economic interest: Reporting pursuant to the  
SGEI Decision of 2012 and the SGEI Framework of 2012  
Subject: Letter from the European Commission dated 29 January  
2020 and letter from the Federal Ministry for Economic  
Affairs and Energy dated 3 February 2020

**ANNEX 1**

**Services of general economic interest: Guidance on  
reporting pursuant to the SGEI Decision of 2012 and the  
SGEI Framework of 2012**

**1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (in million EUR)</b>		
<b>Total compensation for the provision of services of general economic interest (1+2)</b> (1) Total compensation granted on the basis of the SGEI Decision (2) Total compensation on the basis of the SGEI Framework	<b>2018</b>	<b>2019</b>
	EUR 89.48 021 million	EUR 124. 145292 million
	EUR 89.48 021 million	EUR 124. 145292 million
<b>2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION OF 2012</b>		

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

- 1) Hospitals providing medical care, where applicable including emergency services (Article 2(1)(b))
- 2) Social services (Article 2(1)(c))
  - a) Health and long-term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (where applicable)
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
- 5) Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a))
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services
  - g) Other sectors (please specify)

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

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
(2)(c) Access to and reintegration into the labour market
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Entrustments were made in the following areas: <ul style="list-style-type: none"> <li>• social education and expert guidance in social enterprises,</li> <li>• reintegration of long-term unemployed persons into the labour market,</li> <li>• organisation of support and training opportunities.</li> </ul>
Explanation of the (typical) forms of entrustment. If standardised samples for support documents are used in an economic sector, please enclose them.
The entrustment is made in the form of a grant notice (administrative deed) in addition to the corresponding annex.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The maximum duration of the entrustment is 36 months.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The funding is granted in the form of 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.
Compensation is granted on the basis of the business plan. The net avoided cost method is applied.

<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
Checks are carried out by auditing the funding request/statement of expenditure. If the checks by the funding authority to determine whether the remuneration paid to the recipient in the form of a grant has been used correctly reveal that the revenues earned by the recipient in connection with the performance of SGEIs exceed the net costs (overcompensation), repayment of the surplus amount by the recipient is requested at the same time that the audit outcome is notified. This does not apply if the overcompensation is up to a maximum of 10% of the amount eligible for compensation. In this case, the surplus amount not exceeding 10% is credited to the following calendar year in such a way that the compensation scheduled for this year is reduced by 10%.	
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).	
Aid exceeding EUR 15 million is not granted to any undertaking.	
<b>Amount of aid granted</b>	
Enter the <b>total amount of aid granted (in million EUR)</b> <sup>6</sup> in the applicable column in each case.	
2018	2019
EUR 0.22473 million	EUR 0.168434 million
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>	
2018	2019
B: <b>Total amount of aid granted (in million EUR)</b> paid by regional authorities <sup>8</sup>	
2018	2019
EUR 0.22473 million	EUR 0.168434 million
C: <b>Total amount of aid granted (in million EUR)</b> paid by local authorities <sup>9</sup>	
2018	2019
Share of <b>expenditure per aid instrument</b> (direct subsidy, guarantee etc.) (if available)	
2018	2019

<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2018	2019
<b>Section(e.g. 1, Hospitals or 2(b), Childcare)</b>	
2(d) Social housing	
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>	
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.	
<p>Entrustments were made by means of the following measures:</p> <ul style="list-style-type: none"> <li>• maintaining and creating renovated, low-cost housing, with a view to easing tight housing markets,</li> <li>• increasing the supply of social housing through building new stock or restoring, modernising and repairing existing rental stock.</li> </ul> <p>The measures are aimed at creating and safeguarding affordable housing. In addition, certain measures involve a lasting increase in the practical value of rented apartments or buildings, long-term improvements in general living conditions and permanently reduced consumption of energy and water with the aim of reducing the amount paid for utilities. The target group includes low-income individuals who would encounter significant difficulties in accessing accommodation on the open housing market on their own, and elderly persons who can be supported with accessible buildings and living environments appropriate for the elderly, such as housing for groups with particular care needs or sheltered housing. For the further benefit of the groups targeted by measures to promote social housing, agreements will also be reached to assume responsibility for other commercial housing, construction and social measures, in particular those aimed at improving living environments, eliminating social problems and developing neighbourhoods.</p>	
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	
The entrustments are made firstly in a loan agreement and secondly on a legal basis in the form of guidelines. In the case of the second form of entrustment, undertakings receiving funding for the promotion of social housing are entrusted with a clearly defined public service obligation.	
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.	
The duration of the entrustment is 20 years. In the social housing sector, a significant investment is required from the service provider that needs to be amortised over a longer period in accordance with generally accepted accounting principles. According to recital 12 of the SGEI Decision, social housing is also explicitly named as an example of when application of the Decision does not have to be limited to a maximum of 10 years because of the significant investment involved.	

Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
Exclusive or special rights are not assigned.	
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
The funding is granted in the form of low-interest loans and subsidies for pro rata construction financing or loans and the assumption of guarantees or a combination of these funding instruments.	
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.	
There is not a typical compensation mechanism. Both a methodology based on cost allocation and a net avoided cost methodology are used.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
Checks of the funding are carried out by auditing the statement of expenditure. Calculation of the compensation payments is also regulated in the funding programmes that are published. Within this framework, the funding authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the recipient has not been overcompensated for the public service obligations (which must also be described in detail).	
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).	
Aid exceeding EUR 15 million was not granted to any undertaking.	
<b>Amount of aid granted</b>	
Enter the total amount of aid granted (in million EUR) <sup>6</sup> in the applicable column in each case.	
2018	2019
EUR 67.545 million	EUR 99.461 million
A: Total amount of aid granted (in million EUR) <sup>7</sup> paid by national central authorities	
2018	2019
B: Total amount of aid granted (in million EUR) <sup>8</sup> paid by regional authorities	
2018	2019
EUR 1.475 million	EUR 1.475 million

C: Total amount of aid granted (in million EUR) <sup>9</sup> paid by local authorities	
2018	2019
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	
2018	2019
85% loans, 15% subsidies	84% loans, 16% subsidies
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2018	2019
<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>	
2(e) Care and social inclusion of vulnerable groups	
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>	
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.	
The entrustment is made in the form of funding for the project 'Family education in the <i>Land</i> of Brandenburg – income-based budgeting' operated by Verbraucherzentrale Brandenburg e.V. Low-threshold services are provided in the form of a series of talks (seminars) and corresponding brochure ('Smart savings tips for families') for families and low-income households to increase their housekeeping and budgeting skills. Participation in the seminars is free of charge, as are the brochures.	
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	
The entrustment is made in the form of a grant notice.	
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.	
The entrustment is made in the form of a grant notice.	
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
Exclusive or special rights are not assigned.	
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	



The grant is provided in the form of full financing as a subsidy.	
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.	
A methodology based on cost allocation is used when the compensation is calculated.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
The eligible total expenditure is based on the financing plan. This plan is binding in nature. Consent from the funding authority must be obtained for any changes. Funding that is not required must be repaid immediately in accordance with the condition imposed in the ancillary conditions to the grant notice.	
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).	
Aid exceeding EUR 15 million was not granted to any undertaking.	
<b>Amount of aid granted</b>	
Enter the total amount of aid granted (in million EUR) <sup>6</sup> in the applicable column in each case.	
<b>2018</b>	<b>2019</b>
EUR 0.043 million	EUR 0.043 million
A: Total amount of aid granted (in million EUR) <sup>7</sup> paid by national central authorities	
<b>2018</b>	<b>2019</b>
EUR 0.043 million	EUR 0.043 million
B: Total amount of aid granted (in million EUR) <sup>8</sup> paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: Total amount of aid granted (in million EUR) <sup>9</sup> paid by local authorities	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	

2018		2019	
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)			
2018		2019	
<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>			
(4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)			
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>			
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.			
Entrustments were made in the following areas: <ul style="list-style-type: none"> <li>• safeguarding, promotion and improvement of civil aviation for better accessibility of the region by operating an airfield,</li> <li>• maintenance and extension of the infrastructure necessary for this purpose,</li> <li>• general advice to public institutions on aviation industry issues,</li> <li>• public relations work on airfield-related topics.</li> </ul>			
Explain the (typical) <b>forms of support</b> . If standardised samples for support documents are used in an economic sector, please enclose them.			
The entrustments are made by means of municipal orders and administrative deeds.			
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.			
The entrustment period is 10 years.			
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.			
Exclusive or special rights are not assigned.			
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?			
The funding is granted in the form of subsidies.			
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.			
A methodology based on cost allocation is used when the compensation is calculated.			
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>			
Checks are carried out by auditing the statement of expenditure that forms part of the annual financial statement. The information provided in the aid report is			

checked by the auditor tasked with auditing the annual financial statement.	
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).	
Aid exceeding EUR 15 million was not granted to any undertaking.	
<b>Amount of aid granted</b>	
Enter the total amount of aid granted (in million EUR) in the applicable column in each case.	
<b>2018</b>	<b>2019</b>
EUR 0.565288 million	EUR 0.588117 million
A: Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
B: Total amount of aid granted (in million EUR) paid by regional authorities	
<b>2018</b>	<b>2018</b>
C: Total amount of aid granted (in million EUR) paid by local authorities	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2018</b>	<b>2019</b>

<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>
5(g) Other sectors (consumer protection)
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>Entrustments were made by means of the following measures:</p> <ul style="list-style-type: none"> <li>• funding for consumer organisations,</li> <li>• information and public relations activities in relation to all issues and topics concerning consumers and their households,</li> <li>• use of collective legal remedies in the interests of consumers in the event of infringements against provisions that protect consumers and with a view to preventing business practices that harm consumer interests,</li> <li>• representation of the rights of individual consumers in so far as said representation in court proceedings is of fundamental significance for a large number of consumers,</li> <li>• execution of measures and projects and creation of a range of consumer advice and education options,</li> <li>• independent representation of the interests of consumers in Brandenburg towards legislators, the administration, business and business associations.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The entrustment is made in the form of a grant notice.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The entrustment is made in the form of a grant notice.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The funding is granted in the form of subsidies.
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.
A methodology based on cost allocation is used when the compensation is calculated.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .

Checks are carried out using proof of use and separate accounts, frequently in connection with an audited annual financial statement. This is regulated as an ancillary condition to the grant notice. Reference is also made to the fact that reserves may not be built up. Funding that has not been used can therefore be reclaimed.	
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).	
Aid exceeding EUR 15 million was not granted to any undertaking.	
<b>Amount of aid granted</b>	
Enter the total amount of aid granted (in million EUR) in the applicable column in each case.	
<b>2018</b>	<b>2019</b>
EUR 2.303 million	EUR 2.314 million
A: Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
B: Total amount of aid granted (in million EUR) paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: Total amount of aid granted (in million EUR) paid by local authorities	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2018</b>	<b>2019</b>

<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>
5(g) Other sectors (Operation of wildlife parks (natural heritage))
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Entrustments were made by means of the following measures: <ul style="list-style-type: none"> <li>• education on nature conservation and species protection, recreation and research,</li> <li>• maintenance of the associated grounds,</li> <li>• safeguarding the educational activities performed by the animal park.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The entrustments were made by means of an administrative deed, and in some cases by municipal decision.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
There is no typical duration of the entrustment. The duration of the entrustment is between one and five years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The funding is granted in the form of subsidies.
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.
A methodology based on cost allocation is used when the compensation is calculated.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
Checks are carried out within the framework of the audit of the statement of expenditure and by means of separate accounting as part of an audited annual financial statement. If it is found during this audit that excess amounts are being paid out, these amounts are reclaimed. In some cases an upper funding limit is also imposed on entrustments.
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).
Aid exceeding EUR 15 million was not granted to any undertaking.
<b>Amount of aid granted</b>

Enter the total amount of aid granted (in million EUR) in the applicable column in each case.	
<b>2018</b>	<b>2019</b>
EUR 1.982 million	EUR 2.02 million
A: Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
B: Total amount of aid granted (in million EUR) paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: Total amount of aid granted (in million EUR) paid by local authorities	
2018	2019
EUR 1.982 million	EUR 2.02 million
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	
2018	<b>2019</b>
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2018</b>	<b>2019</b>

<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>
5(g) Other sectors (Operation of indoor and outdoor swimming pools)
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>. Entrustments were made by means of the following measures:</p> <ul style="list-style-type: none"> <li>• establishment, maintenance (renovation) and operation of the indoor swimming pools used by the public for recreational, therapeutic, sports-related and leisure purposes, including the provision of pool space for school swimming and club swimming, in each case at socially acceptable entrance prices,</li> <li>• provision of adequate capacities for swimming as part of the school curriculum, public swimming and swimming clubs,</li> <li>• provision of health-related services.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The entrustments were made by means of an administrative deed, and in some cases by municipal decision.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is generally 10 years, but is one year in individual cases.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The funding is awarded in the form of subsidies, and in individual cases also in the form of guarantees.
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.



A methodology based on cost allocation is used when the compensation is calculated.	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
Checks are carried out within the framework of the audit of the statement of expenditure and by means of separate accounting as part of an audited annual financial statement. If it is found during this audit that excess amounts have been paid out, these amounts are reclaimed. In an increasing number of cases where overcompensation not exceeding 10% of the average annual compensation is identified, it is credited against the compensation to be granted for the following year.	
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).	
Aid exceeding EUR 15 million was not granted to any undertaking.	
<b>Amount of aid granted</b>	
Enter the total amount of aid granted (in million EUR) in the applicable column in each case.	
<b>2018</b>	<b>2019</b>
EUR 4.9814 million	EUR 6.0261 million
A: Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
B: Total amount of aid granted (in million EUR) paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: Total amount of aid granted (in million EUR) paid by local authorities	
<b>2018</b>	<b>2019</b>
EUR 4.9814 million	EUR 6.0261 million
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2018</b>	<b>2019</b>
EUR 2.51 million (deficiency guarantees)	EUR 2.17 million (deficiency guarantees)

<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>
5(g) Other sectors (Promotion of the economy)
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>Entrustments were made by means of the following measures:</p> <ul style="list-style-type: none"> <li>• Establishment (including the acquisition of existing buildings) and/or extension and operation of biotechnology, life science and start-up centres;</li> <li>• Provision of infrastructure and shared facilities for expanding and stabilising the activities of small and medium-sized enterprises in the life sciences sector;</li> <li>• Execution of preparatory planning measures;</li> <li>• Location marketing;</li> <li>• Business advice for entrepreneurs and general advice on the funding and financing options available;</li> <li>• Active participation in and shaping of communication between entrepreneurs and the departments of the rural district;</li> <li>• Public relations work for the business location;</li> <li>• Execution of measures, campaigns and projects that maintain and improve the location's status as a good place to do business.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
A typical form of entrustment does not exist. The entrustment is made either on the basis of a grant notice or by administrative deed, by means of a municipal decision.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is 10 years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The funding is awarded in the form of subsidies, and in individual cases also in the form of guarantees.
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.

<p>There is not a typical compensation mechanism. As a general rule, losses are compensated for annually on the basis of the undertakings' financial plans and separate accounts. A methodology based on cost allocation is used in the vast majority of cases, but the net avoided cost methodology is also used in individual cases.</p>	
<p>Typical <b>arrangements for avoiding and repaying any overcompensation.</b></p>	
<p>Checks are carried out using proof of use and separate accounts, frequently in connection with an audited annual financial statement. In the event of overcompensation, repayment of the surplus amount is requested. In individual cases, and if the overcompensation does not exceed a maximum of up to 10% of the amount eligible for compensation, it is specified that the surplus amount not exceeding 10% can be credited to the following calendar year in such a way that the compensation scheduled for that year is reduced by 10%.</p>	
<p>A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).</p>	
<p>Aid exceeding EUR 15 million was not granted to any undertaking.</p>	
<p><b>Amount of aid granted</b></p>	
<p>Enter the total amount of aid granted (in million EUR) in the applicable column in each case.</p>	
<b>2018</b>	<b>2019</b>
EUR 1.325743 million	EUR 1.633241 million
<p>A: Total amount of aid granted (in million EUR) paid by national central authorities</p>	
<b>2018</b>	<b>2019</b>
<p>B: Total amount of aid granted (in million EUR) paid by regional authorities</p>	
<b>2018</b>	<b>2019</b>
<p>C: Total amount of aid granted (in million EUR) paid by local authorities</p>	
<b>2018</b>	<b>2019</b>
EUR 1.325743 million	EUR 1.633241 million
<p><b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)</p>	

2018		2019	
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)			
2018		2019	

<b>Section (e.g. 1 Hospitals or 2(b) childcare)</b>
5(g) Other sectors (Promotion of tourism)
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>Entrustments were made by means of the following measures:</p> <ul style="list-style-type: none"> <li>• creation of uniform tourism marketing concepts (general destination marketing), strategic marketing planning and market analysis,</li> <li>• expansion of existing market offerings in the relevant regional environment,</li> <li>• maintenance and further development of the existing tourist infrastructure,</li> <li>• operation of information facilities,</li> <li>• increase in the competitiveness of the regional tourism industries,</li> <li>• organisation and execution of trade fairs, exhibitions, conferences and other events with cultural, sporting, social and general economic objectives,</li> <li>• maintenance, expansion and operation of a museum and an industrial monument,</li> <li>• operation of a youth hostel,</li> <li>• initiation and implementation of projects with a regional scope in close cooperation with the relevant stakeholders that have a presence at regional level, with a view to further developing this region as a region of science, business, education and tourism,</li> <li>• performance of services of general economic interest for the purpose of improving the region's image and economic power.</li> </ul>

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
A typical form of entrustment does not exist. In most cases the entrustment is made on the basis of a grant notice or by means of an administrative deed, and in some cases by means of a municipal decision. In individual cases, the entrustment is made by means of a contract under public law.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
A typical and average duration of the entrustment cannot be specified. The duration of the entrustment is between one and ten years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The funding is awarded in the form of subsidies, and in individual cases also in the form of guarantees.
Details of the typical <b>compensation mechanism</b> for the individual services and whether a cost allocation method or a net avoided cost method is used as a basis.
There is not a typical compensation mechanism. As a general rule, losses are compensated for annually on the basis of the undertakings' financial plans and separate accounts. A methodology based on cost allocation is used in the vast majority of cases, but the net avoided cost methodology is also used in individual cases.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
Checks are carried out using proof of use and separate accounts, frequently in connection with an audited annual financial statement. In the event of overcompensation, the overcompensation is reclaimed. In individual cases, it is regulated contractually or as an ancillary condition to the grant notice. It is specified that all revenues earned in connection with SGEIs must be credited and that shortfalls resulting from non-SGEI activities may not be compensated.
A short explanation of how the <b>transparency requirements</b> (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. Also cite relevant examples of information published for this purpose (e.g. links to websites or other references). Explain how the publication takes place at the aid-granting level (e.g. at Federal Government, <i>Land</i> or municipality level).
Aid exceeding EUR 15 million was not granted to any undertaking.
<b>Amount of aid granted</b>
Enter the total amount of aid granted (in million EUR) in the applicable column in each case.

<b>2018</b>	<b>2019</b>
EUR 10.510049 million	EUR 11.8914 million
A: Total amount of aid granted (in million EUR) paid by national central authorities	
<b>2018</b>	<b>2019</b>
B: Total amount of aid granted (in million EUR) paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: Total amount of aid granted (in million EUR) paid by local authorities	
2018	2019
EUR 6.276049 million	EUR 6.9514 million
<b>Share of expenditure per aid instrument</b> (direct subsidies, guarantees etc.) (if available)	
2018	<b>2019</b>
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2018</b>	<b>2019</b>
EUR 12.4852 million (deficiency guarantees)	EUR 13.8944 million (deficiency guarantees)

### **3. DESCRIPTION OF APPLICATION OF THE SGEI DECISION OF 2012**

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

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

- i) Postal services

- ii) Energy
- iii) Waste collection
- iv) Water supply
- v) Flight or ship traffic to islands with an average annual traffic level up to the maximum level referred on Article 2(1)(d)
- vi) Flight or ship traffic harbours with an average annual traffic level over the maximum level referred on Article 2(1)(d)
- vii) Culture
- viii) Financial services
- ix) Other sectors (please specify)



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

<b>Section (e.g. iii) Waste collection or viii) Financial services)</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
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). Explain how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Amount of aid granted</b>	
Enter the <b>total amount of aid granted (in million EUR)</b> in the applicable column in each case.	
2018	2019
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b>	
2018	2019
<b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b>	
2018	2019
<b>C: Total amount of aid granted (in million EUR) paid by local authorities</b>	
2018	2019
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantee etc.) (if available)	
2018	2019
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2018	2019



#### **4. COMPLAINTS BY THIRD PARTIES**

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

#### **5. MISCELLANEOUS QUESTIONS**

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

--

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

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

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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework,
- — complying with public procurement rules in line with paragraph 19 of the SGEI Framework,
- — determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework,

- — determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework.

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

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

In the reporting period, deficiency guarantees totalling up to EUR 14.9952 million (2018) or EUR 16.0644 million (2019) continued to be granted (no information on the gross grant equivalent is available in this respect).



The SGEI Decision in Brandenburg		Total amount for Brandenburg	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services		
Article 2(1)(c)	Health and long-term care		
	Childcare		
	Access to and reintegration into the labour market	EUR 0.22473 million	EUR 0.168434 million
	Access to and reintegration into the labour market		
	Social housing	EUR 67.545 million	EUR 99.461 million
	Care and social inclusion of vulnerable groups	EUR 0.043 million	EUR 0.043 million
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports	EUR 0.565288 million	EUR 0.588117 million
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy		
	Waste collection		
	Water supply		
	Culture		
	Financial services		
	Other sectors	EUR 21.102192 million	EUR 23.884741 million

Free Hanseatic City of  
Bremen

**1. EXPENDITURE OVERVIEW**

*[see Excel table]*

**2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION OF 2012**

**Section**

**1 -Hospitals**

**Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup>**

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

The entrustments include in particular:

- medical care services, for example:
  - appropriate and adequate medical care for inpatients, with all associated individual services,
  - medically appropriate and adequate medical investigations and treatment for outpatients with all associated individual services, in so far as such outpatient treatment is part of the range of services offered by a full-service hospital,
  - emergency services, e.g. ensuring permanent admission and standby services, provision of emergency doctors.
- ancillary services directly associated with these principal activities, e.g.:
  - basic and advanced training and continuing education in hospital professions,
  - training of medical students in their practical year in connection with recognition as an academic teaching hospital,
  - operation of hospital pharmacies,
  - letting and leasing of housing and parking facilities for employees, visitors and patients.



<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>Decision by the municipal decision-maker; administrative deed.</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>The duration of the entrustment is 10 years.</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>Exclusive or special rights were not assigned.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Guarantees, loans (overdrafts), capital injection, assumption of debt.</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>The maximum compensation amount is determined e.g. on the basis of the annual business plan using a cost allocation methodology.</p>
<p>Typical <b>arrangements for avoiding and repaying any overcompensation</b>.</p>
<p>The beneficiaries are obliged to provide evidence of the use of funds on an annual basis, after the end of the financial year. This takes place in connection with the drawing up of the annual financial statements, with separate accounting. If overcompensation of more than 10% of the amount to be compensated results, it must be repaid. Overcompensation of up to 10% can be carried forward to the next period.</p>

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

In the event that aid above EUR 15 million is granted, transparency is ensured in particular through the publication of the budgets and the committee resolutions of the regional authority.

### Amount of aid granted

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b>	
2018	2019
<b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b>	
2018	2019
<b>C: Total amount of aid granted (in million EUR) paid by local authorities</b>	
2018	2019
124.8	100.2
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2018	2019
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2018	2019

Section
<b>Section 2c – Access to and reintegration into the labour market</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p>
<p>The content of the service relates to the operation of a training restaurant by a vocational education provider.</p> <p>It provides disadvantaged groups with an opportunity to gain high-quality catering qualifications. The restaurant's operations cannot be funded through its takings alone.</p> <p>The entrustment covers the following services:</p> <ul style="list-style-type: none"> <li>– part-time training in the catering sector, in particular for single parents who would otherwise be excluded from training opportunities in the catering sector,</li> <li>– training for refugees and/or migrants who would otherwise – owing to linguistic and/or cultural obstacles – be unlikely to gain a training place in view of the high level of communication skills required,</li> <li>– training and qualifications for individuals who are disadvantaged in the market and who have not succeeded on the initial training market as a result of multiple placement obstacles,</li> <li>– training and qualifications for individuals with learning disabilities,</li> <li>– opportunities for pupils living in precarious family situations to gain an insight into the reality of work in the catering sector,</li> <li>– opportunities for older people (50+) to gain partial qualifications.</li> </ul>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
Administrative deed

**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 SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.

The duration of the entrustment is 10 years.

Explanation of 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.)?

Loans (overdrafts).

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 shortfall eligible for compensation is calculated on the basis of the relevant annual business plan.

If unforeseen events result in higher costs that are not covered, these can also be compensated.

The compensation payments must not exceed what is necessary to cover the costs incurred in fulfilling the public service obligation, taking into account the relevant revenues ('net additional costs'). Calculations are carried out on the basis of the cost allocation methodology:

the net additional costs are determined on the basis of actual data, i.e. excluding forecasts and other business operations. To this end, the total income and expenditure reported in the annual financial statement under commercial law are adjusted to exclude other sectors.

The figure for expenditure must include the overheads that are attributable to the sector on a pro rata basis.

In addition, the undertaking may earn a reasonable return on the capital employed to discharge these obligations provided that this does not result in the net additional costs being exceeded.

There is no compensation for any shortfalls resulting from other business operations.

Typical **arrangements for avoiding and repaying any overcompensation.**

The entrusted undertaking provides evidence of the use of funds on an annual basis, after the end of the financial year. This takes place in connection with the drawing up of the annual financial statement. The authority is also entitled to have books, supporting documents and other business records audited.

If the audit reveals overcompensation not exceeding 10%, this amount may be carried forward to the following payment period and deducted from the compensation of losses paid for this following payment period. If the audit reveals overcompensation exceeding 10% of the funds compensated for the audit year, the service provider is asked to repay the excess amount.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

No aid exceeding EUR 15 million was granted.

**Amount of aid granted**

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

**2018**

**2019**

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

**2018**

**2019**

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

**2018**

**2019**

<b>C: Total amount of aid granted (in million EUR) paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
0.5	0.5
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2018</b>	<b>2019</b>

Section
2d – Social housing
Clear and comprehensive description of how the respective services are organised in your Member State <sup>5</sup>
<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p>
<p>Entrustments are made in relation to measures aimed at safeguarding and improving the supply of housing for population groups that are unable to secure appropriate accommodation for themselves on the open housing market (in particular low-income households, families with children, single parents, pregnant women, the elderly and persons with disabilities). Target groups are defined on the basis of income thresholds in the vast majority of cases, with proof of compliance requested on a case-by-case basis. The service is aimed at increasing the supply of social housing by building new stock or purchasing and modernising existing rental stock, resulting in a lasting increase in the practical value of rented apartments or buildings, long-term improvements to general living conditions and long-term reductions in energy and water consumption, which also reduces the amount paid for utilities. In view of the ageing structure of society, the promotion of social housing also covers support for accessible buildings and living environments appropriate for the elderly, such as housing for groups with particular care needs or sheltered housing. For the further benefit of the groups targeted by measures to promote social housing, agreements can also be reached to assume responsibility for other commercial housing, construction and social measures, in particular those aimed at improving living environments, eliminating social problems and developing neighbourhoods. The provider of the service of general economic interest (commercial housing company/landlord) makes available housing which is rented out at a discount to the aforementioned target group.</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>

The entrustments are made on the basis of public-law agreements.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is 20 years as a result of the high level of investment and the long refinancing period. Since the term of the loan for rental housing is never less than 20 years, the duration of the entrustments is also set uniformly at 20 years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No exclusive or special rights are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The promotion of social housing is property-specific. Funding is granted in the form of low-interest loans.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
A net avoided cost methodology is used as a basis. The level of the compensation payments is based on an objective and transparent procedure stipulated on an <i>ex ante</i> basis. In setting up the funding programmes, funding conditions that determine the net costs of the compensation on a case-by-case basis are calculated so as to offset the economic disadvantages of the public service obligation associated with the funding for the duration of the rental and occupancy. The revenue losses associated with the rental price limitation are compensated in comparison with the market rent level, the increased costs for tenant care, maintenance and administration associated with the occupancy commitments and the possibly increased construction costs associated with a special type of construction (e.g. accessible living space). When the amount of funding is determined, the relevant housing market conditions are taken into account (on the basis of available data and scientific studies on land prices, construction costs and market rents).



### Typical **arrangements for avoiding and repaying any overcompensation.**

The funding programmes stipulate the general requirements to be met as regards both public service obligations and the calculation of compensation payments. Within this framework, the funding authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the beneficiary has not been overcompensated for the public service obligations (which must also be described in detail). The typical precautions include not only imposing certain public service obligations on the undertaking but also providing a legal basis from the outset, by law or in the funding decision, effectively to control and enforce strict compliance with these obligations towards undertakings and social tenants (including, but not limited to, information obligations, duties to grant access to documents and duties to grant access to land, buildings and apartments). Furthermore, it is possible to implement provisions of the funding agreement by way of an administrative obligation and to impose contractual penalties or cash payments in the event of any infringements due to the partially thwarted purpose of the subsidy. This furthermore includes the possibility of a (partial) revocation of the funding, associated with a recovery of approved funds. In the event of early loan repayment or the insolvency of an undertaking, statutory periods of continued application for the rental price and occupancy commitments are fixed from the outset.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The funding amounts are significantly below EUR 15 million.

**Amount of aid granted**

<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b>	
<b>2018</b>	<b>2019</b>
<b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in million EUR) paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
1.697 (cash value of interest subsidy)	0.458 (cash value of interest subsidy)
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2018</b>	<b>2019</b>
Nine beneficiaries	Three beneficiaries

<b>Section</b>
<b>5E – Culture</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p>
<p>Operation and provision of a civic hall with ice rink and all associated services which serve the well-being of the inhabitants in all economic and social matters as well as cultural matters, in particular:</p> <ul style="list-style-type: none"> <li>– operation and provision of a civic hall with ice rink,</li> <li>– maintenance of own properties,</li> <li>– organisation and holding of trade fairs, congresses, exhibitions and social, cultural and sporting events,</li> <li>– letting of premises and facilities, in so far as is necessary to fulfil special public service missions.</li> </ul>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
Administrative deed
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
The duration of the entrustment is 10 years.
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
Exclusive or special rights were not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?

Compensation is granted in the form of subsidies and loans (overdrafts).

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

As a basic principle, the level of compensation is determined on the basis of the business plan for the relevant year. Higher costs resulting from unforeseen events can be compensated on application if substantiating documents are supplied.

The compensation must not exceed what is necessary to cover the costs incurred in performing the services, taking into account the relevant revenues ('net additional costs'). Revenues include all other grants and compensation as well as revenues.

Calculations are carried out on the basis of the cost allocation methodology: Net additional costs are calculated on the basis of the actual data according to the business plan and the annual financial statement.

In addition, the entrusted undertaking may earn a reasonable return on the capital employed to discharge these obligations.

Typical **arrangements for avoiding and repaying any overcompensation.**

The entrusted undertaking provides evidence of the use of funds on an annual basis in connection with the annual financial statement, after the end of the financial year.

A settlement under State aid law is carried out by comparing the amount to be compensated (net additional costs plus the proportionate overheads and a reasonable return) with the compensation for the year under review.

If the compensation exceeds this amount to be compensated, overcompensation is deemed to be present. Overcompensation exceeding 10% must be repaid.

The settlement under State aid law must be produced together with the annual financial statement and presented to the authority for auditing. The audit takes place in connection with the receipt of the relevant annual financial statement and the adoption of a decision in this respect.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

No compensation exceeding EUR 15 million was granted.

### Amount of aid granted

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b>	
2018	2019
<b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b>	
2018	2019
<b>C: Total amount of aid granted (in million EUR) paid by local authorities</b>	
2018	2019
7.04	7.04
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2018	2019

Section
<b>5(g) – Other sectors:</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State.</b>
<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p>
<p>The content of the entrustment relates to the promotion of tourism and the economy. The tasks implemented include the following services of general economic interest:</p> <ul style="list-style-type: none"> <li>– destination marketing, for example the organisation, management and execution of tourism-related marketing measures including events, participation at trade fairs, conferences and similar events,</li> <li>– performance of guest-related tasks,</li> <li>– organisation, management and implementation of tourism-related events,</li> <li>– ancillary services directly associated with these main services, in particular training and continuing education for employees.</li> </ul>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>Administrative deed on the basis of decisions by the municipal decision-making body</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>The duration of the entrustment is 10 years.</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>No exclusive or special rights are assigned.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>

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 level of compensation is calculated in each case on the basis of the annual business plan drawn up and adopted annually before the start of the financial year.

Should unforeseen circumstances result in higher costs which are not covered, compensation may also be granted for these upon application, but only in justified exceptional situations. Evidence must be provided that these higher costs were incurred in connection with the provision of services of general economic interest.

The compensation must not exceed what is necessary to cover the costs incurred in providing the services of general economic interest, taking into account the relevant revenues ('net additional costs'). Calculations are carried out using the cost allocation methodology. Net additional costs are calculated on the basis of comprehensive actual data according to the business plan and the annual financial statement.

Typical **arrangements for avoiding and repaying any overcompensation.**

Evidence of use of funds is provided on an annual basis in connection with the drawing up of the annual financial statement, after the end of the financial year.

The net additional costs plus the proportionate overheads (jointly the 'amount to be compensated') are compared to the compensation payments for the audit year ('settlement under State aid law'). If the compensation exceeds this amount to be compensated, overcompensation is deemed to be present.

The entrusted undertaking is obliged to repay the overcompensation when requested to do so by the authority. If the overcompensation does not exceed the average annual compensation by more than 10%, it can be carried over to the following period and deducted from the compensation to be paid for this period.

The authority is entitled to have books, supporting documents and other business records inspected.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

No aid exceeding EUR 15 million was granted.

### Amount of aid granted

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b>	
2018	2019
<b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b>	
2018	2019
<b>C: Total amount of aid granted (in million EUR) paid by local authorities</b>	
2018	2019
0	3.84
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2018	2019



### **3. DESCRIPTION OF THE APPLICATION OF THE SGEI FRAMEWORK OF 2012**

The SGEI Framework was not applied during the reporting period.

### **4. COMPLAINTS BY THIRD PARTIES**

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

We are not aware of any complaints by third parties.

### **5. MISCELLANEOUS QUESTIONS**

- a) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:
- drawing up an entrustment act that complies with Article 4 of the SGEI Decision,
  - specifying the amount of compensation in line with Article 5 of the SGEI Decision,
  - determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision,
  - regularly checking overcompensation as required by Article 6 of the SGEI Decision.

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

It is often difficult for the competent bodies to determine which services can be categorised as services of general economic interest, and how they should be distinguished from non-economic activities on the one hand and other economic activities on the other.

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

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

- – complying with public procurement rules in line with paragraph 19 of the SGEI Framework,
- – determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework,
- – determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework.

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

The SGEI Framework was not applied during the reporting period (see 3. above).

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

None.

The SGEI Decision in Bremen		Total amount for Bremen	
		2018	2019
<b>Article 2(1)(b)</b>	Hospitals providing medical care, where applicable including emergency services	EUR 124 800 000	EUR 100 200 000
<b>Article 2(1)(c)</b>	Health and long-term care		
	Childcare		
	Access to and reintegration into the labour market	500 000	EUR 500 000
	Access to and reintegration into the labour market		
	Social housing	EUR 1 697 000	EUR 458 000
	Care and social inclusion of vulnerable groups		
	Social services		
<b>Article 2(1)(d)</b>	Air or maritime links		
<b>Article 2(1)(e)</b>	Airports and ports		
<b>Article 2(1)(a), not exceeding an annual amount of EUR 15 million</b>	Postal services		
	Energy		
	Waste collection		
	Water supply		
	Culture	EUR 7 040 000	EUR 7 040 000
	Financial services		
	Other sectors		EUR 3 840 000

<b>The SGEI Framework in Bremen</b>	Total amount for Bremen	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		

## Free and Hanseatic City of Hamburg

### 1. Expenditure overview

Please complete the following table:

Total SGEI government expenditure by legal basis (in million EUR)		
	2018	2019
Total compensation for the provision of services of general economic interest (1+2)	approx. 24.8	approx. 32.1
(1) Total compensation granted on the basis of the SGEI Decision	approx. 24.8	approx. 32.1
(2) Total compensation on the basis of the SGEI Framework	Not applicable.	Not applicable.

### 2. Description of the application of the SGEI Decision of 2012

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

- 1) Hospitals providing medical care, where applicable including emergency services (Article 2(1)(b))
- 2) Social services (Article 2(1)(c))
  - a) Health and long-term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (where applicable)
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
- 5) Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a))
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services
  - g) Other sectors (please specify)

**For each of the items outlined above, please provide information in the**

form of the following table:

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
2(a) Health and long-term care
<b>Clear and comprehensive description of how the respective services are organised<sup>1</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<ul style="list-style-type: none"> <li>• Operation of a low-threshold meeting place for drug-dependent adults undergoing medical substitution treatment.</li> <li>• Trauma centre for offering consultations and treatment to victims of torture and traumatised refugees (provision of low-threshold and interdisciplinary psychiatric, psychological and psychosocial help and therapy).</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustments are made in the form of separate written entrustment acts or in the form of a grant notice.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is between one and ten years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No exclusive or special rights are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies are awarded.

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

<b>Typical compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
The level of the compensation is calculated using the cost allocation methodology.

<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
Checks are carried out on the basis of proof of use.	
A short explanation of how the <b>transparency requirements</b> (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 (and if so provide the link to this website). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable, since the requirements set out in Article 7 of the SGEI Decision are not met.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)</b> <sup>6</sup> . This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
approx. 0.5	approx. 0.7
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b> <sup>2</sup>	
<b>2018</b>	<b>2019</b>
<b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b> <sup>3</sup>	
<b>2018</b>	<b>2019</b>
approx. 0.5	approx. 0.7
<b>C: Total amount of aid granted (in million EUR)</b> <sup>4</sup> paid by local authorities	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
100% subsidy	100% subsidy

<sup>2</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>3</sup> See Footnote 1.

<sup>4</sup> See Footnote 1.

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors
<b>Clear and comprehensive description of how the respective services are organised<sup>5</sup></b>
<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p> <ul style="list-style-type: none"> <li>• Youth hostel, meeting place and training centre for young people (providing training on topics relating to sustainable development with a focus on mud flats and on the causes and consequences of climate change for humans and nature, as well as teaching in classes or groups and in cross-class or cross-group formats).</li> <li>• Consumer advice centre (comprehensive advice and representation of consumer interests, inter alia in the fields of commerce, services, telecommunications, financial services, construction financing, patient counselling and patient protection, nutrition and environmental and energy advice).</li> <li>• Promotion of tourism, marketing of Hamburg as an attractive travel destination and boosting of Hamburg's profile (including the development and implementation of marketing measures, monitoring on the basis of tourism-related topics, presentation of tourist attractions on a multilingual website, ongoing dialogue with tourism service providers, establishment of cooperative agreements with tourism partners, presentation at leading tourism trade fairs, press and public relations work).</li> <li>• Location marketing by the Free and Hanseatic City of Hamburg to increase the national and international reputation of the Free and Hanseatic City of Hamburg as a city and metropolitan region (effective, professional and distinctive location marketing on the basis of a brand strategy and increased perception of the location's attractiveness at national and international level).</li> <li>• General and specific economic promotion and all associated services promoting the economy of the Free and Hanseatic City of Hamburg (attracting external companies, providing advice on relevant location conditions, project support and monitoring, development and marketing of commercial property in the Free and Hanseatic City of Hamburg, district-specific development of commercial areas).</li> </ul>

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised, including the common features of the individual entrustments, remains crucial.



<ul style="list-style-type: none"> <li>• Student services organisation (student care and support. Services and advice in the social and economic sectors and canteen management, student residences, advisory services for students and developers of student residences).</li> <li>• Promotion of cooperation between business, science, politics and administration in the field of green/clean and digital technologies by establishing an Innovation Campus for Green Technologies.</li> <li>• Park-and-ride and bike-and-ride facilities (operation of facilities for parking motor vehicles or bicycles. Avoiding disruption to inner-city traffic and reducing environmental pollution).</li> <li>• Marketing the Free and Hanseatic City of Hamburg and metropolitan region as a trade fair, conference and congress venue and improving the location's reputation as a base for the relevant events.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustments are made primarily in the form of written entrustment acts, or in the form of grant notices and goal and performance agreements.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is one to two years or 10 years. The duration of the entrustment is 25 years as a result of the high level of investment.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No exclusive or special rights are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies are granted in all cases. The transfer of land without consideration is also used as an aid instrument.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
The level of compensation is calculated on the basis of the net costs incurred in connection with the fulfilment of public service obligations. Methodology based on cost allocation. Calculations are typically carried out in advance on the basis of the relevant business plan.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
Regular checks are carried out on the basis of proof of use, generally using the annual financial statement.

<p>A short explanation of how the <b>transparency requirements</b> (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 (and if so provide the link to this website). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Not applicable, since the requirements set out in Article 7 of the SGEI Decision are not met.</p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in million EUR)</b><sup>6</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
<b>2018</b>	<b>2019</b>
approx. 24.3	approx. 31.4
<p><b>A: Total amount of aid granted (in million EUR) paid by national central authorities</b><sup>6</sup></p>	
<b>2018</b>	<b>2019</b>
<p><b>B: Total amount of aid granted (in million EUR) paid by regional authorities</b><sup>7</sup></p>	
<b>2018</b>	<b>2019</b>
approx. 24.3	approx. 31.4
<p><b>C: Total amount of aid granted (in million EUR)</b><sup>8</sup> paid by local authorities</p>	
<b>2018</b>	<b>2019</b>
<p><b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)</p>	
<b>2018</b>	<b>2019</b>
100% subsidy	100% subsidy
<p><b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>9</sup></p>	
<b>2018</b>	<b>2019</b>

### 3. Description of the application of the SGEI Framework of 2012

Not applicable. No measures are implemented under the SGEI Framework.

<sup>6</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>7</sup> See Footnote 1.

<sup>8</sup> See Footnote 1.

### 4. Complaints by third parties

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012

SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

No complaints have been submitted by third parties.

## **5. Miscellaneous questions**

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

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision,
- specifying the amount of compensation in line with Article 5 of the SGEI Decision,
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision,
- Regular overcompensation checks pursuant to 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.

Not applicable.

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

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

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

Not applicable.

b) If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous

questions, please feel free to provide them within your report.

There are no miscellaneous questions.

The SGEI Decision in Hamburg		Total amount for Hamburg	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services		
Article 2(1)(c)	Health and long-term care	approx. EUR 0.5 million	approx. EUR 0.7 million
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing		
	Care and social inclusion of vulnerable groups		
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy		
	Waste collection		
	Water supply		
	Culture		
	Financial services		
	Other sectors	approx. EUR 24.3 million	EUR 31.4 million

<b>The SGEI Framework in Hamburg</b>	Total amount for Hamburg	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		

## Hessen

### 1. EXPENDITURE OVERVIEW

#### Total SGEI government expenditure by legal basis (in million EUR)

	2018	2019
<b><i>Total compensation for the provision of services of general economic interest (1+2)</i></b>	732.6	744.0
1) Total compensation granted on the basis of the SGEI Decision	./.	./.
2) Total compensation granted on the basis of the SGEI Framework		

### 2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION OF 2012

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

- 1) Hospitals providing medical care, where applicable including emergency services (Article 2(1)(b))
- 2) Social services (Article 2(1)(c))
  - a) Health and long-term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (where applicable)
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
- 5) Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a))
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services
  - g) Other sectors (please specify)



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

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
1. Hospitals (Article 2(1)(b))
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>1. Medical care:</p> <ul style="list-style-type: none"> <li>• appropriate and adequate medical care, including accommodation and catering, for day patients and inpatients treated in the clinic's hospitals with all the associated individual services, including inpatient services for prophylactic treatment or rehabilitation or follow-on rehabilitation within the meaning of Section 40(2) of Volume V of the Social Code,</li> <li>• appropriate and adequate medical investigations and treatment for outpatients treated in the clinic's hospitals with all the associated individual services, namely medically indicated outpatient pre-admission and post-discharge treatment within the meaning of Section 115a of Volume V of the Social Code and outpatient psychiatric and psychotherapeutic treatment in institutional outpatient clinics with a regional care obligation within the meaning of Section 118 of Volume V of the Social Code,</li> <li>• emergency services such as guaranteeing inpatient and outpatient emergency healthcare for the catchment area of the 'Hospital Group' and providing emergency doctors for the emergency services,</li> </ul> <p>2. SGEI ancillary services directly associated with these principal activities or with SGEI principal activities by the other undertakings of the 'Hospital Group', such as:</p> <ul style="list-style-type: none"> <li>• basic and advanced training and continuing education in the professions required for the clinical and nursing care operations of the 'Hospital Group',</li> <li>• consultations as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• laboratory services as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• sales of goods and materials as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• operation of a centralised sterilisation unit as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• operation of a radiology unit as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• supply of pharmaceuticals to patients and residents in institutions as part of the clinical and nursing care operations of the 'Hospital Group', particularly within the framework of discharge management,</li> <li>• patient surveys as part of the clinical and nursing care operations of the 'Hospital Group',</li> </ul>

<ul style="list-style-type: none"> <li>• reception service as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• technical and other services, in each case for purposes relating to the clinical and nursing care operations of the 'Hospital Group', such as services relating to business administration and IT, cleaning services (including internal cleaning of buildings, bed preparation, disinfection, outside catering, laundry service), housekeeping services (including waste disposal, workshop and transport/logistics services, maintenance, garden care) and services relating to medical/technical measures (including device management),</li> <li>• provision of telephones to patients and residents in the facilities as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• provision and rental of premises, material resources and staff to undertakings as part of the clinical and nursing care operations of the 'Hospital Group',</li> <li>• provision and rental or leasing of premises, land and materials resources within the framework of emergency medical care by the emergency service of the German Red Cross,</li> <li>• rental of living space for visitors, patients' relatives, employees and apprentices or trainees as part of the clinical and nursing care operations of the 'Hospital Group'.</li> </ul>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>Entrustment acts, e.g. based on the template published by the local authority associations of Baden-Württemberg and Bavaria</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>As a basic principle 10 years; only longer in exceptional cases (long depreciation periods for investments); this was not the case during the reporting period.</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>No exclusive or special rights were assigned.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Loss compensation payments, operating and investment subsidies, guarantees, loans</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies

with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Not specified: 7x; cost allocation methodology: 3x	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
Separate accounting, checks of annual accounts and use of funds, where applicable repayment of overcompensation	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not specified: 8x publication on website (where applicable), particularly in the case of guarantees	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
406.6	411.0
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>	
<b>2018</b>	<b>2019</b>
B: <b>Total amount of aid granted (in million EUR)<sup>8</sup></b> paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: <b>Total amount of aid granted (in million EUR)<sup>9</sup></b> paid by local authorities	
<b>2018</b>	<b>2019</b>
406.6	411.0
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if	

available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
2.) Social services (Article 2(1)(c))
a.) Health services and long-term care
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.

<p>1. Nursing services such as:</p> <ul style="list-style-type: none"> <li>• medically appropriate and adequate care including accommodation and catering for the day patients and inpatients requiring nursing care and treated in the 'Geriatric Nursing Group' with all the associated individual services,</li> <li>• medically appropriate and adequate care including housekeeping services for the inpatients treated in-house by the 'Geriatric Nursing Group' with all the associated individual services,</li> </ul> <p>2. promotion of hospice work and the establishment and/or operation of hospices or similar institutions where terminally ill and dying people are enabled to live with dignity at end of life.</p> <p>3. Ancillary services directly associated with these principal activities, such as:</p> <ul style="list-style-type: none"> <li>• advanced and basic training and continued education in geriatric nursing,</li> <li>• organisation of celebrations and other social and cultural support for patients,</li> <li>• operation of cafeterias and kiosks for employees, patients and visitors,</li> <li>• technical and other services, including a cleaning service, as part of the 'Geriatric Nursing Group',</li> </ul> <p>4. operation and management of a health resort (including in particular healthcare services) and maintenance of the associated infrastructures,</p> <p>5. operation of medical care centres,</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>Entrustment act</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>10 years in principle</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>Exclusive or special rights are not assigned.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Subsidies, compensation, guarantees</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a

specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Cost allocation methodology	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
Separate accounting, audit of annual accounts and use of funds, where applicable repayment of overcompensation	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
14.5	22.5
<b>D: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
<b>E: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>F: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
14.5	22.5
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup>Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017
Not specified	Not specified
<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>	
2(b), Childcare	
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>	
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.	
Operation of childcare facilities.	
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	
Informal entrustment by means of a decision by the representative body.	
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.	
10 years.	
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
No assignment of exclusive or special rights.	

Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Full compensation of losses.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Childcare facilities are not independent, and their accounts are settled via the municipal budget. If the expenditure cannot be covered through parent contributions, meal allowances and direct subsidies by the <i>Land</i> , the loss is estimated in the municipal budget and covered by the municipality.
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
Losses are only compensated up to the amount of additional expenditure that has been calculated, and overcompensation is not possible.
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).
No application of Article 7 of the SGEI Decision 2012.
<b>Amount of aid granted</b>
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>
<b>2018</b>
142.6
<b>2019</b>
143.0
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>



2018	2019
B: Total amount of aid granted (in million EUR) <sup>8</sup> paid by regional authorities	
2018	2019
C: Total amount of aid granted (in million EUR) <sup>9</sup> paid by local authorities	
2018	2019
142.6	143.0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017
Section (e.g. 1 Hospitals or 2(b) Childcare)	
2(c) Social services – Access to and reintegration into the labour market.	
Clear and comprehensive description of how the respective services are organised in your Member State	
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.	

The content of the services involves the successful qualification of disadvantaged persons for the labour market. The public service task includes in particular:

- funding youth welfare services and education (including adult education) and vocational training, with a view to:

- pre-emptively counteracting unemployment among young people and adults,
- promoting the integration into the labour market of unemployed persons and young people and adults at risk of unemployment,
- improving equality of employment opportunities for disadvantaged persons, and
- improving the overall situation on the labour and training vacancy market,
- promoting nature conservation and environmental protection,

promoting crime prevention,

- training, supporting, qualifying and providing guidance to unemployed persons and long-term unemployed persons (both young people and adults),

- creating additional apprenticeships and jobs in the Rural District of Gießen and in the university town of Gießen and funding vocational training (both basic and advanced), especially in areas that are in particular demand on the employment market,

- providing training to young people and adults by using in-house training workshops and by organising, coordinating and funding training and qualification measures run by or with third parties, using their available training capacities,

- creating training and employment opportunities for the purpose of gaining practical qualifications within a production workshop,

- providing accompanying support in the form of social education and occupational therapy, providing remedial courses and individual counselling,

- developing and trialling new and innovative areas of work and employment, particularly in the sectors of renewable energy, healthcare, nature conservation and environmental protection,

- initiating projects to maintain the original landscape as a general means of livelihood and creating and improving liveable environmental conditions for humans, animals and plants,

- initiating preventive projects for cutting crime, for example by preventing addiction and by preventing violence,

- implementing projects in the context of public employment.

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

The entrustment was made pursuant to Article 4 of the SGEI Exemption Decision (Commission Decision 2012/21/EU of 20 November 2011; OJ L 7 of 11 January 2012, p. 3).

**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 SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.

Maximum of 10 years

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

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

Subsidies for ongoing operations (operating subsidies), guarantees, loans, transfers of land.

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

Subsidies

Cost allocation methodology

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Typical **arrangements for avoiding and repaying any overcompensation.**

The final amount of the subsidy must not exceed the amount necessary to cover the net costs incurred while performing the SGEIs, taking into account the revenues earned in this connection. The undertaking is obliged to provide evidence of the use of funds upon request so that checks can be carried out to ensure the use of funds for the intended purposes and to avoid overcompensation.

The undertaking is furthermore obliged to keep separate accounts. Income and expenses for the services of general economic interest and the ancillary services relating directly to these tasks must be shown separately from the other tasks performed by the undertaking in the books and the annual financial statement.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
1.5	1.8
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
	0.039
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
0.4397	0.5191
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
1.02607	1.243
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

<b>2018</b>	<b>2019</b>

<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
2d, Social housing
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Provision, development and exploitation of social housing and Construction, acquisition, renovation, modernisation, rental and leasing of dwellings for special social needs.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment acts
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years in principle
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No assignment of exclusive or special rights.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies, compensation of losses, contributions in kind (provision of land free of charge), guarantees.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or

local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Cost allocation methodology	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
Separate accounting, checks of use of funds and annual financial statements. Overcompensation rules on repayments.	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
31.4	24.7
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
31.4	24.7
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.



<sup>9</sup>See Footnote 7.

2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017
Not specified	Not specified

### Section (e.g. 1 Hospitals or 2(b) Childcare)

2 Social services (Article 2(1)(c))  
(f) Other social services': Child and youth support and social work, educational assistance

#### **Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup>**

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

The owner-operated municipal enterprise Child, Youth and Family Support Frankfurt am Main (*Kinder-, Jugend -und Familienhilfe*, KJFH) of the City of Frankfurt am Main provides the following services of general economic interest:  
Promotion of youth support including the promotion of training through the establishment, operation and maintenance of decentralised urban services and institutions in which youth support services pursuant to Volume VIII of the Social Code are provided.  
In addition, services in the areas of support for children in daycare and public child and youth work.

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

Decision by the municipal authorities of the City of Frankfurt am Main (municipal executive committee) of 8 July 2013, based on previous decisions by the city council assembly of the City of Frankfurt am Main (municipal council), which was implemented by means of internal instructions to the operations manager of the municipal enterprise pursuant to Section 4(1) of the Act on municipal enterprises of Hessen (*Eigenbetriebsgesetz Hessen*).

<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is 10 years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No exclusive or special rights.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies (contributions to the capital reserve) are paid.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The scope and quality of the public service obligations are determined by the aforesaid decision by the municipal authorities in the context of the municipal self-administration of the City of Frankfurt am Main, and solely determine the level of the expenses required. These are determined on the basis of the expenses for KJFH's activities included in the latter's business plan and the product-based budget of the City of Frankfurt am Main. The expenses can include an appropriate revenue surcharge of up to 4%.</p> <p>If other tasks are also assigned to KJFH that do not involve the performance of public service obligations, the demarcation of the profits and expenses relating to these tasks is achieved by means of separate accounting.</p>
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
<p>If the target compensation is exceeded by the actual compensation, the City of Frankfurt am Main asks KJFH to repay the excess amount, including interest, for the purpose of reimbursing the services that were unduly provided pursuant to Section 49a(3) sentence 1 of the Hessen Administrative Procedures Act (<i>Hessisches Verwaltungsverfahrensgesetz</i>, HVwVfG). If the surplus amount does not exceed 10% of the average annual compensation, the amount – by way of derogation from sentence 1 – should be deducted in KJFH's next available business plan when the target expenditure is determined. The average annual compensation is calculated including the year in which the excess occurred.</p> <p>In any case, the cumulative actual compensation in the aforesaid three-year period must not exceed the cumulative target compensation in this period. If the cumulative target compensation in the three-year period is exceeded, KJFH must avoid the possibility of an offence under State aid legislation. As the sponsor of KJFH, the City ensures that KJFH can take all measures suitable for avoiding any such offence. The City and KJFH will jointly<sup>1</sup></p>

<sup>1</sup> Translator's note: the rest of the sentence is missing in the original German.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

Although just over EUR 15 million of aid was granted in 2019, KJFH does not perform any activity other than its entrusted SGEIs, meaning that the transparency rules of Article 7 of the SGEI Decision of 2012 do not apply.

#### Amount of aid granted

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019
14.3	23.9
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>	
2018	2019
B: <b>Total amount of aid granted (in million EUR)<sup>8</sup></b> paid by regional authorities	
2018	2019
C: <b>Total amount of aid granted (in million EUR)<sup>9</sup></b> paid by local authorities	
2018	2019
14.3	23.9
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
100% subsidy	100% subsidy

<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2018</b>	<b>2019</b>

Section (e.g. 1 Hospitals or 2(b) Childcare)
5c Waste collection
Clear and comprehensive description of how the respective services are organised in your Member State <sup>5</sup>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>Fulfilment of the special obligation for the environment and for an orderly living and working environment associated with waste disposal, namely the clearance, recycling or other disposal of waste of all kinds, including landfill aftercare, in particular:</p> <ul style="list-style-type: none"> <li>a) clearance, recycling or other disposal of waste of all kinds, particular in the area of the Flörsheim-Wicker and Brandholz landfill sites,</li> <li>b) generation of renewable energy, in particular through the operation of the biogas installation at the Flörsheim-Wicker site, the agrigas installation at the Brandholz site and photovoltaic installations at the Brandholz and Grävenwiesbach sites,</li> <li>c) implementation of other measures that promote fulfilment of the public service obligations referred to in (a) and (b).</li> <li>d) The public service obligations referred to in (a) to (c) are provided not least on the basis of the provisions of the Hessen Rural District Regulations and the German Closed Substance Cycle and Waste Management Act in conjunction with the Hessen Implementing Act for the German Closed Substance Cycle and Waste Management Act (<i>Hessisches Ausführungsgesetz zum Kreislaufwirtschaftsgesetz</i>, HAKrWG).</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment act
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years in principle

Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Compensation payments, guarantees
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Cost allocation methodology The compensation payment is made on the basis of the total costs approach (difference between the eligible actual costs and the eligible actual revenues (cost allocation methodology) pursuant to Article 5(2) sentence 1 of the Exemption Decision).
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
Separate accounting, audit of annual accounts and use of funds, where applicable repayment of overcompensation
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).
Not applicable
<b>Amount of aid granted</b>
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. ( <b>A+B+C</b> )

2018	2019
EUR 4.0	EUR 3.0 million
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
2018	2019
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
2018	2019
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
2018	2019
EUR 4.0 million	EUR 3.0 million
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
Subsidies, compensation of losses: EUR 4.0 million Guarantees: no new guarantees	Subsidies, compensation of losses: EUR 3.0 million Guarantees: no new guarantees
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017
Not specified	Not specified

The following guarantees were issued to the benefit of the entrusted undertaking in previous years:

Credit institution	Amount guaranteed as of 31 December 2018	Amount guaranteed as of 31/12/2019
Deutsche Kreditbank Berlin	EUR 1 455 500.00	EUR 1 373 500.00
Helaba	EUR 726 552.00	EUR 678 552.00
Helaba	EUR 917 631.00	EUR 847 044.00
Helaba	EUR 1 970 368.96	EUR 1 829 628.32
Taunus Sparkasse	EUR 1 421 050.45	EUR 1 179 071.25

Taunus Sparkasse	EUR 1 496 414.04	EUR 1 235 964.80
Taunus Sparkasse	EUR 724 731.10	EUR 597 361.61
Taunus Sparkasse	EUR 295 952.09	EUR 149 133.22
Taunus Sparkasse	EUR 589 467.20	EUR 515 782.40
Taunus Sparkasse	EUR 3 318 282.40	EUR 2 612 500.00
Taunus Sparkasse	EUR 2 741 901.41	EUR 2 593 286.15
Taunus-Sparkasse (for RMN)*	EUR 348 593.23	EUR 292 713.92
Taunus-Sparkasse (for RMN)	EUR 319 865.80	EUR 271 355.75
Nassauische Sparkasse	EUR 5 802 575.00	EUR 5 711 900.00
Nassauische Sparkasse	EUR 754 893.48	EUR 699 775.14

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(d) Water supply
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
The object of the service is the supply of water, including the construction and maintenance of all the facilities required for this purpose. Fulfilment of the undertaking's purpose also includes the acquisition, extension, operation, maintenance, servicing and upkeep of existing and future water extraction facilities, including the pipe networks and the domestic connections. The same applies to storage facilities.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment act
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years in principle
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.

Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies, compensation, guarantees
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

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

Cost allocation methodology	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
Separate accounting, audit of annual accounts and use of funds, where applicable repayment of overcompensation	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)</b> <sup>6</sup> . This includes all aid granted in your territory, including aid granted by regional and local authorities. ( <b>A+B+C</b> )	
<b>2018</b>	<b>2019</b>
EUR 2.7 million	EUR 4.2 million
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>	
<b>2018</b>	<b>2019</b>



<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
EUR 2.7 million	EUR 4.2 million
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

<b>2018</b>	<b>2019</b>
Subsidies, compensation of losses: EUR 0.3 million Guarantees: EUR 2.4 million	Subsidies, compensation of losses: EUR 0.3 million Guarantees: EUR 3.9 million
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>
Not specified	Not specified

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5e.) Culture
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Operation and maintenance of event venues, safeguarding of socially acceptable usage fees.

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment act
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years in principle
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights are not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies, compensation, guarantees, transfer of premises without consideration
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Cost allocation methodology
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
Separate accounting, audit of annual accounts and use of funds, where applicable repayment of overcompensation
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

Not applicable	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
4.4	4.5
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
4.4	4.5
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>
	Not specified

<b><u>Section (e.g. 1 Hospitals or 2(b) Childcare)</u></b>
5(g) Other compensation – Other sectors – Land bank

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Land bank for public, agricultural structure and ecological purposes:
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<p>-Contract between the <i>Land</i> of Hessen and the undertaking on the land bank of 24 March 1975</p> <p>- (Land Bank Directive): Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015 (entry into force on 1 January 2016), published in Government Gazette 53/2015, p. 1426: This entrusts the undertaking with the implementation of a land bank for public, agricultural structure and ecological purposes as a non-profit settlement undertaking within the meaning of Section 1 of the Reich Settlement Act (<i>Reichssiedlungsgesetz</i>, RSG).</p> <p>- Supplement to the official entrustment act of 14 December 2012</p>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is up to 10 years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.

<p>Cf. Section 3 of the supplement to the public act of entrustment of 14 December 2012:</p> <ul style="list-style-type: none"> <li>- the undertaking is entrusted with the implementation of the land bank for public, agricultural structure and ecological purposes for the <i>Land</i> of Hessen (Section 2 of the Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015)</li> <li>- Municipal authorities may commission the undertaking with the provision of specific plots of land on the basis of land bank contracts (Sections 2 and 7 of the Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015).</li> </ul>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Provision of deficiency guarantees without consideration to secure capital market loans for the carrying out and financing of real estate transactions under the land bank measures</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>

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

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

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

With reference to the Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees (2008/C155/02; OJ C155 of 20 June 2008, p. 10, 'Guarantee Notice'), a market-oriented price for the guarantee amounting to 0.5% of the guarantee amount is calculated as a parameter for the value of the aid (based on Section 3.3 of the Guarantee Notice; Section 4(5) of the supplement to the public act of entrustment).

**Typical arrangements for avoiding and repaying any overcompensation.**

The provision of deficiency guarantees without consideration constitutes compensation required for the provision of SGEIs within the meaning of Article 5(1) of the Exemption Decision. Possible overcompensation is precluded on a mandatory basis by the provisions of Section 5(1) to (3) of the supplement to the public act of entrustment.

Section 5(1) of the supplement to the public act of entrustment lays down a fundamental prohibition on overcompensation, i.e. the exceeding of the costs associated with the land bank by the revenues obtained from it plus the compensation received, taking a reasonable profit into account.

Section 5(2) of the supplement to the public act of entrustment defines a reasonable profit as the rate of return on capital that an average undertaking in the land bank sector considers necessary to provide the land bank service, taking into account its respective risk. These regulations correspond to the requirements of the prohibition on overcompensation under Article 5(1), (4) and (5) of the Exemption Decision.

To avoid overcompensation, it should be determined whether the profit obtained in the land bank segment exceeds the reasonable return on equity.

For 2018, a rate of return of 4.75% was ultimately assumed to be a reasonable return on the basis of a basic return on risk-free fixed-interest securities plus a market risk premium (risk addition) taking into account the risk specific to the undertaking. To determine the reasonable profit, this percentage is applied to the undertaking's balance sheet equity at the end of the relevant financial year.

If a reasonable return on equity is exceeded, an appropriate guarantee premium (guarantee commission), on the basis of an indicator of 0.5% (Section 4(5) of the supplement to the public act of entrustment), is calculated on the loans unexpired and guaranteed during the financial year. The maximum amount to be paid back to the *Land* is the guarantee commission that has been calculated. This maximum amount is reduced in so far as the repayable amount would result in a lower than reasonable profit in the land bank segment.

If the undertaking, in connection with its other activities outside the land bank segment, earns profits that exceed a reasonable return, these must be offset against the revenues (Section 5(3) of the supplement to the public act of entrustment).

**Section (e.g. 1 Hospitals or 2(b) Childcare)**

5(g) Other compensation – Other sectors – Regional development
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>Grants to undertakings for the purpose of promoting the structural and economic development of the District of Vogelsberg by means of the following measures:</p> <ul style="list-style-type: none"> <li>○ providing initial consultations to business start-ups,</li> <li>○ safeguarding existing businesses,</li> <li>○ promoting growth sectors,</li> <li>○ boosting the municipality's economic strength,</li> <li>○ initiating and supporting innovation processes,</li> <li>○ strengthening the skills base in the District of Vogelsberg.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment act
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
5 years
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
None
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<p>Subsidies</p> <p>Freeing up employees for management tasks</p>



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

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

5 Cost allocation methodology	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
<ul style="list-style-type: none"> <li>• Final settlement after the end of the project</li> <li>• Audit by auditors as part of the year-end audit</li> <li>• Audit by the entrustment authority (District of Vogelsberg)</li> </ul>	
<p>A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
0.43	0.451
<b>G: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
<b>H: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>

<b>I: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
0.43	0.451
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors – Promotion of tourism
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Promotion of tourism, creation of uniform marketing concepts, expansion of existing offers and market analyses.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.

Entrustment act
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Up to 10 years
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Compensation within the meaning of Article 5 of the Exemption Decision. Subsidies and guarantees.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

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

Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
Evidence of use of funds.

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). 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 million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019
1.06418	1.097
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>	
2018	2019
B: <b>Total amount of aid granted (in million EUR)<sup>8</sup></b> paid by regional authorities	
2018	2019
C: <b>Total amount of aid granted (in million EUR)<sup>9</sup></b> paid by local authorities	
2018	2019
1.06418	1.097
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors – Promotion of the economy
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<ul style="list-style-type: none"> <li>a) Provision of data to carry out regionally specific economic development, location advice, location marketing and public relations work</li> <li>b) Intensive monitoring of the procedures followed by undertakings in connection with settlement, relocation and extensions, as well as coordination between the licensing authorities</li> <li>c) Drawing up of proposals and opinions for municipalities in relation to the allocation of residential and commercial areas and the necessary infrastructure</li> <li>d) Support for municipalities and coordination with regard to regional planning issues</li> <li>e) Support for undertakings with regard to business and technical innovations</li> <li>f) Procurement of technical and business advisory services by bringing together the potential existing in this field (regional contract for technology and knowledge transfer)</li> <li>g) Establishment of working groups and initiation of business cooperation</li> <li>h) Support for regional further and advanced training</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.

Entrustment act
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Maximum of 10 years
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Compensation of losses, guarantees and declarations of liability, capital contributions and contributions in kind.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies/compensation of losses
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p><sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services.</p> <p>Typical <b>arrangements for avoiding and repaying any overcompensation.</b></p> <p>The undertaking keeps evidence of the use of funds. The business development agency provides evidence that no overcompensation has taken place in the form of the annual financial statement produced by an auditor. This can be checked on the basis of separate accounting.</p> <p>A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>
<b>Amount of aid granted</b>

<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
0.161	0.161
<b>J: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
<b>K: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>L: Total amount of aid granted (in million EUR) paid by local authorities<sup>9</sup></b>	
<b>2018</b>	<b>2019</b>
0.161	0.161
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>

<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p>
<ul style="list-style-type: none"> <li>• Public transport</li> <li>• Provision, operation and maintenance of public swimming pools, youth and recreational facilities</li> <li>• Planning, construction, maintenance and operation of facilities operated for health resort-related, convalescence- and tourism-related purposes, including town marketing, location marketing and tourism marketing, promotion of the economy</li> <li>• Trade fairs</li> <li>• Control and coordination of the digitalisation of municipal services, broadband roll-out</li> <li>• Operation of science and congress centre, educational institutions</li> <li>• Recycling and disposal of electrical and electronic devices within the meaning of Section 20 of the Electrical and Electronic Equipment Act (<i>Elektrogesetz</i>, <i>ElektroG</i>) and of waste of all kinds</li> <li>• Sports promotion</li> </ul>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>Entrustment act</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>10 years in principle</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>Exclusive or special rights are not assigned.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Subsidies, compensation, guarantees</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would



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

Cost allocation methodology		
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>		
Separate accounting, audit of annual accounts and use of funds, where applicable repayment of overcompensation		
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).		
Not applicable		
<b>Amount of aid granted</b>		
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>		
<b>2018</b>		<b>2019</b>
EUR 36.7 million	EUR 41.8 million	
<b>M: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>		
<b>2018</b>		<b>2019</b>
<b>N: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>		
<b>2018</b>		<b>2019</b>
<b>O: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>		
<b>2018</b>		<b>2019</b>
EUR 36.7 million	EUR 41.8 million	
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)		

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
Subsidies, compensation of losses: EUR 29.6 million Guarantees: EUR 7.1 million	Subsidies, compensation of losses: EUR 34.9 million Guarantees: EUR 6.9 million
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017
Not specified	Not specified

#### Section (e.g. 1 Hospitals or 2(b) Childcare)

5(g), Other compensation – Other sectors – Public transport

#### Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup>

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

Operation of public transport in urban areas (City of Fulda)

Explanation of the (typical) **forms of entrustment**.

If standardised templates for entrustments are used for a certain sector, please attach them.

Social regulations

**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 SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.

9.5 years

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

Public transport concession

Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
Tracking stock	
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Loss sharing, cost allocation methodology	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
Segment accounting, auditors' approval, checks on the basis of the directives for specifying cost categories and economic parameters	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable, since there was no aid exceeding EUR 15 million	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
none	
A: <b>Total amount of aid granted (in million EUR)</b> paid by national central authorities <sup>7</sup>	
<b>2018</b>	<b>2019</b>
B: <b>Total amount of aid granted (in million EUR)<sup>8</sup></b> paid by regional authorities	
<b>2018</b>	<b>2019</b>
C: <b>Total amount of aid granted (in million EUR)<sup>9</sup></b> paid by local authorities	
<b>2018</b>	<b>2019</b>

EUR 3.0 million	EUR 3.0 million
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2018	2019
1	1

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Promotion of the economy and regional management (Establishment and improvement of socioeconomic structures in the region)
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
General counselling and services in connection with support for existing businesses, development of existing businesses and settlement of new businesses. Real estate services as part of the (commission-free) procurement of commercial premises and commercial real estate, location marketing activities for advertising and marketing the location as a place to do business and buy real estate.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment act

<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>	
10 years	
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>	
none	
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>	
Guarantees, loans, transfers of land without consideration, provision of personnel and capital injections in the form of loss compensation payments and investment subsidies.	
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>	
Presentation of annual financial statement/separate accounting	
<p>Typical <b>arrangements for avoiding and repaying any overcompensation.</b></p>	
Presentation of annual financial statement/separate accounting	
<p>A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Presentation of annual financial statement/separate accounting This does not apply in practice, however, since no aid exceeding EUR 15 million was paid.</p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b></p>	
<b>2018</b>	<b>2019</b>
EUR 0.144 million (compensation of losses)	EUR 0.156 million (compensation of losses)

<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
EUR 0.144 million (compensation of losses)	EUR 0.156 million (compensation of losses)
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.) (if available)</b>	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2018</b>	<b>2019</b>
1	1

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
Other compensation, other sectors 5(g)
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<i>Land bank for public, agricultural structure and ecological purposes:</i>  <i>The object and purpose of the undertaking is the activity of a non-profit settlement company within the meaning of the Reich Settlement Act (Reichssiedlungsgesetz, RSG), and especially the implementation of settlement, agricultural structure improvement and land development measures</i>

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

<p>-Contract between the Land of Hessen and the undertaking on the land bank of 24 March 1975</p> <p>- (Land Bank Directive): Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015 (entry into force on 1 January 2016), published in Government Gazette 53/2015, p. 1426: This entrusts the undertaking with the implementation of a land bank for public, agricultural structure and ecological purposes as a non-profit settlement undertaking within the meaning of Section 1 of the Reich Settlement Act (Reichssiedlungsgesetz, RSG).</p> <p>- Supplement to the official entrustment act of 14 December 2012</p> <p>- Land bank contracts with municipal authorities (Annex 2 to the Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015)</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>The duration of the entrustment is up to 10 years.</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>Cf. Section 3 of the supplement to the public act of entrustment of 14 December 2012:</p> <p>- the undertaking is entrusted with the implementation of the land bank for public, agricultural structure and ecological purposes for the Land of Hessen (Section 2 of the Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015)</p> <p>- Municipal authorities may commission the undertaking with the provision of specific plots of land on the basis of</p> <p>land bank contracts (Sections 2 and 7 of the Directive on the promotion of the land bank for public, agricultural structure and ecological purposes in rural areas of 10 December 2015).</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Provision of deficiency guarantees without consideration to secure capital market loans for the carrying out and financing of real estate transactions under the land bank measures</p>



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

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

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

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

*With reference to the Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees (2008/C155/02; OJ C155 of 20 June 2008, p. 10, 'Guarantee Notice'), a market-oriented price for the guarantee amounting to 0.5% of the guarantee amount is calculated as a parameter for the value of the aid (based on Section 3.3 of the Guarantee Notice; Section 4(5) of the supplement to the public act of entrustment).*

**Typical arrangements for avoiding and repaying any overcompensation.**

*The provision of deficiency guarantees without consideration represents a necessary compensation for the provision of SGEIs within the meaning of Article 5(1) of the Exemption Decision. Possible overcompensation is precluded on a mandatory basis by the provisions of Section 5(1) to (3) of the supplement to the public act of entrustment.*

*Section 5(1) of the supplement to the public act of entrustment lays down a fundamental prohibition on overcompensation, i.e. the exceeding of the costs associated with the land bank by the revenues obtained from it plus the compensation received, taking a reasonable profit into account.*

*Section 5(2) of the supplement to the public act of entrustment defines a reasonable profit as the rate of return on capital that an average undertaking in the land bank sector considers necessary to provide the land bank service, taking into account its respective risk. These regulations correspond to the requirements of the prohibition on overcompensation under Article 5(1), (4) and (5) of the Exemption Decision.*

*To avoid overcompensation, it should be determined whether the profit obtained in the land bank segment exceeds the reasonable return on equity.*

*For 2018, a rate of return of 4.75% was ultimately assumed to be a reasonable return on the basis of a basic return on risk-free fixed-interest securities plus a market risk premium (risk addition) taking into account the risk specific to the undertaking. To determine the reasonable profit, this percentage is applied to the undertaking's balance sheet equity at the end of the relevant financial year.*

*If a reasonable return on equity is exceeded, an appropriate guarantee premium (guarantee commission), on the basis of an indicator of 0.5% (Section 4(5) of the supplement to the public act of entrustment), is calculated on the loans unexpired and guaranteed during the financial year. The maximum amount to be paid back to the Land is the guarantee commission that has been calculated. This maximum amount is reduced in so far as the repayable amount would result in a lower than reasonable profit in the land bank segment.*

*If the undertaking, in connection with its other activities outside the land bank segment, earns profits that exceed a reasonable return, these must be offset against the revenues (Section 5(3) of the supplement to the public act of entrustment).*

The other fields on the form are irrelevant to HLG, since there is no notification obligation and the aid did not exceed EUR 15 million.

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).

not applicable

### Amount of aid granted

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

2018	2019

**P: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup>**

2018	2019

**Q: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities**

2018	2019

**R: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities**

2018	2019

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

<sup>6</sup> Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup> See Footnote 7.

<sup>9</sup> See Footnote 7.

2018	2019
Guarantee: EUR 616 250	
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017

#### 4. COMPLAINTS BY THIRD PARTIES

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

There were no complaints

authorities or the likely outcome of the court proceedings.

#### 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,

<sup>16</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision,
- regularly checking overcompensation as required by Article 6 of the SGEI Decision.

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

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

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

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

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

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# Mecklenburg-Western Pomerania

## 1. EXPENDITURE OVERVIEW

Reference should be made to Annexes 2 and 3.

## 2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION OF 2012

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

- 1) Hospitals providing medical care, where applicable including emergency services (Article 2(1)(b))
- 2) Social services (Article 2(1)(c))
  - a) Health and long-term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (where applicable)
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
- 5) Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a))
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services
  - g) Other sectors (please specify):

Independent representation of consumer interests in the *Land* of Mecklenburg-Western Pomerania by Verbraucherzentrale M-V e.V.

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

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors: Independent representation of consumer interests in the <i>Land</i> of Mecklenburg-Western Pomerania by Verbraucherzentrale M-V e.V.
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.



(1) Institutional promotion of Verbraucherzentrale M-V e.V. in connection with the independent protection of consumer rights within the *Land*.

The content of the entrustment is as follows:

- strengthening and promotion of self-help for consumers in Mecklenburg-Western Pomerania and provision of independent representation of their interests towards businesses, the administration, the public, politicians and legislators,
- provision of objective and independent information and advice for consumers throughout the *Land*, on an individual or collective basis, on all issues and problems relating to their private households, including the maintenance of any separate advice points in the *Land* required for this purpose,
- use of collective legal remedies, including class actions, for the benefit of consumers resident in the *Land* in the event of infringements against provisions that protect consumers and with a view to preventing business practices that harm consumer rights and interests,
- assistance for consumers defending their individual consumer rights and legal advice for these individuals, in particular in the case of proceedings that are of fundamental significance for consumers in the *Land*, or at least a large number of consumers or certain groups of consumers,
- provision of consumer education and consumer research opportunities throughout the *Land* and implementation of relevant measures,
- collaboration with consumer-oriented organisations, authorities and municipal institutions in the *Land* and close cooperation with the consumer organisations of other *Länder* and the Federation of German Consumer Organisations.

(2) Project funding 'Information and advice for consumers in the field of economic consumer protection'

The content of the entrustment is the implementation of campaign-based information and preventive measures and consumer advice targeted at certain groups of the population in Mecklenburg-Western Pomerania on the following topics:

- 'Consumer protection for young people,'
- 'Nursing care: approach to the new nursing care acts and their impacts' and
- 'Consumer information/consumer rights/consumer law'.

Pursuant to the European Commission's SGEI Exemption Decision, the entrustment in the area 'Energy market and energy law' aims to put in place the necessary conditions for the Federation of German Consumer Organisations to apply successfully to participate as a focal point for consumer protection issues in the planned project 'Energy Market Watchdog' which will be financed by the Federal Government, and which is to be implemented by Verbraucherzentrale Mecklenburg-Vorpommern e.V. and the consumer organisations of the *Länder*. The content or goals of the entrusted project

'Energy market and energy law' are as follows:

- increased transparency in the energy market, in particular information about current tariff systems, guidance for consumers on topics relating to the energy market; protection against deception and fraud on the energy market; representation of consumer interests in the political and business arenas.

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Verbraucherzentrale Mecklenburg-Vorpommern e.V. was entrusted with the relevant public service obligations in the annual grant notice by the funding authority.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the relevant entrustment covers the approval period, which did not exceed a period of one calendar year as a financial year.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
-/-
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Non-repayable subsidies (non-repayable grant)
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The <i>Land</i> of Mecklenburg-Western Pomerania granted subsidies for institutional funding in the form of shortfall financing. This does not allow the formation of profit and reserves for the benefit of Verbraucherzentrale Mecklenburg-Vorpommern e.V., since this reduces the shortfall and therefore the grant. Neither a cost allocation methodology nor a net avoided cost methodology was therefore applied.</p> <p>The project funding subsidies 'Consumer information and advice in the field of economic consumer protection' were calculated on the basis of the project description, the project application and, finally and in the first instance, on the basis of a co-financing provision by the Federal Government that also funds this project at a rate of 50%. Overcompensation for the benefit of Verbraucherzentrale Mecklenburg-Vorpommern e.V. is ruled out, inter alia owing to the specific purpose for which the funding is used and the fact that the use of funding is restricted to the relevant financial year, which is why neither a cost allocation methodology nor a net avoided cost methodology was to be applied.</p>

<sup>5</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

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<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
Shortfall financing; checks to determine whether the specific payment application is necessary; procedure based on statements of expenditure; under certain circumstances, it may be necessary to annul certain sections of the grant notices and request repayment of the subsidies.	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
The actual preconditions for the transparency requirements (Article 7 of the SGEI Decision) are not met, since the subsidies do not amount to EUR 15 million or more per year.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
0.56262036	0.52779572
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	

<sup>6</sup>Pursuant to Article 9(b) of the SGEI Decision of 2012.

<sup>7</sup>If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>8</sup>See Footnote 7.

<sup>9</sup>See Footnote 7.

2018	2019
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2016	2017
	Funding is granted solely to Verbraucherzentrale Mecklenburg-Vorpommern e.V. In accordance with its articles of association, the association operates as a non-profit association and restricts its activities to the <i>Land</i> of Mecklenburg-Western Pomerania.

**Department:** Mecklenburg-Western Pomerania – Social housing

Please use one separate form for each sector (e.g. culture). Please tick or specify:

☐ Hospitals (Article 2(1)(b))

Social services (Article 2(1)(c)), namely:

- ☐ Health and long-term care
- ☐ Childcare
- ☐ Access to and reintegration into the labour market
- ☒ Social housing
- ☐ Care and social inclusion of vulnerable groups

☐ Flight or ship traffic to islands (Article 2(1)(d))

☐ Airports and ports (Article 2(1)(e)) Other compensation

(Article 2(1)(a)), namely:

- ☐ Postal services
- ☐ Energy
- ☐ Waste collection
- ☐ Water supply
- ☐ Culture
- ☐ Financial services
- ☐ Other sectors: \_\_\_\_\_(Please specify)

*Note: If a large number of SGEIs are provided, a clear and concise general description of the way the sector is organised, including the common features of the individual entrustments, is sufficient (no details of the individual entrustments are required).*

Explanation of what kind of services have been defined as SGEIs. Please list the **contents of the services entrusted as SGEIs** as clearly as possible.

In the opinion of the *Land* Government, promotion of social housing is a service of general economic interest. The State's tasks include putting in place the requirements for providing citizens with a reliable supply of affordable housing.

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

The service is aimed at increasing the supply of social housing by building new stock or modernising existing rental stock, resulting in a lasting increase in the practical value of rented apartments or buildings, long-term improvements in general living conditions and permanently reduced consumption of energy and water, which also reduces the amount paid for utilities. For an ageing society, the promotion of social housing also covers support for accessible buildings and living environments appropriate for the elderly. The provider of the service of general economic interest (commercial housing company/landlord) makes available housing which is rented out at a discount to the aforementioned target group.

Jurisdiction for implementing the promotion of social housing in Germany has rested with the *Länder* since 2007, following the first reform of the federal system. The Housing Promotion Act of the Federal Government continues to apply in Mecklenburg-Western Pomerania as a basic principle.

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

Explanation of the (typical) **forms of entrustment**. If standardised samples for support documents are used in an economic sector, please enclose them.

The entrustment is made on a legal basis.

Undertakings receiving funding for the promotion of social housing are entrusted with a clearly defined public service obligation. Within the framework of its respective areas of responsibility and on the basis of the necessary application by the recipient, the funding body appointed by the *Land* of Mecklenburg-Western Pomerania issues an approval in the form of an executive decision (typically an administrative deed). Pursuant to Article 4(f) of the SGEI Decision, the entrustment also includes a reference to the decision itself.

The funding decision clarifies in particular the purpose of funding, the amount and intended use of the grants, and the type and duration of the considerations to be observed/provided by the recipient. The special arrangements described here in relation to the provision of services of general economic interest apply specifically to social housing construction, and differ from those in other sectors, for example in the hospital sector.

**Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Explain how a duration of over 10 years is justified.

In the sector of new-build rental housing, the duration of the entrustment is 20 years as a result of the high level of investment and the long refinancing period. The duration of entrustments relating to the modernisation and maintenance of housing is no more than 15 years.

The proportion of entrustments with a duration exceeding 10 years in Mecklenburg-Western Pomerania cannot be quantified in detail.

Explanation of whether (typically) **exclusive or special rights** are assigned to the undertakings (*if no information is provided, it will be assumed that this is not the case*).

The funding system is market-oriented. Any natural or legal person carrying out a building project described in the funding programme and complying with the required occupancy and rent commitments is in principle entitled to funding in the context of the promotion of social housing under the same conditions, irrespective of their other area of business. Both German and foreign undertakings/investors are eligible for equal treatment. Notwithstanding the alignment of funding with the relevant demand, one of the benefits is the opportunity for local dispersal of social housing, which avoids spatial concentration of socially disadvantaged groups (ghettoisation). Compared to other housing companies, these companies are not generally granted any special or exclusive rights.

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

The promotion of social housing in Mecklenburg-Western Pomerania is designed to be property-specific rather than undertaking-specific. Funding is granted in the form of low-interest loans, subsidies for proportionate construction financing and the provision of building plots at a discounted price, or a combination of the funding types. Occupancy and rent commitments are granted as a public service obligation, i.e. housing is rented in the vast majority of cases to households that meet the income thresholds, and the rent levels are capped. The rent levels are capped to ensure affordability of living costs for the target groups. They are generally below the market level.

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 net avoided cost methodology is generally used as a basis for calculating compensation. The level of the compensation payments is based on an objective and transparent procedure laid down on an *ex ante* basis: when funding programmes are adopted, the *Land* specifies the funding conditions which are put in place in order to calculate the level of net compensation costs in each individual case in such a way that the economic disadvantages incurred as a result of the public service obligation associated with the funding are offset throughout the term of the rent and occupancy commitment. Compensation is provided for the revenue losses caused by the difference between capped rent levels and market rates, the increased costs associated with tenant services, maintenance and administration as result of the occupancy commitment and any increased costs due to special design requirements at the construction stage (e.g. accessible housing). When setting the level of funding, the *Land* takes into account the conditions on the relevant housing market (based on available data and scientific studies on land prices, construction costs and market rents). As a result, this method is used for each individual funding project to compensate for the net costs of the public service obligation. Overcompensation is ruled out by the funding. The funding is market-based and has been organised so that the profitability of the investment in social housing construction is equal to that of an investment in private residential construction without a public service obligation.

- ☐ Cost allocation methodology  
☒ Net avoided cost methodology

Typical **arrangements for avoiding and repaying any overcompensation.**

In its published funding programmes, the *Land* regulates in general terms the requirements to be met and the (above-mentioned) public service obligations, as well as the rules governing the calculation of compensation payments. Within this framework, the funding authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the beneficiary has not been overcompensated for the public service obligations (which must also be described in detail).

Typical precautionary measures include not only the imposition of particular public service obligations on the undertaking, but also the *ex ante* establishment of a legal basis, either in legislation or in the funding notice, with a view effectively to control and enforce strict compliance with these obligations in respect of undertakings and social tenants. This includes obligations to provide information, to allow the inspection of documents and to grant access to land, buildings and apartments. It is also possible to initiate administrative proceedings to enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is possible to revoke (in part) the funding and to claim back funding which has already been approved.

In the event of the insolvency of an undertaking, statutory periods of continued application for the rental price and occupancy commitments are fixed from the outset.

A short explanation of how the **transparency requirements** (see Article 7) for the aid exceeding EUR 15 million for undertakings that perform other activities outside the scope of the SGEI. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references).

Not applicable, since no aid of this magnitude was granted.

#### **Amount of aid granted in total**

- Please (also) specify the value of the aid (the gross grant equivalent) (unless otherwise specified, it will be assumed that the information relates to the gross grant equivalent).
- If available, please state the share of expenditure per aid instrument (subsidy, guarantee etc.).

**2018**

**2019**



<i>Land</i> (subsidy): EUR 7.685 million  <i>Land</i> (loan): EUR 1.368 million (cash value: EUR 0.209 million)	<i>Land</i> (subsidy): EUR 20.170 million  Municipalities: EUR 0.063 million (reduction in the price of land)
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**Additional quantitative information**, estimated where applicable (e.g. number of beneficiaries, average aid amount, size of undertakings)

### 3. DESCRIPTION OF THE APPLICATION OF THE SGEI FRAMEWORK OF 2012

Not specified

### 4. COMPLAINTS BY THIRD PARTIES

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

We are not aware of any third-party complaints.

### 5. MISCELLANEOUS QUESTIONS

Not specified

The SGEI Decision in Mecklenburg-Western Pomerania		Total amount for Mecklenburg-Western Pomerania	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services		
Article 2(1)(c)	Health and long-term care		
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing	see Annex 3	see Annex 3
	Care and social inclusion of vulnerable groups		
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy		
	Waste collection		
	Water supply		
	Culture		
	Financial services		
	Other sectors: Verbraucherzentrale M-V e.V.	EUR 562 620.36	EUR 527 795.72

<b>The SGEI Framework in Mecklenburg- Western Pomerania</b>	Total amount for Mecklenburg-Western Pomerania	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		

Mecklenburg-Western Pomerania– SGEI 2018/2019 Exemption Decision  
including municipalities

Subsidy	Nominal	Nominal
	2018	2019
Construction of new social housing	5 847 100.00	20 118 300.00
Lifte Programme	1 837 800.00	51 500.00
WEP	-	-
<b>Σ</b>	<b>7 684 900.00</b>	<b>20 169 800.00</b>

Municipalities

Loan	Nominal	Nominal
	2018	2019
Loan for modifications/repairs	1 368 000.00	-

Loan
Loan for modifications/repairs

Nominal	Nominal
2018	2019
	63 240.00

Cash value	Cash value
2018	2019
209 457.00	-

## Lower Saxony

### 1. Expenditure overview

Total expenditure in the *Land* of Lower Saxony for services of general economic interest on the basis of the SGEI Decision (in EUR): EUR 176 429 096.90 (2018) and EUR 133 693 363.37 (2019). Details can be found in the attached Excel table.

### 2. Description of the application of the SGEI Decision of 2012

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

#### a) Rural District of Vechta

##### ***Content of the services of general economic interest***

Medical care services, emergency services

##### ***Forms of entrustment***

Entrustment act

##### ***Duration of the entrustment***

10 years

##### ***Exclusive or special rights***

None

##### ***Aid instruments***

Subsidy

##### ***Compensation mechanism***

Net costs for public service obligation

##### ***Arrangements for avoiding and repaying any overcompensation***

Obligation to submit aid reports

##### ***Transparency requirements***

None

##### ***Amount of aid granted***

Aid application paid out by the Rural District of Vechta as local authority (in million EUR)

2018  
0.35

2019  
0.41

## **b) Rural District of Wittmund**

### ***Content of the services of general economic interest***

- Provision of medical healthcare services in the fields of internal medicine, surgery, gynaecology and obstetrics, ear, nose and throat surgery, oral and maxillofacial surgery, anaesthesiology and interdisciplinary intensive care in an agricultural rural district
- Provision of emergency services in the form of emergency admissions and responsibility for an emergency doctor service
- Training centre in the field of nursing care pursuant to Section 2(1a) of the Hospital Financing Act
- Provision of outpatient care services

### ***Forms of entrustment***

Shareholder agreement in conjunction with the Exemption Decision within the framework of the entrustment act (15 December 2008) or the updated version of the entrustment act (13 October 2016)

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

No assignment of exclusive and special rights

### ***Aid instruments***

To compensate for the annual shortfalls, the Rural District of Wittmund makes a payment to cover costs on the basis of the relevant annual business plan. According to the business plan, subsidies are also granted for the financing of investments and the further development of networks of doctors and special projects.

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Proof is provided at the end of the financial year in the form of a statement of expenditure within the framework of the annual financial statement. The annual

financial statement is audited and certified by auditors.

***Transparency requirements***

none

***Amount of aid granted***

	<b>2018</b>	<b>2019</b>
Coverage of losses	EUR 569 665.32	EUR 850 000.00
Subsidies for further development of a network of doctors	EUR 119 103.94	EUR 122 685.17
Grant for the refurbishment of the fire protection system	EUR 0.00	EUR 260 000.00
Investment subsidies	EUR 430 000.00	EUR 150 000.00
Contributions to the capital reserve	EUR 170 856.77	EUR 0.00
<b>Total</b>	<b>EUR 1 289 626.03</b>	<b>EUR 1 382 685.17</b>

**c) Rural District of Friesland**

***Content of the services of general economic interest***

Friesland-Kliniken gGmbH:

Ancillary services belonging to the principal activities of medical healthcare services and emergency services carried out by Northwest-Krankenhaus Sanderbusch gemeinnützige GmbH and St Johannes-Hospital gemeinnützige GmbH (see their entrustment acts of 16 July 2015 and 28 September 2016) and directly associated with the principal activities of medical healthcare services and emergency services of Northwest-Krankenhaus Sanderbusch gemeinnützige GmbH and St Johannes-Hospital gemeinnützige GmbH (see their entrustment acts of 16 July 2015 and 28 September 2016):

- a) basic and advanced training and continuing education in all professions that are exercised in the hospital for the purpose of providing medical healthcare services, including the basic and advanced training of consultants,
- b) management services belonging directly to the principal activities of medical healthcare services and emergency services carried out by Northwest-



Krankenhaus Sanderbusch gemeinnützige GmbH and St Johannes-Hospital gemeinnützige GmbH (see their entrustment acts of 16 July 2015 and 28 September 2016) or ancillary services directly associated with them, in the following areas: ...

- business management,
- business development,
- quality management,
- marketing,
- construction,
- financial controlling,
- accounting,
- IT,
- HR management,
- purchasing,
- patient administration,
- medical controlling,
- hygiene.

Nordwest-Krankenhaus Sanderbusch gGmbH and St Johannes Hospital gGmbH

1. Medical care services:

- a) medically appropriate and adequate care of the patients treated as inpatients and day patients in the clinic with all the associated individual services,
- b) medically appropriate and adequate care of the patients treated as outpatients in the clinic with all the associated individual services.

2. emergency services:

- a) ensuring permanent admission and standby services,
- b) providing emergency doctors for the emergency services and air emergency services.

3. ancillary services directly associated with these principal activities:

- a) basic and advanced training and continuing education in all professions that are exercised in the hospital for the purpose of providing medical care, including the basic and advanced training of consultants,
- b) operating a hospital pharmacy, including caring for outpatients treated at the hospital using the medicinal products dispensed at the hospital,
- c) catering services for patients at the hospital,

- d) catering services for employees,
- e) activities as an academic teaching hospital.

### ***Forms of entrustment***

Entrustment act under public law by means of a decision with instructions under company law/by corporate bodies.

### ***Duration of the entrustment***

Typically 10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Investment subsidies, liquidity loans, guarantees, letter of comfort

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out on the basis of statements of expenditure as part of an audited annual financial statement. The rural district checks the final accounts in the case of investment subsidies.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

	2018	2019
Frieslandkliniken gGmbH	Investment subsidy: EUR 1.5 million	Investment subsidy EUR 1.5 million Liquidity loan EUR 3.5 million Letter of comfort EUR 8.5 million
Nordwest-Krankenhaus Sanderbusch gGmbH	EUR 1.2 million investment subsidy Liquidity loan of EUR 2.5 million	
St Johannes Hospital gGmbH	Liquidity loan of EUR 2 million	

## **d) Rural District of Verden**

### ***Content of the service of general economic interest***

In accordance with Section 1 of Lower Saxony's Hospitals Act (*Niedersächsisches Krankenhausgesetz*, NKHG), in Lower Saxony, the rural and urban districts are responsible for providing needs-based hospital care for the general population. The Rural District of Verden is therefore responsible for fulfilling this mandate to ensure the provision of hospital care in its region. This constitutes a service of general economic interest within the meaning of European law. The Rural District of Verden has entrusted the hospital federation with the comprehensive provision of medical care services to its population, including emergency care at the Verden and Achim sites and the associated ancillary services (provision of an internal medicine department, a surgical department and, at one site as a minimum, an obstetrics and gynaecology department). The scope of the service of general economic interest is essentially determined by the rights and obligations associated with its inclusion in the hospital plan. The requirements of the hospital plan and of the corresponding assessment decisions of Lower Saxony's Ministry of Social Affairs, Health and Equality concerning inclusion in the hospital plan, including any individual assessments made in this regard, must always be fulfilled by Aller-Weser-Klinik gGmbH. Lower Saxony's hospital plan currently specifies 255 beds for the hospital federation.

In order to ensure that the mandate to provide care (which is a service of general economic interest) is properly fulfilled, the entrustment covers the following public service obligations in particular:

- discharging the mandate incumbent upon the Rural District of Verden to provide care,
- safeguarding the comprehensive provision of medical care services to the population and performing the ancillary services associated with these activities,
- maintaining and safeguarding needs-based emergency care,
- ensuring needs-based hospital care that is available to all citizens,
- providing needs-based hospital infrastructure,
- improving and developing the structure of medical care and quality standards, and continuing to develop the medical treatment options.

### ***Form of entrustment***

The District Council of the Rural District of Verden adopted an entrustment act at its meeting of 18 July 2014. The District Administrator of the Rural District of Verden adopted an entrustment act on 21 July 2014.

### ***Duration of the entrustment***

The duration of entrustment is limited to a maximum period of 10 years. Provided that it is not amended or withdrawn, the entrustment will therefore end on 21 July 2024.

### ***Exclusive or special rights***

The entrustment act does not contain any exclusive and special rights going beyond the aid instruments referred to in Section 5.

### ***Aid instruments***

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

### ***Compensation mechanism***

The compensation must not exceed what is necessary to cover the costs incurred in performing the services of general economic interest, taking into account the relevant revenues and a reasonable return on the capital employed to discharge this obligation. Compensation will not be granted for shortfalls associated with services that are not of general economic interest.

As a basic principle, compensation is calculated on the basis of the audited annual financial statements of the hospital federation. If events during the course of the year mean that there is a greater need for compensation, this may be granted by the rural district. This compensation is also based on the outcome of the audited annual financial statement.

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation payments or other benefits do not result in overcompensation for performance of the SGEIs, the hospital federation provides evidence of the use of the compensation granted on an annual basis, at the end of each financial year. This forms part of the audited annual financial statement and takes into account the provisions of European law. The income and expenditure associated with fulfilling obligations of general economic interest are presented separately from those of other sectors in accordance with the provisions of the Exemption Decision.

The hospital federation must in principle repay any overcompensation to the Rural District of Verden. If the overcompensation does not exceed 10% of the annual compensation, this amount may be carried forward to the next compensation period. The Rural District of Verden decides whether any such overcompensation is carried forward or repaid.

### ***Transparency requirements***

The type and amount of compensation must be documented by the hospital federation and retained for a period of 10 years. The decision concerning the entrustment of the hospital federation was adopted in a public sitting of the District Council. The public promulgation of the entrustment act took place in the Official Gazette of the Rural District of Verden on 1 August 2014. The District Council of the Rural District of Verden decides on the annual compensation on an annual basis in a public sitting.

### ***Amount of aid granted***

Compensation for the provision of services of general economic interest

2018 EUR 6 715 000.00

2019 EUR 7 488 000.00

### **e) City of Osnabrück**

### ***Content of the services of general economic interest***

Entrustment of Klinikum Osnabrück GmbH with medical healthcare services, emergency services and directly related ancillary services

### ***Forms of entrustment***

Council decision, implementation by means of an entrustment act

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

no

### ***Aid instruments***

Cash subsidies, guarantees, shareholder loans, equity increases

### ***Compensation mechanism***

Compensation mechanism: specification of the maximum amount in the business plan and in the budget; if this is not possible, the maximum amount must be documented by other means.

Compensation of the costs incurred in connection with provision of the service after deducting revenues and a reasonable return.

### ***Arrangements for avoiding and repaying any overcompensation***

- Annual statement of expenditure as part of the annual financial statement

- Separate accounting
- Right of the City of Osnabrück to carry out audits during the year
- Regular reporting during the year as part of control over equity interests.

### ***Transparency requirements***

Publication of aid within the online council information system, regular reporting as part of the group-wide financial system to the Lower Saxony Ministry of the Interior and Sport (*Niedersächsisches Ministerium für Inneres und Sport*, Nds. MI)

### ***Amount of aid granted***

2018	2019
City of Osnabrück	City of Osnabrück
27 April 2018 Shareholder loan within the framework of group financing EUR 2 800 000	30/10/2019 Shareholder loan within the framework of group financing EUR 3 800 000
27 April 2018 Shareholder loan within the framework of group financing EUR 1 600 000	30/10/2019 Shareholder loan within the framework of group financing EUR 5 700 000
30/11/2018 Shareholder loan within the framework of group financing EUR 8 000 000	
30/11/2018 Shareholder loan within the framework of group financing EUR 3 006 000	
*Shareholder loans are granted in line with standard market conditions, and therefore there is no value for aid (only provided for information purposes)	

### **f) Region of Hanover**

#### ***Content of the services entrusted as SGEIs***

The content is the provision of services of general economic interest to ensure the comprehensive provision of medical healthcare services, including emergency care and the associated ancillary services, to the population of the Hanover region.

In order to ensure that the mandate to provide care is fulfilled properly and the services of general economic interest are performed properly, the entrustment covers the following public service obligations in particular:

- fulfilling the mandate to provide care that is incumbent upon the Hanover region,
- safeguarding the comprehensive provision of medical care services to the population and performing the ancillary services associated with these activities,
- maintaining and safeguarding needs-based emergency care,
- safeguarding the provision of local healthcare services that are accessible to all citizens and that meet their needs,
- expanding needs-based hospital infrastructure,
- improving and developing the structure of medical care and quality standards, and continuing to develop the medical treatment options,
- basic safeguarding of jobs and apprenticeships.

### ***Forms of entrustment***

Entrustment act

### ***Duration of the entrustment***

25 years.

Grounds: Article 2(2) sentence 2 of the SGEI Decision permits an entrustment period of over 10 years to the extent that a significant investment is required by the service provider which needs to be amortised over a longer period in accordance with generally accepted accounting principles.

The undertaking has explained that it makes significant investments (in particular the construction of new hospitals in their entirety), which are necessary to perform the SGEIs with which the undertaking is entrusted; based on an industry comparison and in relation to the volume of investments available in the undertakings themselves, these investments can be regarded as significant, and must be amortised over a period longer than 10 years on the basis of the generally accepted accounting principles that apply to the undertaking (on a mandatory basis where applicable).

### ***Exclusive or special rights***

none

### ***Aid instruments***

- Subsidies
- Guarantees

### ***Compensation mechanism***

The costs and revenues associated with provision of the services of general economic interest and the SGEI sectors for which compensation was paid are described and calculated with reference to the business plan and the annual financial statement (cost allocation methodology).

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation does not result in overcompensation for the performance of services of general economic interest pursuant to Article 6 of the Exemption Decision, the undertaking provides evidence annually, after the end of the relevant financial year, of how the compensation granted was used, on the basis of the undertaking's audited annual financial statements and in accordance with the requirements of the Transparency Directive.

Proof of the proper use of the compensation is provided in the form of an aid report to be drawn up on an annual basis. The aid report comprises a substantive report and verified accounts. The aid report must contain confirmation that the compensation has been used for the public service obligations and that it has not been used for areas not covered by the entrustment. Activity reports, business reports, annual financial statements and audit reports and any publications must be enclosed with the aid report.

If the amount of overcompensation within one year or the use of funds for areas not covered by the entrustment does not exceed 10% of the average annual compensation, the amount may be carried forward to the following year, and proper use of funds restored within the following year.

If proper use of the funds is ruled out or will not be ensured within the following year, the Region of Hanover demands the repayment of excessive compensation in the event of overcompensation.

### ***Transparency requirements***

None, since not above EUR 15 million.



### ***Amount of aid granted***

#### **2018:**

Subsidies: EUR 12 415 000

Guarantees: A deficiency guarantee without guarantee commission (issued in 2018) amounting to EUR 42 554 000.

#### **2019:**

Subsidies: EUR 9 052 000

### **g) City of Braunschweig**

Städtisches Klinikum Braunschweig gGmbH

### ***Content of the services of general economic interest***

Provision of public hospital infrastructure

### ***Forms of entrustment***

Administrative deed

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Financial compensation, in particular compensation of losses, guarantees etc.

### ***Compensation mechanism***

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

### ***Arrangements for avoiding and repaying any overcompensation***

Annual evidence in the form of a certified aid report.

### ***Transparency requirements***

Not applicable.

***Amount of aid granted*****2018:**

Verification (in the form of an aid report) is not yet available.

**2019:**

Verification (in the form of an aid report) is not yet available.

**h) City of Delmenhorst**

Healthcare services: medically appropriate and adequate healthcare for inpatients treated at Delmenhorst City Hospital with all the associated individual services; medically appropriate and adequate investigation and treatment of outpatients treated at Delmenhorst City Hospital with all the associated individual services. emergency services: ensuring permanent admission and standby services, provision of emergency doctors for the emergency services. Ancillary services directly associated with the principal activities include the following: basic and advanced training and continuing education in the professions required for operation of Delmenhorst City Hospital and the training of consultants; catering for patients; radiological services for patients; laboratory services for patients; physiotherapy and ergotherapy services for patients; medical diagnosis for patients; rental and leasing of housing and parking spaces for employees.

***Forms of entrustment***

Administrative

deed

***Duration of the entrustment***

10 years

***Exclusive or special rights***

None

***Aid instruments***

Compensation payments: Operating and investment subsidies, guarantees, loans, assumption of costs and capital contributions.

***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Statement of expenditure as part of an audited financial statement of expenditure; application of the Transparency Directive 2006/111/EC; inspection and audit rights; requests for repayment

### ***Transparency requirements***

Not applicable

### ***Amount of aid granted***

2018: EUR 10.7 million

2019: EUR 3.4 million

#### **(i) Town of Lingen**

### ***Content of the services entrusted as SGEIs***

Pursuant to Section 2(2) of the entrustment act, provision of hospital services by St Bonifatius Hospital Lingen: all medical healthcare services provided by the hospital (inpatient hospital services including day patient, pre-admission or post-discharge hospital services) to ensure the provision of needs-based and local hospital services in accordance with the assessment decision to include the hospital in Lower Saxony's hospital plan; expansion of needs-based hospital infrastructure; improvement and further development of the structure of medical healthcare and quality standards and further development of medical treatment options; maintenance and safeguarding of needs-based comprehensive emergency healthcare; obligation to provide assistance in connection with disasters, pandemics and large-scale emergencies and other medical and nursing ancillary services directly associated with the aforesaid activities (in particular research and teaching in the field of public healthcare and social welfare).

### ***Forms of entrustment***

Entrustment act of 14 July 2016 (council decision of 26 May 2016) for the benefit of St Bonifatius Hospital Gesellschaft Lingen e.V., the sole shareholder of St Bonifatius Hospital Lingen gGmbH, which operates St Bonifatius Hospital Lingen.

### ***Duration of the entrustment***

10 years (2016-2025)

### ***Exclusive or special rights***

Pursuant to Section 2(4) of the entrustment act, no exclusive or special rights are

assigned to St-Bonifatius Hospital Gesellschaft Lingen e.V.

### ***Aid instruments***

Investment subsidy pursuant to Article 5(3) sentence 2(d) (2012/21/EU) for a construction measure ('Renovation of functional area and construction of new nursing department, Construction Segment 3' with expansion of the Cardiac and Vascular Centre at Bonifatius Hospital Lingen).

### ***Compensation mechanism***

Investment funding for securing a site, calculated on an annual basis.

### ***Arrangements for avoiding and repaying any overcompensation***

Annual evidence of use of funds by St Bonifatius Hospital Lingen gGmbH as part of the annual financial statement. In addition, a connection to the audits of the Rural District of Emsland, which is entitled to arrange for inspections of books, documents and other business records during the year. If the audit reveals overcompensation in connection with the funding granted for the audit year, the Town of Lingen (Ems), on the basis of the audit results obtained by the Rural District of Emsland, requests St Bonifatius Hospital Lingen (Ems) gGmbH to repay the surplus amount.

### ***Transparency requirements***

All documents that can be used to determine whether the compensation payments granted are compatible with the provisions of the Exemption Decision must be retained for 10 years after the end of the entrustment.

### ***Amount of aid granted***

2018: EUR 350 000  
2019: EUR 350 000

## **j) City of Achim**

- 1) Hospitals providing medical care, where applicable including emergency services (Article 2(1)(b))

### ***Content of the services entrusted as SGEIs***

The purpose of the company is the promotion of public healthcare. It is aimed at the investigation, treatment and care of patients on an inpatient, day patient and outpatient basis and the recovery and rehabilitation of invalids and vulnerable persons regardless of their nationality, religious affiliation, origin, gender or place of residence. In particular, the purpose specified in the articles of association is achieved through safeguarding the provision of hospital services to the general public in the Rural District of Verden by operating hospitals in the towns of Achim and Verden (Aller). Under Lower Saxony's Hospital Plan, the company is tasked with providing basic and emergency care to an equivalent extent at both locations; it does so by operating an internal medicine department and a surgical department in both locations and a gynaecology/obstetrics department in at least one of the locations. It can operate other nursing and social care services and

facilities in furtherance of its purpose.

***Forms of entrustment***

Entrustment by the Rural District of Verden

***Duration of the entrustment***

10 years

***Exclusive or special rights***

./.

***Aid instruments***

Investment subsidy

***Compensation mechanism***

./.

***Arrangements for avoiding and repaying any overcompensation***

Grant notice of 4 April 2017:

The grant is awarded as proportionate financing and is used for 50% co-financing of the total project estimated at up to EUR 3 250 000 by the City of Achim, the financing of which is planned as follows on the basis of the current financing plan:

Subsidy by the Town of Achim	50%,	however no more than	EUR 1 625 000.00
Total grants by the Rural District of Verden	50%, 100%,	however no more than	EUR 1 625 000.00 EUR 3 250 000.00

**Period of validity and right of withdrawal**

The grant is subject to withdrawal and a pro rata request for repayment in the event that Aller-Weser-Klinik gGmbH, within a period of 20 years after completion of the geriatrics department at the Aller-Weser Clinic at the Achim location and without my prior consent, uses the geriatrics ward converted with the grant for a purpose other than the purposes of the company referred to in Section 2(1) and (2) of the articles of association.

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 715 000.00

## **k) City of Oldenburg**

### ***Content of the services entrusted as SGEIs***

#### **1. medical care services,**

Medical healthcare services for patients treated at Oldenburg Clinic as inpatients, day patients and outpatients, with all the associated individual services:

- surgery, general and GI tract/endocrine surgery, trauma surgery,
- gynaecology and obstetrics, breast disease,
- ear, nose and throat surgery,
- dermatology and allergology,
- cardiac and vascular surgery,
- internal medicine, oncology, gastroenterology, cardiology, nephrology, acute geriatrics and geriatric rehabilitation, palliative medicine),
- paediatric surgery,
- paediatrics, paediatric oncology, neonatology, haematology, paediatric pneumonology and cardiology),
- oral and maxillofacial surgery,
- orthopaedics,
- urology,
- child and adolescent psychiatry,
- anaesthesiology,
- radiology,
- laboratories: microbiology, clinical chemistry, pathology,
- hospital hygiene,

#### **2. emergency services:**

- safeguarding of emergency outpatient healthcare services for the relevant catchment area,
- assistance in connection with disasters, pandemics and large-scale emergencies,

#### **3. ancillary services directly associated with these principal activities, including:**

- healthcare and nursing school,
- basic and advanced training and continuing education in all professions that are exercised in the hospital,
- operating a hospital pharmacy, including caring for outpatients treated at the hospital using the medications dispensed at the clinic,
- physiotherapy services in so far as these latter are provided for Oldenburg

Clinic,

- participation in research and teaching for medical and health science students in accordance with the purpose specified in Section 2(2) of the articles of association,
- safeguarding of structural infrastructure for Oldenburg Clinic (in particular building services and construction department/maintenance),
- other tasks associated with performance of the aforesaid tasks, e.g.:
  - catering for Oldenburg Clinic,
  - purchasing and logistics, collection and delivery services,
  - cleaning of buildings and operating room cleaning,
  - bed preparation,
  - laboratories: microbiology, clinical chemistry, pathology,
  - maintenance of green and open spaces,
  - pastoral care, religious services, social services.
- Public healthcare tasks

### ***Forms of entrustment***

The entrustment was made on the basis of a council decision and implemented by means of an administrative deed.

### ***Duration of the entrustment***

1 January 2019 – 31 December 2028

### ***Exclusive or special rights***

No exclusive or special rights are assigned to the undertaking.

### ***Aid instruments***

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

### ***Compensation mechanism***

In the context of this entrustment, compensation is any benefit of any type granted directly or indirectly. This includes, in particular:

- Subsidies
- sponsor contributions/sponsor investments/capital increases,
- sureties/guarantees/letters of comfort,

- granting, taking on or extending low-interest loans,
- assumption of costs,
- debt and levy waiver,
- transfer of real estate below the market price,
- other grants and support equivalent to non-cash benefits.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of a statement of expenditure as part of an audited annual financial statement, separate accounts and an aid report.

### ***Transparency requirements***

Separate accounts are kept in accordance with the requirements set out in Directive 2006/111/EC (Transparency Directive).

### ***Amount of aid granted***

2019: On the basis of the entrustment that has been made and within the framework of said entrustment, for the purpose of using funds in furtherance of the performance and maintenance of entrusted services of general economic interest, the liquidity agreement concluded between the City of Oldenburg and Oldenburg Clinic (public-law institution) was extended and expanded to include a credit limit of EUR 27 million.

In addition, on the basis of the entrustment that has been made and within the framework of said entrustment, for the purpose of using funds in furtherance of the performance and maintenance of entrusted services of general economic interest, it was decided for 2019 that the city should assume the following deficiency guarantees for planned borrowings plus the interest, ancillary services and costs assigned to these respective proportions and deficiency guarantees for operating loans.

- Deficiency guarantee for loans for extension (overall development plan for Oldenburg Clinic) up to a maximum of  
EUR 5 470 000.00
- Deficiency guarantee for loans up to a maximum of  
EUR 1 500 000.00
- Deficiency guarantee for operating loan amounting to 50% of the loan total of  
EUR 4 000 000.00
- Deficiency guarantee for operating loan amounting to 50% of the loan total of  
EUR 3 000 000.00
- Deficiency guarantee for operating loan amounting to 50% of the loan total of  
EUR 1 500 000.00



## **I. City of Wolfsburg**

### ***Content of the services entrusted as SGEIs***

Provision of hospital services to the general public, in particular:

1. medical care services,
  - a) medically appropriate and adequate care for inpatients treated at Wolfsburg Clinic, including all associated individual services,
  - b) medically appropriate and adequate investigation and treatment of outpatients treated at Wolfsburg Clinic, including all associated individual services,
  - c) provision of a range of treatment options necessary to provide the general public with needs-based care,
2. comprehensive emergency care,
  - a) ensuring permanent admission and standby services,
  - b) provision of emergency doctor services pursuant to Section 10(1) of the Emergency Services Act (*Rettungsdienstgesetz*) in Lower Saxony,
  - c) healthcare services in the event of pandemics, large-scale emergencies and disasters,
3. ancillary services directly associated with these principal activities include the following:
  - a) basic and advanced training in professions necessary for operation of the hospital and training of consultants in connection with recognition as an academic teaching hospital within the University of Hanover,
  - b) operating a hospital pharmacy, including caring for outpatients treated at the hospital using the medicinal products dispensed at the hospital,
  - c) operation of a blood bank for patients at Wolfsburg Clinic,
  - d) catering for patients at the Wolfsburg Clinic,
  - e) participation in trials.

### ***Forms of entrustment***

Administrative deed

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Operating and investment subsidies, contribution to the capital reserve

### ***Compensation mechanism***

The maximum compensation is calculated on the basis of the business plan, in which the services for the relevant year that are eligible for compensation and not eligible for compensation are shown separately (cost allocation methodology).

### ***Arrangements for avoiding and repaying any overcompensation***

- Annual statement of expenditure for Wolfsburg Clinic as part of the annual financial statement
- The use of funds must be audited and certified by the auditor as part of the annual financial statement.
  - Separate accounting (SGEI/non-SGEI)
- In the event of overcompensation, request for repayment by the City of Wolfsburg. If the overcompensation amount is no more than a maximum of 10% of the annual compensation sum, this amount may be credited to the following compensation period.

### ***Transparency requirements***

No aid above EUR 15 million

### ***Amount of aid granted***

**2018**      EUR 908 250.00 (operating subsidy)  
              EUR 6 301 800.00 (investment subsidy)

**2019:** EUR 5 115 00.96 (operating subsidy)  
          EUR 3 300 00.00 (investment subsidy)

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

##### **a) Health and long-term care**

#### **Rural District of Uelzen**

### ***Content of the services of general economic interest***

Promotion of the public healthcare sector, in particular the establishment, maintenance and operation of an exercise pool, spa treatment facilities and springs used for spa-related operations, parking facilities in the vicinity of the Town of Bad Bevensen, prescribing of spa treatments, implementation of preventive healthcare measures

### ***Forms of entrustment***

Resolution by the representatives of the legal entities under public law referred to in Section 1(l) of the entrustment act

***Duration of the entrustment***

9.25 years

***Exclusive or special rights***

no

***Aid instruments***

One-off payments into the capital reserve

***Compensation mechanism***

Net avoided cost methodology (separate accounting)

***Arrangements for avoiding and repaying any overcompensation***

in the event of overcompensation (up to 10% on average in three consecutive years), the compensation may be carried forward or included in the next budget as a decreasing repayment obligation

***Transparency requirements***

One-off payments below EUR 15 million

***Amount of aid granted***

2018: EUR 968 600.00

2019: EUR 986 000.00

b) Childcare

**Municipality of Sittensen**

***Content of the services entrusted as SGEIs***

Childcare in day nurseries and kindergartens

***Forms of entrustment***

Childcare for under-threes and over-threes

***Duration of the entrustment***

Whole-day and part-day care

***Exclusive or special rights***

-

***Aid instruments***

Deficit subsidy

***Compensation mechanism***

-

***Arrangements for avoiding and repaying any overcompensation***

Settled on an annual basis

***Transparency requirements***

Presentation of accounting report

***Amount of aid granted***

2018 EUR 515 989.36      2019 EUR 461 000.00

c) Access to and reintegration into the labour market

***Content of the services of general economic interest***

not applicable...

***Forms of entrustment***

not applicable...

***Duration of the entrustment***

not applicable...

***Exclusive or special rights***

not applicable...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***

not applicable ...

d) Social housing

**a) City of Braunschweig**

Nibelungen-Wohnbau-GmbH

***Content of the services of general economic interest***

Activities in the social and public housing sector ***Forms of entrustment***

Administrative deed

***Duration of the entrustment***

10 years

***Exclusive or special rights***

None

***Aid instruments***

Granting of financial advantages, in particular subsidies, guarantees, loans etc.

***Compensation mechanism***

Compensation payments may not exceed the costs incurred in connection with performance of the public service obligation, taking into account the revenues earned and a reasonable return on the equity invested for the purpose of performing the obligation (cost allocation methodology)

***Arrangements for avoiding and repaying any overcompensation***

Annual aid report on the basis of each audited annual financial statement

***Transparency requirements***

Not applicable

***Amount of aid granted***

**2018:**

Total guarantees assumed as of 31 December 2018: EUR 48 308 000

**2019:**

Verification (in the form of an aid report) is not yet available

**b) Town of Celle**

SGEI reporting obligation of the Town of Celle for the period between 1 January 2018 and 31 December 2019

***Content of the services entrusted as SGEIs***

Construction of social housing on a plot of land purchased at a discount on the basis of a purchase agreement

***Forms of entrustment***

Entrustment act in the form of an administrative deed dated 3 December 2019

***Duration of the entrustment***

for a period of 10 years

***Exclusive or special rights***

none

***Aid instruments***

Discounted provision of a plot of land; as a result, subsidy per social housing unit created on the plot of land

***Compensation mechanism***

Overall, the compensation does not exceed what is necessary to cover the costs incurred in connection with performance of the public service obligation, including a reasonable profit. The net costs are the difference between the costs to be taken into account and the revenues.

The costs to be taken into account include all the costs incurred by the undertaking in connection with performance of the SGEIs.

The revenues to be taken into account include all the revenues earned in connection with the SGEIs. They also include other subsidies and benefits granted to the undertaking by State bodies in addition to the aid granted in the entrustment act. A 'reasonable profit' is the return on investment that an average undertaking would use as a basis for deciding, taking into account the relevant risk, whether it will provide the relevant SGEIs for the entire duration of the entrustment. The term 'capital return' refers to the internal rate of return (IRR) which the undertaking earns with its invested capital during the entrustment period.

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation payments do not result in overcompensation for performance of the SGEIs, the undertaking produces an annual statement of expenditure for the entrusting body after the end of the financial year. This takes place in connection with the drawing up of the annual financial statement. The entrusting body can request the employment of an auditor or an audit firm or a letter by an auditor or an audit firm in order to determine the appropriateness of the expenses paid.

The entrusting body is entitled at any time to have books, supporting documents and other business documents inspected.

### ***Transparency requirements***

The compensation must be calculated on an annual basis and in advance on the basis of the business plan to be drawn up by the undertaking. All benefits must be included in the business plan or otherwise evidenced. The business plan must be drawn up in accordance with the provisions of commercial law on profit and loss statements. The separate calculation of compensation is mandatory for the entrusted public service obligation pursuant to Section 2(1). The parameters on the basis of which this allocation is carried out must be specified in the business plan. The undertaking makes available the corresponding evidence of the compensation without being requested to do so.

The entrusting body is entitled at any time to have books, supporting documents and other business documents inspected.

Without prejudice to more stringent regulations, all documents that can be used to determine whether the compensation is compatible with the provisions of the

Exemption Decision must be retained for a period of 10 years from the end of the entrustment period.

***Amount of aid granted***

EUR 20 190.95 million

...

***e. Care and social inclusion of vulnerable groups***

***Content of the services of general economic interest***

not applicable ...

***Forms of entrustment***

... not applicable

***Duration of the entrustment***

not applicable ...

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***

not applicable ...



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

***Content of the services of general economic interest***

not applicable ...

***Forms of entrustment***

not applicable ...

***Duration of the entrustment***

... not applicable

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***

not applicable ...

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

***Content of the services of general economic interest***

not applicable ...

***Forms of entrustment***

not applicable ...

***Duration of the entrustment***

not applicable ...

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***

not applicable ...

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

i) Postal services

***Content of the services of general economic interest***

...

***Forms of entrustment***

not applicable ...

***Duration of the entrustment***

not applicable ...

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

### ***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

### ***Transparency requirements***

not applicable ...

### ***Amount of aid granted***

not applicable ...

#### **ii) Energy**

##### **a) Town of Peine – Stadtwerke Peine GmbH**

### ***Content of the services of general economic interest***

Entrustment of Stadtwerke Peine GmbH with services of general economic interest (SGEIs) and all associated services, taking into account the requirements laid down in EU law. The entrustment covers in particular the following public service obligations:

- operation of public swimming pools,
- provision of car parks/operation of parking facilities,
- supply of energy, heating and water and energy, heating, utility and disposal services.

As a basic principle, the entrustment covers the activities of Stadtwerke Peine GmbH within the boundaries of the Town of Peine and the region.

### ***Forms of entrustment***

Entrustment act on the basis of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

Entrustment act on the basis of the decision by the Peine Town Council of 23 October 2014, which was promulgated in the form of an administrative deed by Stadtwerke Peine GmbH.

### ***Duration of the entrustment***

10 years.

### ***Exclusive or special rights***

...

### ***Aid instruments***

Compensation of losses incurred in connection with performance of the SGEIs by means of a consolidated tax filing status through the offsetting of segments showing a deficit against profits from the utility segments of Stadtwerke Peine GmbH.

### ***Compensation mechanism***

Extract from the entrustment act:

#### **Section 4 – Granting of compensation payments**

- 1 Stadtwerke Peine GmbH can be granted compensation payments to compensate for the expenses incurred in performance of the public service obligation. According to the Commission Decision of 20 December 2011, compensation within the meaning of this entrustment includes all advantages granted by the Town of Peine or from the budget of the Town of Peine, in particular operating and investment subsidies, loans, compensation of losses, assumption of costs and capital contributions.
  - 2 The entrustment does not entitle Stadtwerke Peine GmbH to receive compensation payments. The Town of Peine takes decisions on the granting of compensation payments to Stadtwerke Peine GmbH at its own discretion.
  - 3 As a basic principle, compensation payments that have been granted do not depend on the performance of certain tasks. This does not include payments that are expressly granted for a specific purpose. In general terms, the compensation payments are intended to allow Stadtwerke Peine GmbH to perform its tasks.
- ☐ Cost allocation methodology
  - ☐ Net avoided cost methodology

### ***Arrangements for avoiding and repaying any overcompensation***

A statement of expenditure for compensation payments granted on the basis of the audited annual financial statement, taking into account the requirements of the Transparency Directive Implementing Act (*Transparenzrichtlinie-Umsetzungsgesetz*) (separate accounts) must be provided on an annual basis.

The separate accounts are checked by an auditor.

Obligation to supply evidence after the end of the financial year that the compensation payments have not resulted in overcompensation in the entrusted areas.

### ***Transparency requirements***

Pursuant to Article 2(1)(a) of the Exemption Decision, the annual compensation in connection with this entrustment is limited to an amount of EUR 15.0 million per year.

***Amount of aid granted***

2018	2019
<p>Extract from the audit report (audit firm) – ‘Appropriateness of the compensation payment on the basis of an entrustment act for the financial year 2018 by Stadtwerke Peine GmbH’:</p> <p>‘III. Audit result</p> <p>Paragraph 2:</p> <p>According to the business plan for 2018, compensation payments of EUR 1 399 512.63 were calculated for the aforesaid public service obligations. According to the certified profit and loss statement, this results in compensation payments of EUR 890 696.73, which are compensated by offsetting against the profits from the utility segments; there is therefore no overcompensation.’</p>	<p>The amount cannot yet be specified, since an audited annual financial statement for 2019 has not yet been submitted by Stadtwerke Peine GmbH.</p> <p>Subsequent delivery: likely to be in June 2020.</p>

iii) Waste collection***Content of the services of general economic interest***

not applicable ...

***Forms of entrustment***

not applicable ...

***Duration of the entrustment***

not applicable ...

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***

not applicable ...

iv) Water supply

***Content of the services of general economic interest***

not applicable ...

***Forms of entrustment***

not applicable ...

***Duration of the entrustment***

not applicable ...

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***

not applicable ...

v) Culture

**a) City of Osnabrück**

***Content of the services of general economic interest***

Entrustment of **Zoo Osnabrück GmbH** with the performance of services of general economic interest in the fields of education, culture, science and animal protection

***Forms of entrustment***

Council order, implementation by means of a mandate to provide care under public law

***Duration of the entrustment***

No time limit, but annual termination option. A revised and time-limited version of the entrustment act is currently being prepared.

***Exclusive or special rights***

no

***Aid instruments***

Aid instruments used: Cash subsidy/compensation of losses or assumption of debt servicing by means of the compensation payment; guarantees for investments, in future also: equity top-up, shareholder loan

***Compensation mechanism***

Compensation mechanism: Compensation of the costs incurred in connection with provision of the service after deducting revenues and a reasonable return.

***Arrangements for avoiding and repaying any overcompensation***

- Annual statement of expenditure as part of the annual financial statement
- Separate accounting

- Right of the City of Osnabrück to carry out audits during the year
- Regular reporting during the year in connection with control of equity interests.

### ***Transparency requirements***

...

### ***Amount of aid granted***

2018	2019
<b><i>City of Osnabrück: EUR 707 513</i></b>	<b><i>City of Osnabrück: EUR 707 513</i></b>

## **b) Town of Peine – Kulturring für Stadt und Kreis Peine e.V.**

### ***Content of the services of general economic interest***

Entrustment of Kulturring für Stadt und Kreis Peine e.V. with services of general economic interest (SGEIs) for the purpose of providing and operating public facilities in cultural, social and economic sectors and the associated ancillary services in accordance with the provisions of EU law.

The activities pursued by Kulturring für Stadt und Kreis Peine e.V. in accordance with the purpose of the association are intended to make the Town of Peine more attractive and to provide a diverse, high-quality and reliable range of events for social and cultural occasions that is accessible to all sections of the population.

As a basic principle, the entrustment covers the activities of Kulturring für Stadt und Kreis Peine e.V. within the boundaries of the Town of Peine and the region.

### ***Forms of entrustment***

Entrustment act on the basis of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

Entrustment act on the basis of the decision by the Peine Town Council of 23 October 2014, which was notified to Kulturring für Stadt und Kreis Peine e.V. in the form of an administrative deed.

### ***Duration of the entrustment***



10 years.

### ***Exclusive or special rights***

...

### ***Aid instruments***

Ongoing annual non-specific subsidy.

### ***Compensation mechanism***

Extract from the entrustment act:

## **Section 4 – Granting of compensation payments**

- 1 Kulturring für Stadt und Kreis Peine e.V. can be granted compensation to compensate for the expenses incurred in performance of the public service obligation. According to the Commission Decision of 20 December 2011, compensation within the meaning of this entrustment includes all advantages granted by the Town of Peine or from the budget of the Town of Peine, in particular operating and investment subsidies, guarantees, loans, compensation of losses, assumption of costs and capital contributions.
  - 2 The entrustment does not entitle Kulturring für Stadt und Kreis Peine e.V. to receive compensation payments. The Town of Peine takes decisions on the granting of compensation payments to Kulturring für Stadt und Kreis Peine e.V. at its own discretion.
  - 3 As a basic principle, compensation payments that have been granted do not depend on the performance of certain tasks. This does not include payments that are expressly granted for a specific purpose. In general terms, the compensation payments are intended to allow Kulturring für Stadt und Kreis Peine e.V. to perform its tasks.
- ☐ Cost allocation methodology
  - ☐ Net avoided cost methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Accounting presentation of revenues and expenses by Kulturring für Stadt und Kreis Peine e.V., broken down by sectors.

A statement of expenditure for compensation payments granted on the basis of the audited annual financial statement, taking into account the requirements of the

Transparency Directive Implementing Act (*Transparenzrichtlinie-Umsetzungsgesetz*) (separate accounts) must be provided on an annual basis.

The separate accounts are checked by an auditor.

Obligation to supply evidence after the end of the financial year that the compensation payment has not resulted in overcompensation in the entrusted areas.

### ***Transparency requirements***

Pursuant to Article 2(1)(a) of the Exemption Decision, the annual compensation in connection with this entrustment is limited to an amount of EUR 15.0 million per year.

### ***Amount of aid granted***

2018	2019
EUR 0.566 million (subsidy by the Town of Peine)  The subsidy was paid entirely by the Town of Peine.	EUR 0.566 million (subsidy by the Town of Peine)  The subsidy was paid entirely by the Town of Peine.

## **c) Region of Hanover**

### ***Content of the services entrusted as SGEIs***

The undertaking operates an adventure zoo, thereby performing the following tasks and functions:

- cultural and educational facility, educating visitors on the diversity of the animal world and providing insights into biological and ecological interrelationships,
- nature conservation and species protection institution, that protects animal species at risk of extinction within the framework of coordinated national and international breeding programmes,
- research institution in the fields of zoo biology (zoology, ecology, physiology, ethology) and veterinary medicine,
- regionally significant local recreation institution within the meaning of Section 160(2) sentence 2 of Lower Saxony's Municipal Constitution Act (*Nds. Kommunalverfassungsgesetz, NKomVG*).

### ***Forms of entrustment***

Entrustment act

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Investment subsidies

Guarantees

### ***Compensation mechanism***

The costs and revenues associated with provision of the services of general economic interest and the SGEI sectors for which compensation was paid are described and calculated with reference to the business plan and the annual financial statement (cost allocation methodology).

The level of compensation is limited to an amount of EUR 15 million per year in the entrustment act.

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation does not result in overcompensation for the performance of services of general economic interest pursuant to Article 6 of the Exemption Decision, the undertaking provides evidence annually, after the end of the relevant financial year and in the form of an aid report, of how the compensation granted was used, on the basis of the undertaking's audited annual financial statements and in accordance with the requirements of the Transparency Directive.

If the amount of overcompensation within one year or the use of funds for areas not covered by the entrustment does not exceed 10% of the average annual compensation, the amount may be carried forward to the following year, and proper use of funds restored within the following year

If proper use of the funds is ruled out or will not be ensured within the following year, the Region of Hanover demands the repayment of excessive compensation in the

event of overcompensation.

***Transparency requirements***

None

***Amount of aid granted***

**2018:**

Investment subsidies: EUR 1 277 000

**2019:**

Investment subsidies: EUR 2 095 000

Guarantees: A deficiency guarantee without guarantee commission (issued in 2019) amounting to EUR 555 000.

**d) Town of Osterode**

***Content of the services entrusted as SGEIs***

Harzer Tourismusverband e.V. has been entrusted with the following services by the Town of Osterode am Harz and other municipalities, as association members:

Municipal business development in the form of tourism promotion and marketing with the aim of creating a high-performance economic structure, improving conditions at the location and making the entire area covered by the association more attractive, in the interests of residents and the municipalities belonging to Harzer Tourismusverband e.V.

In particular:

- promotion of and support for tourist facilities and offerings in the area covered by the association,
- optimal marketing and presentation of the economic area and the locations in the area covered by the association to a wide range of target groups, such as tourists, undertakings, residents and other parties interested in the location, in respect of both business and culture,
- central contact, agency and advice point,
- creation of a uniform marketing strategy and a future concept.

***Forms of entrustment***

Entrustment act

Harzer Tourismusverband e.V. was entrusted on the basis of a council order dated 25 February 2016 by means of an administrative deed dated 2 March 2016.

***Duration of the entrustment***

10 years until 31 December 2025

***Exclusive or special rights***

Solely the activities referred to in the entrustment

***Aid instruments***

*Compensation in accordance with the articles of association and the contribution rules of Harzer Tourismusverband e.V.*

In particular: apportionment-based membership fees (based on residents, overnight stays and number of beds), assumption of costs, voluntary and/or other grants and benefits offering monetary advantages on the basis of a decision by the general assembly

***Compensation mechanism***

The level of compensation in the financial year is calculated on an annual basis and in advance, using the annual business plan produced by Harzer Tourismusverband e.V.; the compensation allows Harzer Tourismusverband e.V. to carry out the tasks assigned to it by means of the entrustment act if its other revenues are not sufficient.

Pursuant to the applicable provisions of the Commission Decision of 20 December 2011 and with the agreement of the association members, the compensation amount for the current year can be increased in response to unforeseen events or planned events whose costs exceeded the estimated figures, provided that the compensation is used to provide SGEIs.

The compensation must not exceed the amount required to perform the public service obligation and to cover the net costs incurred in this connection, taking into account the revenues earned in this connection and a reasonable return.

***Arrangements for avoiding and repaying any overcompensation***

Harzer Tourismusverband e.V. is obliged to supply evidence of use of the

compensation on the basis of the audited annual financial statement, as part of the aid report that must be produced.

Upon request by the Town of Osterode am Harz, the statement for 2018 was forwarded and inspected (as were those for 2016 and 2017 as an overview of annual budgetary results); the report for 2019 will be forwarded in mid-2020.

In addition, Harzer Tourismusverband e.V. keeps separate accounts for activities not covered by the entrustment.

The aid report and the annual results drawn up make it clear that no overcompensation occurred, since the expenses relating to SGEIs exceed the revenues relating to SGEIs.

### ***Transparency requirements***

*The evidence for the annual financial statement and also for the budgetary plans of Harzer Tourismusverband e.V. are divided into revenues and expenses for the different areas of activity, with SGEI/non-SGEI also shown separately where applicable.*

*The evidence can be inspected by members of the association upon request.*

Compensation exceeding EUR 15 million was not granted, meaning that no transparency requirements under Article 7 of the SGEI Decision are to be observed.

### ***Amount of aid granted***

For 2018: EUR 4 945.66

For 2019: EUR 4 805.03

## **e) Town of Lingen**

### ***Content of the services entrusted as SGEIs***

Performance of public service tasks in the form of services of general economic interest. In particular:

Operation of event venues for concerts, shows, trade fairs, exhibitions, markets, auctions, sports, company celebrations to promote economic, social and cultural well-being and the public well-being of the residents of the Town of Lingen (Ems) by the municipal enterprise Emslandhallen.

### ***Forms of entrustment***

Entrustment act of 10/02/2014 (council decision of 29/01/2014)

***Duration of the entrustment***

10 years (2014-2023)

***Exclusive or special rights***

No exclusive or special rights

***Aid instruments***

Compensation and offsetting payments

***Compensation mechanism***

Annual shortfalls resulting in spite of prudent management are compensated by means of non-cash compensation payments and/or by offsetting the shortfalls against the town's equity contribution. A reasonable return is not taken into account in this respect. The amount of the compensation payments is based on the municipal enterprise's actual business statement/annual financial statement.

***Arrangements for avoiding and repaying any overcompensation***

The scope of the compensation does not exceed what is necessary to cover the costs and expenses incurred in connection with performance of the public service obligations after deduction of the revenues earned by the undertaking. To this end, the municipal enterprise supplies evidence of use of funds at the end of each financial year, in the form of an annual financial statement audited by an auditor.

If this audit reveals overcompensation exceeding 10% of the funding granted for the audit year, the Town of Lingen (Ems) asks the municipal enterprise to repay the surplus amount. In the event that overcompensation up to a maximum of 10% is identified, the surplus may be carried forward to the following period.

***Transparency requirements***

The individual compensation payments are less than EUR 15 million, meaning that there is no publication requirement pursuant to Article 7 (2012/21/EU). All documents that can be used to determine whether the compensation payments granted are

compatible with the provisions of the Exemption Decision must, however, be retained for 10 years after the end of the entrustment.

***Amount of aid granted***

2018: EUR 1 280 000 (loss compensation payment) + EUR 547 548.90 (offsetting of deficit with equity contribution) = EUR 1 827 548.90

2019: The annual financial statement is not yet available. (cf. also Section 25 of Lower Saxony's Municipal Enterprise Regulation (*Eigenbetriebsverordnung*)).

vi) Financial services

***Content of the services of general economic interest***

not applicable ...

***Forms of entrustment***

not applicable ...

***Duration of the entrustment***

not applicable ...

***Exclusive or special rights***

not applicable ...

***Aid instruments***

not applicable ...

***Compensation mechanism***

not applicable ...

***Arrangements for avoiding and repaying any overcompensation***

not applicable ...

***Transparency requirements***

not applicable ...

***Amount of aid granted***



not applicable ...

vii) Other sectors

a) **Land of Lower Saxony**

**1. Tourismus Marketing Gesellschaft Niedersachsen**

***Content of the services of general economic interest***

According to the entrustment, Tourismus Marketing Gesellschaft Niedersachsen (Tourism Marketing Company Lower Saxony) is entrusted with information and communication services in relation to Lower Saxony as a travel destination. Implementation in the online marketing sector involves the operation and ongoing editorial updating of the 'Reiseland Portal' ('Travel Destination Portal'). In addition, the website is advertised using online media measures.

The entrustment covers in particular the following tasks:

- tourism marketing abroad for Lower Saxony,
- information and communication services in relation to Lower Saxony as a travel destination,
- image, brand philosophy,
- marketing for Lower Saxony as a travel destination in connection with development of the following topics:  
active and natural tourism, health tourism, cultural and city tourism, culinary tourism, regional gastro-tourism, high-quality tourism in Lower Saxony, tourism for all, rural areas,
- development and implementation of a sustainability tourism strategy,
- public relations.

***Forms of entrustment***

Administrative deed

***Duration of the entrustment***

10 years, 1 January 2014 to 31 December 2023

***Exclusive or special rights***

None

***Aid instruments***

Compensation

payments

***Arrangements for avoiding and repaying any overcompensation***

Annual verification to determine how the compensation granted has been used on the basis of the audited annual financial statement in the form of an aid report.

***Compensation mechanism***

A surplus of up to a maximum of 10% of unused funds can be carried over from the previous year. In the event that the surplus from the previous year is higher than this amount, the *Land* of Lower Saxony may request a repayment.

***Transparency requirements***

None

***Amount of aid granted***

2018 Compensation:	EUR 3 000 000.00
2019 Compensation:	EUR 3 200 000.00 (including a budgetary top-up of EUR 200 000.00)

**2. Grants in the economic consumer protection sector**

***Content of the services entrusted as SGEIs***

In accordance with its articles of association, Verbraucherzentrale Niedersachsen e.V. solely and directly pursues charitable purposes by acting in the interests of consumers' general economic welfare, and is active throughout Lower Saxony in this connection. The association is politically and religiously neutral. It acts independently and does not primarily pursue its own financial purposes. The association's funds may only be used for the purposes set out in its articles of association.

These tasks should be performed by Verbraucherzentrale Niedersachsen e.V. through the following measures:

- a) representation and promotion of consumers' interests to business and the state, and public education in relation to consumer policy issues,
- b) consumer information and education about market-oriented behaviour and active participation in economic processes,
- c) establishment of suitable facilities for providing consumers with objective information and support (e.g. local advice points),
- d) representation of consumers' rights and involvement in the representation of consumers' interests,
- e) other measures that further these goals.

***Forms of entrustment***

Verbraucherzentrale Niedersachsen e.V. receives, firstly, annual institutional funding in the form of statutory financial aid pursuant to Section 14(2)(7) and (4)(7) and in accordance with Section 15 of Lower Saxony's Gambling Act (*Niedersächsisches Glücksspielgesetz*, NGLüSpG) of 17 December 2007 (Lower Saxony Gazette of Laws and Ordinances No 42/2007 p. 756), most recently amended by Article 2 of the Act of 16 December 2014 (Lower Saxony Gazette of Laws and Ordinances No 26/2014 p. 429).

As regards the use of the statutory financial aid under Lower Saxony's Gambling Act, Lower Saxony's Ministry for Food, Agriculture and Consumer Protection (*Niedersächsisches Ministerium für Ernährung, Landwirtschaft und Verbraucherschutz*, ML) and Verbraucherzentrale Niedersachsen e.V. concluded an agreement on joint measures to safeguard and further develop high-quality consumer protection in Lower Saxony.

The entrustment act dated 19 January 2017 specified this 'institutional' funding for Verbraucherzentrale Niedersachsen e.V. in the form of the aforesaid financial aid, in accordance with the provisions of State aid law.

Secondly, Verbraucherzentrale Niedersachsen e.V. also has access to a number of different project funding streams in connection with its core activities. The current funding streams are again specified in accordance with the provisions of State aid law in the form of an entrustment act dated 26 January 2017, on the basis of an entrustment relationship.

### ***Duration of the entrustment***

The duration of the entrustment made to Verbraucherzentrale Niedersachsen e.V. was limited to four years in the case of both the financial aid and the project funding (period: 2017-2020).

### ***Exclusive or special rights***

Not applicable

### ***Aid instruments***

Direct subsidy

### ***Compensation mechanism***

Not applicable

### ***Arrangements for avoiding and repaying any overcompensation***

As regards use of the 'institutional' funding in the form of the aforesaid financial aid, Verbraucherzentrale Niedersachsen e.V. is obliged, on the basis of the agreement with Lower Saxony's Ministry for Food, Agriculture and Consumer Protection and pursuant to Section 4(4) of this agreement, to submit to Lower Saxony's Ministry for Food, Agriculture and Consumer Protection an audited annual financial statement, evidence of the use of funds and a qualified report on the previous year, in each case by 30 June of the following year. Pursuant to Section 6 of the agreement, Verbraucherzentrale Niedersachsen e.V. provides evidence both of the part of the financial aid that it has used itself and the on-lent parts in the audit annual financial statements. Lower Saxony's Ministry for Food, Agriculture and Consumer Protection is entitled to ask Verbraucherzentrale Niedersachsen e.V. to supply books, documents and other

business records in connection with specific issues relating to the use of the financial aid, and to carry out on-site visits to check said use. In these cases, Verbraucherzentrale Niedersachsen e.V. must keep the necessary documents available and supply any information required. The audit rights granted by the Land Audit Office pursuant to Section 21 of Lower Saxony's Gambling Act apply both to Verbraucherzentrale Niedersachsen e.V. and to third parties to which parts of the financial aid are on-lent.

Pursuant to Section 8 of the agreement, Lower Saxony's Ministry for Food, Agriculture and Consumer Protection is able to allow funding that has been used for purposes other than the purpose specified to be used for other eligible measures under the agreement. If the pot of funding is not exhausted by the replacement measures, Lower Saxony's Ministry for Food, Agriculture and Consumer Protection requests repayment (including interest) by means of a notice of performance.

As regards the project funding for Verbraucherzentrale Niedersachsen e.V., the grant notices from 2017 onwards included the following passages, for example:

- a) *'The approval is granted with regard to the Commission Decision of 20/12/2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (2012/21/EU; OJ L 7 of 11 January 2012, p. 3) – hereinafter 'SGEI Exemption Decision' –.'*
  - b) *'Revenues earned in connection with the project must be used to reduce the subsidy paid by the Land. Similar rules apply in respect of reduced expenditure. This also helps to implement the provisions on the amount of compensation in accordance with Article 5 of the SGEI Exemption Decision.'*
  - c) *'By way of derogation from Section 2.1.1 of the General Ancillary Conditions for Project Grants, there is no de minimis limit. Any funding remaining at the end of the project (the cash balance) must be reimbursed in full by the beneficiary regardless of the amount involved, and transferred to the Land Treasury. This also helps to avoid overcompensation within the meaning of Article 6 of the SGEI Exemption Decision.'*
  - d) *'By way of derogation from Section 6.9 of the General Ancillary Conditions for Project Grants, the recipient must retain the books, documents and all other business records for 10 years after the end of the contractual term, unless a longer retention period is specified under fiscal law or other provisions.'*
- (e)

### **Transparency requirements**

Not applicable

### **Amount of aid granted**

Total amount of aid granted:

B: Total amount of aid granted paid by regional authorities (Lower Saxony Ministry of Food, Agriculture and Consumer Protection)

	2018	2019
Financial aid (pursuant to Section 14(2)(7) of the Lower Saxony Gambling Act ( <i>Niedersächsisches Glücksspielgesetz</i> , NGlüSpG))	EUR 1 500 000.00	EUR 1 500 000.00

Financial aid (pursuant to Section 14(4)(7) of the Lower Saxony Gambling Act ( <i>Niedersächsisches Glücksspielgesetz</i> , NGlüSpG)	EUR 169 924.00	EUR 207 567.00
Project 'Educational measures in the field of nutrition'	EUR 400 000.00	EUR 400 000.00
Project 'Economic consumer protection'	EUR 211 457.00	EUR 211 457.00
Project 'Energy Market Watchdog for Lower Saxony'	EUR 250 000.00	EUR 0.00
Project 'Consumer protection for refugees'	EUR 100 000.00	EUR 0.00
Project 'Improving consumer protection in rural areas'	EUR 395 000.00	EUR 350 000.00
	EUR 3 026 381.00	EUR 2 669 024.00

## **b) Rural District of Wittmund – Adult education centre and music school**

### ***Content of the services of general economic interest***

Adult education centre: Offers relating to the personal development and promotion of individual skills and capabilities in agricultural areas:

- basic education/school-leaving qualifications,
- sociology/educational theory/psychology,
- culture/design,
- vocational training,
- health,
- languages,
- adult education centre for children and teenagers,
- study trips.

Music school: Provision of a comprehensive range of courses and teaching in all fields of musical education

Social projects: Measures to prepare disadvantaged young persons and long-term unemployed persons for the training and labour market and to find jobs and training placements for them

### ***Forms of entrustment***

Shareholder agreement in conjunction with the Exemption Decision by the district council as part of a separate entrustment act after the entry into force of the Almunia

Pact (19 December 2013)

***Duration of the entrustment***

10 years

***Exclusive or special rights***

No assignment of exclusive and special rights

***Aid instruments***

Compensation payments

***Compensation mechanism***

Cost allocation

methodology

***Arrangements for avoiding and repaying any overcompensation***

Proof is provided at the end of the financial year in the form of a statement of expenditure within the framework of the annual financial statement. The shareholders' meeting adopts resolutions on the annual financial statement and the use of the year-end result. The revenues and expenses relating to the performance of SGEIs are recorded separately to the 'other services'.

***Transparency requirements***

...

***Amount of aid granted***

2018	2019	Total
EUR 480 315.83	EUR 589 551.81	<b>EUR 1 069 867.64</b>

**c) Rural District of Friesland**

***Content of the services of general economic interest***

Emergency services:

1. Emergency rescue

The remit of the ambulance service is to provide the in-situ medical care required by individuals with life-threatening injuries or illnesses and individuals who can be

expected to suffer serious harm to health if they do not receive immediate medical care, to render these individuals ready for transport and, where necessary, to transport them to a treatment facility suitable for their further care, using appropriate emergency vehicles and providing professional care (emergency rescue), including the provision of such services in the event of emergencies that involve large numbers of injured or sick persons (large-scale emergencies), unless the event is categorised as a disaster.

2. Intensive care transport:

The remit of the ambulance service is to transport individuals with life-threatening injuries or illnesses to another treatment facility under intensive care conditions.

3. Qualified patient transport:

The ambulance service must transport other patients, injured persons or vulnerable persons who, as directed by a doctor, require expert care or the special facilities of an emergency vehicle during transport or whose condition means that such requirements can be anticipated.

4. The ambulance service may transport medications, blood reserves, organs and similar commodities in the event that they are to be used to care for persons with life-threatening injuries or illnesses.

5. Establishment and maintenance of facilities:

The ambulance service ensures that the necessary rescue stations within the meaning of Section 9 of Lower Saxony's Rescue Services Act (*Niedersächsisches Rettungsdienstgesetz*, NRettdG) and emergency vehicles within the meaning of Section 8 of Lower Saxony's Rescue Services Act and is responsible for the establishment and maintenance of the rescue stations and emergency vehicles. Breitbandfördergesellschaft mbH:

- a) planning and construction of passive broadband infrastructure,
- b) financing of investment costs and provision of the infrastructure created,
- c) execution and handling of the lease agreement/the concession concerning the passive broadband infrastructure with the network operator,
- d) public relations work/communication with undertakings and citizens,
- e) agreement with the municipalities in the rural district affected by the network expansion,
- f) applying for funding, handling the funding procedures and ensuring that the funding requirements have been met,
- g) preparation and execution of the necessary tender procedures.

Adult education centre and music school for the Rural Districts of Friesland and Wittmund (Volkschule und Musikschule der Landkreise Friesland und Wittmund gGmbH): Adult education centre: Tasks pursuant to Lower Saxony's Act on the

promotion of adult education (*Nds. Gesetz zur Förderung der Erwachsenenbildung*, NBEG) and promotion of extracurricular activities for adults, children and adolescents in the form of general, cultural, vocational, personal, social and political education (basic education/school-leaving qualifications, sociology/educational theory/psychology, culture/design, vocational training, health, languages, young adult education centre, study trips)

Music school: Provision of a comprehensive range of courses and teaching in all fields of musical education

Social projects: Measures to prepare disadvantaged young persons and long-term unemployed persons for the training and labour market and to find jobs and training placements for them

***Forms of entrustment***

Entrustment act under public law by means of a decision with instructions under company law/by corporate bodies.

***Duration of the entrustment***

Typically 10 years

***Exclusive or special rights***

None

***Aid instruments***

Guarantee, compensation payments, contributions to the capital reserve

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out on the basis of statements of expenditure as part of an audited annual financial statement. The rural district checks the final accounts in the case of investment subsidies.

***Transparency requirements***

not applicable

***Amount of aid granted***

	2018	2019
Rettungsdienst gGmbH	Guarantee EUR 1.3 million	Guarantee EUR 300 000
Breitbandfördergesellschaft mbH	Payments into the capital reserve EUR 1.5 million	Payments into the capital reserve EUR 1 310 649.34
Volkschule und Musikschule der Landkreise Friesland und Wittmund gGmbH	EUR 787 108.55	EUR 749 846.81

**d) Town of Diepholz**

***Content of the services entrusted as SGEIs***



Special tasks relating to business development and marketing for the Town of Diepholz

***Forms of entrustment***

Transfer of tasks by means of the written entrustment act dated 29 September 2016

***Duration of the entrustment***

10 years

***Exclusive or special rights***

./.

***Aid instruments***

Subsidies

***Compensation mechanism***

Compensation for shortfalls on the basis of the cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Regular cost controlling by the shareholders' meeting and the administration of the Town of Diepholz

***Transparency requirements***

Regular reporting to the relevant committees of the Town of Diepholz

***Amount of aid granted***

2018 → EUR 0.18 million

2019 → EUR 0.18 million.

**e) Town of Holzminden – Stadtmarketing Holzminden GmbH**

***Content of the services entrusted as SGEIs***

The services of general economic interest comprise public service obligations entrusted to Stadtmarketing Holzminden GmbH in the field of culture and tourism and the installation of WiFi infrastructure within the town of Holzminden. They includes the following activities:

- organisation and implementation of various cultural activities within the town. In this respect, Stadtmarketing GmbH assumes particular responsibility for activities such as securing booths, organisation, execution, marketing measures and settlement. The following cultural events in particular are carried out:

- further development and execution of the 'Bunter Markt der Düfte und Aromen (Colourful Market of Scents and Aromas)' as an expansion of the weekly market (up to eight events per year),
- organisation and execution of city festivals with Sunday trading (four events per year) and events at Corpus Christi and All Saints' Day,
- organisation and execution of the Christmas market,
- New Year reception,
- 'Marktsommer (Market Summer)' – concert on the market square (Saturdays between July and August every year),
- Big Band Festival (every two years),
- sightseeing tours,
- organisation of a range of different tourist and cultural events, including various seminars with socially acceptable entrance prices (the exhibitions, events and seminars take place in the premises at Torhaus am Katzensprung. The 'Markt 2 (Market 2)' building is also used to discharge the aforesaid public service obligations. Up to 30 seminars/events are held each year. The remaining exhibitions in the Torhaus (Gatehouse) am Katzensprung take place all year round.),
- maintenance and marketing of the mobile stage,
- ticket pre-sales for cultural events, including regular special campaigns such as entrance tickets to cultural events sold at socially compatible prices that typically do not cover costs,
- a further aim is to improve the image of Holzminden as a tourist destination. For example, a 'City Caretaker' has been appointed who investigates and carries out the measures necessary to boost the image of the city,
- joint cultural and tourism promotion measures in collaboration with Solling Tourism Office,
- construction of a free (or at least cheap) WiFi network in public and generally accessible areas.

### ***Forms of entrustment***

Stadtmarketing Holzminden GmbH was entrusted with the public service obligations in the field of culture and tourism and with construction of WiFi infrastructure within the town in the form of an administrative deed (see entrustment in the annex). The entrustment was made by the City Council of Holzminden on 12 December 2017.

### ***Duration of the entrustment***

The entrustment was made for a duration of 10 years.

### ***Exclusive or special rights***

When organising events, Stadtmarketing Holzminden GmbH is exempt from the requirement to pay usage fees for public spaces. Stadtmarketing Holzminden GmbH pays only a flat-rate 'recognition fee/special tariff' for events of EUR 100.00 per year. Furthermore, Stadtmarketing Holzminden GmbH is charged a reduced rent for the use of the Torhaus am Katzensprung property.

### ***Aid instruments***

- Subsidy
- Preferential treatment (non-cash benefits)

### ***Compensation mechanism***

Section 4 of the entrustment:

- (1) The city can compensate the net costs for city marketing incurred in connection with the fulfilment of public service obligations. Compensation can be granted in particular by means of voluntary investment and operating subsidies, the level of which is calculated on the basis of the relevant annual business plan by city marketing, and through discounted special usage fees or rents. The city determines the amount of compensation before the start of each financial year, taking into account the maximum limits specified in State aid law. Stadtmarketing Holzminden GmbH is not entitled to a separate payment by the city on the basis of this entrustment. When calculating the compensation, all funds granted by the city to Stadtmarketing Holzminden GmbH that meet the conditions for aid must also be taken into account. The maximum compensation is calculated on the basis of the parameters referred to in paragraph 3, or where applicable merely up to the maximum amount specified by the city.
- (2) The estimated net costs are to be determined in advance in accordance with generally accepted accounting principles, on the basis of the business plan and with due regard for separate accounting<sup>2</sup> for city marketing. The costs to be taken into account include:
  - All direct (variable and proportionate fixed) costs for the performance of service of general economic interests,
  - Appropriate depreciation of assets held by Stadtmarketing Holzminden GmbH that are required for performance of the public service obligations,
  - A reasonable profit surcharge of 4% per year.

All revenues earned by Stadtmarketing Holzminden GmbH in connection with performance of the public service obligations must be offset against the costs determined in this way. In this context, the term 'revenues' refers in particular to the fees and levies collected from users/market suppliers in so far as these can be attributed to the public service obligations. The net costs are based on the difference between costs and revenues. They should be reduced by the amount of overcompensation from the previous year where applicable (cf. Section 5(2)).

- (3) The estimated net costs for a financial year calculated pursuant to paragraph 2 must be notified and presented prior to the start of the financial year. The net costs (reduced where applicable) are compensated on an annual basis after the end of the financial year as part of the approval of the annual financial statement on the basis of a resolution adopted by the city.
- (4) If the city transfers additional public service obligations to Stadtmarketing Holzminden GmbH or if unforeseen events result in higher costs, the business plan and separate accounts can be adjusted accordingly. This requires a corresponding order by the competent town authorities. Detailed evidence must be provided of the events and their impacts. The net costs increased in this way are eligible for

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<sup>2</sup> Parameters within the meaning of Article 4(d) of the Commission Decision of 20 December 2011.

compensation in so far as they are determined in accordance with the requirements of this entrustment act.

### ***Arrangements for avoiding and repaying any overcompensation***

Section 5 of the entrustment:

- (1) Throughout the entire term of this entrustment act, Stadtmarketing Holzminden GmbH must ensure that the compensation payment granted for performance of the public service obligation has not resulted in overcompensation; it must check at least once every three years that this condition has been met, and supply evidence thereof to the city. If the compensation exceeds the net costs ('overcompensation'), the city marketing must repay the amount of overcompensation to the city.
- (2) If the amount of overcompensation does not exceed 10% of the average annual compensation payment in one observation period of three successive financial years, Stadtmarketing Holzminden GmbH may deduct the amount of overcompensation when calculating the compensation in the next available business plan instead of a repayment.

### ***Transparency requirements***

Section 3 of the entrustment:

- (1) The costs and revenues of the public service obligations (Section 2(1)-(3)) and the additional activities not covered by this entrustment (Section 2(4)) must be recorded separately in the accounts of Stadtmarketing Holzminden GmbH.
- (2) Stadtmarketing Holzminden GmbH must arrange for the separate accounts to be audited together with the annual financial statement by an audit firm, and must present them to the city after the end of the financial year together with the annual financial statement.

### ***Amount of aid granted***

2018:

1. Payments: EUR 198 600
2. Non-cash benefits
  - Discount for special tariffs for market use EUR 22 275
  - Discounted rent for Torhaus am Katzensprung: EUR 18 900

2019:

1. Payments: EUR 225 600
2. Non-cash benefits
  - Discount for special tariffs for market use EUR 22 275
  - Discounted rent for Torhaus am Katzensprung [note by MW: figure missing, the figure from 2018 was used]

- f) **Town of Bad Bevensen – promoting tourism in the Lüneburg Heath area and raising the profile of the Lüneburg Heath as a destination**

### ***Content of the services entrusted as SGEIs***

Services of general economic interest in the field of marketing and additional services in the field of regional tourism.

### ***Forms of entrustment***

The entrustment is made by means of an entrustment act granted to Lüneburger Heide GmbH on the basis of the decision by the Bad Bevensen Town Council.

### ***Duration of the entrustment***

The aforementioned entrustment act has a term of 10 years.

### ***Exclusive or special rights***

### ***Aid instruments***

Compensation may be granted by the shareholders up to a maximum amount defined in the shareholder agreement, in order to compensate for the costs of discharging public service obligations that are not covered.

### ***Compensation mechanism***

The amount of the compensation granted in the current financial year is set by order of the Council of the Town of Bad Bevensen as part of the budget.

### ***Arrangements for avoiding and repaying any overcompensation***

To avoid overcompensation, a target/actual comparison of the actual net costs and the advance payments received is produced by the company as part of the annual financial statement. If the advance payments exceed the net costs, Lüneburger Heide GmbH must repay the amount of the overcompensation. If the amount of overcompensation does not exceed 10% of the average annual compensation in three successive financial years, Lüneburger Heide GmbH may alternatively deduct the amount of overcompensation when calculating the compensation in the next available business plan.

### ***Transparency requirements***

### ***Amount of aid granted***

By the Town of Bad Bevensen:

1. 2018: EUR 50 000

2019: EUR 50 000

## **g) Town of Bad Bevensen – general tourism and business development**

### ***Content of the services entrusted as SGEIs***

Promotion and development of tourism, commercial and location marketing within the Town of Bad Bevensen and the Collective Municipality of Bevensen-Ebstorf and safeguarding the provision of spa services in the Town of Bad Bevensen.

### ***Forms of entrustment***

The entrustment is made by means of an entrustment act granted to Bad Bevensen Marketing GmbH on the basis of the decision by the Bad Bevensen Town Council.

### ***Duration of the entrustment***

The aforementioned entrustment act has a term of 10 years.

### ***Exclusive or special rights***

### ***Aid instruments***

Compensation is granted in the form of an operating subsidy.

### ***Compensation mechanism***

The amount of the compensation granted in the current financial year is set by order of the Council of the Town of Bad Bevensen as part of the budget. The methodology used is based on cost allocation.

### ***Arrangements for avoiding and repaying any overcompensation***

Bad Bevensen Marketing GmbH is obliged to provide evidence annually, after the end of the relevant financial year, of how the compensation granted was used, on the basis of the audited annual financial statement. This takes place in connection with the aid report to be produced on an annual basis, which must contain confirmation that the compensation has been used for the public service obligations covered by this entrustment and that it has not been used for areas not covered by this entrustment.

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

If proper use of the funds is ruled out or will not be ensured within the following year, the Town of Bad Bevensen demands the repayment of excessive

compensation payments in the event of overcompensation.

### ***Transparency requirements***

#### ***Amount of aid granted***

By the Town of Bad Bevensen:

1. 2018: EUR 1 090 000

2019: EUR 1 090 000

#### **h) Town of Bad Bevensen – health promotion**

##### ***Content of the services entrusted as SGEIs***

Services of general economic interest in the field of health promotion and associated ancillary services

##### ***Forms of entrustment***

The entrustment is made by means of an entrustment act granted to Kurgesellschaft Bevensen GmbH on the basis of the decision by the Bad Bevensen Town Council.

##### ***Duration of the entrustment***

The aforementioned entrustment act has a maximum term of 10 years.

##### ***Exclusive or special rights***

##### ***Aid instruments***

Compensation is granted in the form of contributions to the capital reserve to compensate for costs that are not covered.

##### ***Compensation mechanism***

The amount of the compensation granted in the current financial year is set by order of the Council of the Town of Bad Bevensen as part of the budget. The methodology used is based on cost allocation.

##### ***Arrangements for avoiding and repaying any overcompensation***

Kurgesellschaft Bevensen GmbH is obliged to provide evidence annually, after the end of the relevant financial year, of how the compensation granted was used, on the basis of the audited annual financial statement. This takes place in connection with the aid report to be produced on an annual basis, which must contain confirmation that the compensation has been used for the public service obligations covered by this entrustment and that it has not been used for areas not covered by this entrustment.

If overcompensation not exceeding 10% of the average annual compensation within one year is identified in three consecutive financial years, the amount of overcompensation can be carried forward or included as a deduction when compensation is calculated in the next available business plan.

If the amount of overcompensation exceeds 10% of the average annual compensation in three consecutive financial years and the proper use of funding is ruled out or is not safeguarded within the following year, the shareholders (legal persons under public law) request repayment of the surplus compensation payments on a pro rata basis.

### ***Transparency requirements***

### ***Amount of aid granted***

By the Town of Bad Bevensen:

1. 2018: EUR 710 220

2019: EUR 714 000

### **i) Municipality of Wangerland – Wangerland Touristik GmbH**

#### ***Content of the services entrusted as SGEIs***

Operation and maintenance of indoor swimming pools and the remaining facilities (plant and storage rooms/staffrooms, changing rooms and WCs); provision of the buildings necessary for proper and safe operation of the swimming pools; ensuring the possibility of non-discriminatory access to the swimming pools and collection of appropriate and socially acceptable entry fees that ensure profitability; swimming pool opening hours that meet the needs of a wide range of users (seriously disabled persons, senior citizens, children etc.) at socially acceptable prices; pool time for clubs and schools; provision of other offers and facilities directly relating to operation of the swimming pools and directly beneficial for said operation.

Care and maintenance of the port facility, including the water areas, jetties and other facilities for the operation of recreational craft; monitoring of transport safety in the port area.

Care and maintenance of the beaches and the adjacent green spaces; facilitation of non-discriminatory access to the beaches, taking into account the differing needs of users (e.g. dog owners, nudist users), including the execution of e.g. mudflat hiking tours with natural history instruction at socially acceptable prices; supervision and safety of beach areas; levying of socially acceptable fees for the use of beaches; provision of other services and facilities that are directly related to operation of the beaches and are directly beneficial to them.

Performance of general measures for promoting tourism within the Municipality of Wangerland, in particular through public relations work and the operation of tourist centres, implementation of general measures for promoting and supporting partnerships for the purpose of making service sectors and tourism sectors more attractive;



...

Performance of general measures for promoting the development of the Municipality of Wangerland as an events venue, in particular through managing, securing and marketing events.

Operation and maintenance of a public library including its renovation; facilitation of non-discriminatory access to the public library for the purpose of allowing comprehensive access to knowledge, information/research and culture for all population groups/in particular for children, adolescents and adults from sections of the population with underprivileged educational backgrounds for the purpose of improving their educational opportunities; facilitating cheap and local access to up-to-date sources of knowledge in all media formats; supporting and supplementing schools, day care centres and training facilities as out-of-school learning locations in connection with their educational mandate; promoting dialogue between all generations/cultures and religions, in particular through public events.

### ***Forms of entrustment***

An entrustment act was adopted.

### ***Duration of the entrustment***

The entrustment act is concluded for 10 years.

### ***Exclusive or special rights***

Not applicable.

### ***Aid instruments***

Compensation (benefits) is paid by the Municipality of Wangerland to Wangerland Touristik GmbH (WTG).

### ***Compensation mechanism***

The Municipality of Wangerland can grant to Wangerland Touristik GmbH compensation for an annual shortfall and voluntary investment subsidies, the amount of which is calculated on the basis of the annual business plan of Wangerland Touristik GmbH and estimated in the budget of the Municipality of Wangerland. The maximum level of compensation (benefits)/which pursuant to Article 2(l)(a) of the Exemption Decision may not exceed an average amount of EUR 15 million during the entrustment period/is calculated on the basis of the relevant budget for the Municipality of Wangerland.

The compensation payments (benefits) of the Municipality of Wangerland are granted solely for the purpose of allowing Wangerland Touristik GmbH/ to perform the tasks incumbent upon it in accordance with the articles of association. The compensation results solely from performance of the services of general economic interest pursuant to Section 2(l). In the event that costs are incurred in connection with Section 2(2), they will not be taken into account. Separate evidence pursuant to Section 5 must be supplied in this connection.

If unforeseeable events in connection with the performance of services of general economic interest pursuant to Section 2(1) result in a higher compensation amount, this can also be taken into consideration. Detailed evidence must be provided of these events and their impacts.

The amount of the compensation (preferential treatment) does not exceed what is necessary to cover the net costs incurred in discharging the public service obligations, including a reasonable profit. Profits from the activities pursuant to Section 2(2) are used in full for the financing of the activities pursuant to Section 2(l).

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation payments (benefits) do not result in overcompensation for the performance of services pursuant to Section 2(1) and that benefits are not granted for the activities pursuant to Section 2(2)/Wangerland Touristik GmbH supplies evidence of the use of funds to the Municipality of Wangerland on an annual basis after the end of the financial year. This takes place in the form of the relevant

annual financial statement and other evidence to be reviewed by the Municipality of Wangerland in respect of overcompensation of the funding to be made available in accordance with Section 3(1), in particular by means of the separate accounts to be drawn up in accordance with Section 5. The audited annual financial statement of Wangerland Touristik GmbH must be made available to the municipality.

If the audit reveals overcompensation exceeding 10% of the average annual compensation during the entrustment period/the Municipality of Wangerland asks Wangerland Touristik GmbH to repay the surplus amount. If the audit reveals compensation not exceeding 10%, the surplus amount must be offset against the following compensation period.

The Municipality of Wangerland ensures that, in connection with the audit of the annual financial statement of Wangerland Touristik GmbH, an auditor, an audit firm or another competent authority checks (pursuant to Article 6 of the Exemption Decision) whether the compensation payments (benefits) granted to Wangerland Touristik GmbH met the requirements specified in the Exemption Decision and whether the EU State aid was used in compliance with the provisions. This does not affect the right of the Municipality of Wangerland to implement alternative measures in respect of the regular checks that must be carried out at least every three years during the entrustment period and at the end of the entrustment period.

### ***Transparency requirements***

Without prejudice to more stringent regulations, all documents and information required to determine whether the compensation payments (benefits) granted are compatible with the provisions of the Exemption Decision must be kept available during the entrustment period and for a period of at least 10 years from the end of the entrustment period.

### ***Amount of aid granted***

In 2018 and 2019, the Municipality of Wangerland paid compensation of EUR 200 000.00 in each year (net amounts).

**j) City of Osnabrück**

***Content of the services entrusted as SGEIs***

- a)** Entrustment of **OMT Osnabrücker Marketing -und Tourismus GmbH** with the performance of services of general economic interest in the field of tourism and cultural promotion
- b)** Entrustment of **WFO Wirtschaftsförderung Osnabrück GmbH** with the performance of services of general economic interest relating to tasks involving location development, location marketing and management of financial aid

***Forms of entrustment***

- a)** Council decision, implementation by means of an entrustment act
- b)** Council decision, implementation by means of an entrustment act

***Duration of the entrustment***

- a)** 10 years
- b)** Five years

***Exclusive or special rights***

- a)** No
- b)** No

***Aid instruments***

- a)** Aid instruments used: Equity increase
- b)** Aid instruments used: Cash subsidies, shareholder loan, contribution to the capital reserve.

***Compensation mechanism***

- a)** Compensation mechanism: Specification of maximum amount in the business plan and in the budget.  
Compensation of the costs incurred in connection with provision of the service after deducting revenues and a reasonable return.
- b)** Annual statement of expenditure as part of the annual financial statement,

Separate accounting  
 Right of the City of Osnabrück to carry out audits during the year  
 Regular reporting during the year in connection with control of equity interests.

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

- a) Publication of aid within the online council information system.
- b) Publication of aid within the online council information system.

***Amount of aid granted***

		<b>2018</b>	<b>2019</b>
<b>(a)</b>	OMT – one-off payment into the capital reserve	EUR 911 000	EUR 811 000
<b>(b)</b>	WFO – cash subsidy	EUR 489 227	EUR 978 639

**k) Town of Peine – city marketing**

***Content of the services of general economic interest***

Entrustment of Peine Marketing GmbH with services of general economic interest (SGEIs) for the purpose of performing all tasks relating to marketing of the Town of Peine and the associated services, taking into account the requirements laid down in EU law. In performance of these tasks, Peine Marketing GmbH carries out in particular measures aimed at boosting the attractiveness and branding of the town, encouraging citizens to identify with the Town of Peine and presenting a positive external image. The entrustment covers in particular the following public service obligations:

- Operation, design, execution and coordination of city marketing
- Information and communication services in relation to the Town of Peine
- Execution of general measures to promote tourism (in some cases)
  - Measures in the sector of city management/city marketing
- Support for general measures in connection with promotion of the economy -sub-sector- (support for retail in Peine town centre (e.g. marketing events) and vacancy management for commercial premises in Peine)

As a basic principle, the entrustment covers the activities of Peine Marketing GmbH within the boundaries of the Town of Peine and the region.

***Forms of entrustment***

Entrustment act on the basis of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

Entrustment act on the basis of the decision by the Peine Town Council of 23 October 2014, which was promulgated in the form of an administrative deed by Peine Marketing GmbH.

### ***Duration of the entrustment***

10 years.

### ***Exclusive or special rights***

...

### ***Aid instruments***

Ongoing annual non-specific subsidy.

### ***Compensation mechanism***

Extract from the entrustment act:

## **Section 4 – Granting of compensation payments**

- 1 Peine Marketing GmbH can be granted compensation payments to compensate for the expenses incurred in performance of the public service obligation. According to the Commission Decision of 20 December 2011, compensation within the meaning of this entrustment includes all advantages granted by the Town of Peine or from the budget of the Town of Peine, in particular operating and investment subsidies, loans, compensation of losses, assumption of costs and capital contributions.
- 2 The entrustment does not entitle Peine Marketing GmbH to receive compensation payments. The Town of Peine takes decisions on the granting of compensation payments to Peine Marketing GmbH at its own discretion.
- 3 As a basic principle, compensation payments that have been granted do not depend on the performance of certain tasks. This does not include payments that are expressly granted for a specific purpose. In general terms, the compensation payments are intended to allow Peine Marketing GmbH to perform its tasks.

- ☐ Cost allocation methodology
- ☐ Net avoided cost methodology

### ***Arrangements for avoiding and repaying any overcompensation***

A statement of expenditure for compensation payments granted on the basis of the audited annual financial statement, taking into account the requirements of the Transparency Directive Implementing Act (*Transparenzrichtlinie-Umsetzungsgesetz*) (separate accounts) must be provided on an annual basis.

The separate accounts are checked by an auditor.

Obligations to supply evidence after the end of the financial year that the compensation payment has not resulted in overcompensation in the entrusted areas.

### ***Transparency requirements***

Pursuant to Article 2(1)(a) of the Exemption Decision, the annual compensation in connection with this entrustment is limited to an amount of EUR 15.0 million per year.

#### ***Amount of aid granted***

2018	2019
EUR 0.433 million (subsidy by the Town of Peine)	EUR 0.433 million (subsidy by the Town of Peine)
The subsidy was paid entirely by the Town of Peine.	The subsidy was paid entirely by the Town of Peine.

### **I) Hanseatic Town of Lüneburg – waste water disposal and maintenance of bodies of water**

#### ***Content of the services of general economic interest***

- a) Municipal waste water disposal in accordance with the disposal contract dated 31 December 1997
- b) Maintenance of bodies of water and operation of the depot at which the urban green spaces, road maintenance and cleaning, and fleet management branches are based, together with the workshop, in accordance with the agency agreement of 23 March 2007

#### ***Forms of entrustment***

Entrustment on the basis of annual council orders.

#### ***Duration of the entrustment***

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

*'This model decision forms part of the entrustment act within the meaning of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (2012/21/EU).'*

### ***Exclusive or special rights***

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

### ***Aid instruments***

Payment of fees to Abwasser, Grün & Lüneburger Service GmbH (AGL).

### ***Compensation mechanism***

Approval by the shareholders' meeting of the business plan drawn up by Abwasser, Grün & Lüneburger Service GmbH constitutes approval of the target resolutions that must be implemented by the management. The business plan sets out – specifically and in detail – the amount of funding that may be spent on certain projects in the following year, subject to approval of the town's budget by the council of the Hanseatic Town of Lüneburg. The disposal contracts and agency agreements with Abwasser, Grün & Lüneburger Service GmbH specify that a fixed fee is to be stated in writing in the business plan each year for the following financial year, on the basis of the operating costs calculated in the business plan.

An instruction order is issued for the town's representatives in the shareholders' meeting by the town authorities (administrative committee or council) in respect of approval of the business plan. In principle, it is only possible to exceed the budget or make amendments once an amended business plan has been re-approved. This contains comprehensive details firstly of the compensation and secondly of the parameters for calculating, controlling and reviewing the compensation pursuant to Article 4 of the Exemption Decision. The duration of the entrustment is determined by the annual decision on compensation through approval of the business plan. Checks of calculations and monitoring of fee payments are carried out within the framework of investment management by the Hanseatic Town of Lüneburg.

Evidence of the actual operating costs incurred is provided at the end of a financial year, typically as part of the annual financial statement. In addition to approval of the business plan, each of the annual financial statements also requires an instruction order for the town's representatives in the shareholders' meeting by the town's administrative committee. This thus ensures that the payments are monitored, as required by the entrustment act.

### ***Arrangements for avoiding and repaying any overcompensation***

In addition to the disposal contract and agency agreement, there is a further provision relating to the required arrangements for avoiding and repaying any overcompensation. In order to ensure that the compensation payments do not result in any overcompensation for the performance of the delegated tasks, the compensation payments take the form of several advance payments rather than a single one-off payment. Before each draw-down of funds, the management must provide evidence of the concrete needs during the year. This generally takes the form of quarterly reports. This avoids any deviations from the business plan in terms of fee payments.

### ***Transparency requirements***

No aid exceeding EUR 15 million.

### ***Amount of aid granted***

<b><i>Content of the services of general economic interest</i></b>	<b>2018 in million EUR</b>	<b>2019 in million EUR</b>
(a) Municipal waste water disposal in accordance with the disposal contract dated 31 December 1997	<b>8.078</b>	<b>9.138</b>
(b) Maintenance of bodies of water and operation of the depot at which the urban green spaces, road maintenance and cleaning, and fleet management branches are based, together with the workshop, in accordance with the agency agreement of 23 March 2007	<b>2.184</b>	<b>2.201</b>

## **M) Hanseatic City of Lüneburg – Lüneburger Heide GmbH**

### ***Content of the services of general economic interest***

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

### ***Forms of entrustment***

Entrustment by contract and council decision of 31 August 2017.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years.



### ***Exclusive or special rights***

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

### ***Aid instruments***

The compensation payments serve to compensate for the costs of discharging public service obligations that are not covered.

### ***Compensation mechanism***

The Hanseatic City of Lüneburg may compensate the net costs incurred by Lüneburger Heide GmbH in discharging public service obligations in accordance with Section 2(2) (compensation). The compensation payments thus serve to compensate the costs of discharging the public service obligations that are not covered.

### ***Arrangements for avoiding and repaying any overcompensation***

Lüneburger Heide GmbH must ensure that the compensation granted does not exceed the net costs calculated in accordance with Section 4. To avoid overcompensation, Lüneburger Heide GmbH creates a target/actual comparison of the actual net costs and the advance payments received as part of the annual financial statement. If the advance payments received exceed the net costs (overcompensation), Lüneburger Heide GmbH must repay the amount of the overcompensation.

If the amount of overcompensation does not exceed 10% of the average annual compensation in three successive financial years, Lüneburger Heide GmbH may alternatively deduct the amount of overcompensation when calculating the compensation in the next available business plan.

### ***Transparency requirements***

No aid exceeding EUR 15 million.

### ***Amount of aid granted***

<b><i>Content of the services of general economic interest</i></b>	<b>2018 in million EUR</b>	<b>2019 in million EUR</b>
(c) Entrustment of Lüneburger Heide GmbH with public service obligations in the context of promoting tourism in the Lüneburg Heath region and raising the profile of the Lüneburg Heath as a destination	<b>0.05</b>	<b>0.05</b>

## **n) Municipality of Neuenkirchen-Vörden**

### ***Content of the services entrusted as SGEIs***

Promotion of regional infrastructure, support for industry, in particular the planning, expansion, development and sale of commercial premises

### ***Forms of entrustment***

Entrustment act

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Subsidy and guarantees

### ***Compensation mechanism***

Reimbursement of actual costs (shortfall financing)

### ***Arrangements for avoiding and repaying any overcompensation***

Obligation to present the business plan and other billing documents

### ***Transparency requirements***

None

### ***Amount of aid granted***

2018    EUR 87 455.53

2019    EUR 83 603.07

## **o) Town of Wunstorf**

### **1. Bäderbetriebe Wunstorf GmbH**

#### ***Content of the services entrusted as SGEs***

Provision of swimming and bathing facilities

- a) Operation of open-air swimming pools
- b) Operation of indoor swimming pools
- c) Operation of other bathing facilities such as sauna and massage premises, and also snack and refreshment kiosks operated in connection with bathing facilities
- d) Implementation of other measures that promote fulfilment of the public service obligations referred to in (a) to (c).

***Forms of entrustment***

public entrustment act in the form of a decision

***Duration of the entrustment***

10 years from 1 October 2016

***Exclusive or special rights***

None

***Aid instruments***

Shareholder contributions

***Compensation mechanism***

The compensation is calculated on the basis of the relevant annual business plan for Bäderbetriebe Wunstorf GmbH and included in the budget for the Town of Wunstorf

***Arrangements for avoiding and repaying any overcompensation***

Keeping of separate accounts by Bäderbetriebe Wunstorf GmbH

Proof of use of funds in the form of an audited annual financial statement submitted to the Town of Wunstorf without being specifically asked to do so.

***Transparency requirements***

Documents are retained for 10 years

***Amount of aid granted***

EUR 500 000 per annum

**2. Steinhuder Meer Tourismus GmbH*****Content of the services entrusted as SGEIs***

Promotion of tourism (making the overall Lake Steinhude region more attractive by creating and improving the conditions for tourism)

***Forms of entrustment***

public entrustment act in the form of a decision

***Duration of the entrustment***

10 years from 1 October 2016

***Exclusive or special rights***

None

***Aid instruments***

Operating subsidies, debt servicing

***Compensation mechanism***

The compensation is calculated on the basis of the relevant annual business plan for Steinhuder Meer Tourismus GmbH and included in the budget for the Town of Wunstorf

***Arrangements for avoiding and repaying any overcompensation***

Keeping of separate accounts by Steinhuder Meer Tourismus GmbH

Proof of use of funds in the form of an audited annual financial statement submitted to the Town of Wunstorf without a specific request being made

***Transparency requirements***

Documents are retained for 10 years

***Amount of aid granted***

EUR 300 000 per annum

**p) Municipality of Dornum – Tourismus GmbH*****Content of the services of general economic interest***

Entrustment of Tourismus GmbH (of the Municipality of Dornum) with services of general economic interest relating to the operation of tourist and spa facilities in the vicinity of the Municipality of Dornum and all associated services.

***Forms of entrustment***

The entrustment is made by means of a contract.

***Duration of the entrustment***

The duration of the entrustment is three years.

***Exclusive or special rights***

No exclusive or special rights are assigned to the undertaking.

***Aid instruments***

Operating and investment subsidies, guarantees, loans, compensation of losses, assumption of costs and capital investments are granted where necessary.

***Compensation mechanism***

There is not a typical compensation mechanism. Any compensation is granted on the basis of separate accounts.

***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of proof of use, in connection with audited annual financial statements.

***Transparency requirements***

Not applicable, since Article 7 of the SGEI Decision only applies if the compensation for one and the same SGEI exceeds EUR 15 million, which is not possible for other compensation.

***Amount of aid granted***

No aid was granted in 2018 and 2019.

**q) Region of Hanover****1. Climate protection*****Content of the services entrusted as SGEIs***

The undertaking is engaged in efforts to promote climate protection at local and regional level. The services of general economic interest include the following tasks:

- general measures and projects to promote climate protection in the Hanover region,
- provision of information, organisation and implementation of information events and climate protection initiatives,
- development of training courses,

- public relations measures and networking in the field of climate protection,
- support and assistance for municipalities implementing climate protection measures, campaigns and training courses,
- development, organisation and execution of product- and manufacturer-neutral information and advice campaigns with information that is typically free for the user.

### ***Forms of entrustment***

Entrustment act

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

The costs and revenues associated with provision of the services of general economic interest and the SGEI sectors for which compensation was paid are described and calculated with reference to the business plan and the annual financial statement (cost allocation methodology).

The level of compensation is limited to an amount of EUR 15 million per year in the entrustment act.

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation does not result in overcompensation for the performance of services of general economic interest pursuant to Article 6 of the Exemption Decision, the undertaking provides evidence annually, after the end of the relevant financial year and in the form of an aid report, of how the compensation granted was used, on the basis of the undertaking's audited annual financial statements and in accordance with the requirements of the Transparency Directive.

If the amount of overcompensation within one year or the use of funds for areas not covered by the entrustment does not exceed 10% of the compensation received, the

amount may be carried forward to the following year, and proper use of funds restored within the following year.

If proper use of the funds is ruled out or will not be ensured within the following year, the Region of Hanover demands the repayment of excessive compensation in the event of overcompensation.

***Transparency requirements***

None

***Amount of aid granted***

**2018:**

Subsidies amounting to EUR 704 000.

**2019:**

Subsidies amounting to EUR 658 000.

**2. Promotion of the economy and tourism**

***Content of the services entrusted as SGEIs***

Bundling, coordination and promotion of activities relating to municipal and regional economic promotion, marketing and tourism and all other measures aimed at improving the economic and entrepreneurial framework conditions allowing the City and Region of Hanover to compete with other municipalities and regions. These include in particular advice concerning start-ups and business locations, competitions relating to business locations and start-ups, operation of start-up incubators, activities relating to globalisation and assistance with building international business relationships and breaking into foreign markets, general tourism promotion, marketing Hanover as a *Land* capital and a region and promoting its image.

***Forms of entrustment***

Entrustment act

***Duration of the entrustment***

10     years

***Exclusive or special rights***

None

***Aid instruments***

The undertakings receive annual grants by way of institutional support, in the form of pro rata shortfall financing paid as non-repayable subsidies.

***Compensation mechanism***

The costs and revenues associated with provision of the services of general economic interest and the SGEI sectors for which compensation was paid are described and calculated with reference to the business plan and the annual financial statement (cost allocation methodology). The entrustment does not entitle the undertakings to receive the annual subsidies. The awarding authority decides on the granting of compensation by making available funds in its budget.

The level of compensation is limited to an amount of EUR 15 million per year in the entrustment act.

***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation does not result in overcompensation for the performance of services of general economic interest pursuant to Article 6 of the Exemption Decision, the undertakings provide evidence annually, after the end of the relevant financial year and in the form of an aid report, of how the compensation granted was used, on the basis of the undertaking's audited annual financial statements.

In accordance with the entrustment act, the awarding authority carries out checks every three years and at the end of the entrustment period to determine whether overcompensation has occurred. If the overcompensation exceeds the average annual compensation by no more than 10% within the three-year period, the overcompensation can be carried over to the following three-year period and deducted from the compensation to be paid for this period.

If proper use of the funds is ruled out or will not be ensured, the Region of Hanover demands the repayment of excessive compensation in the event of overcompensation.

***Transparency requirements***

None



***Amount of aid granted***

**2018:**

Subsidies amounting to EUR 4 043 000

**2019:**

Subsidies amounting to EUR 4 052 000

**r) Rural District of Uelzen**

***Content of the services entrusted as SGEIs***

Promotion and development of tourism in the vicinity of the Rural District of Uelzen, effective advertising in close cooperation with the association members, public relations work for the area, cooperation with the tourism associations and other organisations active in the field of tourism, private undertakings and individuals, effective coordination of members' activities in the field of tourism, provision of tourist information to association members

***Forms of entrustment***

Resolution by the representatives of the legal entities under public law referred to in Section 1(I) of the entrustment act

***Duration of the entrustment***

9.5 years

***Exclusive or special rights***

no

***Aid instruments***

Subsidy

***Compensation mechanism***

Net avoided cost methodology (separate accounting)

### ***Arrangements for avoiding and repaying any overcompensation***

in the event of overcompensation (up to 10% on average in three consecutive years), the compensation may be carried forward or included in the next budget as a decreasing repayment obligation

### ***Transparency requirements***

Subsidy below EUR 15 million

### ***Amount of aid granted***

2018: EUR 100 000.00

2019: EUR 100 000.00

### **s) Hannoversch Münden,**

#### ***Content of the services of general economic interest***

Provision of services of general economic interest in the field of tourism promotion and development, as well as marketing of the town and associated ancillary services. Specifically:

- general tasks associated with promoting tourism in the region,
- general tasks associated with marketing the Town of Hannoversch Münden,
- involvement in tourist organisations, cooperation, clubs and associations,
- development and implementation of marketing strategies (including public relations work, Internet, social media, brochures, tours of the town, series of events), project development in the fields of tourism and municipal marketing,
- communication and agreement of activities in the field of tourism and municipal marketing, networking,
- promotion of cooperation and the exchange of views between market participants,
- facility management for events in the Town of Hannoversch Münden,

- organisation of events aimed at building a regional identity.

***Forms of entrustment***

Entrustment of Hannoversch Münden Marketing GmbH with public service obligations on the basis of the Commission Decision of 20 December 2011 (C(2011) 9380) by means of an entrustment act.

***Duration of the entrustment***

10 years (2017-2026)

***Exclusive or special rights***

None

***Aid instruments***

Annual compensation (subsidy)

***Compensation mechanism***

The undertaking keeps separate accounts

***Arrangements for avoiding and repaying any overcompensation***

Checks on the basis of aid reports and separate accounting. As a basic principle, overcompensation must be repaid.

***Transparency requirements***

not applicable

***Amount of aid granted***

2018 EUR 0.3 million

2019 EUR 0.3 million

**t) City of Braunschweig**

VHS Arbeit und Beruf GmbH

**1. Adult education and continuing vocational training**

***Content of the services of general economic interest***

Municipal employment support

***Forms of entrustment***

Administrative deed

***Duration of the entrustment***

10 years

***Exclusive or special rights***

None

***Aid instruments***

Financial benefits, in particular subsidies, compensation of losses, guarantees, loans

***Compensation mechanism***

Presentation of the business plan and evidence of compliance in the form of a target/actual comparison (cost allocation methodology)

***Arrangements for avoiding and repaying any overcompensation***

Annual proof in the form of an audited annual financial statement and additional proof (aid report)

***Transparency requirements***

Not applicable.

***Amount of aid granted*****2018:**

Annual shortfall relating to SGEIs (compensated by the municipality): EUR 2 208 000

**2019:**

Verification (in the form of an aid report) is not yet available.

**2. Promotion of the economy (municipal marketing)**

Braunschweig Stadtmarketing GmbH

***Content of the services of general economic interest***

All tasks relating to promotion of the economy, in particular marketing measures, tourist products and conventions

### ***Forms of entrustment***

Administrative deed

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Granting of financial benefits, in particular the compensation of losses, capital contributions, loans, guarantees

### ***Compensation mechanism***

The expenses eligible for compensation are calculated on the basis of the net costs required in connection with the performance of services of general economic interest (cost allocation methodology).

### ***Arrangements for avoiding and repaying any overcompensation 2***

Annual proof in the form of an audited annual financial statement and additional proof (aid report) by an auditor

### ***Transparency requirements***

Not applicable

### ***Amount of aid granted***

#### **2018:**

Annual shortfall 2018 (compensated by the City of Braunschweig): **EUR 1 545 000** as the difference between the negative result for SGEIs (EUR 2 283 000) and the positive economic result (EUR 738 000)

#### **2019:**

Verification (in the form of an aid report) is not yet available.

Note:

Braunschweig Stadtmarketing GmbH was included in the (completed) monitoring procedure carried out by the EU Commission.

### **3. Infrastructure development**

Strukturförderung Braunschweig GmbH

#### ***Content of the services of general economic interest***

- Initiation, development, planning and execution of funding projects and projects in the fields of infrastructure, technology and research
- Development of conversion areas
- Promotion of urban development

#### ***Forms of entrustment***

Administrative deed

#### ***Duration of the entrustment***

10 years

#### ***Exclusive or special rights***

None

#### ***Aid instruments***

Financial benefits of any kind 2

#### ***Compensation mechanism***

The compensation must not exceed what is necessary to cover the costs incurred in performing the services of general economic interest, taking into account the relevant revenues and a reasonable return on the capital employed to discharge these obligations (cost allocation methodology).

#### ***Arrangements for avoiding and repaying any overcompensation***

Annual proof on the basis of the audited annual financial statement, in the form of an aid report

#### ***Transparency requirements***

Not applicable

### ***Amount of aid granted***

#### **2018:**

Verification (in the form of an aid report) is not yet available.

#### **2019:**

Verification (in the form of an aid report) is not yet available.

### **u) Rural District of Lüneburg**

#### ***Content of the services entrusted as SGEIs:***

##### ***a) Lüneburger Heide GmbH:***

Pursuant to Section 2 of its Articles of Association in the version dated 27 March 2014, the purpose of Lüneburger Heide GmbH is to promote tourism in the Lüneburg Heath region and to raise the profile of Lüneburg Heath as a destination. Its business activities are aimed, directly and indirectly, at serving the public good of the citizens of the Lüneburg Heath region.

The activities of Lüneburger Heide GmbH in the performance of its corporate objective include marketing and other services in the field of regional tourism, which can be categorised into the segments of product management, marketing, administration and booking office services. Lüneburger Heide GmbH also operates branch offices and tourist information offices in the regions of some of its shareholders and several regional municipalities.

The Rural District of Lüneburg is a shareholder in Lüneburger Heide GmbH.

##### ***b) Flusslandschaft Elbe GmbH:***

Pursuant to §2 of its Articles of Association in the version dated 19 December 2008, the purpose of Flusslandschaft Elbe GmbH is to promote tourism in the Elbe river landscape region. Its business activities are aimed, directly and indirectly, at serving the public good of the citizens of the Elbe river landscape region.

The activities of Flusslandschaft Elbe GmbH in the performance of its corporate objective include marketing and other services in the field of regional tourism, which

can be categorised into the segments of product management, marketing and administration.

The Rural District of Lüneburg is a shareholder in Flusslandschaft Elbe GmbH.

### ***Forms of entrustment***

#### **a) Lüneburger Heide GmbH:**

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

#### **b) Flusslandschaft Elbe GmbH:**

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

### ***Duration of the entrustment***

#### **a) Lüneburger Heide GmbH:**

10 years (from 2018) according to the district committee order of 06/06/2017.

#### **b) Flusslandschaft Elbe GmbH:**

10 years (from 2018) according to the district committee order of  
20 November 2017.

### ***Exclusive or special rights***

#### **a) Lüneburger Heide GmbH:**

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



undertaking. The company contributes to qualification and networking measures relating to existing local institutions. The company is entitled to establish branch offices.

**b) Flusslandschaft Elbe GmbH:**

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

***Aid instruments***

Subsidies.

***Compensation mechanism***

**a) Lüneburger Heide GmbH:**

The Rural District of Lüneburg may compensate the net costs incurred in discharging public service obligations as a result of the purpose laid down in the articles of association (compensation). The compensation payments thus serve to compensate the costs of discharging the public service obligations that are not covered. The entrustment does not entitle Lüneburger Heide GmbH to the granting of compensation.

**b) Flusslandschaft Elbe GmbH:**

The Rural District of Lüneburg may compensate the net costs incurred by Flusslandschaft Elbe GmbH in discharging public service obligations as a result of the purpose laid down in the articles of association (compensation). The compensation payments thus serve to compensate the costs of discharging the public service obligations that are not covered. The entrustment does not entitle Flusslandschaft Elbe GmbH to the granting of compensation.

***Arrangements for avoiding and repaying any overcompensation***

**a) Lüneburger Heide GmbH:**

Lüneburger Heide GmbH must ensure that the compensation granted does not exceed the net costs. To avoid overcompensation, Lüneburger Heide GmbH creates a

target/actual comparison of the actual net costs and the advance payments received as part of the annual financial statement. If the advance payments received exceed the net costs (overcompensation), Lüneburger Heide GmbH must repay the amount of the overcompensation.

**b) Flusslandschaft Elbe GmbH:**

Flusslandschaft Elbe GmbH must ensure that the compensation granted does not exceed the net costs. To avoid overcompensation, Flusslandschaft Elbe GmbH creates a target/actual comparison of the actual net costs and the advance payments received, as part of the annual financial statement. If the advance payments received exceed the net costs (overcompensation), Flusslandschaft Elbe GmbH must repay the amount of the overcompensation.

***Transparency requirements***

- not applicable -

***Amount of aid granted***

**a) Lüneburger Heide GmbH:**

Annual subsidy amounting to EUR 100 000.

**b) Flusslandschaft Elbe GmbH:**

Annual subsidy amounting to EUR 75 000.

**v) Rural District of Goslar**

***Content of the services entrusted as SGEIs***

- 1) Wirtschaftsförderung Region Goslar GmbH &Co KG: promoting and advising start-ups and existing business and industrial companies, supporting the establishment of businesses and industry, regional marketing and promoting technology, innovation and cooperation.
- 2) Harzer Tourismusverband e.V.: promoting the local economy and location marketing; structural policy and economic policy tasks; safeguarding jobs, increasing the attractiveness of individual local authorities as places to live and do business and increasing financial capacity for the public good.
- 3) Kur-Tourismus und Wirtschaftsbetriebe der Stadt Bad Harzburg GmbH (spa and

tourism undertaking wholly owned by the Town of Bad Harzburg): maintenance and administration of tourism and spa facilities, the thermal baths and the Silberbornbad swimming pool and the associated sale of heat energy to third parties in Bad Harzburg, the purchase and sale of plots of land and the construction, operation and sale of facilities associated with these operations. The entrustment also covers current and future investments (by Kur-Tourismus und Wirtschaftsbetriebe der Stadt Bad Harzburg GmbH).

***Forms of entrustment***

- 1) Entrustment act
- 2) Entrustment act
- 3) Entrustment act

***Duration of the entrustment***

- 1) 10 years
- 2) 10 years
- 3) 10 years

***Exclusive or special rights***

- 1) No
- 2) No
- 3) No

***Aid instruments***

- 1) Non-repayable subsidy within the meaning of Section 23 of the *Land Budget Code*
- 2) Non-repayable subsidy within the meaning of Section 23 of the *Land Budget Code*
- 3) Operating and investment subsidies, guarantees, loans, compensation of losses, assumption of costs and capital contributions.

***Compensation mechanism***

- 1) Separate accounting with proof of use
- 2) Separate accounting with proof of use
- 3) Separate accounting with proof of use

***Arrangements for avoiding and repaying any overcompensation***

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

(2) –

(3) Repayment obligation in the event of overcompensation

**Transparency requirements**

1) None, since below EUR 15 million.

2) None, since below EUR 15 million.

3) None, since below EUR 15 million.

**Amount of aid granted**

1) Wirtschaftsförderung Region Goslar GmbH & Co KG:

<b>Municipality</b>	<b>2018 in EUR</b>	<b>2019 in EUR</b>
Rural District of Goslar	227 725	228 425
Mountain Town of Clausthal-Zellerfeld	9 670	9 670
Town of Seesen	11 550	11 550
Town of Langelsheim	6 980	6 980
Town of Bad Harzburg	12 080	12 080
Municipality of Liebenburg	5 100	5 100
Town of Braunlage	4 336.13	4 336.13
<b>Total:</b>	<b>277 441.13</b>	<b>278 141.13</b>

2) Harzer Tourismusverband e.V.

<b>Municipality</b>	<b>2018 in EUR</b>	<b>2019 in EUR</b>
Rural District of Goslar	83 721.89	84 119.45
Town of Bad Harzburg	576.13	576.13
Town of Seesen	3 230.47	3 386.86
Town of Braunlage	576.13	576.13
<b>Total:</b>	<b>88 104.62</b>	<b>88 658.57</b>

3) Kur-, Tourismus und Wirtschaftsbetriebe der Stadt Bad Harzburg GmbH

<b>Municipality</b>	<b>2018 in EUR</b>	<b>2019 in EUR</b>
Bad Harzburg	1 001 990.00	1 105 258.10

## **w) Spiekeroog**

### ***Content of the services entrusted as SGEIs***

Maintenance, promotion and development of tourism in the vicinity of Spiekeroog Island and operation of the spa and tourism facilities, including the associated ancillary services

With Nordseebad Spiekeroog GmbH, a company owned by the Municipality of Spiekeroog.

This includes the following:

- operation of the Kogge Visitor Centre,
- operation of the swimming pool 'InselBad& DünenSpa',
- operation of the multi-purpose hall,
- operation of the seaside resort,
- operation of the indoor playground 'Trockendock',
- maintenance of parks and green spaces, playgrounds, hiking trails and benches,
- operation of public toilets,
- construction, replacement, maintenance and emptying of public bins,
- spa treatment centre,
- spa music,
- tourist events.

### ***Forms of entrustment***

Provision of the following services:

- operation of the Kogge Visitor Centre,
- operation of the swimming pool 'InselBad& DünenSpa',

- operation of the multi-purpose hall,
- operation of the seaside resort,
- operation of the indoor playground 'Trockendock',
- maintenance of parks and green spaces, playgrounds, hiking trails and benches,
- operation of public toilets,
- construction, replacement, maintenance and emptying of public bins,
- spa treatment centre,
- spa music,
- tourist events.

***Duration of the entrustment***

...from 1 January 2016 to 31 December 2025

***Exclusive or special rights***

...none

***Aid instruments***

- Subsidies
- shareholder contributions/shareholder investments/capital increases,
- sureties/guarantees/letters of comfort,
- granting, taking on or extending low-interest loans,
- assumption of costs,
- debt and levy waiver,
- transfer of real estate,
- other grants and support equivalent to non-cash benefits.

### ***Compensation mechanism***

1. The amount of compensation granted in the current financial year is calculated on the basis of the business plan.
2. Compensation can also be provided should events during the course of the year lead to a greater or additional need for compensation. Detailed evidence must be provided of these events and their impacts.
3. The nature and level of the compensation and the purpose must be documented by the Municipality of Spiekeroog.

### ***Arrangements for avoiding and repaying any overcompensation***

The compensation must not exceed what is necessary to cover the costs incurred in performing the services of general economic interest, taking into account the relevant revenues and a reasonable return on the capital employed to discharge these obligations.

### ***Transparency requirements***

- 1 To ensure that the compensation does not result in overcompensation for the performance of services of general economic interest, Nordseebad Spiekeroog GmbH is obliged to provide evidence annually, after the end of the relevant financial year, of how the compensation granted was used, on the basis of the audited annual financial statements, taking into account the requirements of the Transparency Directive.
- 2 Proof of the proper use of the compensation is provided in the form of an aid report to be drawn up on an annual basis. The aid report must contain confirmation that the compensation has been used for the public service obligations covered by this entrustment and that it has not been used for areas not covered by this entrustment. Upon request by the Municipality of Spiekeroog, Nordseebad Spiekeroog GmbH must provide proof of the proper use of the compensation by means of suitable documents.

### ***Amount of aid granted***

**2018:** EUR 2 044 370.18 on-lending of health resort/guest contributions (including VAT)

EUR 3 570.00 collection of waste from public bins, on a pro  
rata basis (including VAT)

EUR 25 130.00 on-lending of debt servicing aid for swimming  
pool

Total: EUR 2 073 070.18

Loan guarantees exceeding: EUR 53 620.00

**2019:** EUR 2 205 118.17 on-lending of health resort/guest contributions  
(including VAT)

EUR 3 570.00 collection of waste from public bins, on a pro  
rata basis (including VAT)

EUR 9 058.75 subsidy for sustainability strategy project

EUR 25 130.00 on-lending of debt servicing aid for swimming  
pool

Total: EUR 2 242 876.92

Loan guarantees exceeding: EUR 35 904.00

## **(u) Rural District of Nienburg**

### ***1. Promotion of the economy***

#### ***Content of the services of general economic interest***

WIN GmbH Promotion of the economy in the Rural District of Nienburg/Weser...

#### ***Forms of entrustment***

Entrustment act

#### ***Duration of the entrustment***

1 January 2015 – 31 December 2024 10 years



***Exclusive or special rights***

None

***Aid instruments***

Subsidies

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

In the event of overcompensation, a maximum of 10% can be carried forward to the following year, otherwise it must be reclaimed.

...

***Transparency requirements***

None, since below EUR 15 million.

***Amount of aid granted***

2018 EUR 135 000

2019 EUR 135 000

**2. Promotion of tourism**

***Content of the services of general economic interest***

Mittelweser Touristik in the Rural District of Nienburg/Weser

***Forms of entrustment***

Entrustment act

***Duration of the entrustment***

1 January 2015 – 31 December 2024      10 years

***Exclusive or special rights***

None

***Aid instruments***

Compensation payments

**Compensation mechanism**

Cost allocation methodology, annual financial statement with proof of use of funds, aid report

**Arrangements for avoiding and repaying any overcompensation**

In the event of overcompensation, a maximum of 10% can be carried forward to the following year, otherwise it must be reclaimed by the municipal shareholders.

**Transparency requirements**

None, since below EUR 15 million.

**Amount of aid granted**

2018 EUR 74 450

2019 EUR 74 350

**v) Town of Lingen**

Municipal marketing, promotion of the economy, promotion of tourism and city management

**Content of the services entrusted as SGEIs**

Municipal public services provided by Lingen Wirtschaft & Tourismus GmbH in the form of improving the local conditions for business and tourism in the vicinity of the town using all available marketing instruments, in particular in the fields of municipal marketing, promoting the economy, promoting tourism and city management. This includes all necessary measures, transactions and services by Lingen Wirtschaft & Tourismus GmbH that are required for the operation of the undertaking for the public good and in accordance with the *object of the undertaking* as per the articles of association.

**Forms of entrustment**

Entrustment act of 21 December 2016 (council decision of 24 November 2016)

**Duration of the entrustment**

10 years (2016-2025)

**Exclusive or special rights**

None

**Aid instruments**

Compensation and offsetting payments

### ***Compensation mechanism***

The amount of compensation and offsetting is based on the annual business plan of Lingen Wirtschaft & Tourismus GmbH. The actual amount is limited to the amount of the deficit compensation in accordance with the actual business/annual financial statement of Lingen Wirtschaft & Tourismus GmbH. Negative changes in respect of the business plan that result from the operation of the business in accordance with the articles of association are recognised and compensated for if they are required to cover the public service obligations.

### ***Arrangements for avoiding and repaying any overcompensation***

Preparation of an annual financial statement audited by an auditor at the end of the financial year. In the event of any overcompensation, the amount is claimed back or offset against the advance payments for the next period.

### ***Transparency requirements***

The individual compensation payments are less than EUR 15 million, meaning that there is no publication requirement pursuant to Article 7 (2012/21/EU). All documents that can be used to determine whether the compensation payments granted are compatible with the provisions of the Exemption Decision must, however, be retained for 10 years after the end of the entrustment.

### ***Amount of aid granted***

2018: EUR 510 752.74 as loss compensation payment

2019: The annual financial statement is not yet available. (cf. Section 264(1) sentence 4 of the Commercial Code (*Handelsgesetzbuch*, HGB))

## **w) Rural District of Celle**

### ***Content of the services entrusted as SGEIs***

On 7 November 2017, Lüneburger Heide GmbH was entrusted by the Rural District of Celle with public service obligations in the context of promoting tourism in the Lüneburg Heath region and raising the profile of the Lüneburg Heath as a destination, for a duration of 10 years.

Other economic activities by the company are not covered by the entrustment.

The entrustment was executed in the form of articles of association dated 27 April 2018.

The Rural District of Celle is the shareholder and participates in the company's share capital.

The rural district is represented on the Supervisory Board and exercises its voting right.

The compensation payments serve to compensate for the costs of discharging public service obligations that are not covered. In accordance with generally accepted accounting principles, the net costs are to be determined on the basis of the business plan (with due regard for separate accounting).

The net costs are the difference between costs and revenues. They should be reduced by the amount of overcompensation from previous years where applicable.

To avoid overcompensation, a target/actual comparison of the actual net costs and the advance payments received is produced as part of the annual financial statement. If the advance payments received exceed the net costs (overcompensation), Lüneburger Heide GmbH must repay the amount of the overcompensation. If the amount of overcompensation does not exceed 10% of the average annual compensation in three successive financial years, Lüneburger Heide GmbH may alternatively deduct the amount of overcompensation when calculating the compensation in the next available business plan.

### ***Forms of entrustment***

On 7 November 2017, Lüneburger Heide GmbH was entrusted by the Rural District of Celle with public service obligations in the context of promoting tourism in the Lüneburg Heath region and raising the profile of the Lüneburg Heath as a destination, for a duration of 10 years.

Other economic activities by the company are not covered by the entrustment.

The entrustment was executed in the form of articles of association dated 27 April 2018.

The Rural District of Celle is the shareholder and participates in the company's share capital. The rural district is represented on the Supervisory Board and exercises its voting right.

***Duration of the entrustment***

10 years

***Exclusive or special rights***

The entrustment was executed in the form of articles of association dated 27 April 2018.

The Rural District of Celle is the shareholder and participates in the company's share capital.

The rural district is represented on the Supervisory Board and exercises its voting right.

***Aid instruments***

Compensation payments

***Compensation mechanism***

The compensation payments serve to compensate for the costs of discharging public service obligations that are not covered. In accordance with generally accepted accounting principles, the net costs are to be determined on the basis of the business plan (with due regard for separate accounting).

The net costs are the difference between costs and revenues. They should be reduced by the amount of overcompensation from previous years where applicable.

***Arrangements for avoiding and repaying any overcompensation***

To avoid overcompensation, a target/actual comparison of the actual net costs and the advance payments received is produced as part of the annual financial statement. If the advance payments received exceed the net costs (overcompensation), Lüneburger Heide GmbH must repay the amount of the overcompensation. If the amount of overcompensation does not exceed 10% of the average annual compensation in three successive financial years, Lüneburger Heide GmbH may alternatively deduct the amount of overcompensation when calculating the compensation in the next available business plan.

***Transparency requirements***

The compensation payments serve to compensate for the costs of discharging public service obligations that are not covered. In accordance with generally accepted

accounting principles, the net costs are to be determined on the basis of the business plan (with due regard for separate accounting).

The net costs are the difference between costs and revenues. They should be reduced by the amount of overcompensation from previous years where applicable.

***Amount of aid granted***

The following compensation payments were made in the reporting period 2018 and 2019:

Reason for payment	2018	2019
Compensation payment for company	EUR 100 000	EUR 100 000
Compensation payment for branch office of Lüneburger Heide GmbH	EUR 159 595.36	EUR 165 000  Annual financial statement not yet available!

**x) Rural District of Grafschaft Bentheim**

Grafschafter TechnologieZentrum GmbH

***Content of the services entrusted as SGEIs***

(1) In accordance with the applicable State aid rules laid down in EU law and on the basis of the shareholder agreement of 17 November 1998, the Rural District of Grafschaft Bentheim entrusts GTZ GmbH with the provision of the following services of general economic interest (SGEIs) within the boundaries of the rural district:

1. establishment and maintenance of a positive climate for start-ups and profiling of the start-up scene,
  - a measures to boost the image of start-ups, e.g. information events or reports on start-ups as role models, reports with lessons learned by successful start-ups,
  - b measures and projects for promoting start-up skills (e.g. entrepreneurial

thinking, understanding and acting) for start-ups and small-scale/young companies,

- c information events aimed at providing information, knowledge and know-how to start-ups and innovators for the purpose of activating latent start-up potential,
- 2 initiation, support and promotion of start-ups and promotion of the area as somewhere that technology-oriented and knowledge-based start-ups and young innovative companies can establish themselves, for example by means of:
- a information outlining the different potential locations in the region and the favourable circumstances for start-ups in the Rural District of Grafschaft Bentheim,
  - b provision of a central contact point for the target group for the purpose of supplying guidance in the form of customised referrals among business development stakeholders in the Rural District of Grafschaft Bentheim and provision of information aimed at presenting the regional conditions relevant to the location and the benefits of the location,
  - c meetings and support based on the provision of information, one-to-one meetings for start-ups and support services relating to the registration of industrial property rights, in particular patents,
- 3 promotion of technology and knowledge transfer and networking, for example by means of:
- a promotion of cooperation between start-ups, undertakings, universities, research establishments, associations, chambers and institutions, municipalities and other municipal institutions for supporting networking,
  - b involvement in networking activities in the Rural District of Grafschaft Bentheim as a start-up region, for example working groups or the start-up initiative TOPstart operated by the Rural District of Grafschaft Bentheim, participation in trade fairs and workshops etc.,
  - c design, organisation and execution of information events and workshops as a platform for start-ups and innovators to make contacts and network,
  - d design of advertising materials (such as flyers, homepages/social media channels or publications), image campaigns etc. that inform the target group about various topics relating to start-ups,

4. maintenance, non-discriminatory provision and management of a high-performance infrastructure for Grafschafter TechnologieZentrums GmbH,
  - a with leasing of premises and shared infrastructure for limited periods to innovative and technology-focused start-ups and young companies,
  - b with coaching, support and accompanying measures in an entrepreneurial and business management context and measures to relieve the burden and provide support in an organisational context for the companies that take out leases,
  - c provision of a competent contact partner for complex issues relating to rental companies,
  - d promotion of synergistic cooperation between the rental companies in the centre,
5. ancillary services directly associated with the activities referred to in (1) to (4).

### ***Forms of entrustment***

Entrustment act (decision by the district council in 2018; the decision was thereafter notified to the undertaking)

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

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### ***Aid instruments***

Compensation payments

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

(1) To ensure that the compensation does not result in overcompensation for the performance of services pursuant to Section 2 and that benefits are not granted for other activities, GTZ GmbH supplies evidence of the use of funds on an annual basis after the end of the financial year. This takes place in the form of the relevant annual financial statement by GTZ GmbH.



(2) If overcompensation exceeding 10% of the annual compensation period occurs within a year or if the funding is used for sectors not covered by the entrustment, the Rural District of Grafschaft Bentheim requests the repayment by GTZ GmbH of surplus compensation payments or compensation payments not used for the specified purpose. If the audit reveals overcompensation not exceeding 10% of the annual compensation, it can be offset against the compensation payment for the following year.

### ***Transparency requirements***

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### ***Amount of aid granted***

2018: EUR 56 250

2019: EUR 56 250

### **y) City of Hanover**

Other sectors – promoting the economy, boosting the city's image and promoting tourism

### ***Content of the services entrusted as SGEIs***

Bundling, coordination and promotion of activities relating to municipal and regional economic promotion, marketing and tourism and all other measures aimed at improving the economic and entrepreneurial framework conditions allowing the City and Region of Hanover to compete with other municipalities and regions. These include in particular advice concerning start-ups and business locations, competitions relating to business locations and start-ups, operation of start-up incubators, activities relating to globalisation and assistance with building international business relationships and breaking into foreign markets, general tourism promotion, marketing Hanover as a *Land* capital and a region and promoting its image.

### ***Forms of entrustment***

The undertakings are entrusted with the performance of services of general economic interest ('public tasks') within the meaning of Article 106(2) of the Treaty on the Functioning of the European Union (TFEU) in accordance with the provisions of

Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11 January 2012, p. 3). A corresponding grant notice meets the necessary requirements and is therefore also an entrustment act within the meaning of Commission Decision 2012/21/EU of 20 December 2011 ('Exemption Decision').

### ***Duration of the entrustment***

The duration of the entrustment is 10 years.

### ***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

### ***Aid instruments***

The undertakings receive annual grants by way of institutional support to cover their annual shortfall, in the form of pro rata shortfall financing paid as non-repayable subsidies.

### ***Compensation mechanism***

The level of annual compensation for the relevant financial year is determined on the basis of the undertaking's tasks and its annual business plan. The entrustment does not entitle the undertakings to receive the annual subsidies. The awarding authority decides on the granting of compensation by making available funds in its budget.

### ***Arrangements for avoiding and repaying any overcompensation***

If, following approval, there is a reduction in the total expenses estimated in the relevant business plan for the funded public tasks or if the covering funds increase or new covering funds are added, the annual grant for the year in question is reduced, inter alia for the purpose of avoiding overcompensation pursuant to Article 4(e), Article 5(1) and Article 6 of Commission Decision 2012/21/EU of 20 December 2011, by the full amount in question. The funding authority is entitled to request a repayment pursuant to Section 1 of Lower Saxony's Administrative Procedures Act (*Niedersächsisches Verwaltungsverfahrensgesetz*, NVwVfG) In this context, the recipients are obliged to notify the funding authority, in a semi-annual report or an updated budget plan, if they apply for or receive additional grants after presentation of the relevant business plan

or if circumstances that were relevant to the approval of the grant change or cease to apply, in particular if the recipients earn higher profits or incur lower expenses or if additional activities are to be included.

A multiannual approach is furthermore applied. The funding authority carries out checks every three years and at the end of the entrustment period to determine whether overcompensation has occurred. If the overcompensation exceeds the average annual compensation by no more than 10% within the three-year period, the overcompensation can be carried over to the following three-year period and deducted from the compensation to be paid for this period (Article 6(2) of Commission Decision 2012/21/EU of 20 December 2011 in conjunction with paragraph 141 of the Commission Staff Working Document 'Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest' of 29 April 2013).

### ***Transparency requirements***

No compensation exceeding EUR 15 million is granted.

### ***Amount of aid granted***

2018: EUR 4 690 445

2019: EUR 4 699 758

## **z) Winsen/Aller**

### ***Content of the services entrusted as SGEIs***

In 2008, the Municipality of Winsen (Aller) founded the publicly owned undertaking Wirtschaftsbetriebe Allertal GmbH. The Municipality of Winsen (Aller) is the sole shareholder in Wirtschaftsbetriebe Allertal GmbH. The purpose of the undertaking is defined as follows in Section 2 of the articles of association of Wirtschaftsbetriebe Allertal GmbH in the version dated 4 May 2011 and in the commercial register:

- Operation and/or leasing of the indoor and outdoor swimming pool (swimming pools)
- Performance of tourism-related tasks within the boundary of the municipality (tourism)

### ***Forms of entrustment***

Entrustment act by means of the council decision of 6 December 2018 on the basis of the Commission's SGEI Exemption Decision

The entrustment concerns public service obligations on the part of Wirtschaftsbetriebe Allertal GmbH to provide services of general economic interest in the Municipality of Winsen (Aller) in relation to the swimming pool and tourism.

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

The entrustment does not include activities performed by Wirtschaftsbetriebe Allertal GmbH outside the public service obligations. These include in particular providing a free service for booking accommodation and entrance tickets for events, selling souvenirs and hiring out vehicles.

### ***Aid instruments***

Wirtschaftsbetriebe Allertal GmbH makes a loss in relation to the swimming pool and tourism. Wirtschaftsbetriebe Allertal GmbH compensates for the losses by offsetting them against profits from other areas of business (in particular its position as a shareholder in the energy supplier Celler Land GmbH), and by receiving regular injections of equity capital from the Municipality of Gemeinde Winsen (Aller).

### ***Compensation mechanism***

The Municipality of Winsen (Aller) can grant compensation for the net costs incurred in connection with performance of the public service obligations pursuant to Section 1(3) of this entrustment act and for a reasonable profit surcharge. The entrustment does not entitle Wirtschaftsbetriebe Allertal GmbH to receive compensation, however.

### ***Arrangements for avoiding and repaying any overcompensation***

The Municipality of Winsen (Aller) and Wirtschaftsbetriebe Allertal GmbH must ensure that the compensation granted does not exceed the net costs. To avoid overcompensation, Wirtschaftsbetriebe Allertal GmbH creates a target/actual comparison of the actual net costs and the advance payments received as part of the annual financial statement. If the advance payments received exceed the net costs (overcompensation), Wirtschaftsbetriebe Allertal GmbH must repay the amount of the

overcompensation to the Municipality of Winsen (Aller). If the amount of overcompensation does not exceed 10% of the average annual compensation in three successive financial years, Wirtschaftsbetriebe Allertal GmbH may alternatively deduct the amount of overcompensation in the next available business plan when calculating compensation.

***Transparency requirements***

Keeping of separate accounts and retention of the documents for at least 10 years

***Amount of aid granted***

2018: EUR 150 000

2019: EUR 250 000

**(aa) Sittensen**

***Content of the services entrusted as SGEIs***

Adult education centre

***Forms of entrustment***

Various adult education courses

***Duration of the entrustment***

various

***Exclusive or special rights***

-

***Aid instruments***

-

***Compensation mechanism***

-

***Arrangements for avoiding and repaying any overcompensation***

Audit of annual financial statements

***Transparency requirements***

Presentation of an annual financial statement

***Amount of aid granted***

2018	2019
EUR 28 903.00	EUR 28 556.00

**(bb) Town of Achim**

1) Mittelweser-Touristik GmbH, Lange Straße 18, 31582

***Content of the services entrusted as SGEIs***

- promoting and developing tourism in the vicinity of the Rural District of Nienburg/Weser and the Mittelweser region,
- effective advertising for the Mittelweser region, in close cooperation with the shareholders,
  - public relations for the region in the press and on the radio and television,
- cooperating with the tourism associations and other organisations active in the field of tourism, and with private undertakings and individuals,
- advising and supporting the shareholders in all tourism matters,
- effectively coordinating the activities of the shareholders in the field of tourism,
  - operating tourist information offices for the shareholders.

***Forms of entrustment***

Entrustment act by the City of Achim

***Duration of the entrustment***

10 years

***Exclusive or special rights***

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***Aid instruments*****Section 4 Granting of compensation**

- ① The municipal shareholders may grant compensation for the expenditure incurred by Mittelweser Touristik GmbH

in performing services of general economic interest. In the context of this entrustment, compensation is any benefit of any type granted directly or indirectly. This includes, in particular:

- subsidies
- shareholder contributions/shareholder investments/capital increases,
- sureties/guarantees/letters of comfort,
- granting, taking on or extending low-interest loans,
- assumption of costs,
- debt and levy waiver,
- other grants and support equivalent to non-cash benefits.

- ② The compensation must not exceed what is necessary to cover the costs incurred in performing the services of general economic interest, taking into account the relevant revenues and a reasonable return on the capital employed to discharge these obligations.

- ③ The entrustment does not entitle Mittelweser Touristik GmbH to receive compensation. The municipal shareholders decide on whether to grant compensation. Compensation already granted by the municipal shareholders is covered by this entrustment.

### ***Compensation mechanism***

#### **Section 5 Calculation of compensation**

- (1) The amount of compensation granted in the current financial year is based on the relevant annual business plan of the municipal shareholders.

- (2) Should events during the course of the year lead to a greater or additional need for compensation,  
this may also be compensated.
- (3) The type, amount and purpose of the compensation must be documented by the municipal shareholders.

### ***Arrangements for avoiding and repaying any overcompensation***

#### **Section 7 Avoiding overcompensation**

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

(2) If the proper use of funds is ruled out or not ensured within the following year, the municipal shareholders will demand that the excess compensation be repaid in the event of overcompensation; this applies in particular if the benefits derived by Mittelweser Touristik GmbH as a result of the compensation outweighed the disadvantages suffered by Mittelweser Touristik GmbH as a result of performing the services of general economic interest.

### ***Transparency requirements***

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### ***Amount of aid granted***

2018: EUR 104 750.00

2019: EUR 115 050.00:

2) Achim-West Entwicklungsgesellschaft

### ***Content of the services entrusted as SGEIs***

Section 1 Entrusted undertaking, content of the public service obligation



(1) The town of Achim entrusts Achim-West Entwicklungsgesellschaft mbH with the performing of services of general economic interest. Specifically, this includes the following tasks involving promotion of the economy and development of the Town of Achim as a location. The task of promoting the economy and developing the location serve the purpose of marketing, developing and strengthening the Town of Achim as an economic region.

Within the context of performing the services of general economic interest, Achim-West Entwicklungsgesellschaft mbH is obliged to fulfil all areas of responsibility in respect of the entire group of users without discrimination. The public interest in promoting the economy and developing the location are of critical significance here, rather than individual interests.

(2) The tasks of promoting the economy and developing the location include, in particular:

- (a) portfolio development and encouraging local undertakings to stay in existing commercial areas, in particular through measures to ease traffic congestion and through local links to the federal motorway;
- (b) supporting start-ups;
- (c) consultancy on all matters relating to business and location development;
- (d) developing economic infrastructure, including suitable new commercial spaces and new needs-oriented transport infrastructure;
- (e) location marketing for the acquisition of undertakings that intend to settle in the area.

### ***Forms of entrustment***

Entrustment act by the City of Achim

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

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## ***Aid instruments***

### Section 3 Calculation and amendment of compensation

¶ The Town of Achim makes the compensation payments to Achim-West Entwicklungsgesellschaft mbH that are necessary to compensate for the performance of the services of general economic interest entrusted in accordance with Section 1. The compensation granted by the Town of Achim only compensates for the costs of performing the services of general economic interest referred to in this entrustment act on a pro rata basis.

The amount of compensation is based on the business plan of Achim-West Entwicklungsgesellschaft mbH for the year in question and is subject to a corresponding council order. The business plan must establish the basic necessity of the costs and their amount in advance.

¶ Should unforeseen circumstances in performing the services of general economic interest referred to in this entrustment act lead to higher costs which are not covered, compensation may also be granted for these. Pursuant to Article 2(1)(a) of the Exemption Decision, the compensation must not exceed an annual amount of EUR 15 million during the entrustment period.

¶ The total compensation must not exceed what is necessary to cover the net costs (difference between costs incurred in performing the services of general economic interest and revenues earned from the SGEI, Article 5(2) sentence 1 of the Exemption Decision) incurred in discharging the public service obligations, including a reasonable profit. 'Reasonable profit' means the rate of return on capital that would be required by a typical undertaking considering whether or not to perform the service of general economic interest for the entire period of entrustment.

Where Achim-West Entwicklungsgesellschaft mbH carries out further activities falling both inside and outside the scope of the services of general economic interest covered by this entrustment act, this should be clear from its internal accounts. The costs and revenues associated with performing the services of general economic interest referred to in Section 1 and those of all other activities must be shown separately. Achim-West

Entwicklungsgesellschaft mbH prepares separate accounts for this purpose. These separate accounts show the costs and revenues associated with the individual services of general economic interest after separating off the respective marginal and ancillary businesses, items not identified with a specific period, neutral expenses, netting, etc. In addition, Achim-West Entwicklungsgesellschaft mbH must also show the parameters for allocating costs and revenues in this case.

The separate accounts must satisfy the requirements of Article 5(9) of the Exemption Decision and the principles of the EU Transparency Directive.

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### ***Compensation mechanism***

Cf. section on aid instruments

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### ***Arrangements for avoiding and repaying any overcompensation***

#### Section 4 Checks of overcompensation

(1) In order to ensure that Achim-West Entwicklungsgesellschaft mbH meets the conditions of the Exemption Decision for granting compensation during the entire entrustment period and in particular that the compensation does not lead to any overcompensation of services of general economic interest or any cross-subsidisation of other activities, Achim-West Entwicklungsgesellschaft mbH provides evidence of use of the compensation payments to the Town of Achim at the end of each financial year on the basis of its annual financial statement. The Town of Achim is also authorised to inspect and audit accounts, documents and other business records that relate to the compensation payments after giving reasonable notice.

¶

If Achim-West Entwicklungsgesellschaft mbH receives higher compensation than it is entitled to under this entrustment act, the Town of Achim will demand that the company immediately repay the overcompensation. Repayment may be dispensed with if the overcompensation does not exceed the average annual compensation by more than 10%. In this case, the overcompensation is carried forward to the next period and deducted from the amount of compensation payable in respect of that period.

### ***Transparency requirements***

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### ***Amount of aid granted***

2018: EUR 500 000.00

2019: EUR 0.00

## **Cc) City of Oldenburg**

### ***Content of the services entrusted as SGEIs***

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

(b) Swimming pool (general public preventive healthcare, promotion of swimming as a community and elite sport, promotion and safeguarding of school sports)

(c) Promotion of technology and start-ups (services of all kinds relating to assistance for start-ups, in particular the tenants and users of the Technology and Entrepreneur Centre Oldenburg (Technologie -und Gründerzentrums Oldenburg GmbH & Co.KG))

### ***Forms of entrustment***

All entrustments were made on the basis of a council or administrative committee order and implemented by administrative act or instruction under company law.

### ***Duration of the entrustment***

a) 35 years (extended period due to substantial investments)

b) 10 years

c) 3 years

***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

***Aid instruments***

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

***Compensation mechanism***

Generally loss compensation based on the business plan

***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of a statement of expenditure as part of an audited annual financial statement, separate accounts and an aid report.

***Transparency requirements***

Nil; all compensation is below EUR 15 million

***Amount of aid granted***

(a) 2018: EUR 4 300 222.58      2019: EUR 4 005 681.87<sup>3</sup>

(b) 2018: EUR 2 457 432.67      2019: EUR 2 590 321.00<sup>4</sup>

(c) 2018: EUR 176 042.97      2019: EUR 185 153.59<sup>5</sup>

**dd) Westliches Weserbergland**

***Content of the services entrusted as SGEIs/Forms of entrustment***

The special-purpose association Touristikzentrum Westliches Weserbergland TWW) is a merger of several local authorities. In total, the following public corporations hold

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<sup>3</sup> Provisional annual result

<sup>4</sup> Provisional annual result

<sup>5</sup> Provisional annual result

various proportions of the assets of Touristikzentrum Westliches Weserbergland as members of the special-purpose association:

- Municipality of Auetal (7%),
- Town of Aerzen (8%),
- Municipality of Emmerthal (8%),
- Town of Hessisch Oldendorf (21%),
- Town of Porta Westfalica (20%),
- Town of Rinteln (36%).

Pursuant to Sections 1 and 15 et seqq. of the articles of association of the special-purpose association (version dated 27 November 2018), Touristikzentrum Westliches Weserbergland is managed as a separate undertaking in organisational, administrative and fiscal terms with its own legal personality in accordance with the Lower Saxony Act on Municipal Cooperation (*Gesetz über die kommunale Zusammenarbeit*, NKomZG).

Pursuant to Section 3(1) of the articles of association of the special-purpose association (version dated 27 November 2018), the particular purpose of Touristikzentrum Westliches Weserbergland can be described as follows: 'The purpose of the association is to develop regional tourism in West Weserbergland under the umbrella brand 'Weserbergland', in cooperation with all stakeholders and within the framework of regional planning. To this end, the various options in the area as a whole should be investigated, bundled, coordinated and developed in such a way that holiday guests can be presented with coherent overall concepts.'

Touristikzentrum Westliches Weserbergland regularly records a negative result for its (core) operating activities. In 2017, Touristikzentrum Westliches Weserbergland recorded a loss of EUR 130 714.81 from its customary business activities, as shown in the profit and loss statement dated 31 December 2017. The annual shortfall (before the compensation of losses) is shown in full in the annual financial statement dated 31 December 2017. In 2017, the members of the special-purpose association made pro rata payments amounting to EUR 130 000 into the (capital) reserve to compensate these losses.

On 1 January 2018, the members of the special-purpose association Touristikzentrum

Westliches Weserbergland were each entrusted with the performance of SGEI activities by means of a decision based on an entrustment act (see annex) – decisions by the Council of the Municipality of Auetal (14 December 2017); Council of the Municipality of the Town of Aerzen (21 December 2017); Council of the Municipality of Emmerthal (14 December 2017); Council of the Town of Hessisch Oldendorf (30 November 2017); Council of the Town of Porta Westfalica (27 November 2017), Council of the Town of Rinteln (30 November 2017).

The compensation payments are used for the sole purpose of allowing Touristikzentrum Westliches Weserbergland to perform the activities referred to in the entrustment act, and may be used exclusively and in their entirety for the tourism-related activities described in the region of Westliches Weserbergland and the connected areas.

An exchange of services does not take place in connection with the entrustment. On 1 January 2018, a wholly owned subsidiary of the special-purpose association Touristikzentrum Westliches Weserbergland was also founded, with the legal form of a limited company (*GmbH*).

***Duration of the entrustment***

1 January 2018 for 10 years (until  
31 December 2027).

***Exclusive or special rights***

***Aid instruments***

***Compensation mechanism***

***Arrangements for avoiding and repaying any overcompensation***

***Transparency requirements***

See entrustment act / annex

Amount of aid granted/contribution to the (capital) reserve

	2018 (in EUR)	2019 (in EUR)
Town of Rinteln	45 000	50 400
Town of Hessisch Oldendorf	26 000	29 400
Town of Porta Westfalica	25 854	28 000

Municipality of Emmerthal	10 342	11 200
Town of Aerzen	10 000	11 200
Municipality of Auetal	9 000	9 800
Total	126 196	140 000
General reserve/non-repayable subsidies	8 150	
Annual shortfall	134 346	104 000*

## **(ee) Town of Goslar**

### ***Content of the services entrusted as SGEIs***

- 1 Harzer Tourismusverband e.V.: promoting the local economy and location marketing; structural policy and economic policy tasks; safeguarding jobs, increasing the attractiveness of individual local authorities as places to live and do business and increasing financial capacity for the public good.
- 2 Wirtschaftsförderung Region Goslar GmbH & Co KG: promoting and advising start-ups and existing business and industrial companies, supporting the establishment of businesses and industry, regional marketing and promoting technology, innovation and cooperation.
- 3 Goslar Marketing GmbH: Services of general economic interest in connection with the promotion of tourism and cultural marketing in the Town of Goslar (not including the District of Hahnenklee), preparation and execution of concepts and measures for making Goslar more attractive, taking into account all the functions performed by the town centre, in particular economic, cultural and recreational functions; owing to the significance of tourism for Goslar, these tasks are of particular importance, and the fact that Goslar is a World Heritage Site means that cultural marketing constitutes another of the company's core tasks.
- 4 Hahnenklee Tourismus Marketing GmbH: Increasing public awareness of the District of Hahnenklee as an attractive travel destination, and emphasising its benefits; creating and implementing a tourism strategy in the District of Hahnenklee; targeted marketing for all forms of tourism at operational and local



level in the District of Hahnenklee; conceptual design and implementation of a uniform advertising strategy for the district's image and for the district itself and of district marketing, including implementation of all the communication measures required for this purpose (including product development and product design); establishment and operation of a tourist information centre; improvement and development of the tourism offerings in the District of Hahnenklee, in particular by means of consultancy and training services and by other means; participation in tourism-related institutions and associations; representation of the political interests of tourism in the District of Hahnenklee; leverage of all options for targeted public relations work in the field of domestic and foreign tourism, education and awareness-raising among the local population about the demands of modern tourism development, representation of tourism-related concerns to authorities, associations and organisations, support for other companies in the Town of Goslar with marketing-related tasks in the tourism sector

***Forms of entrustment***

1. Entrustment act
2. Entrustment act
3. Entrustment act
4. Entrustment act

***Duration of the entrustment***

1. 10 years
2. 10 years
3. 10 years
4. 10Jahre

***Exclusive or special rights***

1. no
2. no
3. no
4. no

### ***Aid instruments***

1. Membership contributions and apportionments to the extent permitted by the articles of association, assumption of costs, voluntary investment subsidies, other grants and benefits offering monetary advantages
2. Non-repayable subsidy within the meaning of Section 23 of the *Land Budget Code*
3. Subsidies, capital increases, guarantees, waiver of debts, low-interest loans, other grants and benefits offering monetary advantages
4. Operating and investment subsidies, compensation of losses, low-interest loans, guarantees, waiver of debts, capital increases, transfer of land at discounted prices

### ***Compensation mechanism***

1. Separate accounting with statement of expenditure; aid report
2. Separate accounting with statement of expenditure; proof in the form of the annual financial statement
3. Separate accounting with statement of expenditure; aid report
4. Separate accounting with statement of expenditure; proof in the form of the annual financial statement

### ***Arrangements for avoiding and repaying any overcompensation***

1. Repayment obligation in the event of overcompensation; if the overcompensation does not exceed the average annual compensation by more than 10%, it can be carried over to the following financial year and deducted from the compensation to be paid for this period.
2. Repayment obligation in the event of overcompensation: if the overcompensation does not exceed the average annual compensation by more than 10%, it can be carried over to the following financial year and must then be deducted from the compensation to be paid for this period.
3. Repayment obligation in the event of overcompensation; if overcompensation is paid within a year, an amount not exceeding 10% of the compensation received can be carried over to the following year.
4. Repayment obligation in the event of overcompensation: if the

overcompensation does not exceed the average annual compensation by more than 10%, the excess can be carried over to the following compensation period and must then be deducted from the compensation to be paid for this period.

***Transparency requirements***

1. None, since below EUR 15 million
2. None, since below EUR 15 million
3. None, since below EUR 15 million
4. None, since below EUR 15 million

<b>Companies</b>	<b>2018 in EUR</b>	<b>2019 in EUR</b>
1/Harzer Tourismusverband e.V.	22 345.85	23 501.58
2/Wirtschaftsförderung Region Goslar GmbH & Co KG  2012:  EUR 3 000.00 contribution/Town of Goslar	55 070.88 (=compensation granted by the Town of Goslar)  10 000.00 (=repayment by the company to the Town of Goslar)	51 798.01 (=compensation granted by the Town of Goslar)  10 000.00 (=repayment by the company to the Town of Goslar)
3/Goslar Marketing GmbH	548 000.00	591 000.00
4/Hahnenklee Tourismus Marketing GmbH	170 000.00	170 000.00

**(ff) Town of Uelzen**

***Content of the services entrusted as SGEs***

The publicly owned undertaking Stadtwerke Uelzen GmbH is entrusted with the performance of public service obligations in connection with the design, construction, route planning, expansion and operation of public transport services in the Hanseatic Town of Uelzen.

### ***Forms of entrustment***

The entrustment was made by means of an administrative deed and a direct award to Stadtwerke Uelzen GmbH.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years (2010-2020)

### ***Exclusive or special rights***

Pursuant to Section 8a(8) of the Public Transport Act (*Personenbeförderungsgesetz*, PBefG), the Hanseatic Town of Uelzen has assigned an exclusive right within the meaning of Article 2(f) of Regulation (EC) No 1370/2007

to carry out design, expansion, establishment, route planning and operation activities (also referred to under the umbrella term of 'operational rights') in relation to the public transport services covered by the public service mandate.

### ***Aid instruments***

The Hanseatic Town of Uelzen grants compensation for losses on an annual basis. The level is determined prior to the start of the year.

### ***Compensation mechanism***

Compensation is granted after calculation of the expenses and revenues actually recorded.

### ***Arrangements for avoiding and repaying any overcompensation***

Stadtwerke Uelzen GmbH submits an annual report each year. Compensation for losses is offset against the customary transfer of profits. A maximum level of loss compensation is set in advance.

### ***Transparency requirements***

The annual report is published on the website operated by the Hanseatic Town of Uelzen ([www.Hansestadt-uelzen.de](http://www.Hansestadt-uelzen.de)).

### ***Amount of aid granted***

2018 EUR 209 599.06 (permitted compensation of losses = EUR 250 000)

No figures are available as yet for 2019. Predicted compensation of losses = EUR 302 019.80 (maximum permitted compensation of losses EUR 250 000).

## **(gg) Rethem, Schwarmstedt and Ahlden**

### ***Content of the services entrusted as SGEIs***

Promotion of tourism in the area covered by the special-purpose association (the tourism region Aller-Leine Valley). The special-purpose association for the Aller-Leine Valley in the Rural District of Heidekreis is a special-purpose association within the meaning of the Lower Saxony Act on Municipal Cooperation, with its head office in Schwarmstedt. The members of the association are the collective municipalities of Ahlden (Aller), Rethem (Aller) and Schwarmstedt.

The following legal persons under public law are members of the special-purpose association for the Aller-Leine Valley:

- Collective Municipality of Ahlden
- Collective Municipality of Rethem (Aller)
- Collective Municipality of Schwarmstedt

These are local authorities.

- Destination marketing
- Promotion of tourism within the area covered by the special-purpose association
- Membership of tourism associations and organisations
- Activity programme for the economic, ecological, social and cultural development of the area covered by the special-purpose association in accordance with the objectives and requirements of planning processes at regional and *Land* level
- Organisation of development process
- Preparation of development measures
- Advising project groups, associations, companies and other alliances of residents from the area covered by the special-purpose association and coordinating their activities (planning-related and otherwise) in so far as this furthers the aim of the special-purpose association, inter alia when the objective of the project group's activities is not intended to be realised within all of the municipalities located in the area covered by the special-purpose association.

- Promotion and continuation of the Aller-Leine Valley project

### ***Forms of entrustment***

Entrustment act by the councils of the collective municipalities that belong to the special-purpose association on the basis of the existing association regulations

### ***Duration of the entrustment***

The entrustment act has a term of 10 years.

### ***Exclusive or special rights***

./.

### ***Aid instruments***

Compensation through apportionments within the special-purpose association

### ***Compensation mechanism***

The level of compensation granted in the current financial year is calculated pursuant to Article 5 of the COMMISSION DECISION of 20 December 2011 (2012/21/EU) using the relevant annual budget of the special-purpose association on the basis of budget planning by the legal persons under public law referred to in Section 1(1).

When drawing up the annual budget pursuant to Article 5(9) of the COMMISSION DECISION of 20 December 2011 (2012/21/EU), the special-purpose association must list the costs and revenues for activities pursuant to Section 2(2) and Section 2(3) separately (separate accounting). Separate accounts must be kept in accordance with the requirements set out in Section 3 of the Act on the Transparency Directive (*Transparenzrichtlinie-Gesetz*, TranspRLG). The cost accounting principles underlying the separate accounting must be clearly identifiable when the annual budget is drawn up.

Should events during the course of the year lead to a greater or additional need for compensation, compensation can also be granted to the legal persons under public law referred to in Section 1(1).

If the legal persons under public law referred to in Section 1(1) transfer additional public service obligations to the special-purpose association or if events during the year result in an increase in the costs eligible for compensation, the budget and separate account can be adjusted accordingly. Detailed evidence and documentation must be provided for the events and their impacts. The costs increased in this way are eligible for

compensation in so far as they are determined in accordance with the requirements of this entrustment act.

***Arrangements for avoiding and repaying any overcompensation***

To ensure, pursuant to Article 6 of the COMMISSION DECISION of 20 December 2011 (2012/21/EU) that the compensation does not result in overcompensation for the performance of services of general economic interest, the special-purpose association is obliged to provide evidence annually, after the end of the relevant financial year, of how the compensation granted was used, on the basis of the audited annual financial statements, taking into account the requirements of the Section 3 of the Act on the Transparency Directive.

Proof of the proper use of the compensation is provided in the form of an aid report to be drawn up on an annual basis. The aid report must contain confirmation that the compensation has been used for the public service obligations covered by this entrustment and that it has not been used for areas not covered by this entrustment. Upon request by the legal persons under public law referred to in Section 1(1), the special-purpose association must supply evidence of the proper use of the compensation by means of additional suitable documents.

The aid report must list the costs and revenues for the activities pursuant to Section 2(2) and Section 2(3) separately and compared with the planning estimates in the annual budget (separate accounting). The separate accounts must meet the requirements pursuant to Section 3 of the Act on the Transparency Directive. The cost accounting principles underlying the separate accounting must correspond to those used when the annual budget is drawn up.

If the compensation received exceeds the permitted amount, the special-purpose association must repay the amount of the overcompensation.

If the amount of overcompensation does not exceed 10% of the average annual compensation in three successive financial years, the special-purpose association may carry forward or deduct the amount of overcompensation when calculating the compensation in the next available business plan.

If the amount of overcompensation exceeds 10% of the average annual compensation in three successive financial years and if the proper use of funds is ruled out or not safeguarded within the following year, the legal persons under public law referred to in

Section 1(1) will request the repayment of surplus compensation, in each case on a pro rata basis; this applies in particular in the event that the benefits accrued by the special-purpose association on the basis of the compensation outweighed the disadvantages suffered as a result of performing the services of general economic interest.

***Transparency requirements***

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***Amount of aid granted***

EUR 164 700 annually (EUR 54 900 per Collective Municipality)

**(hh) Rural District of Cloppenburg**

***Content of the services of general economic interest***

The entrusted undertakings are subject to public service obligations that relate to **tourism promotion** and **tourism marketing** and that cover all services of general economic interest and/or activities associated with these latter, in particular:

- a cultural tourism, health tourism and traditional tourism in and for the economic area covered by the association, both in Germany and abroad,
- b designing, implementing and coordinating measures to safeguard quality in tourism, including cooperating in and implementing quality certification by the various tourism trade associations,
- c creating and implementing a uniform marketing strategy in the priority areas developed previously, including execution of all communication measures necessary for this purpose,
- d creating and maintaining networks at local, regional, supraregional and national level,
- e designing, executing and communicating the brand ('Hasetaler' in the tourist region of Hasetal) and the brand philosophy in general terms, inter alia through measures in the fields of active and nature tourism, health tourism, culinary tourism,
- f integrating cross-cutting issues at regional level through coordination, provision of information and implementation support (including climate adaptation, sustainability, tourism for all, demographic change, etc.),
- g involvement of the private tourist industry in the Hasetal tourist region in joint activities and initiatives, for example a joint advertising campaign,
- h safeguarding and reinforcing the natural landscape of the Hasetal tourist region, the local and regional cultural heritage and the local and regional identity as the basis for structuring tourist offerings through targeted information and communication measures,
- i supporting the development of tourism throughout the association, by approaching, consulting and coordinating with potential service providers and



- investors,
- j representing the interests of the tourism industry in the Hasetal tourist region within and beyond the association, and cooperation in areas of relevance to tourism beyond the *Land* and the area covered by the association,
- k representing the members of the special-purpose association 'Hasetal Recreation Area' in interest groups and institutions in connection with the purpose of the association,
- l safeguarding a free information service to provide information in and about the tourism economic area of the Hasetal tourist region to the general public (locals and tourists),
- m conducting market observation and market research on aspects of relevance to tourism.

### ***Forms of entrustment***

Public contracts (identical entrustment acts) from the Town of Löningen and the Municipalities of Essen, Lastrup and Lindern as municipal members of the special-purpose association, forming part of an overall entrustment for the special-purpose association 'Hasetal Recreation Area' and Hasetal Touristik GmbH on the basis of corresponding council orders

### ***Duration of the entrustment***

1 April 2016 until 31 March 2026 (10 years)

### ***Exclusive or special rights***

No exclusive or special rights are assigned to the entrusted undertakings.

### ***Aid instruments***

Subsidies (association fee) from members of the special-purpose association

### ***Compensation mechanism***

The members of the special-purpose association grant the entrusted undertakings the compensation required to cover their financial needs, if the other revenues of the entrusted undertakings are not enough to cover the tasks of general economic interest assigned to them.

For this purpose, the entrusted undertakings calculate the expected demand for compensation in the following year as part of drawing up the business plan. The compensation is calculated as the difference between the calculated expenses for the SGEIs and the income, taking into account all granted funds that constitute State aid.

The compensation must be used exclusively and in full for the tasks described.

If the entrusted undertakings engage in other activities that are not SGEIs covered by the entrustment act, the entrusted undertakings must in each case present the costs and revenues associated with performance of the SGEIs in question separately from all other activities (separate accounts).

### ***Arrangements for avoiding and repaying any overcompensation***

#### **1. Aid report**

In order to ensure that the compensation does not result in overcompensation, the entrusted undertakings are obliged to provide evidence annually, after the end of the relevant financial year, in the form of an aid report, of how the compensation granted was used, on the basis of the audited annual financial statement. This comprises a substantive report and verified accounts. The aid report must confirm that the compensation was used for the public service obligations covered by the entrustment.

#### **2. Compensation balance sheet**

In addition, the entrusted undertakings draw up a statement of the compensation received for the previous financial year in the form of a compensation balance sheet, as follows:

**Step 1:** Calculation of the maximum target compensation (difference between the calculated expenses for the SGEIs and the actual public aid in the planning year)

**Step 2:** Calculation of net costs

The actual net costs must be used as a basis. These consist of the difference between the costs to be determined in Step 1 for the performance of SGEIs and the relevant revenues. An appropriate risk allowance is then to be added (Article 5(7) of Decision 2012/21/EU).

**Step 3:** List of all compensation received

All compensation must be taken into account. The difference must be taken into account as compensation.

**Step 4:** Reconciliation/amount carried forward

The total compensation must not exceed either the target compensation determined in Step 1 or the net costs determined in Step 2 (including a reasonable profit). The lower of the two amounts applies in each case. The maximum authorised amount of compensation must be compared with the compensation received.

#### **3. Obligation to carry funding over/repay funding**

If the overcompensation or the use of funds for areas not covered by the entrustment

does not exceed the average annual compensation by more than 10%, it can be carried forward to the next period and deducted from the compensation to be paid for this period. Proper use of the funding must be restored during the following year.

If proper use of the funding is ruled out or will not be ensured within the following year, the authorities will demand that the entrusted undertakings repay the excess compensation on a pro rata basis.

### ***Transparency requirements***

Not applicable, since the compensation is less than EUR 15 million per year

### ***Amount of aid granted***

2018: EUR 47 599.51

2019: EUR 45 881.28

## **(ii) Municipality of Wurster Nordseeküste**

### ***Content of the services entrusted as SGEIs***

The Municipality of Wurster Nordseeküste has entrusted the municipal enterprise 'Kurverwaltung Wurster Nordseeküste' with the performance of SGEI activities in the form of the general and specific promotion of tourism and all associated activities that benefit the promotion of tourism in the Municipality of Wurster Nordseeküste:

General promotion of tourism:

- a) general tourism marketing (regional and supraregional)\*,
- b) organisation and coordination of guest amenities and services in the broader sense,
- c) creation of attractive tourism offers,

Specific promotion of tourism:

- a) maintaining a website and social media activities,
- b) operating tourist information centres,
- c) operating water parks and swimming pools,
- d) maintaining and operating tourist facilities (e.g. the lighthouse 'Kleiner Preusse' in Wremen and leasing campsites),
- e) operating the National Park Centre in Dorum-Neufeld,

f) maintenance and upkeep of the beaches within the Municipality of Wurster Nordseeküste.

\* 'Die Nordsee GmbH' has been entrusted with certain marketing activities:

The Municipality of Wurster Nordseeküste, in the form of its municipal enterprise, has entrusted 'Die Nordsee GmbH' with destination marketing for the North Sea coast and all associated services:

- a) image advertising for the destination as a whole,
- b) branding and brand development,
- c) representing the destination as a whole/shareholders on committees and in work groups (or representing the interests of the latter),
- d) market analyses and market research,
- e) project work/tourism-related work relating to the World Natural Heritage site 'Wattenmeer' and cooperation in work groups and committees,
- f) applying for and coordinating funding projects on the basis of grants awarded at federal, *Land* and EU level
- g) promoting health tourism/thalassotherapy

### ***Forms of entrustment***

Entrustment act of 15 October 2015 (municipal enterprise for health resort management purposes)

Entrustment act of 13 December 2016 (Nordsee GmbH)

### ***Duration of the entrustment***

Health resort management: 10 years (until 31/12/2025)

Nordsee GmbH: 10 years (until 13 December 2026)

### ***Exclusive or special rights***

***./. Aid instruments*** Health resort management:

Contribution to the capital reserve to cover the annual shortfall (compensation payment)

Nordsee GmbH:

Subsidy

### ***Compensation mechanism***

Health resort management:

The health resort management ensures by means of separate entries in the accounts that the costs incurred in connection with the services of general economic interest (SGEIs) are demarcated from the costs for any other areas of activity.

Nordsee GmbH:

The contribution rules of 1 January 2010 are used as a basis for calculations.

Nordsee GmbH must ensure by means of separate entries in the accounts that the costs incurred in connection with the services of general economic interest are demarcated from the costs for any other areas of activity.

### ***Arrangements for avoiding and repaying any overcompensation***

Health resort management:

The health resort management provides evidence of the use of funds on an annual basis, after the end of the financial year and on the basis of the annual financial statement. Surplus compensation payments must be repaid to the Municipality of Wurster Nordseeküste.

Nordsee GmbH:

Evidence of the use of funds, audited by the auditor

In the event of overcompensation, the excess subsidy is repaid.

### ***Transparency requirements***

Health resort management: none

Nordsee GmbH: Transparency Directive 2006/111/EC

### ***Amount of aid granted***

2018: EUR 1 017 592.15 including EUR 28 687.50 grant to Nordsee GmbH\*

2019: EUR 1 168 290.85 including EUR 28 687.50 grant to Nordsee GmbH\*

\* These are provisional figures on the basis of outstanding annual financial statements

## **(jj) Town of Rinteln**

### ***Content of the services entrusted as SGEIs***

The special-purpose association Touristikzentrum **Westliches Weserbergland** (hereinafter: TWW) is a merger of several local authorities. In total, the following public corporations hold various proportions of the assets of Touristikzentrum Westliches

Weserbergland as members of the special-purpose association:

- Municipality of Auetal (7%),
- Town of Aerzen (8%),
- Municipality of Emmerthal (8%),
- Town of Hessisch Oldendorf (21%),
- Town of Porta Westfalica (20%),
- Town of Rinteln (36%).

Pursuant to Sections 1 and 15 et seqq. of the articles of association of the special-purpose association (version dated 27 November 2018), Touristikzentrum Westliches Weserbergland is managed as a separate undertaking in organisational, administrative and fiscal terms with its own legal personality in accordance with the Lower Saxony Act on Municipal Cooperation (*Gesetz über die kommunale Zusammenarbeit*, NKomZG).

Pursuant to Section 3(1) of the articles of association of the special-purpose association (version dated 27 November 2018), the particular purpose of Touristikzentrum Westliches Weserbergland can be described as follows: 'The purpose of the association is to develop regional tourism in West Weserbergland under the umbrella brand 'Weserbergland', in cooperation with all stakeholders and within the framework of regional planning. To this end, the various options in the area as a whole should be investigated, bundled, coordinated and developed in such a way that holiday guests can be presented with coherent overall concepts.'

Touristikzentrum Westliches Weserbergland regularly records a negative result for its (core) operating activities. In 2017, Touristikzentrum Westliches Weserbergland recorded a loss of EUR 130 714.81 from its customary business activities, as shown in the profit and loss statement dated 31 December 2017. The annual shortfall (before the compensation of losses) is shown in full in the annual financial statement dated 31 December 2017. In 2017, the members of the special-purpose association made

pro rata payments amounting to EUR 130 000 into the (capital) reserve to compensate these losses.

On 1 January 2018, the members of the special-purpose association Touristikzentrum Westliches Weserbergland were each entrusted with the performance of SGEI activities by means of a decision based on an entrustment act (see annex) – decisions by the Council of the Municipality of Auetal (14 December 2017); Council of the Municipality of the Town of Aerzen (21 December 2017); Council of the Municipality of Emmerthal (14 December 2017); Council of the Town of Hessisch Oldendorf (30 November 2017); Council of the Town of Porta Westfalica (27 November 2017), Council of the Town of Rinteln (30 November 2017).

The compensation payments are used for the sole purpose of allowing Touristikzentrum Westliches Weserbergland to perform the activities referred to in the entrustment act, and may be used exclusively and in their entirety for the tourism-related activities described in the region of Westliches Weserbergland and the connected areas.

An exchange of services does not take place in connection with the entrustment. On 1 January 2018, a wholly owned subsidiary of the special-purpose association Touristikzentrum Westliches Weserbergland was also founded, with the legal form of a limited company (*GmbH*).

### ***Forms of entrustment***

See above.

### ***Duration of the entrustment***

1 January 2018 for 10 years (until 31 December 2027)

### ***Exclusive or special rights***

-

### ***Aid instruments***

-

### ***Compensation mechanism***

-

### ***Arrangements for avoiding and repaying any overcompensation***

-

### ***Transparency requirements***

See entrustment act

### ***Amount of aid granted***

2018: EUR 45 000

2019: EUR 50 400

### **(kk) Town of Wolfenbüttel**

Tourism

### ***Content of the services entrusted as SGEIs***

Promotion of tourism and the economy and associated ancillary services

### ***Forms of entrustment***

The entrustment is made in particular by means of an administrative deed, contract and municipal decision.

### ***Duration of the entrustment***

10 years (from 1 January 2016)

### ***Exclusive or special rights***

No exclusive or special rights were assigned.

### ***Aid instruments***

Compensation/annual contribution depending on tourism-related significance within the area covered by the special-purpose association. The amount is calculated on the basis of the allocation formula, which in turn is based on various parameters (number of overnight stays, bed capacity and number of residents)



### ***Compensation mechanism***

To compensate Harzer Tourismusverband e.V. for expenses incurred in connection with the performance of services of general economic interest, compensation can be granted by the members of Harzer Tourismusverband e.V. Compensation within the meaning of this entrustment includes all benefits of any kind granted directly or indirectly, the amount of which results from the budget, business plan and marketing plan of Harzer Tourismusverband e.V. and is estimated in the budgets of the association members. This includes in particular:

- membership contributions and apportionments in so far as permitted in accordance with the articles of association of Harzer Tourismusverband e.V.,
- assumption of costs,
- voluntary investment subsidies,
- other grants and support equivalent to non-cash benefits.

### ***Arrangements for avoiding and repaying any overcompensation***

- 1 The compensation payments (benefits) pursuant to Article 5 of the Exemption Decision must not exceed what is necessary to cover the costs incurred in performing the public service obligation, taking into account the relevant revenues and a reasonable return on the capital employed to discharge these obligations.
- 2 If the overcompensation or the use of funds for areas not covered by the entrustment does not exceed the average annual compensation by more than 10%, it can be carried forward to the next period and deducted from the compensation to be paid for this period. Proper use of the funding must be restored during the following year (e.g. by deducting the compensation to be paid for the following year by the association members).
- 3 If the proper use of funds is ruled out or not ensured within the following year, the association members will demand that the excess compensation be repaid by Harzer Tourismusverband e.V. on a pro rata basis in the event of overcompensation; this applies in particular if the benefits derived by Harzer Tourismusverband e.V. as a result of the compensation outweighed the disadvantages suffered by Harzer Tourismusverband e.V. as a result of performing the services of general economic interest.

### ***Transparency requirements***

Without prejudice to other more stringent conditions, all documents and information that can be used as a basis for determining whether the compensation payments are compatible with the 'Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest' (2012/21/EU) must be retained by Harzer Tourismusverband e.V. during the entrustment period and for a period of at least 10 years from the end of the entrustment period.

### ***Amount of aid granted***

2018 = EUR 957.16

2019 = EUR 544.70

## **II. Town of Göttingen**

### **1. Public transport**

#### ***Content of the services of general economic interest***

The city has decided to award a public service contract for the provision of public passenger transport services by means of a direct award procedure pursuant to Article 5(2) of Regulation (EC) No 1370/07 to Göttinger Verkehrsbetriebe GmbH. The City of Göttingen entrusts Göttinger Verkehrsbetriebe GmbH by means of a direct award procedure pursuant to Article 5(2) of Regulation (EC) No 1370/07 with the provision of scheduled public passenger transport services within the boundaries of the City of Göttingen and the Municipalities of Rosdorf and Bovenden (outbound lines) on the basis of the route authorisations issued to Göttinger Verkehrsbetriebe GmbH as a uniform bundle of routes pursuant to Sections 42 and 43 of the Public Transport Act (*Personenbeförderungsgesetz*, PBefG) and the route network derived from this, taking into account the quality standards imposed by the city for the range of public passenger transport services on offer.

#### ***Forms of entrustment***

The entrustment is made in the form of a public service mandate

***Duration of the entrustment***

This entrustment is initially made for a period of 10 years.

***Exclusive or special rights***

For the purpose of safeguarding the integration of the entrusted transport services in traffic, economic and business terms, the City of Göttingen grants Göttinger Verkehrsbetriebe GmbH, with effect from 1 January 2015, the exclusive right to carry out passenger transport on the defined routes within the area of responsibility of the City of Göttingen during the term of this public service contract. The exclusive right incorporates a prohibition on the establishment by other transport undertakings of scheduled services within the public transport network as the permit holder or operations manager.

***Aid instruments***

- Subsidies

***Compensation mechanism***

Net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

Göttinger Verkehrsbetriebe GmbH bases its profit planning on the actual income in previous financial years and forecast income for the following financial year. It also plans expenses as part of its profit planning through a forward projection of the expenses for the previous financial year. The basis used for the forward projection of the main expense types must be explained, and their appropriateness must be outlined clearly on the basis of suitable statistics that are customary for the trade or regional price indexes. Compensation by the city and other economic benefits granted by the State may not result in overcompensation of Göttinger Verkehrsbetriebe GmbH on the basis of the actual statement. Overcompensation is deemed to be present if the total compensation per year exceeds an amount corresponding to the financial net effect plus a reasonable profit surcharge. On the basis of the separate accounts, Göttinger Verkehrsbetriebe GmbH supplies evidence that the compensation granted does not result in overcompensation.

### ***Transparency requirements***

not applicable ...

### ***Amount of aid granted***

2018: EUR 8 732 207.91

2019: The annual financial statement for 2019/the figures for 2019 are not yet available.

## **2. Promotion of the economy**

### ***Content of the services of general economic interest***

As the sole shareholder, the city founded Gesellschaft für Wirtschaftsförderung und Stadtentwicklung Göttingen mbH (Association for economic promotion and urban development Göttingen) for the purpose of business development in the interest of the general public. According to Section 2 of the articles of association of Gesellschaft für Wirtschaftsförderung und Stadtentwicklung Göttingen mbH, the purpose of this undertaking is business development in the City of Göttingen. Gesellschaft für Wirtschaftsförderung und Stadtentwicklung Göttingen mbH is entrusted with the execution of structural and economic policy tasks and cultural and social policy tasks. Funding is granted in the public interest of the City of Göttingen and its residents in establishing a high-performance economic structure and in boosting financial power, to protect jobs, to make the City of Göttingen a more attractive place to live, and to promote sport. GWG's tasks therefore constitute services of general economic interest.

### ***Forms of entrustment***

Entrustments are made by means of entrustment acts and grant notices.

### ***Duration of the entrustment***

This entrustment is initially made for a period of 10 years.

### ***Exclusive or special rights***

not applicable...

### ***Aid instruments***

- Subsidies
- Guarantees

### ***Compensation mechanism***

not applicable ...

### ***Arrangements for avoiding and repaying any overcompensation***

Net avoided cost methodology

### ***Transparency requirements***

Gesellschaft für Wirtschaftsförderung und Stadtentwicklung Göttingen mbH will submit an annual business plan. The business plan contains costs and revenues, separated between the relevant segments. The costs and revenues expected for Gesellschaft für Wirtschaftsförderung und Stadtentwicklung Göttingen mbH for the following business year are determined on this basis. The grant is paid out upon request by Gesellschaft für Wirtschaftsförderung und Stadtentwicklung Göttingen mbH. The application is submitted together with the business plan. Grants are awarded in advance on the basis of the business plan for the following financial year. No later than nine months after the end of a financial year, the company produces an auditable list and statement of the respective costs and revenues incurred in the past year for the relevant segments.

### ***Amount of aid granted***

2018: EUR 3 111 000      2019: EUR 30 204 (for 2018, in 2019); the annual financial statement

For 2019/the figures for 2019 are not yet available.

## **mm. Rural District of Osnabrück**

### **1. OLEG**

#### ***Content of the services of general economic interest***

The public service obligation of **oleg — Osnabrücker Land-Entwicklungsgesellschaft mbH (Osnabrück Land Development Corporation)** — relates to the development of commercial premises in the Rural District of Osnabrück and improvements to the social and economic structure of the Rural District of Osnabrück by means of business development.

oleg pursues the activities listed in the articles of association for this purpose. The tasks are structured into two areas of activity: 'oleg projects' covers the tasks of procuring and selling plots of land for the establishment of new undertakings or the continued existence or expansion of existing undertakings and of renting or leasing business and commercial premises to start-ups for a limited period of up to five years,

including the associated ancillary services. oleg will continue to provide advice to undertakings wishing to establish a base in the area and to produce the analyses etc. necessary for development of the industrial areas. In geographical terms, the activities in the area of activity 'oleg projects' are restricted to the area of the Rural District of Osnabrück; in individual cases, the activities in the area of activity 'oleg land management' (not relating to a market environment) may extend beyond this area. In the area of activity 'oleg land management', the company is primarily engaged in acquiring plots of land that are suitable for agricultural use and that are situated outside areas that are already designated as industrial areas or will be designated as such in future. Plots of this kind are to be 'stockpiled' so that they can be offered to land owners (generally farmers) in exchange for the sale of plots of land in planned industrial areas.

### ***Forms of entrustment***

Administrative deed

### ***Duration of the***

### ***entrustment***

The duration of the public service obligation and the duration of the entrustment is 15 years, starting from 1 January 2015. The duration of the entrustment is specified in relation to the investments that were made. Projects involving the development of commercial premises can last for a correspondingly long period, from their conception through to securing of the plots, planning of the plots and marketing. In addition, land management measures are used to attempt to acquire sufficient replacement areas for potential project regions on a forward-looking basis. Investments in plots of land can therefore be relatively long-term in nature. A 15-year entrustment provides the necessary framework conditions for the investments and land-use plans in temporal terms.

### ***Exclusive or special rights***

None

### ***Aid instruments***

oleg is granted funding by the shareholders in the form of financing to cover losses or a subsidy so that it can perform its public service obligations. In this connection, the services are calculated in accordance with the articles of association on the basis of the company's annual shortfall, with each shareholder paying a pro rata contribution according to the participation ratio. The requirement for the assumption of losses is management of the company on the basis of a business plan approved by the general meeting of shareholders and a medium-term financial plan.

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

The Rural District of Osnabrück and the regional authorities assigned to the group of shareholders of the cities, collective municipalities and municipalities will review annually (in particular on the basis of oleg's annual financial statement) whether the funding granted to oleg exceeds what is necessary to cover the costs incurred in connection with performance of public service obligations incumbent upon it, including any revenues earned in this connection. If this is the case, repayment of the surplus funding is requested or the surplus funding is credited against the following financial year, provided that the overpayment does not exceed 10% of the compensation payment made in the relevant year.

### ***Transparency requirements***

None

### ***Amount of aid granted***

The amount of aid granted for the financial year 2018 for all shareholders was EUR 284 358.96.

The amount of aid granted for the financial year 2019 for all shareholders was EUR 438 593.03 (provisional result on 30 March 2019, audit by the auditors not yet completed).

## **2. TOL (Tourismusverband Osnabrücker Land e.V.)**

### ***Content of the services of general economic interest***

The purpose of the entrusted undertaking (**Tourismusverband Osnabrücker Land e.V. — Tourist Association Osnabrücker Land**) is to define and expand a tourist profile for the Osnabrücker Land tourist region as a whole on the basis of the existing offerings and the tourist infrastructure of the tourist region Osnabrücker Land, in the areas of the municipal association members and adjacent and neighbouring tourist regions, in cooperation with the towns, the collective municipalities and the integrated municipalities. Marketing of the tourist offering and the tourist infrastructure of Osnabrücker Land as a tourist region is intended to make the tourist region a more attractive destination for tourists and strengthen the tourist industry in the region as a whole. The public service obligations of promoting tourism and tourism marketing cover all services that relate to the aforesaid services of general economic interest and/or that derive from or promote associated activities, in particular:

- a. tourism marketing for the economic sector in the area covered by the association, both in Germany and abroad,
- b. designing, implementing and coordinating measures to safeguard quality in tourism, including cooperating in and implementing quality certification by the various tourism trade associations,
- c. creating and implementing a uniform marketing strategy in line with the priority areas

developed previously, including execution of all communication measures necessary for this purpose,

- d. creating and maintaining tourist and tourism policy networks and representation of the interests of the tourist industry in Osnabrücker Land at district and *Land* level and at local, regional, supraregional and national level,
- e. designing, executing and communicating the umbrella brand and the brand philosophy, inter alia by means of measures in other areas of activity,
- f. implementing cross-cutting issues at regional level through coordination, provision of information and implementation support (including climate adaptation, sustainability, accessible tourism, etc.),
- g. involvement of the private tourist industry in the Osnabrücker Land tourist region in joint activities and initiatives, for example a joint advertising campaign,
- h. securing and strengthening local and regional identity as a basis for the structure of tourism offerings through targeted information and communication measures and providing a free information service for the general public on the tourist region Osnabrücker Land as an economic tourist area,
- i. conducting market observation and market research on aspects of relevance to tourism.

### ***Forms of entrustment***

Administrative deed

### ***Duration of the entrustment***

Tourismusverband Osnabrücker Land e.V. was initially entrusted with tasks involving regional and tourism promotion, tourism marketing and other general and special services and activities until 30 June 2019 at the latest.

The entrustment will be extended automatically by 30 months until 31 December 2021 at the latest, once the authorities, representing all member municipalities in the Rural District of Osnabrück in agreement with the City of Osnabrück, have checked whether the requirements for the entrustment continue to be met by the end of the first vesting period. The maximum period of 10 years will not be exceeded.

### ***Exclusive or special rights***

None

### ***Aid instruments***

The authorities grant Tourismusverband Osnabrücker Land e.V. the funding necessary to cover its financial requirements ('compensation') if the other revenues are not sufficient to assume responsibility for the services of general economic interest assigned to it. The amount of compensation granted in the current financial year is calculated on an annual basis and in advance on the basis of the annual business plan, broken down by segments. When the compensation is calculated, all funding granted that meets the conditions for aid must be taken into account.



### ***Compensation mechanism***

#### ***Arrangements for avoiding and repaying any overcompensation***

The compensation payments do not exceed what is necessary to cover the costs incurred in performing the public service obligation, taking into account the relevant revenues and a reasonable return on the capital employed to discharge these obligations. If the overcompensation or the use of funds for areas not covered by the entrustment does not exceed the average annual compensation by more than 10%, it can be carried forward to the next period and deducted from the compensation to be paid for this period. Proper use of the funding must be restored during the following year.

#### ***Transparency requirements***

None

#### ***Amount of aid granted***

The amount of aid granted for the financial year 2018 by all shareholders was EUR 1 110 467.48. Of this sum, EUR 542 608.71 was accounted for by the Rural District of Osnabrück.

The amount of aid granted for the financial year 2019 by all shareholders was EUR 1 029 069.57. Of this sum, EUR 454 242.66 was accounted for by the Rural District of Osnabrück.

### **3. Special-purpose association 'Hasetal Recreation Area' and Hasetal Touristik GmbH**

#### ***Content of the services of general economic interest***

- Performance of structural policy and economic policy tasks. The entrusted undertakings (special-purpose association 'Hasetal Recreation Area' und Hasetal Touristik GmbH) are active in the field of general tourism and business promotion and associated ancillary services.

#### ***Forms of entrustment***

- **Entrustment act for the special-purpose association 'Hasetal Recreation Area' und Hasetal Touristik GmbH**

Pursuant to the resolution adopted by the Council of the Collective Municipality of Bersenbrück at the public council meeting held on 16 March 2016

### ***Duration of the entrustment***

- 1 April 2016 to 31 March 2026 (special-purpose association Hasetal und Hasetal Touristik)

### ***Exclusive or special rights***

...

### ***Aid instruments***

...

### ***Compensation mechanism***

- See Section 5 of the entrustment act (special-purpose association Hasetal und Hasetal Touristik GmbH)

### ***Arrangements for avoiding and repaying any overcompensation***

- See Section 10 of the entrustment act (special-purpose association Hasetal und Hasetal Touristik GmbH)

### ***Transparency requirements***

...

### ***Amount of aid granted***

- 2018: EUR 28 144.62
- 2019: EUR 31 841.28

## **4. Artland**

### ***Content of the services entrusted as SGEIs***

- a) Wirtschaftsagentur Artland GmbH (TourismusMarketing Artland GmbH from 2019 onwards) and the special-purpose association 'Hasetal Recreation Area'

- Performance of structural policy and economic policy tasks. The entrusted undertakings are active in the field of general tourism and business promotion and associated ancillary services.

- b) Artland Bäderbetriebsgesellschaft GmbH

- Operational management of the outdoor and indoor swimming pools within the boundaries of the Collective Municipality of Artland and its member municipalities and all associated services, such as managing the outdoor and

indoor swimming pools and making them more attractive to visitors and promoting public health in the Collective Municipality of Artland

### ***Forms of entrustment***

- Entrustment acts

### ***Duration of the entrustment***

- a. no time limit
- b. 10 years

### ***Exclusive or special rights***

...

### ***Aid instruments***

Compensation payments (a and b)

### ***Compensation mechanism***

- a In the event that the services are not tendered out, the level of compensation is to be calculated on the basis of the costs that an average, well-managed undertaking would incur in performance of the public service obligation. To compensate for the costs incurred in connection with the performance of services pursuant to Section 2(1), the Collective Municipality of Artland makes a compensation payment to Wirtschaftsagentur Artland GmbH. The maximum level of this payment is calculated on the basis of the business plan for the relevant year in conjunction with Section 3 of this entrustment act. On this basis, and in response to an application by Wirtschaftsagentur Artland GmbH, the Collective Municipality of Artland decides on the amount of compensation pursuant to Section 3 of this entrustment act. If unforeseeable events in connection with the performance of services of general economic interest pursuant to Section 2(1) result in higher costs that are not covered, these costs can also be compensated. The compensation payment does not exceed what is necessary to cover the costs incurred in performing the public service obligation, taking into account the relevant revenues and a reasonable return on the capital employed to discharge these obligations.

- b To ensure that the compensation payment in the form of contributions does not result in overcompensation for performance of the services, Artland Bäderbetriebsgesellschaft GmbH produces an annual statement of expenditure after the end of the financial year. This is done on the basis of the annual financial statement. The Collective Municipality of Artland is entitled to have books, supporting documents and other business records inspected. In the event that surplus compensation payments are made in the form of capital contributions, the surplus amount must be repaid by Artland Bäderbetriebsgesellschaft GmbH to the Collective Municipality of Artland.

***Arrangements for avoiding and repaying any overcompensation***

- a. To ensure that the compensation payment does not result in overcompensation for the performance of services pursuant to Section 2(1), Wirtschaftsagentur Artland GmbH supplies evidence of the use of funds on an annual basis after the end of the financial year. This is done by means of the annual financial statement. The presentation must be carried out before the budget committee or the council in an open sitting. In this respect, Wirtschaftsagentur Artland GmbH is specifically obliged to keep internally separate accounts to record costs and profits for areas of business relating to the performance of services of general economic interest on the one hand, and for other areas of business on the other hand. All costs and profits are to be allocated to the respective fields according to objectively justified and uniformly applied cost accounting principles. The underlying cost accounting principles must be clearly defined. Wirtschaftsagentur Artland GmbH documents the allocation of costs and profits to the relevant areas and the cost accounting principles applied in this connection, in particular by means of the keys for the apportionment of such costs and profits as are to be apportioned to two or more areas. The Collective Municipality of Artland is entitled to have books, supporting documents and other business records inspected. In the event of excess compensation payments, the Collective Municipality of Artland requests Wirtschaftsagentur Artland GmbH to repay the surplus amount (on a pro rata basis where applicable). If the overcompensation amount is no more than a maximum of 10% of the annual compensation sum, this amount may be credited to the following compensation period.

***Transparency requirements***

...

***Amount of aid granted***

Re a) Wirtschaftsagentur Artland GmbH

2018: EUR 271 000

2019: EUR 314 840

- Special-purpose association 'Hasetal Recreation Area'

2018: EUR 21 255

2019: EUR 20 537

Re b) Artland Bäderbetriebsgesellschaft

GmbH

2018: EUR 885 209

2019: EUR 1 008 280

**5. Promotion of the economy in Bad Laer*****Content of the services:***

The municipality promotes business development in connection with public service obligations and services of general economic interest. This includes in particular the promotion of tourism and the spa industry. For the purposes of health promotion, preventive medicine and rehabilitation, the municipality makes available a comprehensive range of recreational and leisure services via Bad Laer Touristik GmbH. Touristik GmbH operates the facilities 'Sole-Freibad' (open-air salt swimming pool), SoleVital und spa gardens (Glockensee).

***Forms of entrustment:***

Entrustment act.

***Duration of the entrustment:***

The entrustment is made for a limited period of 10 years, i.e. for the period between 2014 and 2023.

***Exclusive or special rights:***

Exclusive or special rights are not assigned.

***Aid instruments:***

Subsidies.

***Compensation mechanism:***

The basis for the compensation mechanism is the annual financial statements and business plans of Bad Laer Touristik GmbH and the municipality's budget.

***Arrangements for avoiding and repaying any overcompensation:***

Presentation of the annual financial statement as evidence of the use of funds.

***Transparency requirements:***

Aid exceeding EUR 15 million is not granted.

***Amount of aid granted:***

2018 = EUR 1 333 899.38

2019 = EUR 1 404 225.39

**6. Bramsche Bad*****Content of the services:***

The Town of Bramsche entrusts Stadtwerke GmbH with the provision, maintenance and operation of public swimming pools as a healthcare service.

***Forms of entrustment***

Entrustment act by the Bramsche Town Council of 31 May 2018

***Duration of the entrustment***

1 January 2018 to 31 December 2027

***Exclusive or special rights***

No, no special rights are assigned.

***Aid instruments***

Compensation is granted by the Town of Bramsche.

***Compensation mechanism***

A business plan is drawn up on an annual basis for the following financial year. At the end of the relevant financial year, evidence of use must be presented on the basis of the audited annual financial statement.

***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation pursuant to Section 4 does not result in overcompensation for the performance of public service obligations and that benefits are not granted for other activities, Stadtwerke GmbH is obliged to provide evidence annually, after the end of the relevant financial year, of how the compensation payment granted was used, on the basis of the audited annual financial statement and in accordance with the requirements of the Act on the Transparency Directive and the EU Transparency Directive and other evidence to be checked by the city in respect of overcompensation for the funding made available in accordance with Section 4(1) to (3), in particular by means of the separate accounts to be drawn up in accordance with Article 5(9) of the Exemption Decision.

***Transparency requirements***

Below EUR 15 million

***Amount of aid granted***

2018 EUR 0.00

2019 EUR 0.00

***nn. City of Wolfsburg***

Promotion of the economy

### ***Content of the services of general economic interest***

In the field of business promotion for the further development of Wolfsburg as a business location:

- planning-oriented agency services for commercial premises and real estate
- networking,
- consultancy,

In the field of city marketing:

- bundling and dissemination of information,
- advertising measures,
- events.

For the further development of Wolfsburg as a business location:

- location-specific tourism promotion,
- location-specific tourism sales,
- development, production and sale of branded products to promote Wolfsburg as a tourist destination.

Forms of entrustment

Administrative deed

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Operating and investment subsidy

### ***Compensation mechanism***

Compensation payments are awarded in advance on the basis of the business plan for the financial year and its annexes. This takes place upon request, in each case on the basis of grant notices for the separate approval of operating and investment



subsidies. The operating subsidy is disbursed in each case upon request in instalments, in response to the presentation of evidence of solvency. The investment subsidy is disbursed in so far as this is necessary for performance of the SGEIs and listed in the financial plan, upon request and in response to the presentation of the corresponding invoices.

### ***Arrangements for avoiding and repaying any overcompensation***

The compensation payments must not exceed what is necessary to cover the costs incurred in performing the SGEIs, taking into account the revenues earned in this connection and a reasonable return on the capital employed to discharge this obligation (capital costs) in accordance with the applicable provisions of EU State aid law (net cost principle). Evidence of compliance with these requirements is provided on an annual basis at the end of the financial year in the report submitted together with the annual financial statement. As part of the audit of the annual financial statement, the statutory auditor checks and confirms, pursuant to Article 6 of the Exemption Decision, that the compensation payments have been used for the public service obligations and that they were not used for areas not covered by the entrustment, and that the compensation payments met the requirements specified in the Exemption Decision (2012/21/EU) and were used in accordance with EU State aid law. In this connection, the auditor must comply with the audit standard 700 ('PS 700') of the Institute of Auditors (*Institut der Wirtschaftsprüfer e.V.*, IDW), in particular as regards the requirements for auditing aid granted for the benefit of public undertakings. If the maximum permitted compensation amount calculated in accordance with the applicable provisions of EU State aid law is exceeded within one year, and if the overcompensation does not exceed a maximum of 10% of the permitted compensation, this amount is carried forwarded to the following compensation year and must then be deducted from the maximum permitted compensation amount. In the event that the figure is exceeded by more than 10%, the amount of additional overcompensation must be repaid immediately.

### **Transparency requirements**

no aid above EUR 15 million

### **Amount of aid granted**

**2018:** EUR 4 211 947.97 (operating subsidy minus overcompensation)

EUR 96 213.48 (investment subsidy)

**2019:** EUR 4 424 100.00 (operating subsidy)

EUR 24 124.46 (investment subsidy)

### **3. Description of the application of the SGEI Framework of 2012**

The Commission has not approved any measures under the SGEI Framework of 2012 to date.

### **4. Complaints by third parties**

...

### **5. Miscellaneous questions**

The SGEI Decision in Bremen		Total amount for Lower Saxony	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services	EUR 97 704 676.03	EUR 68 967 686.07
Article 2(1)(c)	Health and long-term care	EUR 968 600.00	EUR 986 000.00
	Childcare	EUR 515 989.36	EUR 461 000.00
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing	EUR 48 308.00	EUR 950 000.00
	Care and social inclusion of vulnerable groups		
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding EUR 15 million per year	Postal services		
	Energy	EUR 890 696.73	
	Waste collection		
	Water supply		
	Culture	EUR 3 107 284.56	EUR 3 928 318.03
	Financial services		
	Other sectors	EUR 73 193 542.22	EUR 58 400 359.27
		EUR 176 429 096.90	EUR 133 693 363.37

Note: The above figures (in particular those for hospitals) also include loans and guarantees entered as nominal amounts. According to their own reports, a number of municipalities have not provided full details because the figures required were not yet available.

<b>The SGEI Decision in Lower Saxony</b>	Total amount for Lower Saxony	
	<b>2018</b>	<b>2019</b>
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		

## North Rhine-Westphalia

### 1. Expenditure overview

<b>Sector</b>	<b>Total aid granted in 2018</b>	<b>Total aid granted in 2019</b>
<b>Hospitals</b>	EUR 61 549 774 and guarantees amounting to EUR 14 690 697.18	EUR 51 808 720.61 and guarantees amounting to EUR 15 637 872.95
<b>Health and long-term care</b>	EUR 2 808 299.00	EUR 1 503 300.00
<b>Childcare</b>	EUR 1 229 068	EUR 2 807 930
<b>Access to and reintegration into the labour market</b>	EUR 34 169 760.06	EUR 11 192 336.22
<b>Social housing</b>	EUR 2 000 000	EUR 60 000, Guarantees amounting to EUR 64 376 865.40
<b>Care and social inclusion of vulnerable groups</b>	EUR 20 104 444.55	EUR 32 030 699.16
<b>Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)</b>	EUR 120 000.00	EUR 20 000.00
<b>Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a)), specifically: Water supply</b>	EUR 22 581 000.00 (100% guaranteed loans), approximately EUR 112 000.00 (waiver of guarantee commission)	EUR 24 849 000.00 (100% guaranteed loans), approximately EUR 124 000.00 (waiver of guarantee commission)

<b>Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a)), specifically: Culture</b>	EUR 30 355 687.83	EUR 31 695 621.62
<b>Other sectors, specifically: Tourism and city marketing</b>	EUR 18 396 554.77	EUR 19 346 843.34
<b>Other sectors, specifically: Street cleaning</b>	EUR 1 417 155.04	EUR 1 622 482.00
<b>Other sectors, specifically: Consumer protection</b>	EUR 14 943 119.88	EUR 19 856 425.01
<b>Other sectors, specifically: Promotion of the economy</b>	EUR 51 412 326.86	EUR 66 732 450.84
<b>Other sectors, specifically: Swimming pools</b>	EUR 25 147 361.14	EUR 35 041 140.31
<b>Other sectors, specifically: Parking space management</b>	EUR 654 435.00	EUR 649 754.00
<b>Other sectors, specifically: Public health promotion</b>	EUR 24 776 964.00	EUR 23 187 246.00
<b>Other sectors, specifically: Sports and leisure</b>	EUR 22 500 268.08	EUR 36 058 536.06

## **2. Description of the application of the SGEI Decision of 2012**

### **1) Hospitals (Article 2(1)(b))**

#### ***Content of the services of general economic interest***

Pursuant to Section 1(2) of the Hospital Planning Act of the *Land* of North Rhine-Westphalia (*Krankenhausgestaltungsgesetz des Landes Nordrhein-Westfalen*, KHGG NRW), the *Land* must perform the public task of ensuring that the population is provided with patient-centred, needs-based and local hospital care. The services provided by the hospitals include the following:

- medical healthcare services (e.g. the provision of medical care to the patients treated as inpatients or outpatients in the relevant clinic with all the appropriate individual services; medical investigations and treatments for the patients treated as outpatients in the relevant clinic with all the appropriate individual services; inpatient, day patient and outpatient care for patients including preventive medicine, acute care, rehabilitation and nursing care),
- emergency services (e.g. ensuring 24-hour admission and on-call services, provision of emergency doctors for the emergency services),
- ancillary services directly associated with these principal activities, in so far as these services are themselves categorised as SGEIs (e.g. basic and advanced training and continuing education in hospital-based professions; training of consultants; operation of colleges for the provision of training courses in recognised healthcare professions; operation of laboratories, hospital pharmacies and blood banks, including the supply of medication to patients treated in the hospital; catering for patients; rental and leasing and housing and parking spaces for employees; physiotherapy services in so far as provided for the clinic; cleaning of buildings and operating room cleaning as well as preparation of beds and hygiene services).

#### ***Forms of entrustment***

The entrustment is made by means of a council order or district council order and through the adoption of resolutions by the relevant shareholder body or through an administrative act (grant notice).

#### ***Duration of the entrustment***

The entrustments generally have a duration of 10 years, with the exception of one entrustment for four years.

#### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

#### ***Aid instruments***

Guarantees and letters of comfort, compensation of losses, loans, investment subsidies, loans of plots of land without consideration

### ***Compensation mechanism***

A methodology based on cost allocation is generally used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

The undertakings are typically obliged, on an annual basis and after the end of the relevant financial year, to provide evidence of the use of the compensation payment on the basis of the audited annual financial statement, taking into account the requirements of the Transparency Directive. Evidence of the proper use of the compensation payments is provided on the basis of an aid report to be drawn up on an annual basis.

In the event that overcompensation is paid within a specific year, up to 10% of the compensation payments received can be carried forward to the following year. If the proper use of funds is ruled out, the undertaking is required to repay the overcompensation.

### ***Transparency requirements***

The compensation payments are below the values that apply in connection with the transparency requirement under Article 7 of the Exemption Decision.

### ***Amount of aid granted***

**2018:** EUR 61 549 774 and guarantees amounting to EUR 14 690 697.18

**2019:** EUR 51 808 720.61 and guarantees or profit participation rights amounting to EUR 15 637 872.95

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

##### a) Health and long-term care

### ***Content of the services of general economic interest***

Measures to promote/develop further the social participation of elderly and dependent persons, provision of places in care homes and housing for the elderly and operation of the facilities required for this purpose.

### ***Forms of entrustment***

The entrustment act takes the form of an administrative act (grant notice) or council order with corresponding execution.

### ***Duration of the entrustment***

1.5 to 10 years

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.



## ***Aid instruments***

Subsidies

### ***Compensation mechanism***

The annual compensation is based on the business plan. Eligible expenditure is calculated on the basis of national funding law and specified in the financing plan in the grant notice. A methodology based on cost allocation is generally used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks take place in connection with the audit of the statement of expenditure. In the event that overcompensation is paid within a specific year, up to 10% of the compensation payments received can be carried forward to the following year. The undertaking is furthermore obliged to repay the overcompensation.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 2 808 299.00

**2019:** EUR 1 503 300.00

## b) Childcare

### ***Content of the services of general economic interest***

Entrustments are made in the fields of education, child development and childcare (establishment of a day care centre). This also includes educational, meeting and recreational venues for children and adolescents (youth hostels).

### ***Forms of entrustment***

The entrustment is made by means of an administrative deed or council order with corresponding execution.

### ***Duration of the entrustment***

Maximum of 25 years

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings.

### ***Aid instruments***

Deficiency guarantee

### ***Compensation mechanism***

Measures to avoid compensation are carried out in connection with the annual financial statement/consolidated financial statement.

### ***Arrangements for avoiding and repaying any overcompensation***

The checks are carried out on the basis of the statement of expenditure to be submitted on an annual basis and the annual financial statement audited by auditors. In the event of overcompensation within one year, up to a maximum of 10% of the compensation payments received can be carried forward to the following year. The undertaking is furthermore obliged to repay the overcompensation.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 1 229 068

**2019:** EUR 2 807 930

## c) Access to and reintegration into the labour market

### ***Content of the services of general economic interest***

- Temporary measures relating to an active labour market policy in the context of labour market programmes to combat unemployment, to prepare individuals for different careers, to provide initial and further vocational training and to provide continuing training to avoid or eliminate unemployment
- Provision of facilities, services and measures in the areas covered by youth social work in the form of advice, vocational preparation courses, training and vocational qualifications and employment for disadvantaged young people and young people with individual impairments
- Improvements to conditions for the gainful employment of men and women in SMEs in view of the impacts of demographic change through measures to promote the employment of women in SMEs (development of the external and internal workforce potential of women for SMEs, in particular as regards work/life balance; primarily accessibility and awareness-raising measures)
- Advice and support on work/life balance
- Measures to ensure the long-term integration of individuals into the workforce, the adaptation of employees to change and equal access to lifelong learning
- Project to support schools (establishment of a company run by pupils for a period of one academic year) for the purpose of familiarising pupils with an entrepreneurial mindset and the processes involved in starting up a company

### ***Forms of entrustment***

The entrustment is made by means of an administrative act, grant notice and council order with instructions under company law/by corporate bodies.

### ***Duration of the entrustment***

The duration of the entrustment is between one and four years.

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

### ***Aid instruments***

Subsidies are granted.

### ***Compensation mechanism***

In certain cases, the compensation payments are calculated on the basis of the compensation parameters referred to in the ERDF Framework Ordinance (*EFRE Rahmenrichtlinie*) (Section 5.1 to 5.10 of the ERDF Framework Ordinance in addition to Annex 1 to Section 5.4 and Annex 2 to Section 5.5).

In some cases, the eligible expenses are determined on the basis of national funding legislation. A methodology based on cost allocation is generally used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

Most measures are regulated by the ERDF Framework Ordinance. The General Ancillary Conditions for Project Grants under the ERDF (*Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung unter Einsatz von Mitteln aus dem Europäischen Fonds für regionale Entwicklung, ANBest-EFRE*) form an integral part of the notice. Measures of this kind are accordingly carried out in the form of notification duties, the auditing of funding call-offs on the basis of the expense reimbursement principle, checks of the evidence of use, additional audit rights, specification of the duration of the entrustment etc.

Separate accounting systems are also used for SGEIs/non-SGEIs. Evidence of use is provided in the form of an audited and confirmed annual financial statement. If the compensation payments exceed the net costs incurred in connection with performance of the public service obligations, the undertaking is obliged to repay the overcompensation.

### ***Transparency requirements***

The compensation is below EUR 15 million, meaning that no information is required.

### ***Amount of aid granted***

**2018:** EUR 34 169 760.06

2019: EUR 11 192 336.22

d) Social housing

***Content of the services of general economic interest***

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

***Forms of entrustment***

The entrustment act takes the form of an administrative act and council order with instructions under company law/by corporate bodies, or is carried out on a statutory basis.

***Duration of the entrustment***

The duration of the entrustment is typically 25 years as a result of the high level of investment and long refinancing period, but in some cases 10 years.

***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

***Aid instruments***

Funding is granted on the basis of low-interest loans, proportionate construction financing, funding through the granting of quasi-subsidies in the form of redemption discounts on loan amounts, underwriting of guarantees, support in the form of equity capital or a combination of these funding methods. The most frequent funding instruments are long-term low-interest loans.

***Compensation mechanism***

The net avoided cost methodology is generally used as a basis for calculating compensation. The compensation is calculated on the basis of an objective and transparent procedure specified in advance.

***Arrangements for avoiding and repaying any overcompensation***

Overcompensation is excluded by means of the funding system. Separate accounting in the annual audited financial statement Repayment obligation if the average annual compensation is exceeded by more than 10%, otherwise carried forward to the following year.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 2 000 000

**2019:** EUR 60 000 and guarantees amounting to EUR 64 376 865.40

#### e) Care and social inclusion of vulnerable groups

### ***Content of the services of general economic interest***

- Promotion of the town's social structure
- Promotion of geriatric and youth welfare
- Support for vulnerable individuals (e.g. neighbourhood support and counselling services for the elderly)
- Measures to promote social inclusion and combat poverty and all forms of discrimination

### ***Forms of entrustment***

The entrustment act takes the form of an administrative deed, grant notice or council/town council order with the corresponding execution.

### ***Duration of the entrustment***

The duration of the entrustment is two to ten years.

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

### ***Aid instruments***

Subsidies, attractive interest rates

### ***Compensation mechanism***

The level of the subsidy is determined on the basis of the project plan/business plan using the cost allocation methodology.

### ***Arrangements for avoiding and repaying any overcompensation***

As a general rule, annual evidence supplied by the entrusted undertaking that the compensation payments have been used for the proper purpose on the basis of the audited annual financial statement. A statement of expenditure must be submitted.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 20 104 444.55

**2019:** EUR 32 030 699.16

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

**No reports.**

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

### ***Content of the services of general economic interest***

Provision of airfield infrastructure and operation of an airfield with the aim of promoting and improving traffic conditions for civil aviation and motorised flight/gliding sports.

### ***Forms of entrustment***

The entrustment act takes the form of an order by the district council with execution under company law by the general meeting of shareholders and the executive management.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years.

### ***Exclusive or special rights***

No exclusive or special rights were assigned.

### ***Aid instruments***

Subsidies or payments to cover losses

### ***Compensation mechanism***

A methodology based on cost allocation is used as a basis for the calculations.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of the annual financial statement. The audited annual financial statement must be made available to the shareholders. In the event of overcompensation, the surplus must be repaid to the shareholders by the company. The repayment amount will duly accrue interest from the date on which the overcompensation is identified, at an interest rate customary for the market.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 120 000.00

**2019:** EUR 20 000

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

### (i) Postal services

**No reports.**

### iii) Waste collection

**No reports.**

### iv) Water supply

### ***Content of the services of general economic interest***

- a) Supply of drinking and extinguishing water
- b) Construction, acquisition, expansion and operation of installations used to supply water, e.g. maintenance and expansion of pipeline networks, regular measures to bring the installations used for extraction, treatment and transport of water into line with the generally recognised state of the art, construction of new waterworks, decommissioning of waterworks that are not cost-effective, monitoring of water quality
- c) Implementation of other measures that promote fulfilment of the public service obligations referred to in (a) and (b)

### ***Forms of entrustment***

The entrustment is made by means of a council order with execution under company law.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years.

***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

***Aid instruments***

Loans guaranteed at a rate of 100% by the municipality and waiver of guarantee commission at a rate of approx. 0.5% of the guaranteed loans.

***Compensation mechanism***

The amount of compensation does not exceed what is necessary to cover the net costs incurred in discharging the public service obligations, including a reasonable profit.

***Arrangements for avoiding and repaying any overcompensation***

Loans to be guaranteed must be listed in advance in the business plan for the corresponding year and approved by the supervisory board (representatives of the municipalities). The guarantee itself must then be provided for each individual loan once again by council order. A statement of expenditure must be provided after the end of the financial year. If the proper use of funds is ruled out or if the compensation payments exceed the net costs, the undertaking is required to repay the overcompensation.

***Transparency requirements***

Not relevant.

***Amount of aid granted***

**2018:** EUR 22 581 000.00 (100% guaranteed loans), approximately EUR 112 000.00 (waiver of guarantee commission)

**2019:** EUR 24 849 000.00 (100% guaranteed loans), approximately EUR 124 000.00 (waiver of guarantee commission)

v) Culture

***Content of the services of general economic interest***

Operation of cultural facilities such as festival halls, concert halls, theatres, cultural and communication centres, music schools for concerts and other cultural events (e.g. exhibitions, shows and theatre performances), operation of historical buildings protected as monuments and promotion of art and cultural education

***Forms of entrustment***

The entrustment is made by means of an administrative act, decisions at the level of the general meeting of shareholders or a council order with corresponding execution.



***Duration of the entrustment***

The duration of the entrustment is between one and ten years.

***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

***Aid instruments***

Subsidies, deficiency guarantees, contributions to the capital reserve

***Compensation mechanism***

The compensation is based on the business plan. The cost allocation methodology or the net avoided cost methodology are used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

Separate accounts are kept. Evidence of use is supplied on an annual basis by means of an annual financial statement audited by an auditor. If the compensation payments exceed the net costs incurred in connection with performance of the public service obligations, the undertaking is obliged to repay the overcompensation.

***Transparency requirements***

The compensation is below EUR 15 million.

***Amount of aid granted***

**2018:** EUR 30 355 687.83

**2019:** EUR 31 695 621.62

vi) Financial services

**No reports.**

vii) Other sectors

***Tourism and city marketing******Content of the services of general economic interest***

- General promotion of tourism and measures to make the city/region more attractive for tourists
- Representation within the framework of cooperation with supraregional tourist organisations
- Maintenance and further development of tourist infrastructure
- General marketing for the tourist region (destination marketing) and management of events

- Development of tourism products and attractions
- Strengthening, advising and supporting the tourist industry, networking with stakeholders in the tourist industry
- Measures to improve and reinforce the image of the city/region and market the city/region through targeted advertising of its benefits to promote local industry

### ***Forms of entrustment***

The entrustment act takes the form of an administrative act, grant notice or council order with an instruction order by the general meeting of shareholders.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years or less (in some cases two or five years).

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

### ***Aid instruments***

Subsidies and provision of personnel, compensation payments, financing of losses through contributions to the capital reserve

### ***Compensation mechanism***

The amount of the compensation payments is typically determined in advance on the basis of an objective and transparent procedure, using profitability calculations or business plans (including audited annual financial statements/evidence of use from previous years). A methodology based on cost allocation is generally used as a basis for the compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

The beneficiary undertakings typically supply evidence of use of funds on an annual basis in the form of an audited annual financial statement and the corresponding statements of expenditure. This procedure categorically rules out overcompensation. Otherwise a request is made for repayment of the overcompensation. If activities that are not SGEIs are carried out, the accounts must show separately the costs and revenues associated with performance of the SGEIs in question separately from all other activities.

### ***Transparency requirements***

The compensation payments are below EUR 15 million, and so no publication-related obligations apply.

### ***Amount of aid granted***

**2018:** EUR 18 396 554.77

**2019:** EUR 19 346 843.34

## **Street cleaning**

### ***Content of the services of general economic interest***

- Road cleaning as a service of general economic interest: removal from the street of all dirt that significantly affects the hygiene or image of the town or may pose a danger to traffic,
- winter road maintenance through snow clearing and gritting at hazardous points of major thoroughfares in the event of snow or ice on the roads (restricted winter road maintenance).

### ***Forms of entrustment***

The entrustment act takes the form of a council order in conjunction with an administrative act.

### ***Duration of the entrustment***

The duration of the entrustment is 10 years.

### ***Exclusive or special rights***

No exclusive or special rights are assigned.

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

The level of the compensation payments is specified in advance on an objective and transparent basis. Costs are calculated on an annual basis, firstly on the basis of the known expenses. These are supplemented by expenses that are subject to major fluctuations as a result of differing weather conditions.

### ***Arrangements for avoiding and repaying any overcompensation***

The beneficiary undertaking must provide evidence in the form of the annual financial statement that the compensation payment has not resulted in overcompensation. Suitable accounting measures must be used to ensure that the services of general economic interest are demarcated from the remaining activities and the expenses incurred in this connection. Separate accounts must be kept in this connection.

### ***Transparency requirements***

The compensation payments are below EUR 15 million, and so no publication-related obligations apply.

### ***Amount of aid granted***

**2018:** EUR 1 417 155.04

**2019:** EUR 1 622 482.00

## **Consumer protection**

### ***Content of the services of general economic interest***

This includes the following:

- independent representation of the interests of consumers in North Rhine-Westphalia towards legislators, the administration, business and business associations,
- provision of information to consumers throughout North Rhine-Westphalia in relation to all issues and topics concerning consumers and their households,
- use of collective legal remedies in the interests of consumers in the event of infringements against provisions that protect consumers and with a view to preventing business practices that harm consumer interests,
- representation of the rights of individual consumers in so far as said representation in court proceedings is of fundamental significance for a large number of consumers,
- organisation of measures and activities throughout North Rhine-Westphalia in relation to consumer education, consumer research and consumer advice,
- consumer information and advice on efficient energy use, energy saving and the use of renewable energy sources, initial consultation on energy renovations in buildings,
- initiative for sustainable consumption based on the climate-friendly and low-resource use of products and services,
- measures that contribute to reducing CO2 emissions,
- local media and public relations work on consumer-related issues,
- provision of guidebooks and other information booklets.

### ***Forms of entrustment***

The entrustment is made by means of an administrative act, grant notice, contract or council order with corresponding execution.

### ***Duration of the entrustment***

One to ten years

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

Compensation is provided in particular on the basis of the relevant business plan. The cost allocation methodology is used as a basis for calculating the compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out by examining the statement of expenditure submitted on an annual basis. In the event that overcompensation is paid within a specific year, up to 10% of the compensation payments received can be carried forward to the following year. If this exceeds net costs by more than 10%, the difference must be reimbursed immediately (overcompensation clause).

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 14 943 119.88

**2019:** EUR 19 856 425.01

### **Parking space management**

#### ***Content of the services of general economic interest***

Maintenance and operation of the Stadthalle underground car park, which is characterised by its special location

#### ***Forms of entrustment***

Council order and grant notice

#### ***Duration of the entrustment***

The planned duration of the entrustment is 10 years.

#### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

#### ***Aid instruments***

Subsidies

#### ***Compensation mechanism***

The maximum amount of the compensation payments is based on the financing and business plan.

### ***Arrangements for avoiding and repaying any overcompensation***

The recipient of the aid provides evidence of the use of funds on an annual basis, after the end of the financial year. This takes place by means of segment accounting, calculated on the basis of accounting provisions.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 654 435.00

**2019:** EUR 649 754.00

### ***Public health promotion***

#### ***Content of the services of general economic interest***

- 'Swimming for everyone' sessions in public swimming areas
- Range of various options for public health promotion
- Provision of public parks, playgrounds and watersports venues for leisure use
- Provision and operation of public venues for cultural, teaching and meeting purposes
- Management and management of green spaces, nature conservation areas and animal populations made available free of charge
- Infrastructure of a spa resort and events for healing and spa treatment purposes

#### ***Forms of entrustment***

Administrative act, leasing and shareholder agreement or council order

#### ***Duration of the entrustment***

The duration of the entrustment is between one and ten years.

#### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

#### ***Aid instruments***

Subsidies

#### ***Compensation mechanism***

The net costs are calculated on the basis of the cost allocation methodology, i.e. as the difference between the costs and revenues for the SGEIs provided by the entrusted undertaking.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using the evidence of use on the basis of the audited annual financial statement (ancillary provision to the entrustment act). On an annual basis after the end of the financial year, the undertaking supplies evidence of the use of the compensation payments on the basis of its annual financial statement. The evidence is certified by the auditor assigned the task.

### ***Transparency requirements***

The compensation is below EUR 15 million.

### ***Amount of aid granted***

**2018:** EUR 24 776 964.00

**2019:** EUR 23 187 246.00

### ***Promotion of the economy***

#### ***Content of the services of general economic interest***

Promotion of the location, in particular through development, marketing and coordination of the location with a view to improving its spatial, social and economic structure and developing the labour market. This may include the following measures:

- establishment, development and promotion of industry, commerce, trade and small craft industries through advice and services in all sectors,
- promotion of innovations and start-ups in the manufacturing industry and in the services sector and the transfer of technology between science and business,
- bundling of regional interests and provision of focal and contact points for business,
- promotion of tourism and tourist facilities, transport and social, cultural and sports facilities, infrastructure development,
- contribution to the reduction of existing unemployment and prevention of further unemployment (strengthening the skills base) and consideration of environmental protection issues,
- implementation of the integrated urban development and city marketing concept,
- promotion of profile-boosting events and attractions, communication and advertising (print media, Internet, supra-regional public relations work, journalist support, appearances at trade fairs and other promotional events, including abroad),
- operation and use of festival halls and other event venues oriented to the interests of all sections of the population.

### ***Forms of entrustment***

The entrustment is made by means of a council or district council decision and by means of an administrative deed (grant notice), contract under public law or shareholder agreement/shareholder resolution.

### ***Duration of the entrustment***

Entrustments are typically made for a duration of 10 years or less.

### ***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings at present.

### ***Aid instruments***

Subsidies, interest subsidies, equity injection, contribution to the capital reserve, shareholder contributions based on the apportionment key, guarantees, provision of employees

### ***Compensation mechanism***

The amount of the annual subsidy (the compensation) is generally calculated on the basis of the business plan for the relevant year; this plan determines the fundamental necessity and the amount of the annual subsidy in advance, using separate accounting (where applicable) and the net avoided cost methodology or the cost allocation methodology.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out using statements of expenditure on the basis of an annual financial statement audited by an auditor/audit firm. The shareholders are entitled to request that the undertaking's books, documents and other business records be inspected.

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

### ***Transparency requirements***

The compensation is below EUR 15 million.

### ***Amount of aid granted***

**2018:** EUR 51 412 326.86

**2019:** EUR 66 732 450.84

### ***Swimming pools***

### ***Content of the services of general economic interest***



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

### ***Forms of entrustment***

The entrustment is made by means of an administrative act or decisions at the level of the general meeting of shareholders or by means of a council order with corresponding execution.

### ***Duration of the entrustment***

The duration of the entrustments was typically 10 years.

### ***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

### ***Aid instruments***

Subsidies, assumption of losses, contributions, reimbursement of tax savings

### ***Compensation mechanism***

In accordance with generally accepted accounting principles, the compensation payment is to be determined on the basis of the business plan, with due regard for separate accounting. The compensation payments compensate for the annual shortfalls incurred in connection with the performance of SGEIs. The anticipated net costs to be compensated must be forecast in advance and on an annual basis in the business plan. A methodology based on cost allocation is generally used as a basis for the compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

After the end of the financial year, the compensation amount is reviewed on the basis of the annual financial statement using separate accounting or segment accounting. The undertaking can also be requested to present books, documents and other business records for inspection. If the compensation payments exceed the net costs, the undertaking is obliged to repay the overcompensation.

### ***Transparency requirements***

Not relevant.

### ***Amount of aid granted***

**2018:** EUR 25 147 361.14

**2019:** EUR 35 041 140.31

## **Sports and leisure**

### ***Content of the services of general economic interest***

The measures include the promotion of sport and culture through the operation of sports venues with a view to providing a diverse range of sporting activities for residents and other event venues for social, cultural and (community) sports events, as well as zoological facilities for the promotion of animal conservation, species protection and nature conservation, culture and education and science and research.

### ***Forms of entrustment***

The entrustment act takes the form of an administrative act, grant notice, lease agreement and articles of association, shareholder resolution or town council order with corresponding execution.

### ***Duration of the entrustment***

Entrustments are made for a duration of 10 years or less.

### ***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

### ***Aid instruments***

Subsidies, contribution to cover losses, guarantees

### ***Compensation mechanism***

The scope of the compensation may not exceed what is necessary to cover the costs incurred in connection with performance of the public service obligation, including the revenues earned and a reasonable return ('net costs'), as shown in the annual business plan. The cost allocation methodology is generally used as a basis for calculating compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of statements of expenditure within the framework of the audited annual financial statement. In the event that overcompensation is paid within a specific year, up to 10% of the compensation payments received can be carried forward to the following year. The undertaking is furthermore obliged to repay the overcompensation.

### ***Transparency requirements***

The compensation is below EUR 15 million.

### ***Amount of aid granted***

**2018:** EUR 22 500 268.08

**2019:** EUR 36 058 536.06

**3. Description of the application of the SGEI Framework of 2012**

No measures are funded on the basis of the SGEI Framework of 2012.

**4. Complaints by third parties**

No reports.

**5. Miscellaneous questions**

No reports.

## **A. Report by the *Land* of Rhineland-Palatinate pursuant to the SGEI Decision of 2012 and the SGEI Framework of 2012**

### **1. Expenditure overview**

According to the information available, it can be stated in summary that the total amount of compensation payments granted in 2018 for SGEIs awarded on the basis of the SGEI Decision in the form of subsidies was EUR 41 543 798.95. For 2019, the total amount is EUR 42 451 911.02. In addition, public guarantees to secure loans with an original loan amount totalling EUR 5 400 000 were granted in both years.

No measures based on the SGEI Framework were approved by the Commission.

### **2. Description of the application of the SGEI Decision of 2012**

#### **1) Hospitals (Article 2(1)(b))**

*Content of the services of general economic interest*

Provision and operation of public hospitals with the following medical services for the local population:

- basic medical services with the associated investigations and treatments.
- emergency services: emergency doctor services and outpatient/inpatient admission with a 24-hour on-call service,
- additional medical services: surgical and medical clinic services for outpatients, physiotherapy for outpatients,
- nursing education,
- special obligations in the area of civil protection.

***Forms of entrustment***

The entrustment was generally made by means of a decision by the competent municipal decision-maker.

***Duration of the entrustment***

The typical duration of the entrustment is 10 years.

***Exclusive or special rights***

None

***Aid instruments***

Subsidies as compensation for the annual shortfall and for investments; municipal loans

***Compensation mechanism***

A methodology based on cost allocation is typically used as a basis. The shortfall is determined and compensated following submission of the certified annual financial statement and on the basis of separate accounts for the entrusted areas.

***Arrangements for avoiding and repaying any overcompensation***

The hospital supplies evidence of the use of funds on an annual basis after the end of the financial year. This takes place by means of the certified annual financial statement and separate accounts for the entrusted areas. If this results in a finding that overcompensation has occurred, a corresponding request for repayment will be made.

***Transparency requirements***

No measures exceeding EUR 15 million per undertaking.

***Amount of aid granted***

- 2018: EUR 7 246 019.72; in addition, granting of a liquidity loan (overdraft) for the shareholder amounting to a maximum of EUR 6 500 000;
- 2019: EUR 7 476 000; in addition, granting of a liquidity loan (overdraft) for the shareholder amounting to a maximum of EUR 6 500 000;

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

a) Health and long-term care

***Content of the services of general economic interest***

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***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

b) Childcare

***Content of the services of general economic interest***

Safeguarding the availability of childcare spaces in local day care centres.

***Forms of entrustment***

The entrustment was carried out by means of a contract.

***Duration of the entrustment***

The duration of the entrustment is between 3.5 and 10 years.

***Exclusive or special rights***

None

***Aid instruments***

Aid was granted in the form of subsidies.

***Compensation mechanism***

Methodology based on cost allocation.

***Arrangements for avoiding and repaying any overcompensation***

The statement of expenditure is checked.

***Transparency requirements***

No aid exceeding EUR 15 million.

***Amount of aid granted***

Total: EUR 129 752.73 (in 2018) and EUR 322 118.76 (in 2019)

c) Access to and reintegration into the labour market

***Content of the services of general economic interest***

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***Forms of entrustment***

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***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

d) Social housing

***Content of the services of general economic interest***

Rhineland-Palatinate grants funding in the rental housing sector with a view to the performance of public service obligations; the funding takes the form of compensation

granted to certain undertakings entrusted with the performance of SGEIs in connection with the promotion of social housing. The tasks of the State (*Land* of Rhineland-Palatinate) include putting in place the requirements for a reliable supply of affordable housing for citizens.

Entrustments are made in relation to measures aimed at safeguarding and improving the supply of housing for population groups that are unable to secure appropriate accommodation for themselves on the open housing market (in particular low-income households, families with children, single parents, pregnant women, the elderly and persons with disabilities). Target groups are defined on the basis of income thresholds in the vast majority of cases, with proof of compliance requested on a case-by-case basis. The service is aimed at increasing the supply of social housing by building new stock or purchasing and modernising existing rental stock, resulting in a lasting increase in the practical value of rented apartments or buildings, long-term improvements in general living conditions and permanently reduced consumption of energy and water, which also reduces the amount paid for utilities. For an ageing society, the promotion of social housing also covers support for accessible buildings and living environments appropriate for the elderly, such as housing for groups with particular care needs or sheltered housing. For the further benefit of the groups targeted by measures to promote social housing, agreements can also be reached to assume responsibility for other commercial housing, construction and social measures, in particular those aimed at improving living environments, eliminating social problems and developing neighbourhoods. The provider of the service of general economic interest (commercial housing company/landlord) makes available housing which is rented out at a discount to the aforementioned target group.

#### ***Forms of entrustment***

Entrustments are typically provided by means of an administrative deed.

The funding decision clarifies in particular the purpose of funding, the amount and intended use of the grants, and (in the event that loans are granted) the repayment arrangements and the type and duration of the counter-services to be complied with/provided by the recipient.

#### ***Duration of the entrustment***

The duration of the entrustment is typically 15-25 years as a result of the high levels of investment required in the social housing sector.



For promoting the acquisition of general occupancy rights to existing rental housing, the duration of the entrustment is only 10 years, since no investments are funded and only subsidies are granted.

The proportion of entrustments with a duration exceeding 10 years is very high because loans for the construction of rental housing do not typically have a term of less than 10 years.

The proportion of entrustments with a duration exceeding 10 years was 96% for the entrustments granted in 2018 and 95% for the entrustments granted in 2019.

***Exclusive or special rights***

No exclusive or special rights are typically assigned to the undertakings.

***Aid instruments***

The promotion of social housing is property-specific. Funding is granted on the basis of low-interest loans or subsidised loans, redemption subsidies, subsidies, the underwriting of sureties and other guarantees, the provision of low-cost land for building or a combination of these funding methods. The most frequent funding instruments are long-term low-interest loans combined with redemption subsidies.

***Compensation mechanism***

The net avoided cost methodology is typically used as a basis. The level of the compensation payments is based on an objective and transparent procedure specified on an ex ante basis: In setting up the funding programmes, funding conditions that determine the net costs of the compensation on a case-by-case basis are calculated so as to offset the economic disadvantages of the public service obligation associated with the funding for the duration of the rental and occupancy. The yield losses associated with the rental price limitation are compensated in comparison with the market rent level, the increased costs for tenant care, maintenance and administration associated with the occupancy and the possibly increased construction costs associated with a special type of construction (e.g. accessible living space). When the amount of support is determined, the respective housing market conditions are taken into account (on the basis of available data and scientific studies on land prices, construction costs and market rents).

***Arrangements for avoiding and repaying any overcompensation***

The funding programmes stipulate the general requirements to be met as regards both public service obligations and the calculation of compensation payments. Within this

framework, the funding authority calculates the specific compensation payments for each property on the basis of the relevant circumstances, ensuring that the beneficiary has not been overcompensated for the public service obligations (which must also be described in detail). The typical precautions include not only imposing certain public service obligations on the undertaking but also providing a legal basis from the outset, by law or in the funding decision, effectively to control and enforce strict compliance with these obligations towards undertakings and social tenants (including, but not limited to, information obligations, duties to grant access to documents and duties to grant access to land, buildings and apartments). It is also possible to impose penalties in the event of infringements on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is possible to revoke (in part) the funding and to claim back funding which has already been approved. In the event of early loan repayment or the insolvency of an undertaking, statutory periods of continued application for the rental price and occupancy commitments are fixed from the outset.

***Transparency requirements***

No compensation exceeding EUR 15 million per undertaking was granted.

***Amount of aid granted***

2018: EUR 28.1 million;

2019: EUR 28.16 million

e) Care and social inclusion of vulnerable groups

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

- 3) Flight or ship traffic harbours with an average annual traffic level over the maximum level referred on Article 2(1)(d)

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

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

***Content of the services of general economic interest***

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***Forms of entrustment***

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***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

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

- i) Postal services

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

ii) Energy

***Content of the services of general economic interest***

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***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

*Arrangements for avoiding and repaying any overcompensation*

...

*Transparency requirements*

...

*Amount of aid granted*

...

iii) Waste collection

*Content of the services of general economic interest*

...

*Forms of entrustment*

...

*Duration of the entrustment*

...

*Exclusive or special rights*

...

*Aid instruments*

...

*Compensation mechanism*

...

*Arrangements for avoiding and repaying any overcompensation*

...

*Transparency requirements*

...

*Amount of aid granted*

...

iv) Water supply

*Content of the services of general economic interest*

...

***Forms of entrustment***

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***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

v) Culture

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

vi) Financial services

***Content of the services of general economic interest***

...

***Forms of entrustment***

...

***Duration of the entrustment***

...

***Exclusive or special rights***

...

***Aid instruments***

...

***Compensation mechanism***

...

***Arrangements for avoiding and repaying any overcompensation***

...

***Transparency requirements***

...

***Amount of aid granted***

...

vii) Other sectors



***Content of the services of general economic interest***

- Construction, conversion and modernisation of youth hostels for use as educational, meeting and recreational facilities for young people; since this sometimes involves significant investments on the part of the recipient, the duration of the investment is up to 25 years in accordance with the depreciation period for the investment; application of the net avoided cost methodology; planned compensation payments in one case: EUR 3 535 597 in total; of which EUR 668 897 by the Federal Government (of which: 2018: EUR 367 897; 2019: EUR 301 000); *Land* EUR 1 433 350 (of which: (2017: EUR 13 400;) 2018: EUR 774 932; 2019: EUR 645 018); municipality: up to EUR 1 433 350 planned (of which 2018: none; 2019: EUR 274 844); in one other case, compensation for 2018: EUR 265 600 and for 2019: EUR 265 600
- Provision and operation of various local indoor and outdoor swimming pools, inter alia for swimming/life-saving lessons, school and club swimming, in each case at socially acceptable prices; period of entrustment typically not more than 10 years, in one case 13 years as a result of the higher costs incurred for a large-scale renovation; exclusive or special rights are not assigned; compensation payments less than EUR 15 million in each case (annual shortfall compensation in the amount of the net additional costs incurred in connection with the SGEIs, typically of around EUR 1 million; separate accounts for SGEIs/non-SGEIs must be submitted; avoidance of overcompensation through checks of statements of expenditure)
- Entrustment of a broadband infrastructure company by the rural district with the task of installing an NGA (Next-Generation Access) network in all locations within the rural district where NGA connections with bandwidths of at least 30 Mbit/s are not yet available and a network of this kind would be unlikely to be installed by private investors within the three years following the entrustment; the entrustment period is 10 years; exclusive or special rights are not assigned; compensation is granted in the form of guarantees (up to a maximum of 80%) by several public bodies at low guarantee commission rates that are not typical for the market for a loan with an original amount of EUR 1 948 386 and another loan with an original amount of EUR 4 440 000. As a result of planned repayments, the total guarantee amount from both loans was reduced to a total of EUR 3 045 957.51 as of

31 December 2018 and to a total of EUR 2 466 065.13 as of 31 December 2019. To avoid overcompensation, the broadband infrastructure company must supply evidence, on an annual basis and by submitting the annual financial statement, that the benefit granted in the form of discounted guarantee commission rates does not exceed what is necessary to cover the net additional costs incurred in connection with the special task, including a reasonable profit; where applicable, there is a retroactive increase in the guarantee commission rate up to the maximum of a guarantee commission rate that is typical for the market; if interest needs to be calculated on the guarantee, the net avoided cost methodology should be applied;

- Funding of Verbraucherzentrale Rheinland-Pfalz e.V. As an independent institution, it initiates various consumer protection projects that would not be implemented on the market at all or would not be implemented with the same standards of quality, affordability, equal opportunities or universal access; entrustment for individual projects in each case by means of an administrative act; compensation provided as subsidy; duration of the entrustment: The consumer protection project offered in each instance is reviewed on an annual basis and continued where applicable; no exclusive or special rights are assigned; compensation payments for 2018: EUR 2 189 573; compensation for 2019: EUR 2 507 043

#### ***Forms of entrustment***

The entrustments were made by means of an administrative deed or a decision by the competent municipal bodies, and in some cases by means of a shareholder agreement.

#### ***Duration of the entrustment***

The duration of most entrustments is 10 years or less. Certain entrustments associated with high levels of investment have a duration of up to 25 years.

#### ***Exclusive or special rights***

None.

#### ***Aid instruments***

The funding is generally made available in the form of subsidies. Guarantees and loans are occasionally granted.

***Compensation mechanism***

A methodology based on cost allocation is typically used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

Overcompensation is avoided by carrying out checks of statements of expenditure. If it is found during this audit that excess amounts have been paid out, these amounts are reclaimed.

***Transparency requirements***

The compensation payments per undertaking are below EUR 15 million.

***Amount of aid granted***

In 2018, compensation payments in the form of subsidies with a total value of EUR 6 068 026.50 were granted for SGEIs in other sectors; in addition, public guarantees were granted for loans with an original total loan value of EUR 5 400 000. In 2019, the total value of the compensation payments granted for SGEIs in other sectors in the form of subsidies was EUR 6 493 792.26, plus public guarantees for the securing of loans with a total original value of EUR 5 400 000.

**3. Description of the application of the SGEI Framework of 2012**

No measures were approved by the European Commission.

**4. Complaints by third parties**

None

**5. Miscellaneous questions**

None

The SGEI Decision in Rhineland-Palatinate		Total amount for the <i>Land</i> of Rhineland-Palatinate	
		2018	2019
<b>Article 2(1)(b)</b>	Hospitals providing medical care, where applicable including emergency services	EUR 7 246 019.72	EUR 7 476 000.00
<b>Article 2(1)(c)</b>	Health and long-term care	EUR 0.00	EUR 0.00
	Childcare	EUR 129 752.73	EUR 322 118.76
	Access to and reintegration into the labour market	EUR 0.00	EUR 0.00
	Access to and reintegration into the labour market	EUR 0.00	EUR 0.00
	Social housing	EUR 28 100 000.00	EUR 28 160 000.00
	Care and social inclusion of vulnerable groups	EUR 0.00	EUR 0.00
	Social services	EUR 0.00	EUR 0.00
<b>Article 2(1)(d)</b>	Air or maritime links	EUR 0.00	EUR 0.00
<b>Article 2(1)(e)</b>	Airports and ports	EUR 0.00	EUR 0.00
<b>Article 2(1)(a), not exceeding EUR 15 million per year</b>	Postal services	EUR 0.00	EUR 0.00
	Energy	EUR 0.00	EUR 0.00
	Waste collection	EUR 0.00	EUR 0.00
	Water supply	EUR 0.00	EUR 0.00
	Culture	EUR 0.00	EUR 0.00
	Financial services	EUR 0.00	EUR 0.00
	Other sectors	Total compensation payments in the form of subsidies: EUR 6 068 026.50; in addition, guarantees for securing loans with an original total amount of EUR 5 400 000 for all loans	Total compensation payments in the form of subsidies: EUR 6 493 792.26; in addition, guarantees for securing loans with an original total amount of EUR 5 400 000 for all loans

<b>The SGEI Framework in Rhineland- Palatinate</b>	Total amount for the <i>Land</i> of Rhineland-Palatinate	
	2018	2019
Postal services	EUR 0.00	EUR 0.00
Energy	EUR 0.00	EUR 0.00
Waste collection	EUR 0.00	EUR 0.00
Water supply	EUR 0.00	EUR 0.00
Air or maritime links	EUR 0.00	EUR 0.00
Airports and ports	EUR 0.00	EUR 0.00
Culture	EUR 0.00	EUR 0.00
Financial services	EUR 0.00	EUR 0.00
Other sectors	EUR 0.00	EUR 0.00

# **Report by Saarland to the European Commission**

**HT.2807 – Services of general economic interest:  
Reporting pursuant to the SGEI Decision of 2012 and the SGEI Framework of  
2012 for the years 2018 and 2019**

On the basis of the information made available to it by the Saarland authorities and municipalities, a report is hereby presented on the years 2018 and 2019 pursuant to Article 9 of the SGEI Decision of 2012 and paragraph 62 of the SGEI Framework of 2012.

This report does not contain any confidential information.

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## 1. Expenditure overview

	2018	2019
	in million EUR	
Promotion of tourism, Department MWAEV E/2 <b>Chapter</b> – nil notification – vii) Other sectors, <b>pages</b> 4 and <b>Error! Text marker not defined.</b>	1.654867	1.580589

## 2. Description of the application of the SGEI Decision of 2012

### 1) *Hospitals (Article 2(1)(b))*

– Nil notification –

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

– Nil notification –

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

– Nil notification –

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

– Nil notification –

### 5) *Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a))*

#### i) **Postal services**

– Nil notification –

#### ii) **Energy**

– Nil notification –

#### iii) **Waste collection**

– Nil notification –

#### iv) **Water supply**

– Nil notification –

**v) Culture**

– Nil notification –

**vi) Financial services**

– Nil notification –

**vii) Other sectors**

**Ministry for Economic Affairs, Labour, Energy  
and Transport - Promotion of Tourism**

**Promotion of tourism within the Ministry for Economic  
Affairs, Labour, Energy and Transport, Saarbrücken  
(Department E/2)**

**Description of how the respective services are organised**

Promotion of Tourismus Zentrale Saarland GmbH: The purpose of the undertaking is to promote tourism, tourism services and tourism products for Saarland and to increase awareness and highlight the advantages of Saarland as an attractive travel destination and a venue for conferences and congresses.

**Forms of entrustment**

Entrustment act

**Average duration of the entrustment (in years)**

10 years

**exclusive or special rights**

In furtherance of the purpose of the undertaking, the undertaking may carry out appropriate measures and transactions and thus, within the framework of an ancillary activity, also act as tour operator and/or travel agent and operate a nationwide reservation system.

In fulfilment of this purpose, Tourismus Zentrale Saarland carries out a series of marketing activities (including trade fairs and roadshows, printing leaflets and flyers, advertising and Internet marketing) of a general nature, as well as thematic activities in the field of high-quality tourism and quality assurance, nature and active tourism, urban and cultural tourism, Saarland as a culinary and gastronomy region, health tourism and accessible Saarland. In addition, it conducts market research and participates in press activities, as well as cooperating with the media in the region.

#### **Aid instruments**

Subsidy

#### **Compensation mechanism**

The compensation required is calculated on the basis of an audit of the annual business plan as well as from an audit of the statement of expenditure

#### **Arrangements for avoiding and repaying any overcompensation**

Checks of proof of use

#### **Transparency requirements**

Nil notification

#### **Amount of aid granted (in million EUR)**

2018	2019
1.654867	1.580589

### **3. Description of the application of the SGEI Framework of 2012**

– Redacted –

### **4. Complaints by third parties**

–

Nil notification –

## **5. Miscellaneous questions**

– Nil notification –

**Saarbrücken, 23 April 2020**

**p.p.**

**electronic  
signature**

**Norbert Krewer**

The SGEI Decision in Saarland		Total amount for Saarland	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services		
Article 2(1)(c)	Health and long-term care		
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing		
	Care and social inclusion of vulnerable groups		
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy		
	Waste collection		
	Water supply		
	Culture		
	Financial services		
	Other sectors	EUR 1 654 867.91	EUR 1 580 589.20

<b>The SGEI Framework in Saarland</b>	Total amount for Saarland	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		

# Saxony

## 1. Expenditure overview

2018 EUR 170 354 671.51

2019 EUR 194 933 987.31

## 2. Description of the application of the SGEI Decision of 2012

### 1) Hospitals (Article 2(1)(b)) [City](#)

#### ***Content of the services of general economic interest***

Diagnosing, healing or alleviating diseases, suffering or physical injury with the help of medical and nursing care, obstetric care, room and board of persons to be cared for, construction and operation of the necessary buildings and facilities, all with a view to fulfilling the public mandate to provide care.

#### ***Forms of entrustment***

Management powers (municipal enterprise)

#### ***Duration of the entrustment***

1 to 2 years

#### ***Exclusive or special rights***

not applicable

#### ***Aid instruments***

Granting compensation in the form of a waiver of a reasonable return for capital contributions for the financing of investment measures and for contributions in kind (real estate)

#### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Checks of statements of expenditure (annual report, annual financial statement under commercial law including report on the audit, confirmation by auditors that a system of separate accounting has been followed properly).

If overcompensation of the funds granted for the appropriation period is identified, the excess amounts must be repaid or offset against the management powers for the following appropriation period.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

2018	2019
<b>Total amount of aid granted</b>	
EUR 80 000	not applicable
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	
Waiver of a reasonable return for capital contributions and contributions in kind  EUR 80 000	Waiver of a reasonable return for capital contribution and contribution in kind  not applicable
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	
<u>Number of beneficiaries:</u> One hospital (municipal enterprise)  <u>Size of undertaking:</u> Turnover: EUR 296 057 000 Employees: 3 318	<u>Number of beneficiaries:</u>  not applicable

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

### a) Health and long-term care

#### [Special-purpose association \(Rural District 1\)](#)



### ***Content of the services of general economic interest***

The object of the service agreements concluded in the second half of 2015 is to entrust the service providers with the performance of services relating to emergency services/civil protection.

### ***Forms of entrustment***

Contract under public law on the transfer of emergency service functions pursuant to Section 31(1) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response (*Sächsisches Gesetz über den Brandschutz, Rettungsdienst und Katastrophenschutz, SächsBRKG*)

### ***Duration of the entrustment***

Seven years

### ***Exclusive or special rights***

No

### ***Aid instruments***

The special-purpose association for emergency services is the authority responsible for land-based emergency services pursuant to Section 3(1) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response. In keeping with Section 31(1) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response, the Emergency Services Association transferred emergency services and patient transport to private aid organisations or other contractors (service providers) following a tendering procedure that was executed according to the Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen, GWB*), by means of a contract under public law. The basis for awarding the contract is in particular the legislation on emergency services adopted by the Free State of Saxony, especially Saxony's Act on Fire Protection, Emergency Services and Disaster Response (*Sächsisches Gesetz über den Brandschutz, Rettungsdienst und Katastrophenschutz, SächsBRKG*) and Saxony's Ordinance on the Planned Provision of Rescue Services (*Sächsische Landesrettungsdienstplanverordnung, SächsLRettDPVO*). Pursuant to Section 31(5) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response, the contract was awarded to the most competitive of the tenders submitted within the framework of the competitive tender procedure that had previously been implemented. In order to meet the ECJ's Altmark Trans criteria, the Emergency

Services Association must include provisions on State aid in the contract. These provisions should at the same time ensure that the requirements set out in Commission Decision 2012/21/EU of 20 December 2011 (referred to as the SGEI Exemption Decision) are fulfilled.

### ***Compensation mechanism***

The service provider is remunerated for the provision of the emergency services by the ESA (Emergency Services Association, *Rettungszweckverband*) in the form of regular payments. The remuneration consists of remuneration for the provision, i.e. the provision and supply of emergency services to meet basic needs. The parameters for calculating the remuneration or individual charge rates are shown in detail in the calculation sheet entitled 'Unit prices', submitted by the service provider when the offer was submitted. This compensation should only cover what is needed, taking into account a reasonable profit, to compensate for the net costs incurred by the service provider in rendering the emergency services. Compliance with this requirement is ensured by means of overcompensation checks in accordance with the contract.

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the service provider does not receive a higher level of compensation than provided for in the contract, overcompensation checks are carried out by the ESA – in so far as covered by the scope of application of the SGEI Exemption Decision – at least at the end of each three-year period, starting with the signature of the full contract and until the end of the contractual term. Under the terms of the contract, the service provider is required to show in its bookkeeping the costs and revenues associated with the emergency services to be provided under this contract separately from all other activities (separate accounts). At the same time, the service provider must retain all documents needed for a review of the contract under State aid rules, both during the contractual period and for a period of 10 years after termination of the contract. In particular, all documents relating to the calculation of compensation and overcompensation controls must be retained and made available to the ESA free of charge upon request.

### ***Transparency requirements***

not applicable

***Amount of aid granted (for seven years)***

<b><i>Rescue stations sector</i></b> (Rescue stations sector)	<b><i>Total (/years)</i></b>
1	EUR 7 508 135.18
2	EUR 7 583 560.35
3	EUR 4 299 157.49
4	EUR 6 655 587.34
5	EUR 5 422 422.83
6	EUR 4 550 249.94
7	EUR 7 784 598.60
8	EUR 5 528 577.40
9	EUR 5 349 234.78

[Rural District 2](#)

***Content of the services of general economic interest***

The purpose of the service contracts concluded on 1 August 2017 is to entrust the service provider with the rendering of services relating to emergency services/civil protection.

***Forms of entrustment***

Contract under public law on the transfer of emergency service functions pursuant to Section 31(1) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response (*Sächsisches Gesetz über den Brandschutz, Rettungsdienst und Katastrophenschutz, SächsBRKG*)

***Duration of the entrustment***

Seven years

### ***Exclusive or special rights***

No

### ***Aid instruments***

The rural district is the authority responsible for land-based emergency services pursuant to Section 3(1) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response (*Sächsisches Gesetz über den Brandschutz, Rettungsdienst und Katastrophenschutz*, SächsBRKG). In keeping with Section 31(1) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response, the rural district has transferred emergency services and patient transport to private aid organisations or other contractors (service providers) following a tendering procedure that was executed in accordance with the Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*, GWB), by means of a contract under public law. In particular, the basis for awarding the contract is the legislation on emergency services adopted by the Free State of Saxony, especially Saxony's Act on Fire Protection, Emergency Services and Disaster Response and Saxony's Ordinance on the Planned Provision of Rescue Services. Pursuant to Section 31(5) of Saxony's Act on Fire Protection, Emergency Services and Disaster Response, the contract was awarded to the most competitive of the tenders submitted within the framework of the competitive tender procedure that had previously been implemented. In order to meet the Altmark Trans criteria of the ECJ, the rural district must include provisions on State aid in the contract. These provisions should at the same time ensure that the requirements set out in Commission Decision 2012/21/EU of 20 December 2011 (referred to as the SGEI Exemption Decision) are fulfilled.

### ***Compensation mechanism***

The service provider receives compensation for the provision of the emergency services by the rural district in the form of a regular remuneration payment. Pursuant to Article 5(1) of the SGEI Exemption Decision, this compensation should only cover what is needed, including a reasonable profit, to compensate for the net costs incurred by the service provider in rendering the emergency services. The profit calculated by the service provider is limited to a reasonable profit. Compliance with this requirement is ensured by means of overcompensation checks in accordance with the contract.

### ***Arrangements for avoiding and repaying any overcompensation***

To ensure that the service provider does not receive a higher level of compensation than provided for in the contract, overcompensation checks are carried out by the rural district – in so far as covered by the scope of application of the SGEI Exemption Decision – at least at the end of each third contractual year, starting on the date upon which the full contract is signed and continuing until the end of the contractual term.

### ***Transparency requirements***

not applicable.

### ***Amount of aid granted***

#### ***(for seven years)***

Rescue stations sector 1:	EUR 32 903 000.00
Rescue stations sector 2:	44 989. EUR 000.00
Rescue stations sector 3:	43 235. EUR 000.00
Rescue stations sector 4:	19 096. EUR 000.00
Rescue stations sector 5:	13 674. EUR 000.00
Rescue stations sector 6:	18 669. EUR 000.00

### **[eHealthSAX Guidelines – sustainable promotion of digitalisation in the healthcare sector \(Land\)](#)**

### ***Content of the services of general economic interest***

The purpose of the State funding is, in cooperation with stakeholders in Saxony's healthcare sector, to promote patient-centred applications and cross-sectoral services that use digital and telemedical solutions to improve medical healthcare and that adapt everyday electronic communication routes (via PC, smartphone, tablet etc.). Measures are funded in the following funding areas in particular:

1. digitalisation in the healthcare sector and telemedicine applications,
2. digital upgrades for hospitals, and
3. model projects.

***Forms of entrustment***

The entrustment is made by means of an administrative deed (grant notice).

***Duration of the entrustment***

The duration of the entrustment is 10 years.

***Exclusive or special rights***

none

***Aid instruments***

Compensation is paid in the form of subsidies.

***Compensation mechanism***

A methodology based on cost allocation was used for the compensation.

***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using statements of expenditure.

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 3 775 000 (two approvals)

2019: EUR 1 215 000 (one approval)

[ERDF Guidelines of Saxony's State Ministry for Social Affairs and Social Cohesion  
\(Sächsische Staatsministerium für Soziales und Gesellschaftlichen Zusammenhalt, SMS\)  
– Promotion of innovative approaches in the healthcare and nursing sector \(Land\)](#)

***Content of the services of general economic interest***

The purpose of the funding is to increase the readiness to innovate of Saxony's healthcare and nursing sector and to boost its ability to leverage these innovations in a profitable manner on the rapidly growing global healthcare market. The funding is targeted at innovative measures which, by creating a network of products and services and developing and applying new technologies, make it possible to respond to the challenges of demographic change in a healthcare and nursing sector that serves a

population with a significantly rising proportion of elderly people and with a significant skills shortage in the field of medical and nursing care and the increasing costs of this care.

The following are funded:

- 1 e-health measures including measures for telematic and interdisciplinary networking: e-health measures involve the application of modern information and communication technologies to improve processes in the healthcare sector and to network citizens, patients and healthcare or nursing care providers with each other.
- 2 Ambient Assisted Living: Innovative AAL or Ambient Assisted Living systems (which allow elderly people to lead an independent life) applications in various technological fields make it possible to achieve the reciprocal networking of services in various sectors, in particular medical services, nursing care services, housing, management and mobility and to develop interdisciplinary, innovative solutions for the care of elderly persons as outpatients.

### ***Forms of entrustment***

The entrustment is made by means of an administrative deed (grant notice).

### ***Duration of the entrustment***

The duration of the entrustment is restricted to the length of the appropriation period plus the length of the earmarking period.

### ***Exclusive or special rights***

none

### ***Aid instruments***

Compensation is paid in the form of subsidies.

### ***Compensation mechanism***

A methodology based on cost allocation was used for the compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using statements of expenditure.

### ***Transparency requirements***

Not applicable

***Amount of aid granted***

2018: EUR 2 144 000 (two approvals)

2019: EUR 318 000 (two approvals)

b) Childcare

none

c) Access to and reintegration into the labour market

none

d) Social housing

City 1

***Content of the services of general economic interest***

Secure and socially responsible supply of housing, primarily for households that encounter problems in finding accommodation on the general housing market, in particular by constructing, acquiring and managing housing. The housing situation to be expected in future means that these services will continue to be needed, in particular for socially disadvantaged low-income population groups in the area of municipal services of general economic interest.

***Forms of entrustment***

Entrustment

***Duration of the  
entrustment***

20 years

***Exclusive or special rights***

not applicable



### ***Aid instruments***

Granting of compensation in the form of funds passed on by the city to the company on the basis of the Guidelines of Saxony's State Ministry of the Interior on promoting the construction of rental housing subject to rent and occupancy commitments (*Richtlinie zur Förderung der Schaffung von mietpreis -und belegungsgebundenem Mietwohnraum*, RL gMW) of 22 November 2016.

### ***Compensation mechanism***

Methodology for calculating avoidable net costs (net avoided cost methodology)

### ***Arrangements for avoiding and repaying any overcompensation***

Checks of the annual financial statement under commercial law, including a report on the audit, separate accounting. The relevant annual financial statements are used to determine (after each three-year period and at the end of the entrustment period) whether overcompensation has occurred. If so, the overcompensation must be repaid upon demand.

### ***Transparency requirements***

Not applicable

### ***Amount of aid granted***

2018	2019
<b>Total amount of aid granted</b>	
EUR 90 000	EUR 1 372 000
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	
Subsidy for investment purposes EUR 90 000	Subsidy for investment purposes EUR 1 372 000
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	

Number of beneficiaries: <ul style="list-style-type: none"> <li>• One undertaking (municipal enterprise)</li> </ul> Size of undertaking: <ul style="list-style-type: none"> <li>• Turnover: EUR 24 000</li> <li>• Employees: 1</li> </ul>	Number of beneficiaries: <ul style="list-style-type: none"> <li>• One undertaking (municipal enterprise)</li> </ul> Size of undertaking: <ul style="list-style-type: none"> <li>• Turnover: EUR 153 000</li> <li>• Employees: 7</li> </ul>
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## [City 2](#)

### ***Content of the service of general economic interest***

The owner of the plots of land and buildings is entrusted with the public service obligation of constructing social housing. To this end, the Free State of Saxony awards grants for the construction of rental housing subject to rent and occupancy commitments within the meaning of Section 1(1) clause 1 of the Housing Promotion Act. The service is targeted at the creation of housing subject to rent and occupancy commitments through the construction of new buildings or the modification, change in use or extension of existing buildings. The target groups are low-income households defined on the basis of income thresholds, with proof of compliance requested on a case-by-case basis.

### ***Forms of entrustment***

Entrustments are typically provided by means of an administrative deed.

### ***Duration of the entrustment***

The duration of entrustment is 15 years in accordance with the guidelines for tied rental housing.

### ***Exclusive or special rights***

No exclusive or special rights are assigned to the undertakings.

### ***Aid instruments***

The promotion of social housing is property-specific. The funding is granted in the form of subsidies for reducing rents, and is paid out in parallel to construction.

### ***Compensation mechanism***

A net avoided cost methodology is used as a basis. The compensation payments are calculated on the basis of an objective and transparent procedure specified in advance: In setting up the funding programmes, funding conditions that determine the net costs of the compensation on a case-by-case basis are calculated so as to offset the economic disadvantages of the public service obligation associated with the funding for the duration of the rental and occupancy. The revenue losses associated with the rental price limitation are compensated in comparison with the market rent level, the increased costs for tenant care, maintenance and administration associated with the occupancy and the increased expenses incurred as a result of consultancy in connection with social housing promotion. The conditions on the relevant housing market are taken into account as regards the level of quoted rents (based on the available data).

### ***Arrangements for avoiding and repaying any overcompensation***

The funding programmes stipulate the general requirements to be met as regards both public service obligations and the calculation of compensation payments. In this context, taking into account the respective circumstances of each individual case, the relevant compensation payments are calculated on an property-specific basis in such a way that they do not lead to overcompensation in view of the public service obligations, which are also to be specified. The typical precautions include not only imposing certain public service obligations on the undertaking but also providing a legal basis from the outset, by law or in the funding decision, for the effective control and enforcement of strict compliance with these obligations towards undertakings and social tenants (including, but not limited to, information obligations, duties to grant access to documents and duties to grant access to land, buildings and apartments). It is also possible to initiate administrative proceedings to enforce provisions of the funding notice and, in the event of infringements, to impose penalties on the grounds that an undertaking has thereby failed in part to realise the intended purpose of the subsidy. Furthermore, it is possible to revoke (in part) the funding and to claim back funding which has already been approved.

### ***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 53 890.00

2019: EUR 5 055 925.94

e) Care and social inclusion of vulnerable groups

[Altenpflegeheim GmbH \(City\)](#)

***Content of the services of general economic interest***

The city, on the basis of Section 53 of the Asylum Act (*Asylgesetz*, AsylG) in conjunction with Section 3 of Saxony's Refugee Admission Act (*Sächs. Flüchtlingsaufnahmegesetz*) and the Refugee Housing Guidelines of 30 March 2015, is obligated to provide accommodation to refugees after submission of an application for asylum.

The undertaking was entrusted with the provision of housing for asylum seekers as a service of general economic interest in implementation of Section 3 of Saxony's Refugee Admission Act. The undertaking was obliged to renovate its existing properties for this purpose.

***Forms of entrustment***

Separate formal entrustment act of 12 October 2016 based on the Commission Decision of 20 December 2011 in conjunction with the Commission Communication of 11 January 2012

***Duration of the entrustment***

Initially five years and renewable for five more years, for a maximum of 10 years

***Exclusive or special rights***

none

***Aid instruments***

Payment of a rent that is higher than the comparable local rent for the refinancing of renovation costs.

### ***Compensation mechanism***

Rent payments based on the amount of the loan taken out by the undertaking for the refinancing of the renovations divided by the number of months of the entrustment.

### ***Arrangements for avoiding and repaying any overcompensation***

Earmarking, audit of annual statement of expenditure to be presented and repayment obligation in the event of any overcompensation.

### ***Transparency requirements***

not applicable.

### ***Amount of aid granted***

One-off payment of EUR 5.3 million in 2016, no payments in 2018 and 2019 with the exception of rent payments

2018: no payments

2019: no payments

## **[ESF Guidelines on Vocational Training \(Land\)](#)**

### ***Content of the services of general economic interest***

The funding is used firstly for continuous participation in career-long (continuing) vocational training for the purpose of meeting new requirements, for example through the further development of scientific findings and technologies, growing demands as regards employee qualifications or the increasing significance of environmental protection and resource conservation.

The funding is used secondly for vocational training with a view to maintaining and improving employability. The funding is used to support in-house and individual vocational training activities to increase the adaptability to change of employees and employers. At the same time, incentives are provided for continuing vocational education.

The SGEI Decision is used as a legal basis for the following funding targets under the guidelines:

- dual vocational training,
  - additional qualifications,

- JobPerspektive Saxony,
  - vocational qualifications for unemployed and disadvantaged persons,
  - recognised vocational qualifications for unemployed persons,
  - individual support for persons entering the employment market,
  - improved employability for long-term unemployed persons,
  - aptitude testing, support and coordination,
- additional projects for promoting vocational training, development of skilled workers and employment opportunities,
  - innovative projects, model and transfer projects, studies.

### ***Forms of entrustment***

The entrustment is made by means of an administrative deed (grant notice).

### ***Duration of the entrustment***

The duration of the entrustment is restricted to the appropriation period.

### ***Exclusive or special rights***

None

### ***Aid instruments***

Compensation is paid in the form of subsidies.

### ***Compensation mechanism***

A methodology based on cost allocation was used for the compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks to determine whether overcompensation has occurred are carried out as part of the standard application checks and the checks of statements of expenditure (both interim and final). Only expenses that are actually incurred in connection with the project are reimbursed. If any flat-rate fees are covered, they must correspond to the figures entered in the relevant documentation used for calculation and verification purposes.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

	<b>2018</b>		<b>2019</b>	
	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
additional qualifications,	119	EUR 453 000	132	EUR 583 000
Innovative model projects	7	EUR 59 000	17	EUR 10 831 000
JobPerspektive Saxony,	89	EUR 20 963 000	51	EUR 15 293 000
<b>Total</b>	<b>215</b>	<b>EUR 21 475 000</b>	<b>200</b>	<b>EUR 26 707 000</b>

### **[Guidelines on the Social Labour Market \(Land\)](#)**

#### ***Content of the services of general economic interest***

- promotion of individual coaching (relates to various counselling and support measures carried out in connection with participation in a labour market integration measure),
- promotion of client acquisition (relates to expenses incurred in connection with client acquisition in relation to fund raising, counselling and design activities),
- promotion of employment subject to social security contributions (relates to additional guidance, support and administrative expenses when managing employment relationships),
- promotion of ‘Gemeinwohlarbeit 58 plus’ (relates to increased expenses in connection with measures aimed at benefit recipients aged 58 or above who are able to work with a view to their integration into the wider labour market),
- promotion of innovative approaches (relates to additional measures and model projects that help to combat long-term unemployment).

#### ***Forms of entrustment***

The entrustment is made by means of an administrative deed (grant notice).

***Duration of the entrustment***

The duration of the entrustment is restricted to the project implementation period.

***Exclusive or special rights***

none

***Aid instruments***

Compensation is paid in the form of subsidies.

***Compensation mechanism***

A methodology based on cost allocation was used for the compensation.

***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using statements of expenditure.

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 647 000 (four approvals)

2019: 0 (no approvals)

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

none

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

none



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

i) Postal services none

ii) Energy

#### Land

#### ***Content of the services of general economic interest***

Performance of the following services of general economic interest in particular, under the heading of the objective pursued by the undertaking:

- independent initial consultations on ways of increasing energy efficiency and using renewable energies,
- development of contributions to strategies relating to climate protection and an energy supply that is fit for the future; provision of information through the production of regular reports, statistics and overviews of the latest developments regarding energy efficiency and the use of renewable energies,
- support for applicants prior to the award of funding in the field of energy efficiency, climate protection and the use of renewable energies,
- initiation, promotion and support for the establishment of networks that increase the exchange of information and experiences within the target groups, thereby contributing to the successful implementation of measures,
- establishment of suitable further training programmes ('impulse programmes') and implementation of target-group-specific campaigns intended to boost the rational use of energy and the use of renewable energies, in particular in undertakings, in the construction sector, by tradespeople and in the services sector.

#### ***Forms of entrustment***

Shareholder resolution

#### ***Duration of the entrustment***

10 years from 03/10/2017

#### ***Exclusive or special rights***

None

## ***Aid instruments***

Subsidies

## ***Compensation mechanism***

Cost allocation methodology

## ***Arrangements for avoiding and repaying any overcompensation***

annual submission of the closing statement for the business plan and audit thereof by the auditor when the final accounts are available, check to ensure that the compensation payment has been used for the purpose specified and (where applicable) recovery of overcompensation

## ***Transparency requirements***

not applicable

## ***Amount of aid granted***

2018: EUR 2 380 000.00

2019: EUR 2 280 000.00

### iii) Waste collection

none

### iv) Water supply

None

### v) Culture

## **Theatre**

### City

## ***Content of the services of general economic interest***

### Undertaking 1)

Management and maintenance of a theatre, particularly for the performance of stage works of all artistic genres involving music, speech and dance, as well as individual music, theatre and dance performances, in addition to readings and other cultural

events in order to promote cultural functions for which the city is responsible.

*Undertaking 2)*

Purchase, renovation, modernisation and restoration, as well as rental, leasing and management of buildings, with a view to providing cultural offerings in serious and popular music (S & P music) as well as light opera, municipal library services, other cultural theatre and cabaret performances and ensuring tourist information services for the public and the users/visitors through a wide range of cultural offerings in the framework of public services.

***Forms of entrustment***

Administrative deed (grant notice)

***Duration of the entrustment***

1 to 2 years

***Exclusive or special rights***

not applicable

***Aid instruments***

Granting of compensation in the form of capital contributions to compensate for annual losses, as a waiver of cost-covering rent, waiver of a reasonable return on capital contributions for the financing of investment measures and in-kind contributions (buildings), and guarantee premiums.

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Checks of statements of expenditure (annual report, annual financial statement under commercial law including report on the audit, certification by an auditing company with respect to the correctness of separate account management (separate accounting)).

If overcompensation exceeding 10% of the funds granted for the appropriation period is identified, the excess amounts must be repaid. Overcompensation up to a maximum of 10% is offset against the next appropriation period on the basis of the grant notice, or otherwise reclaimed.

**Transparency requirements**

not applicable

**Amount of aid granted**Undertaking 1

<b>2018</b>	<b>2019</b> (provisional values, proof of use not yet available)
<b>Total amount of aid granted</b>	
EUR 913 000	EUR 991 000
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	
Capital contribution for compensation of losses EUR 835 000	Capital contribution for compensation of losses EUR 913 000
Waiver of cost-covering rent, EUR 78 000	Waiver of cost-covering rent, EUR 78 000
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	
Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 374 000</li> <li>• Employees: 10</li> </ul>	Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 366 000</li> <li>• Employees: 11</li> </ul>

Undertaking 2

<b>2018</b>	<b>2019</b> (provisional values, proof of use not yet available)
<b>Total amount of aid granted</b>	
EUR 4 875 000	EUR 5 689 000
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	

Waiver of a reasonable return for capital contributions and contributions in kind EUR 4 478 000  Waiver of guarantee premium, EUR 397 000	Waiver of a reasonable return for capital contributions and contributions in kind EUR 5 292 000  Waiver of guarantee premium, EUR 397 000
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	
Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 9 612 000</li> <li>• Employees: 29</li> </ul>	Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 13 639 000</li> <li>• Employees: 31</li> </ul>

vi) Financial services

none

vii) Other sectors

**Event venues/events**

City

***Content of the services of general economic interest***

Operation of the city hall, the concert hall and ballroom and an open-air theatre, organisation of events and trade fairs

***Forms of entrustment***

Administrative deed

(notice)

***Duration of the entrustment***

Calendar year

***Exclusive or special rights***

none

***Aid instruments***

Loss compensation payments

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Obligation to submit quarterly reports (degree of plan realisation; results-based and liquidity-based) and to submit an audited annual financial statement, obligation to report overcompensation

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 954 750.00

2019: EUR 1 059 170.00

**Messe GmbH (City)****1) Shareholder (Land)*****Content of the services of general economic interest***

Strategic direction, management and administration of the trade fair and other public service events and performance of all other public service activities which, in the opinion of Messe GmbH, are required to discharge the tasks incumbent on the latter under the articles of association.

Rental, leasing, management and other use of real estate, in particular the real estate in the ownership or possession of Messe GmbH or its subsidiaries, and performance of all other public service activities which, in the opinion of Messe Gastveranstaltungen GmbH, are required to discharge the tasks incumbent on the latter under the articles of association

***Forms of entrustment***

Contract

***Duration of the entrustment***

10 years from 14 December 2017

***Exclusive or special rights***

none

***Aid instruments***

Subsidies

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Evidence that the compensation payment has been used for the purpose specified within six months after the end of the relevant financial year, checks of the evidence by the entrusting bodies and (where applicable) repayment of any overcompensation identified

***Transparency requirements***

not applicable

***2) Shareholder (City)******Content of the services of general economic interest***

Tasks relating to economic and structural promotion involving the strategic direction, management and administration of trade fairs and other public service events required to discharge the public tasks assigned on the basis of the articles of association.

***Forms of entrustment***

Entrustment agreement dated 2017 for the supplementary entrustment of Messe GmbH and Messe Gastveranstaltungen GmbH with SGEIs.

***Duration of the entrustment***

10 years.

***Exclusive or special rights***

none

***Aid instruments***

Annual compensation payments on the basis of net costs to cover the operational and investment funding demand relating to the performance of services relating to economic and structural promotion (evidence of which must be supplied).

***Compensation mechanism***

Only the net costs incurred by the entrusted undertaking in connection with the performance of SGEs are eligible for compensation. Calculation mechanism specified in the entrustment act.

***Arrangements for avoiding and repaying any overcompensation***

Separate accounting, maximum amount restriction, use of compensation payments for a specific purpose, annual statements of expenditure, repayment obligation in the event of overcompensation.

***Transparency requirements***

The payments assigned to the City are shown in the budget for the relevant year, which is always available for public inspection.

***Amount of aid granted***

(1) + (2)

**Messe GmbH**

The shareholders of Messe GmbH have paid the following to the company for the relevant financial year:

2018: EUR 8.8 million in total (including EUR 2 million for investment measures).

2019: EUR 7 million in total (including EUR 2 million for investment measures).

Each shareholder pays 50% of the relevant sum from its budget.

**Messe Gastveranstaltungen GmbH**

2018: --



2019: --

## **Promotion of the economy**

[Wirtschaftsförderungs -und Entwicklungsgesellschaft mbH \(City\)](#)

### ***Content of the services of general economic interest***

In general terms, the grant allows the recipient, in accordance with its purpose as specified in the articles of association and acting in the public interest and in particular in the interest of economic promotion and boosting awareness of the city and its status as an attractive place to live, to promote the economy and associated developments in the city, primarily through measures to encourage commercial and industrial firms to establish bases in the area, location marketing in Germany and abroad, consultancy and support for local industry and plans and measures to improve the city as a place to do business. This also relates to the promotion of tourism within the city, in particular the planning and execution of meetings, conferences, congresses and events of all kinds and other events serving these purposes, and the procurement of tourist services for the purpose of promoting tourism in the city. In addition, the undertaking can carry out all public service activities required to carry out these tasks, which are set out in its articles of association.

### ***Forms of entrustment***

Entrustment act in the form of a grant notice

### ***Duration of the entrustment***

For one year in each case, no entrustment exceeding 10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Subsidy

### ***Compensation mechanism***

- Institutional support as proportionate shortfall financing in the form of a genuine, non-repayable subsidy.

- All of the recipient's own funds and revenues earned in connection with the purpose of the grant (in particular grants, third-party services, contributions and donations) must be used as funds to cover all expenses. The business plan is binding in nature.
- The beneficiary itself is obliged to apply for the public grants, statutory disbursements and sources of funding that are available, in a timely manner and to the fullest extent possible.
- If the total expenditure estimated in the business plan for the public service obligations eligible for funding reduces after approval or if the funds available to cover the expenditure increase or new funds become available, the grant is reduced.

#### ***Arrangements for avoiding and repaying any overcompensation***

- Disbursement of the grant in instalments upon request from the beneficiary with evidence of cashflow requirements
- Quarterly reporting on the financing status of measures to implement the tasks in the form of a profit and loss statement (comparison between budgeted/actual figures)
- Grants subject to the proviso that overcompensation is not paid for the performance of the public service obligations
- Submission of a statement of expenditure in connection with the beneficiary's annual financial statement, where applicable with a separate annex (in the event that secondary SGEI activities are carried on that are not eligible for a grant), quantified evidence on the basis of the audited annual financial statement (balance sheet, profit and loss statement, annex, management report) and separate accounting
- If any overcompensation is identified, it must always be repaid to the city. The amounts must be presented as liabilities to the city. In cases where the amount of overcompensation does not exceed 10% of the average annual compensation, such overcompensation may be carried forward to the following appropriation period and deducted from the amount of compensation payable in respect of that period.

### ***Transparency requirements***

Not applicable, since the aid is below EUR 15 million

### ***Amount of aid granted***

2018: EUR 1 740 000.00 as institutional funding

2019: EUR 1 940 000.00 as institutional funding

### Wirtschaftsförderung GmbH – undertaking (Free State of Saxony)

#### a) Shareholder

***Content of the services of general economic interest*** In particular, performance of the following tasks of general economic interest within the scope of the company's purpose:

- implementation of promotional measures in Germany and abroad, provision of information and contacts in connection with the development of domestic and foreign markets,
- acquisition, consulting, support and mediation of companies that wish to establish their base in Saxony,
- implementation of location advertising for the Free State of Saxony in Germany and abroad,
- support for foreign business delegations,
- cooperation with other foreign companies and institutions with similar tasks.

### ***Forms of entrustment***

Contract

### ***Duration of the entrustment***

10 years from 01/01/2016

### ***Exclusive or special rights***

none

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

annual submission of the closing statement for the business plan and audit thereof by the auditor when the final accounts are available, check to ensure that the compensation payment has been used for the purpose specified and (where applicable) recovery of overcompensation

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

2018: EUR 5 989 668.83

2019: EUR 5 843 148.14

### ***b) Individual projects***

#### ***Content of the services of general economic interest***

Promotion of the economy (including boosting the global competitiveness of Saxony-based undertakings, international publicity for the advantages of the Free State of Saxony as a location)

#### ***Forms of entrustment***

The entrustment is made by means of a contract.

#### ***Duration of the entrustment***

5 October 2016 to 31 December 2020 and 1 October 2015 to 31 December 2020

#### ***Exclusive or special rights***

No exclusive or special rights are assigned to the undertaking.

### ***Aid instruments***

Compensation is paid in the form of subsidies.

### ***Compensation mechanism***

A methodology based on cost allocation is used as a basis.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using statements of expenditure. Checks to ensure proper use of the compensation payments as part of the audit of the annual financial statement.

If overcompensation is found in relation to the funds granted for the appropriation period, the excess amounts must be repaid.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

2018: EUR 544 117

2019: EUR 713 832

### ***c) Individual projects***

#### ***Content of the services of general economic interest***

Support for undertakings, cluster organisations, universities and non-university research institutions in the fields of biotechnology, pharmacy, medical technology and the healthcare industry, in particular by means of:

- a) promotional measures in Germany and abroad, in particular the organisation and implementation of or participation in national and industry-specific trade fairs, exhibitions and conferences,
- b) arranging contacts and providing information in connection with the development of domestic and foreign markets,
- c) sector-specific site advertising in Germany and abroad,

- d) preparation and implementation of events aimed at increased cooperation, technology transfer, attracting skilled workers and training, as well as public information,
- e) arranging contacts for the preparation of joint R&D or technology transfer measures,
- f) initiation of and support for national projects within the framework of federal programmes and competitions as well as international cooperation in the context of initiatives by the European Union, e.g. INTERREG.

***Forms of entrustment***

Entrustment act in the form of a management contract

***Duration of the entrustment***

31 December 2018 to 31 December 2020;

***Exclusive or special rights***

None

***Aid instruments***

Subsidy

***Compensation mechanism***

Compensation payment

***Arrangements for avoiding and repaying any overcompensation***

Separate accounting, detailed accounting, repayment in the event of overcompensation

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 156 000

2019: EUR 220 000

***Content of the services of general economic interest***

Improvement of the economic and social structures of the region through the creation of a framework to promote the local economy and attract new undertakings, and infrastructure development.

***Forms of entrustment***

Entrustment act in the form of a grant notice

Grant – up to the amount of the shortfall in performance of the public service in the relevant financial year

Grant notice – institutional funding as proportionate shortfall financing

Guarantee; liquidation loan

***Duration of the entrustment***

One year

Guarantee as of 2000

Guarantee to provide a low-interest overdraft facility if necessary as well as liquidity loans to secure the company's liquidity based on the pre-financing of regional economic projects that are mainly subsidised by EU funds

Four-year liquidity loan

***Exclusive or special rights***

*none*

***Aid instruments***

Subsidies, liquidity loan; guarantee

***Compensation mechanism***

Application of the cost allocation methodology;

through payment of a subsidy (instalment) covering the costs (expenses that serve the purpose of the grant) incurred in the provision of the service of general economic interest, taking into account the revenue generated.

Utilisation of the guarantee for taking out an overdraft facility in the event of temporary cashflow problems.

### ***Arrangements for avoiding and repaying any overcompensation***

Specifications in the grant notice: earmarked, request for repayment in the event that the amount is subsequently reduced or there is a change in financing; notification of changes in circumstances, higher income, lower expenses, adding other activities; quarterly reporting to the funding authority on the financing status of tasks; statement of expenditure; confirmation in the statement of expenditure of use for the intended purpose and the correctness of the documented expenses by an auditor.

Any overcompensation identified must be repaid in principle on a pro rata basis. Interest is charged on the claim for reimbursement in accordance with Section 1 of the Act regulating administrative procedural law and administrative service law for the Free State of Saxony (*Gesetz zur Regelung des Verwaltungsverfahrens- und des Verwaltungszustellungsrechts für den Freistaat Sachsen, SächsVwVfZG*) in conjunction with Section 49a of the Administrative Procedure Act.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

#### **2018**

EUR 300 000.00	institutional Funding as proportionate shortfall financing
EUR 900 000.00	liquidity loan
EUR 153 387.56	guarantee

#### **2019**

EUR 300 000.00	institutional Funding as proportionate shortfall financing
EUR 900 000.00	liquidity loan
EUR 153 387.56	guarantee



Rural District 1+ Rural District 2

***Content of the services of general economic interest***

Provision of bundled business development services for the region with a view to safeguarding and improving the economic and social well-being of the region's inhabitants by marketing the location and prospecting for investors, recruiting undertakings and institutions interested in establishing a base in the area and supporting networking activities within the region and at national level with the aim of creating business clusters.

***Forms of entrustment***

Service agreement between the shareholders and the company.

***Duration of the entrustment***

- 01/01/2016 to 31/12/2018 (version dated 17/11/2015)
- 1 January 2019 to 31 December 2019 (version dated 19 December 2018)
- Extension option

***Exclusive or special rights***

none

***Aid instruments***

- Remuneration or equity contributions, loans, securities and other measures with the status of financial compensation

***Compensation mechanism***

- As a basic principle, the company receives funding on the basis of the objectives set on an annual basis as part of business and financial planning measures and the marketing plans based on these objectives
- The annual funding amount is limited, whereby the limit is determined as part of the annual business planning process and is calculated on the basis of the estimated costs of regular business activities
- In particular, compensation is granted in the form of basic allowances for fixed material expenses, such as staff-related costs, and for the costs of general

measures aimed at achieving the purpose of the agreement (marketing costs) and an amount for the costs of project services under specific measures aimed at achieving the purpose of the agreement (individual projects)

- Compensation can also be granted in the form of equity injections, loans, securities and other measures with the status of compensation if this is specified in the annual business plans and the maximum compensation amount of EUR 15 million per year is not exceeded
- The funding amount is split on the basis of the respective shareholder portions and paid quarterly by the shareholders on the basis of the relevant accounts

### ***Arrangements for avoiding and repaying any overcompensation***

- Separate accounts on the basis of the profit planned for the planning year and the certified profit and loss statement, i.e. costs and revenues relating to the performance of the SGEIs, must be shown separately from all other tasks and services
- Evidence of the use of funds by the management after the end of the contractual term as part of the annual financial statement for 2018, which must be certified by the auditors
- In the event that the funds granted by the shareholders are not used up over the entire contractual term, the company is obliged to repay the surplus funds to the shareholders
- If this figure is exceeded, the company is entitled to carry forward to the following year of the contractual term up to a maximum of 10% of the total permitted funding for the entire contractual term, including a reasonable profit

### ***Transparency requirements***

- Quarterly reporting on the liquidity situation, with a liquidity forecast and details of the performance of SGEI services
- Documents and statements of expenditure for the funding must be retained by the company for a period of 10 years

### ***Amount of aid granted***

2018: EUR 378 065.28 (EUR 189 032.64 + EUR 189 032.64)

2019: EUR 456 451.26 (EUR 228 225.63 + EUR 228 225.63)

### 3) City

#### ***Content of the services of general economic interest***

Invest Region GmbH is a company that is jointly owned by the city (51%), the Chamber of Commerce and Industry (19%) and the rural districts (15%) and (15%). The shareholders are entitled or obliged to carry out municipal business development tasks, and assign this public service obligation to Invest Region GmbH. This public service obligation involves the provision of bundled business development services for the region, with a view to safeguarding and increasing the economic and social well-being of the region's inhabitants. To this end, Invest Region GmbH is tasked with marketing the location and prospecting for investors, recruiting and supporting undertakings and institutions interested in establishing a base in the area and supporting networking activities within the region and at national level.

#### ***Forms of entrustment***

The entrustment is made in the form of a service agreement and the resulting financing agreement. These regulate the scope of the services and the amount and date of the disbursements.

#### ***Duration of the entrustment***

A limit of 10 years is not currently exceeded.

#### ***Exclusive or special rights***

No special or exclusive rights are assigned to the undertaking.

#### ***Aid instruments***

On the basis of the service agreement, the company receives funding as compensation for the expenses incurred in connection with the performance of the SGEIs

#### ***Compensation mechanism***

The payment is made on the basis of the financing plan, which is produced on an annual basis and in advance in accordance with the service agreement (compensation of net costs).

### ***Arrangements for avoiding and repaying any overcompensation***

The grant is disbursed quarterly and on the dates specified in the agreement, on the basis of proper accounting. The funding is restricted to an annual amount. A deduction of 10% of the payment is retained and only paid after settlement of the project services. A statement of expenditure for the funds must be submitted at the end of the contractual term (in this case by drawing up the annual financial statement for 2018) and certified by an auditor. If the funding is not used, it must be repaid to the shareholders. Quarterly reports must also be submitted.

### ***Transparency requirements***

Not applicable in this case; the compensation is limited to below EUR 15 million.

### ***Amount of aid granted***

2018: EUR 728 560.50

2019: EUR 728 571.43

### ***[EEN/patent information centres \(Land\)](#)***

#### ***Content of the services of general economic interest***

##### ***1. European Enterprise Network:***

Pursuant to Article 10 of Regulation (EU) No 1287/2013 and the relevant EEN tender procedure, funding is also awarded for consultancy, support and information targeted at SMEs in the Free State of Saxony, support for SMEs in the Free State of Saxony in the initiation of cross-border partnerships for business cooperation, technology transfers, innovation and research, and publicity for and further development of the network and its services.

##### ***2. Patent information centres***

The target of funding is to support individual services offered by patient information centres, intended to benefit SMEs in particular. This includes information on registration procedures, industrial property rights data and management, appraisal and utilisation of industrial property rights, and opportunities for enforcing industrial property rights and protecting against product and trademark counterfeiting. Additional services

include the organisation of initial consultancy sessions offered by patent lawyers to inventors, the completion of commissioned research projects, customised research support within the patient information centres or online, and the organisation and execution of events concerning the protection of industrial property and related topics.

### ***Forms of entrustment***

The entrustment is made by means of an administrative deed (grant notice).

### ***Duration of the entrustment***

The duration of the entrustment corresponds to the project implementation period (maximum of five years).

### ***Exclusive or special rights***

none

### ***Aid instruments***

Compensation is paid in the form of subsidies.

### ***Compensation mechanism***

A methodology based on cost allocation was used for the compensation.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using statements of expenditure.

If overcompensation exceeding 10% of the funds granted for the appropriation period is identified, the excess amounts must be repaid. Overcompensation up to a maximum of 10% is offset against the next appropriation period in the grant notice; otherwise, it is reclaimed.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

	2018		2019	
	Number	Amount	Number	Amount
Patent information centres	2	EUR 148 000	1	EUR 16 000

European Enterprises Network (EEN)	0	0	1	EUR 235 000
<b>Total</b>	<b>2</b>	<b>EUR 148 000</b>	<b>2</b>	<b>EUR 251 000</b>

## Rural district

### ***Content of the services of general economic interest***

Improving the image and economic strength of the rural district

### ***Forms of entrustment***

Entrustment act

### ***Duration of the entrustment***

Ten years and six years

### ***Exclusive or special rights***

None

### ***Aid instruments***

none

### ***Compensation mechanism***

Application of the cost allocation methodology;

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of proof of use.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

2018 EUR 747 900.00

2019 EUR 751 960.00

## **Tourism**

### City 1

***Content of the services of general economic interest***

Promotion of tourism -Services of a tourism association such as public relations work and quality development, problem-solving in relation to tourism development and infrastructure

***Forms of entrustment***

Entrustment agreement

***Duration of the entrustment***

1 January 2019 to 31 December 2023

***Exclusive or special rights***

None

***Aid instruments***

Subsidy

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Detailed annual statement of expenditure, quantified proof of costs

***Transparency requirements***

Publication in the media, discussion and adoption by the city council at an open meeting

***Amount of aid granted***

2018: EUR 50 000

2019: EUR 50 000

## City 2

### ***Content of the services of general economic interest***

Operation of a tourist information centre; information and agency activities in respect of tourism services

### ***Forms of entrustment***

Administrative deed (notice)

### ***Duration of the entrustment***

Calendar year

### ***Exclusive or special rights***

None

### ***Aid instruments***

Loss compensation  
payment

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Obligation to submit quarterly reports (degree of plan realisation; results-based and liquidity-based) and to submit an audited annual financial statement, obligation to report overcompensation

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

2018: EUR 308 400.00

2019: EUR 324 840.00



### [City 3](#)

#### ***Content of the services of general economic interest***

Provision of tourist facilities

#### ***Forms of entrustment***

Entrustment act

#### ***Duration of the entrustment***

10 years

#### ***Exclusive or special rights***

none

#### ***Aid instruments***

Compensation payments; subsidies

#### ***Compensation mechanism***

Cost allocation methodology

#### ***Arrangements for avoiding and repaying any overcompensation***

annual checks on the basis of annual financial statement and segment accounting

#### ***Transparency requirements***

not applicable

#### ***Amount of aid granted***

2018: EUR 201 000  
(of which approx. EUR 40 000 subsidy per annum; remainder as  
compensation payment

2019: (information not yet available) EUR

### [Marketing GmbH \(City 4\)](#)

#### ***Content of the services of general economic interest***

Increasing the city's attractiveness to tourists and raising its profile as an artistic and cultural centre, a destination for congresses and conferences, a business and science

location and a metropolis in the countryside with attractive surroundings, while promoting socially and environmentally friendly tourism and thus improving the image of the city and its position in the tourism sector as local economic promotion in the public interest.

***Forms of entrustment***

Administrative deed (grant notice)

***Duration of the entrustment***

1 to 2 years

***Exclusive or special rights***

not applicable

***Aid instruments***

Compensation in the form of capital contributions to compensate annual losses.

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Checks of statements of expenditure (annual report, annual financial statement under commercial law including report on the audit, confirmation by auditors that a system of separate accounting has been followed properly).

If overcompensation exceeding 10% of the funds granted for the appropriation period is identified, the excess amounts must be repaid. Overcompensation up to a maximum of 10% is offset against the next appropriation period in the grant notice; otherwise, it is reclaimed.

***Transparency requirements***

Not applicable

**Amount of aid granted**

<b>2018</b>	<b>2019</b> (provisional values, proof of use not yet available)
<b>Total amount of aid granted</b>	
EUR 2 852 000	EUR 2 852 000
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	
Capital contributions for compensation of losses EUR 2 852 000	Capital contributions for compensation of losses EUR 2 852 000
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	
Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 547 000</li> <li>• Employees: 19</li> </ul>	Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 612 000</li> <li>• Employees: 20</li> </ul>

[Tourismus und Marketing GmbH \(business, location and tourism marketing\)](#) (City 5)**Content of the services of general economic interest**

The funds are granted for the specific purpose of promoting tourism, location and economic marketing in the city and the region.

**Forms of entrustment**

The entrustment is made in the form of a grant.

The grant notice is also an entrustment act pursuant to Article 4 of Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (hereinafter 'SGEI Exemption Decision', OJ L 7 of 11 January 2012, p. 3 et seqq.).

**Duration of the entrustment**

A limit of 10 years is not exceeded.

***Exclusive or special rights***

none

***Aid instruments***

Subsidy

***Compensation mechanism***

The compensation is typically granted in the form of subsidies, but in some cases also as loans and guarantees. A methodology based on cost allocation is generally used as a basis.

***Arrangements for avoiding and repaying any overcompensation***

Checks are typically carried out on the basis of statements of expenditure as part of an audited annual financial statement.

***Transparency requirements***

Not applicable in this case; the compensation is limited to below EUR 15 million.

***Amount of aid granted***

The shareholders' share of the annual financing sum is based on the relative proportions of share capital (city: 51%).

2019:           4 509 803.92  
                  (of which EUR 2 300 000.00 from the city)

***Land******Content of the services of general economic interest***

Tourism marketing for the Free State of Saxony

***Forms of entrustment***

Framework agreement between the Free State of Saxony and the limited liability company

***Duration of the entrustment***

10 years

***Exclusive or special rights***

None

### ***Aid instruments***

Subsidy

### ***Compensation mechanism***

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

Contractor: Separate accounting (SGEI/non-SGEI), evidence of use of funding

Client: Checks to ensure that the funding granted to the contractor has been used properly, where applicable demand for repayment to the client (depending on the audit outcome)

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

2018: EUR 5 386 537.00

2019: EUR 6 421 617.00

### **[Kurbetriebsgesellschaft GmbH \(rural district + city\)](#)**

### ***Content of the services of general economic interest***

- Promotion of the region as a health resort and recreation area and all associated activities
- The tasks to be performed by the company include:
  - operation of a department handling matters relating to health resort treatments and other treatments on behalf of the city,
  - operation and maintenance of the health resort, including:
    - swimming complex,
    - sauna complex,
    - Vital Centre,

- seminar and event venue,  
operation and maintenance of a seminar and event venue, including the 'Kursaal' building,  
operation and maintenance of the gardens and parks.

### ***Forms of entrustment***

unilateral decision by the shareholders

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

- Right to earn a reasonable return on the equity invested for the purpose of performing these obligations; the return may not, however, exceed the relevant swap rate plus a surcharge of 100 basis points; in this connection and pursuant to the Exemption Decision, a relevant swap rate is regarded as a reasonable return on a risk-free investment for the term of the entrustment

### ***Aid instruments***

Grant, shareholder contributions or other preferential treatment such as municipal guarantees

### ***Compensation mechanism***

- As compensation for the costs incurred in connection with performance of the SGEIs and to safeguard the company's activities, the shareholders may award grants and/or shareholder contributions; the level of the respective contributions by the shareholders is based on their participation in the company; by way of derogation from the above, the level of the proportionate contribution may also be based on an apportionment key agreed between the shareholders; the division on the basis of a different apportionment key must be set out in a shareholder resolution; other preferential treatment (e.g. granting of a municipal guarantee) intended to serve as compensation must be included separately in the annual business plan or in other documents.
- The level of compensation is specified in a corresponding shareholder resolution on the basis of the business plan for the relevant year;

- the company is not legally entitled to the compensation
- The shareholders retain the right to amend the nature and level of compensation.
- Should unforeseen circumstances in performing the services of general economic interest result in higher costs which are not covered, compensation will only be granted for these in justified exception situations, upon request by the company; evidence must be supplied in such cases that the higher costs were indeed incurred in connection with performance of the SGEIs.

### ***Arrangements for avoiding and repaying any overcompensation***

- The compensation must not exceed what is necessary to cover the costs incurred in performing the SGEIs, taking into account the relevant revenues ('**net additional costs**').
  - Net additional costs are calculated on the basis of all actual data according to the company's business plan and annual financial statement; to this end, all of the expenses and revenues to be recorded under commercial law are listed, and the expenses and revenues for other areas not eligible as SGEIs are removed
  - on an annual basis, after the end of the financial year, the company must supply evidence of use of funds when producing the annual financial statement
  - Revenues and expenditure relating to the performance of SGEIs are listed separately to other areas that are not SGEIs, whereby the key for the allocation of pro rata overheads must be explained by the company in the separate accounts
  - There is an annual settlement under State aid law during which the net additional costs plus the pro rata overheads and a reasonable return (amount to be compensated) is compared to the compensation to be assigned to the audit year.
  - If this settlement under State aid law reveals overcompensation above 10% of the estimated amount to be compensated in the audit year, the amount exceeding 110% of the amount to be compensated must be reimbursed to the shareholders (in accordance with the proportionate distribution of their grants)
- The shareholders carry out checks in connection with the resolution passed

each year on the annual financial statement, since the settlement under State aid law must be produced for the purpose of the relevant annual financial statement and presented to the shareholders; in addition, the shareholders must be allowed to inspect all documents, books etc.

### ***Transparency requirements***

- Obligation for the company to provide evidence by producing an annual financial statement and carrying out a settlement under State aid law

### ***Amount of aid granted***

1 January 2018 to 31 December 2018 EUR 241 865.59 (EUR 176 887.96 + EUR 64 977.61)

1 January 2019 to 31 December 2019 EUR 184 792.48 (EUR 117 805.22 + EUR 66 987.26)

*(provisional result)*

### ***[Land approvals \(15 transactions\)](#)***

### ***Content of the services of general economic interest***

The following measures are funded:

#### *Tourism marketing:*

- tourist marketing measures by destinations that are mainly suitable for attracting new visitors from outside Saxony and strengthening the image of these destinations in Germany and abroad,
- innovative marketing measures with an impact outside Saxony that help to implement Saxony's umbrella tourism brand,
- market research measures for the destinations.

#### *Destination development:*

- measures for developing a competitive destination in the context of the current tourism strategy,
- measures aimed at increasing the use of financing instruments earmarked for tourism,
- measures to develop cross-border destinations.



***Forms of entrustment***

The entrustment is made in each case by means of an administrative deed (grant notice).

***Duration of the entrustment***

The typical duration of the entrustment is one year (maximum of 14 months)

***Exclusive or special rights***

none

***Aid instruments***

Compensation is paid in the form of subsidies.

***Compensation mechanism***

A methodology based on cost allocation was used for the compensation.

***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out using statements of expenditure (in accordance with Section 44a of Saxony's Budget Code (*Sächsische Haushaltsordnung*, SÄHO).

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 2 008 000 (for 15 approvals)

2019: EUR 2 631 000 (for 14 approvals)

**Sport****City 1*****Content of the services of general economic interest***

Operation and maintenance of a football stadium, two indoor swimming pools and one outdoor swimming pool, in each case including the associated facilities, installations and equipment

***Forms of entrustment***

(1) Administrative deed (notice), (2) entrustment agreement

***Duration of the entrustment***

Calendar year (1); 10 years (2)

***Exclusive or special rights***

none

***Aid instruments***

Loss compensation payment

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Obligation to submit quarterly reports (degree of plan realisation; results-based and liquidity-based) and to submit an audited annual financial statement, obligation to report overcompensation

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 2 721 211.00

2019: EUR 2 734 667.00

***[City 2](#)******Content of the services of general economic interest***

Provision of healthcare services by making available public swimming pools and local recreation areas

***Forms of entrustment***

Entrustment act

***Duration of the entrustment***

10 years

***Exclusive or special rights***

None

***Aid instruments***

Compensation payments

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Annual checks on the basis of annual financial statement and segment accounting

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 688 000

2019: (information not yet available) EUR

**[Bäder GmbH \(City 3\)](#)*****Content of the services of general economic interest***

Planning, construction, operation and maintenance of indoor and outdoor swimming pools as well as execution of all transactions promoting the business. This includes in particular the guarantee of safe bathing facilities for all user groups – public, schools, associations – and the timely provision of services that meet the swimming-related needs of schools, clubs, the community, elite swimmers and those swimming for the purpose of improving their health, regardless of the type of swimming, within the framework of municipal services of general interest

***Forms of entrustment***

Administrative deed (grant notice)

***Duration of the entrustment***

10 years

***Exclusive or special rights***

not applicable

***Aid instruments***

Compensation is granted in the form of capital contributions to compensate for annual losses and to finance investments.

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Checks of statements of expenditure (annual report, annual financial statement under commercial law, including a report on the audit), separate accounting. On the basis of the annual financial statement, checks are carried out after each three-year period to determine whether overcompensation has occurred. In this case, overcompensation that does not exceed the average annual compensation by more than 10% can be carried forward to the following calendar year and deducted from the compensation to be paid for this period. Any remaining overcompensation must be repaid immediately.

***Transparency requirements***

Not applicable

***Amount of aid granted***

<b>2018</b>	<b>2019</b> (provisional values, statement of expenditure not yet available)
<b>Total amount of aid granted</b>	
EUR 14 000 000	EUR 14 500 000
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	

Capital contributions for investment purposes EUR 5 091 000  Capital contributions for compensation of losses EUR 8 909 000	Capital contributions for investment purposes (EUR 3 863 000)  Capital contributions for compensation of losses EUR 10 637 000
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	
Size of the undertaking (minority-interest company): <ul style="list-style-type: none"> <li>• Turnover: EUR 6 522 000</li> <li>• Employees: 122</li> </ul>	Size of the undertaking (minority-interest company): <ul style="list-style-type: none"> <li>• Turnover: EUR 6 569 000</li> <li>• Employees: 126</li> </ul>

#### [Eissport und Freizeit GmbH \(City 4\)](#)

#### ***Content of the services of general economic interest***

In general terms, the grant allows the recipient, in accordance with its purpose as specified in the articles of association and acting in the public interest and in particular in the interest of providing public infrastructure, to safeguard and develop the leisure sporting facilities available to citizens in the sport and cultural sectors and to promote sport in the areas of community sport, elite sport and youth development within the boundaries of the city. The undertaking operates all plots of land owned by the city and the buildings located upon these plots, including all ancillary facilities. These are made available on the basis of free-of-charge user agreements. In addition, the undertaking can carry out all public service activities required to carry out these tasks, which are set out in its articles of association.

#### ***Forms of entrustment***

Entrustment act in the form of a grant notice

#### ***Duration of the entrustment***

For one year in each case, no entrustment exceeding 10 years

#### ***Exclusive or special rights***

None

### ***Aid instruments***

- Subsidies
- Loan of real estate without consideration (the real estate properties are required for performance of the public tasks)

### ***Compensation mechanism***

- Institutional support as proportionate shortfall financing in the form of a genuine, non-repayable subsidy.
- All of the recipient's own funds and revenues earned in connection with the purpose of the grant (in particular grants, third-party services, contributions and donations) must be used as funds to cover all expenses. The business plan is binding in nature.
- The beneficiary itself is obliged to apply for the public grants, statutory disbursements and sources of funding that are available, in a timely manner and to the fullest extent possible.
- If the total expenditure estimated in the business plan for the public service obligations eligible for funding reduces after approval or if the funds available to cover the expenditure increase or new funds become available, the grant is reduced.

### ***Arrangements for avoiding and repaying any overcompensation***

- Disbursement of the grant in instalments upon request from the beneficiary with evidence of cashflow requirements
- Quarterly reporting on the financing status of measures to implement the tasks in the form of a profit and loss statement (comparison between budgeted/actual figures)
- Grants subject to the proviso that overcompensation is not paid for the performance of the public service obligations
- Submission of a statement of expenditure in connection with the beneficiary's annual financial statement, where applicable with a separate annex (in the event that secondary SGEI activities are carried on that are not eligible for a grant), quantified evidence on the basis of the audited annual financial statement (balance sheet, profit and loss statement, annex, management report) and separate accounting

- If any overcompensation is identified, it must always be repaid to the city. The amounts must be presented as a liability to the city. In cases where the amount of overcompensation does not exceed 10% of the average annual compensation, such overcompensation may be carried forward to the following appropriation period and deducted from the amount of compensation payable in respect of that period.

### ***Transparency requirements***

Not applicable, since the aid is below EUR 15 million

### ***Amount of aid granted***

<b>2018</b>	<b>2019</b>
EUR 1 400 000.00 as institutional funding ....EUR 38 582.00 (gross grant equivalent) for the transfer of real estate without consideration	EUR 1 216 000.00 as institutional funding ....EUR 36 472.00 (gross grant equivalent) for the transfer of real estate without consideration
Total: <b>EUR 1 438 582.00</b>	Total: <b>EUR 1 252 472.00</b>

## **Zoo**

### **Zoo GmbH (City 1)**

### ***Content of the services of general economic interest***

Operation of the city's zoological garden, animal husbandry and breeding, management and promotion of scientific research in the fields of zoology, veterinary medicine and zoo biology, promotion of species protection

### ***Forms of entrustment***

Administrative deed (grant notice)

### ***Duration of the entrustment***

1 to 2 years

***Exclusive or special rights***

not applicable

***Aid instruments***

Compensation is granted in the form of capital contributions to compensate for annual losses and to finance investments, and as a waiver of an appropriate lease in perpetuity.

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Checks of statements of expenditure (annual report, annual financial statement under commercial law including report on the audit, confirmation by auditors that a system of separate accounting has been followed properly).

If overcompensation exceeding 10% of the funds granted for the appropriation period is identified, the excess amounts must be repaid. Overcompensation up to a maximum of 10% is offset against the next appropriation period on the basis of the grant notice, or otherwise reclaimed.

***Transparency requirements***

not applicable

***Amount of aid granted***

<b>2018</b>	<b>2019</b> (provisional values, statement of expenditure not yet available)
<b>Total amount of aid granted</b>	
EUR 4 023 000	EUR 3 027 000
<b>Share of expenditure per aid instrument (direct subsidy, guarantee etc.)</b>	



Capital contributions for investment purposes (EUR 1 889 000)  Capital contributions for compensation of losses EUR 1 995 000  Waiver of a lease in perpetuity, EUR 137 000  Waiver of interest on shareholder loan EUR 2 000	Capital contributions for investment purposes (EUR 200 000)  Capital contributions for compensation of losses EUR 2 688 000  Waiver of a lease in perpetuity, EUR 137 000  Waiver of interest on shareholder loan EUR 2 000
<b>Additional quantitative information</b> , estimated where applicable (e.g. number of beneficiaries, average aid amount, size of the undertakings)	
Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 4 321 000</li> <li>• Employees: 71</li> </ul>	Size of undertakings (municipal enterprise): <ul style="list-style-type: none"> <li>• Turnover: EUR 4 628 000</li> <li>• Employees: 69</li> </ul>

### [Zoo GmbH \(City 2\)](#)

#### ***Content of the services of general economic interest***

Tasks relating to the promotion of animal breeding, nature conservation within the meaning of the Federal Nature Conservation Act (*Bundesnaturschutzgesetz*) and the Nature Conservation Act of the *Land* and animal protection, and to the promotion of science, research and education required for the purpose of performing the public tasks assigned to it on the basis of the shareholder agreement.

#### ***Forms of entrustment***

Entrustment agreement dated 2018 entrusting Zoo GmbH with SGEIs.

#### ***Duration of the entrustment***

15 years

#### ***Exclusive or special rights***

none

### ***Aid instruments***

Annual compensation payments to cover the shortfall relating to performance of SGEIs; evidence of this shortfall must be supplied. This includes all advantages of any kind granted by the city or from city funds (in particular operating and investment subsidies, guarantees, loans, assumption of costs and capital contributions).

### ***Compensation mechanism***

Only the costs incurred by the entrusted undertaking in connection with the performance of SGEIs are eligible for compensation. The entrustment mechanism is specified in the entrustment act.

### ***Arrangements for avoiding and repaying any overcompensation***

Separate accounting, maximum amount restriction, use of compensation payments for a specific purpose, annual statements of expenditure, repayment obligation in the event of overcompensation.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

Pursuant to Article 2(1)(a) of the Exemption Decision, the compensation within the framework of the entrustment is limited to an average amount of EUR 15 million (gross)/year during the entrustment period.

2018: EUR 15 million on average (gross)/year

2019: EUR 15 million on average (gross)/year

## **Educational facilities**

### **[Music school \(city\)](#)**

#### ***Content of the services of general economic interest***

Operation of a music school, providing instrumental and vocal instruction, early music education, national scholarships for gifted students

#### ***Forms of entrustment***

Instructions to the management of the municipal enterprise

***Duration of the entrustment***

Calendar year

***Exclusive or special rights***

none

***Aid instruments***

Loss compensation payments

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Obligation to submit quarterly reports (degree of plan realisation; results-based and liquidity-based) and to submit an audited annual financial statement, obligation to report overcompensation

***Transparency requirements***

not applicable

***Amount of aid granted***

2018: EUR 1 500 617.00

2019: EUR 1 525 000.00

[Institute for Film and Image in Science and Education \(\*Institut für Film und Bild in Wissenschaft und Unterricht\*, FWU\)](#)

***Content of the services of general economic interest***

The stated purpose of the Institute for Film and Image in Science and Education is to create audiovisual educational media and to use it to promote instruction in training, education and science, thereby serving the public interest. This also includes the distribution of educational media and consultancy on the development and procurement of appropriate devices.

***Forms of entrustment***

Transfer of a task within the remit of the *Länder* with a specific link to the public interest

(in this case: supplying the educational sector, in particular state-funded schools, with suitable audiovisual media) as a service of general economic interest (SGEI) to the Institute for Film and Image in Science and Education.

***Duration of the entrustment***

10 years (from 22 September 2016)

***Exclusive or special rights***

none

***Aid instruments***

financial compensation

***Compensation mechanism***

As compensation for the public service obligations associated with the performance of SGEIs by the Institute for Film and Image in Science and Education, the *Land* (in collaboration with the other *Länder*) grants compensation payments.

***Arrangements for avoiding and repaying any overcompensation***

To ensure that the compensation payments do not result in overcompensation for performance of the SGEIs, the Institute for Film and Image in Science and Education produces an annual statement of expenditure after the end of the financial year. This takes place in connection with the drawing up of the annual accounts.

***Transparency requirements***

Without prejudice to more stringent regulations, all documents that can be used to determine whether the compensation is compatible with the provisions of the Exemption Decision must be retained for a period of 10 years from the end of the entrustment period.

***Amount of aid granted***

2018: EUR 23 851.00

2019: EUR 24 610.00

## **Parking space management**

### City

#### ***Content of the services of general economic interest***

Parking space management

#### ***Forms of entrustment***

Entrustment act

#### ***Duration of the entrustment***

10 years

#### ***Exclusive or special rights***

None

#### ***Aid instruments***

Compensation payments

#### ***Compensation mechanism***

Cost allocation methodology

#### ***Arrangements for avoiding and repaying any overcompensation***

Annual checks on the basis of annual financial statement and segment accounting

#### ***Transparency requirements***

not applicable

#### ***Amount of aid granted***

2018: EUR 404 000

2019: (information not yet available) EUR

## **Youth hostels**

### Land

#### ***Content of the services of general economic interest***

Funding investments into a youth hostel promotes the provision of services of general

economic interest at the youth hostel, in this instance:

- overnight stays,
- catering,
- curriculum-based projects for school classes,
- continuing education,
- international youth exchanges,
- sports activities,
- recreational opportunities for young families,

for people up to the age of 27, including the persons responsible for their care or education and any supervising adults.

***Forms of entrustment***

Grant notice pursuant to Sections 23 and 44 of Saxony's Budget Code in conjunction with the Guidelines on the promotion of investments into youth welfare institutions published by Saxony's State Ministry for Social Affairs and Consumer Protection (*Sächsisches Staatsministerium für Soziales und Verbraucherschutz*) (*Richtlinie zur Förderung von Investitionen für Jugendhilfeeinrichtungen, FRL Investitionen*) of 30 July 2008

***Duration of the entrustment***

25 years from completion of the building on

31 March 2020

***Exclusive or special rights***

none

***Aid instruments***

Grant on the basis of Sections 23 and 44 of Saxony's Budget Code

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

### Avoiding overcompensation:

According to the predictive calculations used as a basis for the grant notice, compensation in the amount of EUR 7 009 575 is permitted. By way of derogation from this figure, a grant of only EUR 6 572 990 was awarded. This buffer serves as an additional means of avoiding overcompensation.

### Repayment:

According to Sections 4.6 and 4.7 of the grant notice, the beneficiary must supply evidence each year that the proportionate grant amount is covered by net costs. The funding authority carries out an audit every three years. If it is found during this audit that there is a shortfall of no more than 10% in the coverage of (net) costs, the difference is eligible for compensation within the period under review. If this compensation is not achieved, repayment of the grant to the level of the overcompensation is requested.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

- Total grant: EUR 6 572 990

### Disbursements:

2018: EUR 851 500.00

2019: EUR 3 660 990.00

## **Consumer organisation**

### Land

### ***Content of the services of general economic interest***

The Free State of Saxony entrusted Verbraucherzentrale e.V. for an initial limited period (2015-2019) and, as a continuation of previous funding practice, for a second limited period (2019-2023), with the performance of the following services of general economic interest, which Verbraucherzentrale e.V., in each case in line with the association's purpose and its articles of association, must offer on a long-term and non-discriminatory basis to all citizens for the entire territory of the Free State of Saxony and which are not offered (or cannot be offered) by other private market participants or

are not offered (or cannot be offered) in the desired form in terms of their nature, accessibility, scope, affordability, availability and/or longevity in consequence of their structural unprofitability:

Individual and telephone-based advice and/or text-based advice for consumers in connection with the purchase and consumption of goods and services, either free of charge or for socially acceptable usage fees, by Verbraucherzentrale e.V.

Topics on which advice is provided include the following:

- building consultancy (consultancy on legal topics, finance and energy-related matters),
- housing (law, energy, heating costs),
- finance and insurance,
- market and law, households and the environment, food and nutrition,
- telecommunications, electronic media and media in general,
- travel, leisure, mobility,
- care (care of family members, care agreements),
- provision of information to consumers in the field of commercial consumer protection in the Free State of Saxony,
- information and education for consumers in the field of nutrition and foodstuffs in the Free State of Saxony,
- consumer education (highlighting market-based data and links that allow consumers to determine their own market behaviour),
- consumer education (providing training on life skills, in particular financial skills).

### ***Forms of entrustment***

Entrustment act pursuant to Article 4 of the SGEI Exemption Decision

### ***Duration of the entrustment***

2015 -2019

### ***Exclusive or special rights***

none



### ***Aid instruments***

2018: Project funding by means of a grant notice

2019: Transfer of the 'consumer advice' project to institutional funding

2019: institutional funding on the basis of a grant notice and project funding on the basis of a grant notice for the projects 'Consumer information measures in the field of economic consumer protection in the Free State of Saxony' and 'Information and education for consumers in the field of nutrition and foodstuffs in the Free State of Saxony'

### ***Compensation mechanism***

The financing plan that has been submitted is used as a basis for calculating the compensation. The grant is used in accordance with the financing plan. The financing plan is binding in nature and forms an integral part of the notice.

### ***Arrangements for avoiding and repaying any overcompensation***

Evidence of use of the funding in accordance with Article 6 of the Exemption Decision through the production of a statement of expenditure per financial year and funding stream (divided between institutional funding and project funding) and all other revenues and expenses in the form of quantifiable evidence and a report submitted by 30 June of the following financial year. If overcompensation is identified during the checks of the statement of expenditure, the full grant amount in question must be reimbursed.

### ***Transparency requirements***

not applicable

### ***Amount of aid granted***

Grant by the Free State of Saxony to Verbraucherzentrale e.V. in the amount of:

2018: EUR 2 000 000

2019: EUR 3 594 000

## **Others**

### **Förder -und Verwaltungsgesellschaft für Wirtschaft, Kultur und Sport mbH (City 1)**

#### ***Content of the services of general economic interest***

An entrustment was made to the Förder -und Verwaltungsgesellschaft für Wirtschaft, Kultur und Sport mbH (FVG) (Promotion and management undertaking for economy, culture and sport). The city participates in the undertaking's share capital as the sole shareholder. The purpose of the undertaking is specified in the shareholder agreement. Förder -und Verwaltungsgesellschaft für Wirtschaft, Kultur und Sport mbH is primarily engaged in the following activities: Management, administration and rental in the following operating areas: city library, city museum, city gallery, wildlife park, monastery, markets/catering and World Cup Hall. The city entrusts Förder -und Verwaltungsgesellschaft für Wirtschaft, Kultur und Sport mbH with performance of the services of general economic interest for the purpose of provision and operation of public institutions used for cultural and sporting activities within the city and with the organisation of cultural, social and sporting events and the associated ancillary services.

#### ***Forms of entrustment***

Entrustment act in the form of a decision by the municipal body in conjunction with the grant notice and shareholder agreement.

#### ***Duration of the entrustment***

10 years

#### ***Exclusive or special rights***

none

#### ***Aid instruments***

Compensation as a capital contribution through assumption of the undertaking's deficit incurred in connection with performance of the public service obligation.

#### ***Compensation mechanism***

The compensation payments must not exceed what is necessary to cover the costs incurred in performing the public service obligation, taking into account the relevant revenues and a reasonable return on the capital employed to discharge this obligation.

***Arrangements for avoiding and repaying any overcompensation***

Provision of evidence on an annual basis after the end of the financial year by means of the annual financial statement made available to the city

***Transparency requirements***

not applicable

***Amount of aid granted***

2018	2019
EUR 1 116 200.00	EUR 1 123 700.00
(of which:	(of which:
City museum EUR 247 200.00	City museum EUR 262 200.00
City library: EUR 314 300.00	City library: EUR 306 800.00
Wildlife park EUR 192 300.00	Wildlife park EUR 192 300.00
World Cup Hall: EUR 159 600.00	World Cup Hall: EUR 159 600.00
Civic occasions: EUR 202 800.00	Civic occasions: EUR 202 800.00

[Veranstaltungszentren GmbH \(City 2\)](#)

***Content of the services of general economic interest***

In general terms, the grant allows the recipient, in accordance with its purpose as specified in the articles of association and acting in the public interest and in particular in the interest of promoting the economy and boosting awareness of the city and its status as an attractive place to live, to organise light entertainment and serious arts events, including theatre performances, celebrations, ceremonies, sporting and other events of all kinds, congresses, conferences, seminars, presentations and trade fairs and exhibitions and all associated services within the city, to construct and operate buildings and green spaces suitable for this purpose including all ancillary facilities and to perform all public service activities necessary to discharge these tasks as set out in the articles of association (*purpose of the grant*).

***Forms of entrustment***

Entrustment act in the form of a grant notice

***Duration of the entrustment***

for one year in each case, no entrustments exceeding 10 years

***Exclusive or special rights***

none

***Aid instruments***

- Subsidies;
- guarantees for the securing of earmarked loans (loans are required to perform the public tasks with which the undertaking is entrusted),
- loans of real estate without consideration (real estate is required to perform the public tasks with which the undertaking is entrusted),

***Compensation mechanism***

- Cost allocation methodology
- Institutional support as proportionate shortfall financing in the form of a genuine, non-repayable subsidy.
- All of the recipient's own funds and revenues earned in connection with the purpose of the grant (in particular grants, third-party services, contributions and donations) must be used as funds to cover all expenses. The business plan is binding in nature.
- The beneficiary itself is obliged to apply for the public grants, statutory disbursements and sources of funding that are available, in a timely manner and to the fullest extent possible.
- If the total expenditure estimated in the business plan for the public service obligations eligible for funding reduces after approval or if the funds available to cover the expenditure increase or new funds become available, the grant is reduced.

***Arrangements for avoiding and repaying any overcompensation***

- Disbursement of the grant in instalments upon request from the beneficiary with evidence of cashflow requirements
- Quarterly reporting on the financing status of measures to implement the tasks in the form of a profit and loss statement (comparison between budgeted/actual figures)
- Grants subject to the proviso that overcompensation is not paid for the

performance of the public service obligations

- Submission of a statement of expenditure in connection with the beneficiary's annual financial statement, where applicable with a separate annex (in the event that secondary SGEI activities are carried on that are not eligible for a grant), quantified evidence on the basis of the audited annual financial statement (balance sheet, profit and loss statement, annex, management report) and separate accounting
- If any overcompensation is identified, it must always be repaid to the city. The amounts must be presented as liabilities to the city. In cases where the amount of overcompensation does not exceed 10% of the average annual compensation, such overcompensation may be carried forward to the following appropriation period and deducted from the amount of compensation payable in respect of that period.

### ***Transparency requirements***

Not applicable, since the aid is below EUR 15 million

### ***Amount of aid granted***

<b>2018</b>	<b>2019</b>
<ul style="list-style-type: none"> <li>- EUR 4 300 000 (institutional funding as pro rata shortfall financing)</li> <li>- EUR 333 216 (gross grant equivalent for guarantees)</li> <li>- EUR 37 015 (gross grant equivalent for the transfer of real estate without consideration)</li> <li>- EUR 1 402 220 (project funding (pro rata investment funding))</li> </ul>	<ul style="list-style-type: none"> <li>EUR 4 100 000 (institutional funding as pro rata shortfall financing)</li> <li>EUR 311 975 (gross grant equivalent for guarantees)</li> <li>EUR 36 126 (gross grant equivalent for the transfer of real estate without consideration)</li> <li>EUR 10 531 970 (project funding (pro rata investment funding))</li> </ul>
Total	Total
<b>EUR 6 072 451</b>	<b>EUR 14 980 071</b>

### **3. Description of the application of the SGEI Framework of 2012**

The Commission has not approved any measures under the SGEI Framework of 2012 to date.

### **4. Complaints by third parties**

### **5. Miscellaneous questions**

The Free State of Saxony wishes to highlight the fact that application of the SGEI Exemption Decision continued to raise the following practical challenges in particular during the reporting period:

- on the basis of the viewpoint expressed by the Commission to date, a tender procedure in which only one tender is received does not result in a finding that no State aid is involved. We request a relaxation of these rules, which cause problems in practice (particularly in the emergency services sector), at least in line with non-compulsory expenditure,
- the obligation to carry out a settlement on the basis of actual costs without the alternative (permitted under the GBER) of a binding declaration to make a reliable forecast and obligation to carry out checks after every three years (no provisions concerning the timing of checks in the GBER) places a greater burden on public service measures in comparison to sectoral measures,
- there is continuing uncertainty regarding a reasonable profit. A 'safe harbour' rule for turnover would be helpful for *de minimis* cases (instead of return on investment and instead of discounting).

The SGEI Decision in Saxony		Total amount for Saxony	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services	EUR 80 000.00	
Article 2(1)(c)	Health and long-term care	EUR 57 413 117.75	EUR 54 024 977.58
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing	EUR 143 890.00	EUR 6 427 925.94
	Care and social inclusion of vulnerable groups	EUR 22 122 000.00	EUR 26 707 000.00
	Social services		
Article 2(1)(d)	Air or maritime links		
Article 2(1)(e)	Airports and ports		
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services		
	Energy	EUR 2 380 000.00	EUR 2 380 000.00
	Waste collection		
	Water supply		
	Culture	EUR 5 788 000.00	EUR 6 680 000.00
	Financial services		
	Other sectors	EUR 82 427 663.76	EUR 98 714 083.79

<b>The SGEI Framework in Saxony</b>	Total amount for Saxony	
	2018	2019
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other sectors		



## **Saxony-Anhalt**

### **1. Expenditure overview**

#### **2018**

EUR 498 244 132.04

#### **2019**

EUR 537 739 406.85

### **2. Description of the application of the SGEI Decision of 2012**

#### **1) Hospitals (Article 2(1)(b))**

##### ***Content of the services of general economic interest***

Medical care services:

- needs-based and patient-centred care for members of the public, including inpatient and outpatient care, diagnosis and treatment,
- inpatient care in the following specialities: gynaecology and obstetrics, paediatrics including neonatology, anaesthesiology and intensive care, physiotherapy, interdisciplinary pain therapy, internal medicine with the specialities of cardiology, oncology, haematology, gastroenterology and pulmonology, neurology including stroke care, geriatrics (Geriatric Centre), orthopaedics and trauma surgery, general and GI tract/endocrine surgery, thoracic surgery, palliative medicine, psychiatry, psychotherapy and psychosomatic medicine, urology, child and adolescent psychiatry, psychotherapy and psychosomatic medicine,
- outpatient care in the following areas: internal medicine, general and GI tract/endocrine surgery, gynaecology, orthopaedics and trauma surgery, paediatrics, neurology, physiotherapy, psychological disorders, interdisciplinary pain therapy, performance of outpatient surgeries,
- diagnostic investigations in the fields of radiology, computer tomography (CT) magnetic resonance tomography (MRT) in cooperation, laboratory, internal and neurological functional diagnostics, left cardiac catheter, digital subtraction angiography, emergency services:

- comprehensive emergency care in all of the above medical specialities,
- ensuring permanent admission and standby services,
- provision of emergency doctors for the emergency doctor system in accordance with the Emergency Services Act of the *Land* of Saxony-Anhalt (*Rettungsdienstgesetz des Landes Sachsen-Anhalt*, RettDG LSA), ancillary services directly associated with these principal activities:
- training of healthcare workers and nurses (in a self-run nursing school),
- training of consultants on the basis of a training accreditation,
- training of surgical and anaesthesiology assistants (in a self-run nursing school),
- training of midwives and medical assistants,
- training in the field of office management,
- support for medical students,
- catering services for patients at the hospital.

### ***Forms of entrustment***

Entrustment act in the form of a district council decision

### ***Duration of the entrustment***

10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

- Subsidies
- Compensation of losses
- Granting of investment subsidies for investment measures

### ***Compensation mechanism***

- Annual business plan produced and adopted in accordance with the statutory provisions and the parameters set out therein
- Keeping of separate accounts indicating the individual services of general economic interest and the allocable expenses and profits

- The investment plan for the relevant financial year must be used as a basis for granting an investment subsidy for investment measures
- Checks on the basis of an annual financial statement audited and certified by an auditor
- Further rights for external audit authorities to carry out inspections

***Arrangements for avoiding and repaying any overcompensation***

- Evidence of use of funds in the form of an annual financial statement
- The amount must be repaid in the event of overcompensation
- Arrangements for avoiding and repaying any overcompensation are regulated in detail in the entrustment act

***Transparency requirements***

None

***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 1 326 000.00	EUR 2 700 000.00

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

A) Health and long-term care

No entrustment in Saxony-Anhalt

B) Childcare

***Content of the services of general economic interest***

Promotion, education, support and upbringing of children in day care centres and day care facilities within the framework of early childhood education

***Forms of entrustment***

The entrustments are made by means of an administrative act on the basis of the Act on the care and support of children in day care facilities and day care centres in the Land of Saxony-Anhalt (*Gesetz zur Förderung und Betreuung von Kindern in Tageseinrichtungen und in Tagespflege des Landes Sachsen-Anhalt*, KiFöG) of 5 March 2003, Sections 11 to 13.

***Duration of the entrustment***

The entrustment is made on an annual basis.

***Exclusive or special rights***

none

***Aid instruments***

Subsidies

***Compensation******mechanism***

The *Land* allocates a grant for each child cared for to the local bodies responsible for public youth welfare. The funding is calculated and distributed on the basis of the number of children cared for within the sphere of responsibility of the local body responsible for public youth welfare, which in turn is calculated using the statistics entitled 'Day care facilities for children and publicly funded day care' published by the *Land* Statistics Office on 1 March of the previous year. In the event of a double budget, the corresponding statistics published on 1 March of the year before last should be used as a basis in the second budgetary year.

Only the costs required for operation in connection with this service are reimbursed. Flat-rate fees are paid by the *Land* and the rural and urban districts in accordance with the provisions of Sections 11 to 12 of the Childcare Funding Act (*Kinderförderungsgesetz, KiFöG*); taken by themselves, these fees do not cover the costs involved. The remainder is financed by the municipalities and through parent contributions. A methodology based on cost allocation is generally used.

***Arrangements for avoiding and repaying any overcompensation***

Overcompensation is ruled out in the administrative act at the point when the funds are granted.

***Transparency requirements***

Not applicable, since no aid exceeding EUR 15 million is granted.

***Amount of aid granted***

2018

EUR 454 598 953.26

2019

EUR 506 478 326.92

C) Access to and reintegration into the labour market

### ***Content of the services of general economic interest***

Funding of projects to improve the opportunity for integration into the primary labour market of the unemployed persons who are outside the labour market and who must overcome significant obstacles in order to find employment and require special support as a result. The projects involve holistic packages aimed at activation, personal stabilisation and qualification and long-term career development.

- The target group includes persons who are at a disadvantage on the labour market and who are no longer eligible for funding under Volume II or Volume III of the Social Code and who require special assistance with integration into the primary labour market or an apprenticeship. This includes older unemployed persons from the age of 50, long-term unemployed persons, unemployed persons with health and/or psychological problems or disabilities, unemployed persons who are former immigrants and refugees.
- The projects involve holistic packages aimed at activation, personal stabilisation and qualification and long-term career development.

Projects aimed at young people in particular need of assistance:

- the funding is aimed at increasing the employability and readiness for training of young people (generally under the age of 25, in justified cases under the age of 30) in need of support who have passed the mandatory school-leaving age but do not have a school-leaving qualification, are unemployed and are no longer eligible for assistance via the funding schemes operated by the Employment Agencies or the basic benefits for job seekers,
- the strategic goal is to increase the employability and readiness for training of young people in need of support so that they can be integrated into suitable further measures, the training system or the labour market.

### ***Forms of entrustment***

The entrustment takes place in the form of a grant notice on the basis of Sections 23 and 44 of the *Land Budget Code*.

### ***Duration of the entrustment***

- The duration of the entrustment is 24 months
- A 12-month extension of the projects is possible

- No entrustments exceeding 10 years

### ***Exclusive or special rights***

None

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

In keeping with the 'actual costs' principle, only the personnel and material costs incurred directly in connection with implementation of the transferred measure by the party implementing it are eligible for a grant/compensation. Indirect costs are taken into account pursuant to Article 67(1)(d) and (5)(d)

in conjunction with Article 68(1)(b) of Regulation (EU) No 1303/2013, based on a flat rate of 15% of direct staff costs.

Compensation takes the form of subsidies granted on the basis of actual expenditure under the relevant project, taking into account revenues relating to the measure and financial contributions from third parties.

The total expenditure eligible for a grant or eligible for compensation and all sources of funding for the project are reviewed before approval and listed on a binding basis in an expenditure and financing plan specific to the measure, that forms an integral part of the entrustment act/grant notice.

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

The eligible expenditure in the pre-confirmed expenditure and financing plan that is actually incurred under the relevant project is reviewed when checking the statements of expenditure; these checks are carried out during the project and after completion of the project.

Any overpayments identified are withdrawn pursuant to Section 49 of the Administrative Procedure Act and reclaimed with interest pursuant to Section 49a of the Administrative Procedure Act in conjunction with the administrative provisions relating to Section 44 of the *Land Budget Regulations* and the General Ancillary Provisions on Grants for Project Funding and the special ancillary provisions for the relevant grant notice.

### ***Transparency requirements***

Not applicable, since no aid was granted above the threshold.

### ***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 21 440 000.00	EUR 8 582 000.00

(Target amount pursuant to the grant notices/entrustment acts)

#### D) Social housing

No entrustment in Saxony-Anhalt

#### E) Care and social inclusion of vulnerable groups

### ***Content of the services of general economic interest***

Low-threshold language courses for foreigners funded by the European Social Fund (ESF) for the 2014-2020 funding period.

Funding is provided for low-threshold language courses in which basic knowledge of the German language up to GER A2 level is taught in a qualified and target group-oriented manner and which conclude with a nationally recognised language examination.

The curricula of the low-threshold language courses are based on the integration courses. The low-threshold language courses come before the integration courses within the meaning of Sections 43 et seqq. of the Residence Act (*Aufenthaltsgesetz*, *AufenthG*) and the ESF/Federal Office for Migration and Refugees (*Bundesamt für Migration und Flüchtlinge*, BAMF) language courses with a vocational orientation which may follow on from these.

The target group is foreigners living in Saxony-Anhalt who currently have no or only minimal German language skills, who wish to acquire such skills at a basic level, and who have no practical or formal access to integration courses.

### ***Forms of entrustment***

The entrustment takes place in the form of a grant notice on the basis of Sections 23 and 44 of the *Land Budget Code*.

### ***Duration of the entrustment***

The projects approved during the reporting period have a maximum duration of six months.

### ***Exclusive or special rights***

None

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

In keeping with the 'actual costs' principle, only the personnel and material costs incurred directly in connection with implementation of the transferred measure by the party implementing it are eligible for a grant/compensation. Indirect costs are taken into account pursuant to Article 67(1)(d) and (5)(d)

in conjunction with Article 68(1)(b) of Regulation (EU) No 1303/2013, based on a flat rate of 15% of direct staff costs.

The compensation is made by means of a subsidy covering the expenses actually incurred in connection with the relevant project.

The total expenditure eligible for a grant or eligible for compensation and all sources of funding for the project are reviewed before approval and listed on a binding basis in an expenditure and financing plan specific to the measure, that forms an integral part of the entrustment act/grant notice.

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

The eligible expenditure in the pre-confirmed expenditure and financing plan that is actually incurred under the relevant project is reviewed when checking the statements of expenditure; these checks are carried out during the project and after completion of the project.



Any overpayments identified are withdrawn pursuant to Section 49 of the Administrative Procedure Act and reclaimed with interest pursuant to Section 49a of the Administrative Procedure Act in conjunction with the administrative provisions relating to Section 44 of the *Land* Budget Regulations and the General Ancillary Provisions on Grants for Project Funding and the special ancillary provisions for the relevant grant notice.

***Transparency requirements***

Not applicable, since no aid was granted above the threshold.

***Amount of aid granted***

2018

EUR 232 000

2019

EUR 32 000

Target amount pursuant to the grant notices/entrustment acts

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

No entrustment in Saxony-Anhalt

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

No entrustment in Saxony-Anhalt

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

i) Postal services

No entrustment in Saxony-Anhalt

ii) Energy

No entrustment in Saxony-Anhalt

iii) Waste collection

No entrustment in Saxony-Anhalt

iv) Water supply

No entrustment in Saxony-Anhalt

v) Culture

No entrustment in Saxony-Anhalt

vi) Financial services

No entrustment in Saxony-Anhalt

vii) Other sectors

A) Promotion of the economy:

***Content of the services of general economic interest***

- Improvements to the social and economic structure
- General information activities as a contact point for technology-oriented start-ups and undertakings wishing to establish themselves in the city and its surroundings
- Promotion of regional development and increasing economic power in the planning region
- Maintenance and management of technology centres
- Cooperation with universities
- Initiator, coordinator and sponsor of *Land*-wide and (in particular) regional projects involving integrated regional development and business development

- Regional management agency activities
- Steering of regional business development and regional development processes through the coordination and management of the necessary committees
- Coordination of the regional budget and other regional funding programmes and canvassing for potential additional funding to implement regional projects
- Initiation and implementation of projects in connection with supraregional business development and regional development in collaboration with the regional partners
- Organisation and coordination of funding advice for small and medium-sized enterprises or for start-ups and individual citizens
- Representation of the economic region within regional and supraregional committees
- Planning, organisation and execution of central events, e.g. regional business days, expert conventions and regional conferences
- Support for shareholders in connection with measures that support economic development and are in the overall interest of the economic region
- Location marketing, e.g. by means of instruments such as the operation of an Internet platform for networking between all regional stakeholders, coordination and implementation of image advertising
- Contribution to internal marketing through the steering of projects that help to build a regional identity
- Assumption of responsibility for regional brands and support for regional brands
- Guidance for start-ups and support for existing undertakings, advice and support for municipalities in respect of new undertakings seeking to establish themselves within their territories, location advice in connection with commercial relocations and cooperation in regional and district council committees
- Establishment of positive conditions for start-ups
- Building and maintenance of the location's image as an attractive place to train and carry out research and as a magnet for start-ups
- Handling of relocation queries, i.e. queries from undertakings looking for a

suitable location

- Production of publications distributed free of charge, participation in trade fairs or cooperation with the production of public relations materials
- Business development and support for existing businesses
- General information meetings or initial consultations, in particular regarding public funding options, options for starting up in business and any questions arising in this connection in relation to the use of funds
- Organisation of projects financed under the European Social Fund and the budget of the *Land* of Saxony-Anhalt
- Competitions and award ceremonies
- Organisation of and participation in networks of industry associations and alliances of specialists
- Project management services for general economic topics/holidays in undertakings
- Participation in events aimed at bundling business development services
- Acquisition of investments, contact point for investors
- Information and communication measures in relation to the benefits of Saxony-Anhalt as a location for business and science
- External image, in particular through the organisation of booths for regional associations at international trade fairs and image marketing
- Support in connection with the establishment of favourable framework conditions for non-economic activities by the *Land* (information campaigns, delegation trips by the *Land*) and
- Tourist marketing in relation to national and international thematic and image marketing for the *Land* of Saxony-Anhalt as a tourist area and for its individual destinations, improvements to the quality of tourism, accessible tourism, market research
- Guidance for companies wishing to establish a base in the area

### ***Forms of entrustment***

Entrustment acts by means of orders by the district council and city council

### ***Duration of the entrustment***

The planned duration of the entrustment is five to ten years. One entrustment was made for one year, and is automatically extended for an additional year unless terminated by 30 September.

### ***Exclusive or special rights***

No exclusive or special rights

### ***Aid instruments***

- Operating subsidies/subsidies
- Assumption of deficiency guarantees
- Allocation of staff

### ***Compensation mechanism***

- Annual business plans with forecast demand for subsidies
- Submission of an audited annual financial statement
- Annual aid report with proof of compliance with public service obligations and use of funds.
- The level of the credits or loans is based on the estimated value in the relevant business plan of the undertaking
- Compensation mechanisms in accordance with the cost allocation methodology
- Compensation mechanisms on the basis of the net avoided cost methodology
- Retention period of at least 10 years for all documents.

### ***Arrangements for avoiding and repaying any overcompensation***

- Compensation payments may not exceed what is necessary to cover the costs incurred.
- When the annual financial statement is produced, repayment of funding that exceeds the amount necessary for performance of the SGEIs will be requested.

- If the maximum compensation amount of no more than 10% of total compensation is exceeded, this amount may be carried forward to the following compensation year and must be deducted from the maximum compensation amount.
- Audit of the statement of expenditure by the auditor.

### ***Transparency requirements***

No compensation exceeding EUR 15 million

### ***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 7 698 276.18	EUR 7 984 356.61

### ***Exclusive or special rights***

No exclusive or special rights

## **B) Education**

### ***Content of the services of general economic interest***

- Organisation of adult education courses
- Instrumental and music theory training of interested children, adolescents and adults in music schools and cooperation in/organisation of cultural events and concerts

### ***Forms of entrustment***

Entrustment act in the form of a district council decision

### ***Duration of the entrustment***

The planned duration of the entrustment is 10 years.

### ***Exclusive or special rights***

no exclusive or special rights

### ***Aid instruments***

- Subsidies

- Provision of premises free of charge

### ***Compensation mechanism***

- The likely demand for subsidies is forecast within the framework of business planning.
- Compensation may not be granted for shortfalls associated with the undertaking's services that are not of general economic interest.
- In the event that services are performed that do not qualify as services of general economic interest, the undertaking must supply evidence, on the basis of separate accounting, that the compensation that has been granted has not been used for the financing of these services.
- Evidence of compliance with these requirements is provided by the undertakings on an annual basis after the expiry of the business plan.

### ***Arrangements for avoiding and repaying any overcompensation***

- If the maximum compensation amount of no more than 10% of total compensation is exceeded, this amount may be carried forward to the following compensation year and must be deducted from the maximum compensation amount.

### ***Transparency requirements***

No compensation exceeding EUR 15 million

### ***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 2 229 364.05	EUR 2 446 504.77

### ***C) Other social welfare***

### ***Content of the services of general economic interest***

School-based social work as a child and adolescent welfare service in the form of counselling and support for school pupils

### ***Forms of entrustment***

Entrustment act in the form of a district council decision

### ***Duration of the entrustment***

The maximum planned duration of the entrustment is 10 years.

### ***Exclusive or special rights***

No exclusive or special rights

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

- The compensation does not exceed what is needed to cover the net costs incurred in connection with the fulfilment of public service obligations (limited to a maximum annual gross amount of EUR 1 million).
- The costs incurred in connection with the performance of the relevant public service obligation must be shown separately from all other activities.
- No compensation is granted for costs that are not incurred in connection with the public service obligations.
- Retention period of at least 10 years for all documents.
- Compensation mechanism in accordance with a methodology based on cost allocation.

### ***Arrangements for avoiding and repaying any overcompensation***

- The funding for the past month is called up on the 15th of the following month in each case.
- After the expiry of the relevant financial year, evidence is supplied of the use of the compensation granted on the basis of the annual financial statement, with due regard for the requirements set out in the Act on the Transparency Directive.
- Annual aid report with proof of compliance with public service obligations and use of funds.



- If the maximum compensation amount of no more than 10% of total compensation is exceeded, this amount may be carried forward to the following compensation year and must be deducted from the maximum compensation amount.

### ***Transparency requirements***

No compensation exceeding EUR 15 million

### ***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 588 997.36	EUR 444 414.11

### **D) Tourism**

#### ***Content of the services of general economic interest***

- Execution of general city and regional marketing measures and tourism and cultural promotion, including: conception, organisation and execution of events for this purpose,
- opinions on tourist projects in the region,
- political support in connection with the establishment and maintenance of tourist infrastructure through committee work and press relations,
- creation and maintenance of websites presenting the entire area covered by the association or presenting and advertising certain topics of relevance to tourists,
- production of general information brochures of all kinds,
- exchange of information and training courses on topics in the fields of accessibility, quality campaigns, multilingual services,
- execution of general projects and measures in the field of business marketing, including the conception, organisation and execution of events for this purpose,
- conception and execution of holistic image and location advertising and location marketing,
- support for marketing activities in relation to existing industrial and commercial premises and support for their acquisition by investors through advertising

measures,

- safeguarding and strengthening the natural landscape in the Harz region, the natural heritage in the region and the regional identity as a basis for structuring tourist services,
- coordination of existing tourism and cultural stakeholders and tourism and cultural institutions,
- further development of the holistic tourism concept and the resulting implementation of projects and measures,
- cooperation in institutions, associations and working groups for the purpose of promoting businesses, tourism and culture,
- implementation of other measures that promote fulfilment of the public service obligations,
- promotion of regional and sustainable food and handicraft products, e.g. by means of quality labels,
- service providing information to the general public throughout the area covered by the association (local residents and guests).

### ***Forms of entrustment***

- Entrustment act in the form of a district council decision
- Grant notice

### ***Duration of the entrustment***

The duration of the entrustments is restricted to a maximum period of 10 years.

### ***Exclusive or special rights***

None

### ***Aid instruments***

- Subsidies
- Allocation of staff
- Compensation payments
- Membership fees

### ***Compensation mechanism***

- Production of a business plan in which the predicted demand for subsidies is specified. Evidence of the use of funds is provided through submission of an audited annual financial statement and an aid report to the municipal shareholders.
- Compensation for services that do not constitute services of general economic interest is not permitted.
- In the event that services that do not constitute services of general economic interest are performed, evidence must be supplied that the compensation provided by the shareholder has not been used to finance these services; this evidence must be supplied by means of separate accounting in accordance with the Transparency Directive Act (*Transparenzrichtlinien-Gesetz*). Profits must be credited against the eligible expenses.
- All documents supplying evidence that the compensation payments comply with the Exemption Decision must be retained for a period of at least 10 years.
- Compensation mechanism in accordance with a methodology based on cost allocation.

#### ***Arrangements for avoiding and repaying any overcompensation***

- Compensation payments to cover the costs incurred in connection with the performance of public service obligations may not exceed these costs, taking into account the revenues earned in this connection and a reasonable return.
- It must be ensured that the compensation payments do not result in overcompensation for the performance of the public service obligations (degree of plan realisation on the basis of the budget; evidence of use must be presented after the end of the financial year).
- After the end of the business year and in connection with the drawing up of the annual financial statement, funding that exceeds the amount necessary for performance of the SGEIs is repaid to the municipal shareholder.
- In the event of overcompensation exceeding 10%, pro rata repayment of surplus compensation payments.
- Only 10% of the compensation amount may be carried forward to the following

financial year.

- In addition, the company is obliged to submit an aid report on an annual basis, confirming compliance with the public service obligations and supplying evidence of the use of funds.

***Transparency requirements***

Not applicable, since the compensation does not exceed EUR 15 million.

***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 1 616 239.19	EUR 2 086 892.44

E) Broadband supply

***Content of the services of general economic interest***

- Planning and construction of passive broadband infrastructure
- Search for an operator and subsequent leasing of the broadband infrastructure to cover white spots

***Forms of entrustment***

Entrustment act as a grant notice

***Duration of the entrustment***

The planned duration of the entrustments is 10 years.

***Exclusive or special rights***

None

***Aid instruments***

Operating subsidy

***Compensation mechanism***

- The maximum amount covered by the compensation is the net costs incurred in connection with performing the tasks.
- Compensation payments must not exceed what is necessary to cover the costs incurred, taking into account the relevant revenues.

***Arrangements for avoiding and repaying any overcompensation***

- Proof is provided at the end of the financial year in the form of a statement of expenditure within the framework of the annual financial statement.
- If overcompensation occurs, repayment of the surplus amount is requested.

***Transparency requirements***

Not applicable, since the compensation does not exceed EUR 15 million.

***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 100 000.00	EUR 190 218.00

**F) Operation of public swimming pools*****Content of the services of general economic interest***

- Operation of an open-air pool, swimming pool

***Forms of entrustment***

- Entrustment in the form of a decision by the town council

***Duration of the entrustment***

- 10 years

***Exclusive or special rights***

None

***Aid instruments***

- Subsidies/compensation payment

***Compensation mechanism***

- Only costs relating directly to the SGEIs are taken into account.
- Calculation of the shortfall, repayment in the event that the compensation payment exceeds the shortfall

***Arrangements for avoiding and repaying any overcompensation***

- Settlement after presentation of the audited annual financial statement

- Annual business analysis audited by the auditor

***Transparency requirements***

Not applicable, since the compensation does not exceed EUR 15 million.

***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 300 000.00	EUR 325 000.00

G) Consumer information and advice – institutional funding for Verbraucherzentrale Sachsen-Anhalt e.V.

***Content of the services of general economic interest***

- Customised advice and assistance for consumers, including exercising of the power to provide extrajudicial legal services, through consumer information and education.
- Representation of consumers' interests in the field of consumer policy to politicians and business owners.
- Prosecution of infringements against consumer protection laws and infringements against competition law in so far as consumers' interests are affected, inter alia through the initiation of court proceedings and the collection of consumers claims.

- Active public relations work.
- Participation in cross-regional community protection projects.
- Maintenance of an office in Halle and an advice point.
- Advice hotline with professionally qualified employees providing those in need of nursing care and their relatives with a low-threshold, independent, high-quality, expert, prompt and free advice service on the specific issues that are relevant to nursing care law. The advisers represent the interests of those affected and strengthen their legal position vis-à-vis the paying agencies and service providers in relation to the provision of extrajudicial legal services.

### ***Forms of entrustment***

The entrustment is made by means of a contract or a grant notice

### ***Duration of the entrustment***

Two years

### ***Exclusive or special rights***

not granted.

### ***Aid instruments***

Subsidy

### ***Compensation mechanism***

The annual net costs of VZSA are compensated by the funding authority in the form of institutional funding, on the basis of the annual business plan, for the service of general economic interest described in the contract/grant notice.

### ***Arrangements for avoiding and repaying any overcompensation***

Checks are carried out on the basis of statements of expenditure within the framework of the audited annual financial statement. Checks of overcompensation are also executed through the reporting obligations of the funding authority, checks of the statement of expenditure and the provisions of the General Ancillary Provisions on

## Grants for Project Funding

### ***Transparency requirements***

Not applicable, since the compensation does not exceed EUR 15 million.

### ***Amount of aid granted***

<u>2018</u>	<u>2019</u>
EUR 1 478 302	EUR 2 010 694

## H) Student services organisation

### ***Content of the services of general economic interest***

Services relating to catering for students and social, health, cultural and sporting services should be regarded as public service obligations within the meaning of the entrustment act. The grants are used to pursue charitable objectives that are not offered on the market or are not offered to an adequate extent on the market. There is no third-party service provider that offers comparable services. Depending on the location, the student services organisations provide between 300 and 1 000 students with meals over a period of time of up to three hours, with each student allocated a time budget of 20 to 20 minutes on average. The universities establish the relevant framework by way of the courses that they offer. At the same time, the organisation of students' years into terms/holidays results in significant differences as regards the quantitative figures involved, meaning that a number of facilities are closed in whole or in part during the holidays. The number of meals sold is up to one seventh below the maximum take-up level.

The catering facilities offer healthy, varied and nutritionally balanced meals that not only meet the legal requirements for hygiene and labelling, but also take into account the very different cultural, ethical and religious demands of the students. This form of catering is one way of ensuring that students can live independently and cease to be dependent on their parents' income.

### ***Forms of entrustment***

The entrustment is made by means of a funding notice.



***Duration of the entrustment***

The planned duration of the entrustment is 10 years.

***Exclusive or special rights***

No

***Aid instruments***

Subsidy

***Compensation mechanism***

The grant does not exceed the amount necessary to cover the net costs incurred in connection with provision of the aforementioned SGEIs. The net costs are the difference between all the costs incurred in performance of the relevant SGEIs and calculated in accordance with generally accepted accounting principles on the one hand, including the pro rata overheads and a reasonable profit, and the revenues earned by means of the SGEIs on the other hand.

The keeping of separate accounts in accordance with this notice plays a decisive role in distinguishing between net costs that are eligible for compensation and the other costs of the student services organisation.

The consumer price index of the food industry (12.5% in January 2016) is regarded as customary for the trade and used as a basis. The grant recipient records expenses and profits on the one hand for the SGEI incumbent upon it and on the other hand for each further activity internally under separate cost centres (separate accounting). All expenses and profits are to be allocated to the respective fields according to objectively justified and uniformly applied cost accounting principles. The underlying cost accounting principles must be clearly defined. The grant recipient keeps records of the allocation of the expenses and profits to the respective fields and of the cost accounting principles applied and in particular of the standards for the categorisation of such expenses and profits, costs and revenues.

***Arrangements for avoiding and repaying any overcompensation***

If the checks by the funding authority to determine whether the remuneration paid to the recipient has been used correctly reveal that the revenues earned by the recipient in connection with the performance of SGEIs exceed the net costs plus a reasonable profit (overcompensation), repayment of the surplus amount by the recipient is requested at the same time that the audit outcome is notified. A separate notice is issued in this connection; an appeal can be lodged against any such notice. This does not apply if the overcompensation is up to a maximum of 10% of the amount eligible for compensation. In this case, the surplus amount is credited to the following budget year at the due discretion of the funding authority. A separate notice is issued in this connection.

### ***Transparency requirements***

No compensation exceeding EUR 15 million

### ***Amount of aid granted***

2018:  
EUR 1 970 000  
subject to available funding of up to  
EUR 2 150 000

2019:  
EUR 1 970 000  
subject to available funding of up to  
EUR 2 150 000

#### **I) Projects for the future-proof design of the labour market**

### ***Content of the services of general economic interest***

The following projects were entrusted under the individual project guidelines during the reporting period:

- Migration and Labour Market Centre (*Zentrum Migration und Arbeitsmarkt, ZeMigra*):
  - promotion of the labour market and integration into the labour market for refugees and immigrants in the form of information on the prerequisites for integration into the labour market of immigrants and refugees under immigration, residence and employment law,
  - information on funding programmes and funding opportunities for improving and accelerating integration into the labour market,
  - guidance on projects and assistance with accessing the support available,
  - prompt and customised referrals to the competent bodies and relevant contact persons in the event of problems or issues in the field of labour market integration,
  - support for the transfer and exchange of experience on a regional and supraregional basis.
- Land-wide initiative 'Fachkraft im Fokus (Skilled Workers in Focus)':
  - Advice and support for skilled workers, companies and other stakeholders in the labour market and local policy-makers in order to drive forward effectively efforts to strengthen the skills base in companies and in the different regions of the *Land*.
- Anti-discrimination agency:
  - primarily in the context of the working environment and access to the labour market, provision of qualified advice and support to persons disadvantaged on the basis of the characteristics referred to in Section 1 of the General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz, AGG*), allowing them to assert their rights under this Act, thereby promoting integration into the labour market,

- advice services with as low a threshold as possible are offered to users on a cost-neutral and pre-litigation basis,
- the support services should include not only the actual consultation, but also the drafting of appeals, the mobilisation of network partners and the obtaining of opinions.
- *Land* Network Office for Regional Transition Management in Saxony-Anhalt:
  - the *Land* Programme for Regional Transition Management in Saxony-Anhalt involves supporting work alliances at the level of the rural and urban districts by permanently structuring the transitions from school via vocational training into a career in such a way that adolescents can start and successfully complete vocational training after school without any detours and interruptions,
  - the goal is to provide tailored services in particular in accordance with Volumes II, III and VIII of the Social Code for under-25s and in exceptional cases for under-35s, systematically incorporating additional support offers, the services on offer are intended to be transparent and accessible for all adolescents and their caregivers, regardless of their entitlement to benefits, this is intended to avoid duplicate entrustments and entrustment gaps.
- Centre of Social Innovation Skills (*Kompetenzzentrum Soziale Innovation*, KomZ):
  - against the backdrop of demographic development and the specific framework conditions in Saxony-Anhalt, the Centre of Social Innovation Skills is intended to identify trends and highlight problems, analyse them and clarify suitable solution strategies and the options for their implementation. The Centre of Social Innovation Skills regards itself as a discoverer of social and organisational innovations in Saxony-Anhalt and as a think tank for innovation projects.
- Network and Dialogue:
  - analysis of suitable participation forms, development of a customised dialogue forum, strengthening of intermunicipal and intersectoral cooperation, design of moderation and mediation processes, ensuring the sustainability of the Centre of Social Innovation Skills,
  - 'Analysis/development, research, promotion of young talent' Formulation and handling of research issues in studies, and/or concepts, promotion of young talent 'Social Entrepreneurship',
  - skills development to support this field of business and study, support for entrepreneurial activities aimed at tackling solution issues.

### ***Forms of entrustment***

The entrustment takes place in the form of a grant notice on the basis of Sections 23 and 44 of the *Land* Budget Code.

### ***Duration of the entrustment***

The maximum duration of the entrustment for the projects approved during the reporting period is 60 months.

### ***Exclusive or special rights***

None

### ***Aid instruments***

Subsidies

### ***Compensation mechanism***

In keeping with the 'actual costs' principle, only the personnel and material costs incurred directly in connection with implementation of the transferred measure by the party implementing it are eligible for a grant/compensation. Pursuant to Article 67(1)(d) and (5)(d) in conjunction with Article 68(1)(b) of Regulation (EU) No 1303/2013, indirect expenses can be taken into consideration on the basis of a flat rate of 15% of direct personnel-related expenses. Compensation takes the form of subsidies granted on the basis of actual expenditure under the relevant project, taking into account revenues relating to the measure and financial contributions from third parties.

The total expenditure eligible for a grant or eligible for compensation and all sources of funding for the project are reviewed before approval and listed on a binding basis in an expenditure and financing plan specific to the measure, that forms an integral part of the entrustment act/grant notice.

Cost allocation methodology

### ***Arrangements for avoiding and repaying any overcompensation***

The eligible expenditure in the pre-confirmed expenditure and financing plan that is actually incurred under the relevant project is reviewed when checking the statements of expenditure; these checks are carried out during the project and after completion of the project.

Any overpayments identified are withdrawn pursuant to Section 49 of the Administrative Procedure Act and reclaimed with interest pursuant to Section 49a of the Administrative Procedure Act in conjunction with the administrative provisions relating to Section 44 of the *Land* Budget Regulations and the General Ancillary Provisions on Grants for Project Funding and the special ancillary provisions for the relevant grant notice.

Transparency requirements

Not applicable, since no aid was granted above the threshold.

***Amount of aid granted***20182019

EUR 4 666 000

EUR 2 489 000

(Target amount pursuant to the grant notices/entrustment acts)

**3. Description of the application of the SGEI Framework of 2012**

The Commission has not approved any measures under the SGEI Framework of 2012 to date.

**4. Complaints by third parties**

none

**5. Miscellaneous questions**

none

The SGEI Decision in Saxony-Anhalt		Total amount for Saxony-Anhalt	
		2018	2019
<b>Article 2(1)(b)</b>	Hospitals providing medical care, where applicable including emergency services	EUR 1 326 000.00	EUR 2 700 000.00
<b>Article 2(1)(c)</b>	Health and long-term care	EUR 0.00	EUR 0.00
	Childcare	EUR 454 598 953.26	EUR 506 478 326.92
	Access to and reintegration into the labour market	EUR 21 440 000.00	EUR 8 582 000.00
	Access to and reintegration into the labour market		
	Social housing	EUR 0.00	EUR 0.00
	Care and social inclusion of vulnerable groups	EUR 232 000.00	EUR 32 000.00
	Social services	EUR 0.00	EUR 0.00
<b>Article 2(1)(d)</b>	Air or maritime links	EUR 0.00	EUR 0.00
<b>Article 2(1)(e)</b>	Airports and ports	EUR 0.00	EUR 0.00
<b>Article 2(1)(a), not exceeding an annual amount of EUR 15 million</b>	Postal services	EUR 0.00	EUR 0.00
	Energy	EUR 0.00	EUR 0.00
	Waste collection	EUR 0.00	EUR 0.00
	Water supply	EUR 0.00	EUR 0.00
	Culture	EUR 0.00	EUR 0.00
	Financial services	EUR 0.00	EUR 0.00
	Other sectors	EUR 20 647 178.78	EUR 19 947 079.93

<b>The SGEI Framework in Saxony-Anhalt</b>	Total amount for Saxony-Anhalt	
	2018	2019
Postal services	EUR 0.00	EUR 0.00
Energy	EUR 0.00	EUR 0.00
Waste collection	EUR 0.00	EUR 0.00
Water supply	EUR 0.00	EUR 0.00
Air or maritime links	EUR 0.00	EUR 0.00
Airports and ports	EUR 0.00	EUR 0.00
Culture	EUR 0.00	EUR 0.00
Financial services	EUR 0.00	EUR 0.00
Other sectors		

# Schleswig-Holstein

## 1. Expenditure overview

2018: EUR 144 241 628

2019: EUR 118 992 325

## 2. Description of the application of the SGEI Decision of 2012

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

#### ***Content of the services of general economic interest***

Operation of a specialist hospital; emergency care and basic care Provision of healthcare services for residents on the basis of the legal requirements that apply to the healthcare sector. Hospital services, including departments such as surgery, neurology, internal medicine, anaesthesiology and intensive care, geriatrics, gynaecology.

The hospitals are involved in the provision of emergency care. This includes in particular the operation of a surgical outpatients clinic, a central admission ward and participation in the provision of emergency care; in addition, ancillary services directly related to the principal activities, such as a college for nursing and paediatric nursing, a hospital pharmacy, the rental and leasing of parking spaces to employees, patients and visitors, the operation of a canteen for employees

#### ***Forms of entrustment***

Entrustment act

#### ***Duration of the entrustment***

max. 10 years; unlimited

#### ***Exclusive or special rights***

./.

#### ***Aid instruments***

Subsidy; guarantees; operating loans; loan; assumption of losses

#### ***Compensation mechanism***



Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Separate accounting; statutory audit; auditor's certificate; repayment if necessary

***Transparency requirements***

...

***Amount of aid granted***

2018: EUR 5 058 037

2019: EUR 5 054 868

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

a) Health and long-term care

***Content of the services of general economic interest***

Provision of inpatient beds

***Forms of entrustment***

Entrustment act for annual grants

***Duration of the entrustment***

No time limits

***Exclusive or special rights***

/

***Aid instruments***

Subsidy

***Compensation mechanism***

Compensation of financial shortfall

***Arrangements for avoiding and repaying any overcompensation***

Audit of the annual financial statement

***Transparency requirements***

/

***Amount of aid granted***

2018: EUR 5 530

2019: EUR 5 530

b) Childcare

***Content of the services of general economic interest***

Care of children (both under-threes and over-threes) in day care centres in accordance with the Act on Day Care for Children (*Kindertagesbetreuungsgesetz*, KiTaG).

***Forms of entrustment***

Conclusion of individual contracts with the relevant funding authority/funding authority contracts; contracts concerning the financing of operating costs

***Duration of the entrustment***

Contracts for an indefinite duration or 25 years or one-year extension if not terminated; notice periods 12 months as of 31 July/31 December of each year

***Exclusive or special rights***

./.

***Aid instruments***

If shortfall financing has been agreed, a subsidy is awarded in relation to the revenues and expenses that have actually been incurred.

If use of the credit transfer system has been agreed, a guarantee is provided for the calculation and specification of the transfer values

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

In the case of shortfall financing: Proof of expenses (settlement) by the institution vis-à-vis the municipality; establishment of a board of trustees with equal representation; advisory board

In the case of a credit transfer system: Calculation of the credit transfer points or the score based on the averages of several facilities; inspection rights on the part of the municipalities

***Transparency requirements***

...

***Amount of aid granted***

2018: EUR 6 110 952

2019: EUR 6 284 505

c) Access to and reintegration into the labour market

***not applicable***

d) Social housing

***Content of the services of general economic interest***

Measures for safeguarding and improving the supply of housing for population groups that cannot access adequate housing on the open housing market and are therefore reliant on support. Target groups are defined on the basis of income thresholds in the vast majority of cases, with proof of compliance requested on a case-by-case basis. Increasing the availability of social housing by building new stock or acquiring and modernising existing stock. For an ageing society, the promotion of social housing also covers support for accessible buildings and living environments appropriate for the elderly.

***Forms of entrustment***

Entrustment act

***Duration of the entrustment***

Generally 25 to 30 years

***Exclusive or special rights***

./.

***Aid instruments***

Loan, subsidies for proportionate construction financing, assumption of guarantees

***Compensation mechanism***

Net avoided cost methodology

***Arrangements for avoiding and repaying any overcompensation***

Duties to provide information, where applicable request for repayment

**Transparency requirements**

./.

**Amount of aid granted**

2018:

Cash value of funding:

EUR 91 050 000 (loans), EUR 15 320 000

(subsidies)

Nominal value:

EUR 137 900 000 (loans), EUR 15 320 000 (subsidies)

2019:

Cash value of funding:

EUR 65 640 000 (loans), EUR 15 190 000

(subsidies)

Nominal value:

EUR 123 520 000 (loans), EUR 15 190 000 (subsidies)

e) Care and social inclusion of vulnerable groups

**not applicable**

f) Other social services (where applicable)

**not applicable**

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

**Not applicable**

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

**Content of the services of general economic interest**

Promotion of the aviation sector, in particular air transport and air sport, and safeguarding accessibility of the region by aircraft through operation of an airfield

***Forms of entrustment***

Grant notice

***Duration of the entrustment***

Annual approval

***Exclusive or special rights***

./

***Aid instruments***

Subsidy

***Compensation mechanism***

Settlement on the basis of the annual financial statement in line with the payment guidelines

***Arrangements for avoiding and repaying any overcompensation***

Settlement on the basis of the annual financial statement in line with the payment guidelines

***Transparency requirements***

...

***Amount of aid granted***

2018 EUR 200 000

2019 EUR 200 000 (provisional)

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

a) Postal services

***not applicable***

b) Energy

***not applicable***

c) Waste collection

***not applicable***

d) Water supply

***Content of the services of general economic interest***

Provision of drinking water to the general public and businesses

***Forms of entrustment***

No entrustment act in the narrow sense of the term

***Duration of the entrustment***

Unlimited; deficiency guarantees limited to a term of 10/15 years.

***Exclusive or special rights***

/

***Aid instruments***

Granting of deficiency guarantees

***Compensation mechanism***

...

***Transparency requirements***

Approval by the municipal supervisory authority

***Amount of aid granted***

2018: EUR 355 000

2019: EUR 55 000

e) Culture

***Content of the services of general economic interest***

District music school; tasks associated with operation of the health resort: Operation and maintenance of the 'Haus des Kurgastes (House for Health Resort Guests)', operation and maintenance of the health resort gardens, tourist advertising; culture and communication centre; cultural promotion in multiple segments, in particular through the operation of various theatres; events and courses for basic and advanced training

and continuing education in the fields of music, literature and cultural management and their presentation in the form of readings, concerts and exhibitions

***Forms of entrustment***

Entrustment act; grant agreement; council order

***Duration of the entrustment***

Three years – unlimited

***Exclusive or special rights***

./.

***Aid instruments***

Deficit compensation;

subsidy

***Compensation mechanism***

Council decision on the basis of the business plan and budget, cost calculation

methodology

***Arrangements for avoiding and repaying any overcompensation***

Separate accounting; annual financial statement; where applicable, repayment

obligation

***Transparency requirements***

...

***Amount of aid granted***

2018: EUR 17 298 710

2019: EUR 18 087 583

f) Financial services

***not applicable***

g) Other sectors

***Content of the services of general economic interest***

Operation of public swimming pools: Operation of public swimming pools, including the operation of an indoor leisure pool, expansion and modernisation, provision of facilities

for swimming as a sport to the city's schools, facilitation of club swimming, provision of swimming facilities for other groups whose use of swimming facilities is in the public interest.

***Forms of entrustment***

Entrustment act by the executing municipality/shareholder agreement

***Duration of the entrustment***

10 years

***Exclusive or special rights***

In one case: exclusive right to operate an indoor swimming pool

***Aid instruments***

Deficit compensation

***Compensation mechanism***

various

***Arrangements for avoiding and repaying any overcompensation***

Examination of the annual financial statement

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 2 056 000

2019: EUR 2 000 789

(g) Other sectors

***Content of the services of general economic interest***

Promotion of tourism/tourism marketing and city marketing: Promotion and support for and operation of facilities and events in the tourism sector for the purpose of improving the range of tourist services on offer, visitor and guest hospitality, sale of tourist services and products

***Forms of entrustment***

Grant notice; entrustment act



***Duration of the entrustment***

Annually up to 10 years

***Exclusive or special rights***

./.

***Aid instruments***

Shortfall financing; subsidies

***Compensation mechanism***

various, generally cost allocation

***Arrangements for avoiding and repaying any overcompensation***

Examination of the annual financial statement

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 4 709 329

2019: EUR 4 129 489

(g) Other sectors

***Content of the services of general economic interest***

Operation of technology and start-up centres, formation of local networks, advice on funding sources; regional development; planning, establishment, maintenance and operation of a heavy-duty port, including the necessary port superstructure.

Public services are assigned in the field of business development, the operation and rental of a technology centre and regional development. The technology centre is intended to make it easier for technology-oriented undertakings and service providers to establish a company that succeeds on the market through the provision or procurement of offices and service rooms, workshops, centralised office services, provision of technical infrastructure and the offering of consultancy services and cooperation with universities. Support is provided to companies that have already established a base in the area and to new, young and innovative companies wishing to do so; commercial premises are procured for these purposes, in addition to the promotion of innovation, advice on the integration of financial support or the use of

funding, advice and support on starting up a company, brokerage of contacts and the establishment of business networks.

***Forms of entrustment***

Entrustment act by the executing municipality/shareholder agreement, order by the district council

***Duration of the entrustment***

Regularly up to a maximum of 10 years

***Exclusive or special rights***

./.

***Aid instruments***

Deficit compensation

***Compensation mechanism***

Cost allocation

***Arrangements for avoiding and repaying any overcompensation***

Examination of the annual financial statement

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 481 625

2019: EUR 512 313

(g) Other sectors

***Content of the services of general economic interest***

Maintenance and marketing of commercial plots; promotion of innovation

***Forms of entrustment***

Entrustment act

***Duration of the***

***entrustment***

10 to 20 years

***Exclusive or special rights***

./.

***Aid instruments***

Subsidy

***Compensation mechanism***

Comparison of actual costs/earnings

***Arrangements for avoiding and repaying any overcompensation***

Checks in connection with the annual financial statement, evidence of the use of funds

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 890 445

2019: EUR 1 152 248

(g) Other sectors

***Content of the services of general economic interest***

Operation of a science centre

***Forms of entrustment***

Notice

***Duration of the***

***entrustment***

Annual, likely > 10 years

***Exclusive or special rights***

./.

***Aid instruments***

Subsidy

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Settlement on the basis of the annual financial statement in line with the payment guidelines

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 26 000

2019: EUR 0.00

(g) Other sectors

***Content of the services of general economic interest***

Improvements to the economic, social, ecological, qualification-related and spatial structure of Kiel as the capital of the *Land*

***Forms of entrustment***

Notice

***Duration of the***

***entrustment***

Annual approval; expected term > 10 years

***Exclusive or special rights***

./.

***Aid instruments***

Subsidy

***Compensation mechanism***

Cost allocation methodology

***Arrangements for avoiding and repaying any overcompensation***

Settlement on the basis of the annual financial statement in line with the payment guidelines

***Transparency requirements***

./.

***Amount of aid granted***

2018: EUR 680 000

2019: EUR 680 000

**3. Description of the application of the SGEI Framework of 2012**

The Commission has not approved any measures under the SGEI Framework of 2012 to date.

**4. Complaints by third parties**

...

**5. Miscellaneous questions**

...

# Thuringia

## **Services of general economic interest: Reporting pursuant to the SGEI Decision of 2012 and the SGEI Framework of 2012**

### **1. EXPENDITURE OVERVIEW**

<b>Total SGEI expenditure by the <span style="color: red;">Free State of Thuringia</span> by legal basis (in million EUR)</b>		
	2018	2019
<b><i>Total compensation for the provision of services of general economic interest (1+2)</i></b>	63.266	91.138
1) Total compensation granted on the basis of the SGEI Decision	63.266	91.138
2) Total compensation granted on the basis of the SGEI Framework	0	0

### **2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION OF 2012**

#### **Sections of the report:**

- ~~1) Hospitals providing medical care, where applicable including emergency services (Article 2(1)(b))~~
- 2) Social services (Article 2(1)(c))
  - a) ~~Health and long-term care~~
  - b) ~~Childcare~~
  - c) ~~Access to and reintegration into the labour market~~
  - d) Social housing
  - e) ~~Care and social inclusion of vulnerable groups~~
  - f) ~~Other social services (where applicable)~~

- 3) ~~Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)~~
- 4) ~~Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)~~
- 5) ~~Other SGEI compensation not exceeding EUR 15 million per year (Article 2(1)(a))~~
- a) ~~Postal services~~
  - b) ~~Energy~~
  - c) ~~Waste collection~~
  - d) ~~Water supply~~
  - e) ~~Culture~~
  - f) ~~Financial services~~
  - g) Other sectors (promotion of tourism, organisation of trade fairs and cultural events)

**Interim report No 1: Social housing for students in university towns or cities in Thuringia**

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
2(d) Social housing for students in university towns or cities in Thuringia
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
<p>Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.</p> <p>Provision, operation and maintenance of housing for students at the university locations in Thuringia. The Thuringian Student Services Organisation supports and facilitates students at the universities in the <i>Land</i>, inter alia by providing housing services for the periods required by students and in the locations required by students. Student housing is provided at socially compatible rents, making it possible for low-income students and/or students of non-German origin to live in appropriate and affordable housing. In particular, these students encounter problems when attempting to rent housing of this kind on the free housing market.</p>

<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>Entrustment act.</p> <p>The Thuringian Student Services Organisation receives in each case project-specific grant notices (associated with the enclosed entrustment act (Annex A)) for the conversion, renovation or construction of student housing facilities.</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>The duration of the entrustment (entrustment period) corresponds to the period for which a purpose is specified for the relevant grant. The funded properties must be kept available at all times by the Thuringian Student Services Organisation to house students for a period of at least 30 years.</p>
<p>Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>No exclusive or special rights are typically assigned to the Thuringian Student Services Organisation.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>Grant in the form of proportionate financing (i.e. proportionate funding of the construction investments for the purpose of building and renovating student housing).</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>Cf. entrustment act (Annex A).</p>
<p>Typical <b>arrangements for avoiding and repaying any overcompensation</b>.</p>
<p>Regular controls, in particular checks to ensure that the compensation payments/grants awarded to the Thuringian Student Services Organisation are being used properly.</p>



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

The aid does not exceed an amount of EUR 15 million.

### Amount of aid granted

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities.  
(A+B+C)

2018	2019
EUR 4.7 million	EUR 4.7 million

A: **Total amount of aid granted (in million EUR)** paid by national central authorities<sup>7</sup>

2018	2019
0	0

B: **Total amount of aid granted (in million EUR)<sup>8</sup>** paid by regional authorities  
→ **specifically: Free State of Thuringia**

2018	2019																
Total: EUR 4.7 million, specifically:	Total: EUR 4.7 million, specifically:																
<table border="1"> <tr> <td>Merketalstraße 48, Weimar</td><td>EUR 0.1 million</td></tr> <tr> <td>Alte Zahnklinik, Erfurt</td><td>EUR 1.4 million</td></tr> <tr> <td>Former blood donation centre, Erfurt</td><td>EUR 0.5 million</td></tr> <tr> <td>Jakobsplan 1, Weimar</td><td>EUR 2.0 million</td></tr> <tr> <td>Schlegelstraße 4, Jena</td><td>EUR 0.7 million</td></tr> </table>	Merketalstraße 48, Weimar	EUR 0.1 million	Alte Zahnklinik, Erfurt	EUR 1.4 million	Former blood donation centre, Erfurt	EUR 0.5 million	Jakobsplan 1, Weimar	EUR 2.0 million	Schlegelstraße 4, Jena	EUR 0.7 million	<table border="1"> <tr> <td>Former blood donation centre, Erfurt</td><td>EUR 0.25 million</td></tr> <tr> <td>Jakobsplan 1, Weimar</td><td>EUR 4.2 million</td></tr> <tr> <td>Schlegelstraße 6, Jena</td><td>EUR 0.25 million</td></tr> </table>	Former blood donation centre, Erfurt	EUR 0.25 million	Jakobsplan 1, Weimar	EUR 4.2 million	Schlegelstraße 6, Jena	EUR 0.25 million
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Jakobsplan 1, Weimar	EUR 4.2 million																
Schlegelstraße 6, Jena	EUR 0.25 million																

C: **Total amount of aid granted (in million EUR)<sup>9</sup>** paid by local authorities

2018	2019
0	0

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

2018	2019
------	------

Subsidy: EUR 4.7 million	Subsidy: EUR 4.7 million
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2016</b>	<b>2017</b>
Recipient: 1 Aid amount/year: EUR 4.7 million	Beneficiary: 1 Aid amount/year: EUR 4.7 million

## **Interim report No 2: Social housing**

### **Section (e.g. 1 Hospitals or 2(b) Childcare)**

2(d) Social housing

#### **Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup>**

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

The object is the provision (construction or modernisation and rental) of housing for disadvantaged citizens or socially less advantaged groups whose income prevents them from finding appropriate accommodation on the open housing market.

In the opinion of Thuringia's *Land* Government, promotion of social housing is a service of general economic interest. The State's tasks include putting in place the requirements for providing citizens with a reliable supply of affordable housing. Social housing promotion involves measures aimed at safeguarding and improving the supply of housing for population groups whose income prevents them from finding appropriate accommodation on the open housing market and who therefore rely on support. These groups include in particular low-income households, households with children, single parents, pregnant women, elderly and disabled people and other vulnerable persons. In addition to the aforesaid specific features, the target groups are primarily defined on the basis of income thresholds.

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

The provider of the service makes available housing which is rented out at a reduced price to the aforementioned target groups.

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

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The aid is typically granted on the basis of a two-stage procedure (approval as administrative deed and loan agreement).
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
<p>The duration of the entrustment is typically 15 to 20 years in the rental housing sector as a result of the high level of investment and the long refinancing period.</p> <p>In the Exemption Decision (recital 12), the construction of social housing is explicitly cited as an example of when application of the Decision does not have to be limited to a maximum of 10 years due to the high investment sums involved.</p>
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
---
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<p>The promotion of social housing in Thuringia is designed to be property-specific rather than undertaking-specific. The funding is granted in the form of low-interest loans and/or subsidies for proportionate construction financing. The most frequent funding instruments are long-term low-interest loans or subsidies.</p> <p>Occupancy and rent commitments are accepted as a public service obligation, i.e. the properties are rented exclusively to households meeting the income limits and the rent levels are capped. The rent levels are capped to ensure affordability of living costs for the target groups. They are generally below the market level.</p>
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
The aid is granted as low-interest loans and/or subsidies, and the cost allocation methodology is used as a basis.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
Not applicable, since expense and revenue calculations are carried out when approving measures.

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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The individual aid amounts do not exceed EUR 15 million.

#### **Amount of aid granted**

**Total amount of aid granted (in million EUR)<sup>6</sup>.** This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

<b>2018</b>	<b>2019</b>
EUR 43.439 million	EUR 65.835 million

**A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup>**

<b>2018</b>	<b>2019</b>
0	0

**B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities**  
**→ specifically: Free State of Thuringia**

<b>2018</b>	<b>2019</b>
EUR 43.439 million	EUR 65.835 million

**C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities**

<b>2018</b>	<b>2019</b>
0	0

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

<b>2018</b>	<b>2019</b>
Subsidy: 19.584 Loan: 23.855	Subsidy: 21.256 Loan: 44.579

**Additional quantitative information:** (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>10</sup>

2018	2019
Number of beneficiary undertakings: 55	Number of beneficiary undertakings: 45
Average aid amount: EUR 0.790 million	Average aid amount: EUR 1.463 million

### **Interim report No 3: Promotion of tourism**

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors: Promotion of tourism
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Performance of services of general economic interest in connection with promotion of the tourist industry and associated ancillary services, e.g. marketing, public relations work, own market research/market analysis, brand management and control, strategic product development, advice and services for guests, destination management.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Entrustment on the basis of grant notices/agreements.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The duration of the entrustment is one to five years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Exclusive or special rights were not assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<p>The subsidies are granted as institutional funding or project funding. The funding is based on a business plan or project plan describing the relevant measures. The subsidies are restricted to a maximum amount. The compensation payments are reviewed as part of the checks of statements of expenditure.</p> <p>The cost allocation methodology and net avoided cost methodology were not used as a basis.</p>	
<p>Typical <b>arrangements for avoiding and repaying any overcompensation.</b></p>	
<p>Statements of expenditure for periods of less than one year in the case of projects with a term of under 12 months, annual statement of expenditure for one-year projects. Overcompensation is reclaimed/repaid pursuant to Section 49 of the Thuringian Administrative Procedure Act (<i>Thüringer Verwaltungsverfahrensgesetz, ThürVwVfG</i>).</p>	
<p>A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Not applicable, since aid exceeding EUR 15 million is not granted.</p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b></p>	
<p><b>2018</b></p>	<p><b>2019</b></p>
<p>EUR 7.67 million</p>	<p>EUR 8.37 million</p>
<p><b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b></p>	
<p><b>2018</b></p>	<p><b>2019</b></p>
<p>0</p>	<p>0</p>
<p><b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>  <b>→ specifically: Free State of Thuringia</b></p>	
<p><b>2018</b></p>	<p><b>2019</b></p>
<p>EUR 7.67 million</p>	<p>EUR 8.37 million</p>
<p><b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b></p>	
<p><b>201</b></p>	<p><b>201</b></p>



8	9
0	0
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2018	2019
Subsidies: EUR 7.67 million	Subsidies: EUR 8.37 million
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
2018	2019
Number of beneficiary undertakings: 7	Number of beneficiary undertakings: 7
Average aid amount: EUR 1.096 million	Average aid amount: EUR 1.196 million

## **Interim report No 4: Organisation of trade fairs and cultural events**

<b>Section (e.g. 1 Hospitals or 2(b) Childcare)</b>
5(g) Other sectors: Organisation of trade fairs and cultural events
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>5</sup></b>
Explanation of what kind of services in the relevant sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
Organisation of trade fairs with the aim of providing information to consumers, cultural events.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Public entrustment act in conjunction with annual grant notice.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEIs were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Duration of the entrustment: 10 years.
Explanation of whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No exclusive or special rights were assigned.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Subsidies.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Compensation calculation on the basis of the cost allocation methodology (difference between actual costs and actual revenues).

<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
Application in accordance with business plan and annual checks of statements of expenditure on the basis of an audited annual financial statement.	
A short explanation of how the <b>transparency requirements</b> (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). Alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable, since aid exceeding EUR 15 million is not granted.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in million EUR)<sup>6</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2018</b>	<b>2019</b>
EUR 7.457 million	EUR 12.233 million*
<b>A: Total amount of aid granted (in million EUR) paid by national central authorities<sup>7</sup></b>	
<b>2018</b>	<b>2019</b>
0	0
<b>B: Total amount of aid granted (in million EUR)<sup>8</sup> paid by regional authorities</b>	
<input type="checkbox"/> <b>specifically: Free State of Thuringia</b>	
<b>2018</b>	<b>2019</b>
EUR 7.457 million	EUR 12.233 million*
<b>C: Total amount of aid granted (in million EUR)<sup>9</sup> paid by local authorities</b>	
<b>2018</b>	<b>2019</b>
0	0

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\* The exact sum is not yet quantifiable on a definitive basis, since a statement of expenditure is not yet available, and it has accordingly not yet been possible to request the repayment of any overcompensation. The statement of expenditure only needs to be presented after the annual financial statement has been audited in September 2020.

<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
Subsidy: EUR 7.457 million	Subsidy: EUR 12.233 million* (see footnote on page 14)
<b>Additional quantitative information:</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>10</sup>	
<b>2018</b>	<b>2019</b>
Beneficiary: 1 Aid amount/year: EUR 7.457 million Number of employees in the undertaking: 45	Beneficiary: 1 Aid amount/year: EUR 12.233 million* (see footnote on page 14) Number of employees in the undertaking: 45

### **3. DESCRIPTION OF THE APPLICATION OF THE SGEI FRAMEWORK OF 2012**

The SGEI Framework was not applied in Thuringia during the reporting period.

## **Annex 2**

### **4. COMPLAINTS BY THIRD PARTIES**

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

No complaints were submitted.

### **5. MISCELLANEOUS QUESTIONS**

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

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

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

No comments.

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

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

- – complying with public procurement rules in line with paragraph 19 of the SGEI Framework,
- – determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework,
- – determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework.

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

No comments.

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

Please clarify whether tourism-related destination management or tourism-related marketing measures can generally be regarded as not constituting aid.

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The SGEI Decision in the Free State of Thuringia		Total amount for the Free State of Thuringia	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, where applicable including emergency services	EUR 0.00	EUR 0.00
Article 2(1)(c)	Health and long-term care	EUR 0.00	EUR 0.00
	Childcare	EUR 0.00	EUR 0.00
	Access to and reintegration into the labour market	EUR 0.00	EUR 0.00
	Access to and reintegration into the labour market	EUR 0.00	EUR 0.00
	Social housing	EUR 48 439 000.00	EUR 70 535 000.00
	Care and social inclusion of vulnerable groups	EUR 0.00	EUR 0.00
	Social services	EUR 0.00	EUR 0.00
Article 2(1)(d)	Air or maritime links	EUR 0.00	EUR 0.00
Article 2(1)(e)	Airports and ports	EUR 0.00	EUR 0.00
Article 2(1)(a), not exceeding an annual amount of EUR 15 million	Postal services	EUR 0.00	EUR 0.00
	Energy	EUR 0.00	EUR 0.00
	Waste collection	EUR 0.00	EUR 0.00
	Water supply	EUR 0.00	EUR 0.00
	Culture	EUR 0.00	EUR 0.00
	Financial services	EUR 0.00	EUR 0.00
	Other sectors	EUR 15 127 000.00	EUR 20 603 000.00



<b>The SGEI Framework in the Free State of Thuringia</b>	Total amount for the Free State of Thuringia	
	<b>2018</b>	<b>2019</b>
Postal services	EUR 0.00	EUR 0.00
Energy	EUR 0.00	EUR 0.00
Waste collection	EUR 0.00	EUR 0.00
Water supply	EUR 0.00	EUR 0.00
Air or maritime links	EUR 0.00	EUR 0.00
Airports and ports	EUR 0.00	EUR 0.00
Culture	EUR 0.00	EUR 0.00
Financial services	EUR 0.00	EUR 0.00
Other sectors	EUR 0.00	EUR 0.00

On the basis of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11 January 2012, p. 3) (Exemption Decision) and the Commission Directive of 28 November 2005 amending Directive 80/723/EEC on the transparency of financial relations between Member States and public undertakings as well as on financial transparency within certain undertakings (OJ L 312 of 29 November 2005 p. 47) (Transparency Directive), the present grant notice is designed to implement the provisions of State aid law concerning the compensation of costs relating to the acquisition, construction, renovation/modernisation and conversion of student housing, and is therefore also an entrustment act within the meaning of the Exemption Decision.

This grant pursues the following charitable goals that are not offered on the market or are only offered to an insufficient extent, by means of which the Free State of Thuringia, in accordance with the relevant underlying statutory provisions, entrusts the Thuringian Student Services Organisation as a future recipient, in accordance with the requirements listed in this entrustment act, with the public service obligations of acquiring, constructing, renovating/modernising and converting student housing facilities in university towns and cities in Thuringia.

The Thuringian Student Services Organisation must perform the tasks listed in Section 3(1) and (2) sentence 2 of the Thuringian Student Services Organisation Act (*Thüringer Studierendenwerkgesetz*) to the extent of its capacity. To this end, the Thuringian Student Services Organisation supports and facilitates students, inter alia by providing housing services for the periods required by students and in the locations required by students. Student housing is provided at socially compatible rents, making it possible for low-income students and/or students of non-German origin to live in appropriate and affordable housing. In particular, these students encounter problems when attempting to rent housing of this kind on the free housing market. The entrustment is intended to compensate for this partial market failure.

To cover the costs or expenses (including investment-related costs) that are incurred while performing the aforesaid tasks and for the purpose of performing these tasks, the Free State of Thuringia grants compensation payments to the Thuringian Student Services Organisation under the special investment programme 'Halls of Residence' and on the basis of the Guidelines for the construction of student housing in the currently valid version (proportionate funding). Proportionate funding for construction investments in new-build and renovated student housing contributes to the availability of affordable housing for students. The compensation payments are used solely to compensate on a proportionate basis the costs or expenses incurred by the Thuringian Student Services Organisation in connection with performance of the aforesaid tasks. The grant does not exceed the amount necessary to cover the net costs incurred in connection with provision of the aforesaid tasks. A distinction between the net costs eligible for compensation and the other costs involved in student housing facilities or costs for activities that are not covered by this entrustment act is made on the basis of the separate accounts to be kept by the Thuringian Student Services Organisation in accordance with this notice.

The Thuringian Student Services Organisation records costs and revenues on the one hand for the tasks of general economic interest incumbent upon it and on the other hand for each further activity internally in separate accounts (separate accounting). All costs and revenues must be allocated to the relevant areas on the basis of objectively justified, uniform and clearly determined cost accounting principles on the basis of the applicable accounting rules. The Thuringian Student Services Organisation keeps records of the allocation of the costs and revenues and of the cost accounting principles applied and in particular of the standards for the categorisation of such costs and revenues (cost allocation methodology).

In the event that the checks carried out by the Thuringian Student Services Organisation to determine whether the compensation payment/grant awarded to the Thuringian Student Services Organisation has been used properly reveal that the revenues earned by the recipient in connection with performance of the aforesaid tasks exceed the net costs plus any reasonable return on the equity invested for the purpose of performing the public service obligations (overcompensation), the funding authority requests repayment of the excess amount by the recipient when it gives notification of the audit outcome. A separate notice is issued in this connection; an appeal can be lodged against any such notice. This does not apply if the overcompensation is up to a maximum of 10% of the amount eligible for compensation.

Having regard to the close factual connection between the award of the grant and the performance of public service obligations and owing to the significant scope of investment, the duration of the entrustment (entrustment period) corresponds to the period of earmarking for the grant. The entrustment period corresponds to the depreciation period for the planned construction investment. Irrespective of any further regulations, all documents that can be used as a basis for determining whether the compensation payments are compatible with the provisions of the Exemption Decision must be retained for a period of at least 10 years by the Thuringian Student Services Organisation.