

ANNEX

Services of General Economic Interest: Guidance for the report to be submitted following the 2012 SGEI Decision and the 2012 SGEI Framework

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (€ million)		
	2018	2019
<i>Total compensation for Services of General Economic Interest (1+2)</i>	86.922	82.2661
(1) Total compensation granted on the basis of the SGEI Decision	86.922	82.266
(2) Total compensation granted on the basis of the SGEI Framework	0.0	0.0

¹ All the data in this report were obtained from the SHRIMP application on 21 August 2020.

2. Description of the application of the 2012 SGEI Decision

- **Social housing.**

Aid scheme implemented by the Bank Gospodarstwa Krajowego (BGK).

Clear and comprehensive description of how the respective services are organized in Poland
The range of services entrusted as SGEI.
<p>The Polish authorities would point out that the service in question involves creating and then providing rented or cooperative housing to persons on moderate (statutorily limited) incomes preventing them from addressing their housing needs on the market. Maximum rent rates for rented dwellings are defined by statute, while maintenance charges in cooperative dwellings are limited by virtue of the provisions of the Housing Cooperatives Act, which specifically defines the purposes for which they may be charged.</p>
Form of entrustment.
<p>The following national legislation lays down the principles governing the granting of compensation:</p> <ul style="list-style-type: none">• the Act of 26 October 1995 on certain forms of support for residential construction (Journal of Laws 2019, item 2195);• Cabinet Regulation of 20 October 2015 on the conditions of and arrangements for repayable financing in the context of the implementation by the Bank Gospodarstwa Krajowego of the Government programme for the support of residential construction and the minimum requirements for accommodation resulting from the grant of such financing (Journal of Law 2015, item 1720, as amended). <p>In addition, each investor concludes a credit agreement with the Bank Gospodarstwa Krajowego (hereinafter: 'BGK' or 'the Bank') specifying the subject matter of the public service and the terms and conditions for the use of the preferential financing.</p>
Average duration of entrustment.
<p>The average duration of entrustment of the service is equal to the duration of the loan and, in the case of compensation granted during the reporting period, is 30 years (this is also the maximum duration of entrustment of the service under this programme). At the same time, we would point out that the use of the maximum period of funding by service providers results from a desire to minimise the amount of monthly repayments and hence the rent/maintenance charges paid by renters/tenants. Moreover, applying an entrustment period exceeding 10 years is justified by the need to carry out significant investments (amortised over a long period) in the area of social housing.</p>
Exclusive or special rights.
<p>No exclusive or special rights have been granted to service providers.</p>
Aid instruments.
<p>Compensation is granted in the form of preferential debt financing in the form of loans.</p>

The compensation mechanism.	
<p>Compensation is the difference between the cost of interest on preferential financing actually incurred by the borrower (service provider) and the interest cost which the borrower (service provider) would incur if borrowing on market terms. The level of compensation granted is calculated on the date on which the contract is signed in terms of the gross grant equivalent (gge) of the financing awarded.</p> <p>As a general rule, service providers providing an SGEI under the aid scheme also engage in other activities not constituting an SGEI, and the net cost necessary for the fulfilment of the public service obligations is therefore determined according to a cost allocation method (as the difference between the service provider's costs and revenues). Use of the avoided cost method is not possible owing to the lack of reliable data on the revenues that could be obtained by entities providing commercial housing rental services (especially in smaller localities).</p>	
The arrangements for avoiding and repaying any overcompensation.	
<p>The mechanism for repaying overcompensation is described in the Cabinet Regulation on the conditions of and arrangements for repayable financing in the context of the implementation by the Bank Gospodarstwa Krajowego of the Government programme for the support of residential construction and the minimum requirements for accommodation resulting from the grant of such financing.</p> <p>The BGK checks whether the compensation granted has not exceeded the permitted level (net costs plus a reasonable profit). If an overrun occurs, the Bank will check its level. If the surplus does not exceed 10% of the annual average compensation, it will be carried forward to the next period and will be deducted from the amount of compensation due in that period; if it does exceed 10%, the borrower will reimburse the surplus.</p>	
Transparency requirements.	
<p>The Polish authorities would inform you that the compensation in question does not exceed €15 million. Given the relatively low amounts of the loans granted under the programme, and hence the low level of compensation granted, it is highly unlikely that the situation referred to in Article 7 of the Commission's Decision of 2011 will arise.</p>	
Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
11.540	12.621
A: Total amount of aid granted (€ million) paid by national central authorities.	
2018	2019
11.540	12.621
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000

C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.000	0.000
Share of expenditure by aid instrument.	
2018	2019
Loan granted on preferential terms – 11.540	Loan granted on preferential terms – 12.621
Additional quantitative information.	
→ 30 loans granted → 25 beneficiaries → average value of aid: €360 881 → small and medium-sized enterprises	→ 26 loans granted → 23 beneficiaries → average value of aid: €490 860 → small and medium enterprises

Construction and rental services entrusted by municipalities.

Clear and comprehensive description of how the respective services are organised in your Member State
The range of services entrusted as SGEI.
<p>Local and regional authorities entrust Social Housing Associations (SHAs) operating in the form of a company with the provision of a service of general economic interest aimed at meeting social housing needs.</p> <p>The service consists of the construction and rental of dwellings which, owing to the compensation received by SHAs, are then offered to residents at below-market rents. The aim is to ensure better availability of housing for those residents who do not have sufficient income to rent accommodation on the market.</p>
Form of entrustment.
<p>The provision of SGEI's is entrusted by the insertion of appropriate provisions in the company's contracts and contracts between the municipality and the SHA on participation in the costs of constructing residential premises for specific investments under Article 29(1) and (2) of the Act of 26 October 1995 on certain forms of support for residential construction (Journal of Laws 2019, item 2195). SHAs also often receive support for these investments from BGK.</p>
Average duration of entrustment.
<p>Entrustment is generally for a period exceeding 10 years. In that context, it should be pointed out that SHAs usually have the status of companies specifically established to perform the municipality's tasks in terms of satisfying the housing needs of the local community. In performing these tasks, SHAs build housing. The depreciation period for buildings and dwellings is very long; under the tax rules, the annual depreciation rate is 1.5% (the basic depreciation period is therefore 66 years and 8 months).</p>
Exclusive or special rights.
<p>SHAs do not enjoy any exclusive rights or special rights.</p>
Aid instruments.
<p>Compensation is granted in various forms, mostly grants or capital injections.</p>
Compensation mechanism.
<p>The amount of the compensation is usually determined on the basis of the cost allocation method.</p>
The arrangements for avoiding and recovering overcompensation.
<p>Compensation is paid in connection with the implementation of individual investments in housing (buildings). A detailed cost estimate is established for each investment. At the end of each investment, a financial settlement is made between the SHA and the municipality.</p>

Transparency requirements.	
The Polish authorities would inform you that the compensation in question does not exceed EUR 15 million on a yearly average.	
Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
15.778	13.020
A: Total amount of aid granted (€ million) paid by national central authorities	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
15.778	13.020
Share of expenditure by aid instrument.	
2018	2019
Grants – 0.738 Capital injection – 13.627 Leasing of property owned by the Treasury or local government bodies or associations thereof on conditions that are more favourable for undertakings than market conditions - 1.413	Grants – 2.213 Capital injection – 8.813 Leasing of property owned by the Treasury or local government bodies or associations thereof on conditions that are more favourable for undertakings than market conditions - 1.995

Additional quantitative information.	
2018	2019
Not applicable.	

The real estate management service entrusted by the Town of Nowy Sącz and the City of Wrocław.

Clear and comprehensive description of how the respective services are organised in your Member State
<p>The range of services entrusted as SGEI.</p> <p><u>Nowy Sącz</u></p> <p>The service entrusted by the Town of Nowy Sącz relates to the management of residential buildings and the housing contained therein and premises owned by the Town, and the management of non-segregated residential property and associated spaces in buildings forming part of housing associations which are owned by the Town.</p> <p><u>Wrocław</u></p> <p>The Municipality of Wrocław has entrusted the Spółka Wrocławskie Mieszkania [Wrocław Housing Company] with performing own tasks under the Social Housing Act in the area of social housing.</p> <p>The scope of the entrustment covers tasks relating to the ongoing and continuous fulfilment of the collective needs of the community relating to the governance and management of municipal resources in the area of social policy and social assistance and the maintenance of municipal facilities, public utilities and administrative buildings, including:</p> <ol style="list-style-type: none"> 1) the administration of residential and non-residential real estate constituting a municipal resource of the City, 2) the supply and metering of utilities (electricity, heat, water, gas), 3) the handling of payments to the City's bank accounts from the users of the municipal resource managed by the Company, 4) the performance of financial and accounting services relating to the management of municipal resources, (5) representation of the City in housing communities and settling of accounts with them, (6) the recovery of claims from the users of the managed municipal resource, 7) running of the customer service office, 8) carrying out maintenance and emergency operations and periodic checks required on managed buildings,

<p>9) performance of operations relating to the operation of buildings and outdoor areas,</p> <p>10) building renovation, investment and demolition planning and implementation,</p> <p>11) evictions from buildings and premises forming part of the managed municipal resources,</p> <p>12) performing the function of replacement investor for renovations, investment and demolitions in respect of buildings.</p>
Form of entrustment.
<p><u>Nowy Sącz</u></p> <p>The Town of Nowy Sącz entrusted this task to the company Sądeckie Towarzystwo Budowanie Społecznej Sp. z o.o. in Nowy Sącz under a management contract concluded on 1 July 2019, acting pursuant to Article 67(1), point 12, of the Public Procurement Act of 29 January 2004 (Journal of Laws 2019, item 1843, as amended).</p> <p><u>Wrocław</u></p> <p>The act of entrustment of the governance and management of municipal resources is contained in the following documents:</p> <ol style="list-style-type: none"> 1) <i>Order No 6355/12 of the Mayor of Wrocław of 21 December 2012 amending Order No 2387/08 of the Mayor of Wrocław of 2 January 2008 on the rules on outsourcing and accounting for the entrusted tasks to be carried out by Wrocławskie Mieszkania Sp. z o.o., with its registered office in Wrocław (as amended);</i> 2) <i>Rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławskie Mieszkania Sp. z o.o., with its registered office in Wrocław (Annex to Order No 6355/12);</i> 3) <i>Implementation outline (template set out in the above-mentioned Rules on outsourcing and accounting for entrusted tasks);</i> 4) <i>Contract with Wrocławskie Mieszkania Sp. z o.o. of 2 October 2007 (Register A No 4798/2007) laying down the specific conditions for the implementation of the entrusted tasks.</i>
Average duration of entrustment.
<p><u>Nowy Sącz</u></p> <p>Entrustment is for a period of more than 1 year.</p> <p><u>Wrocław</u></p> <p>Entrustment is for a period of 10 years.</p>
Exclusive or special rights.
No exclusive or special rights have been granted.
Aid instruments.

Compensation takes the form of grants.

Compensation mechanism.

Nowy Sącz

The amount of the compensation is determined on the basis of the cost allocation method.

For the compensation specified in the contract, the Town made an advance payment to the manager for the calendar month concerned amounting to 1/12 of the amount earmarked in the town's budget for that purpose.

The amount of compensation was fixed as follows: justified and documented costs and other net charges incurred in connection with the public service obligation, minus any positive financial effects and revenues generated in connection with the public service obligation, plus a reasonable profit corresponding to the rate of return on capital minus deductions and reductions owing to financial penalties and other deductions resulting from the terms of the contract.

Wrocław

The method of determining the compensation and payment deadlines is laid down in the document *Rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławskie Mieszkania Sp. z o.o., with its registered office in Wrocław*. Under these rules, each year the Company presents a calculation of the compensation for management activities relating to municipal resources planned for the following year, the cost of the planned investments, and information on the planned remuneration due to Contractors during that period, estimated on the basis of contracts concluded. This calculation is subject to negotiation, as well as analysis and evaluation by specifically appointed registered auditors.

Compensation for the implementation of entrusted tasks is paid on a monthly basis.

The arrangements for avoiding and recovering overcompensation.

Nowy Sącz

The compensation for each year of the contract was settled on the basis of quarterly reports concerning the implementation of the contract and an annual report documenting the use of the compensation based on the actual costs and actual revenues from implementing the contract in the year in question.

In the event of compensation being paid in excess of the limit value or not being disbursed in conformity with the contractual provisions or regulations, the Town Authority instructed the manager to refund it in the amount by which the limit value was exceeded or which was not disbursed in accordance with the provisions of the contract or rules, not later than 14 days after the date of receipt of the request from the Town. Where, as a result of verifications, checks or any other reasonable analysis, an underpayment was detected, the Mayor was to apply to Nowy Sącz Town Council with a draft of an appropriate resolution aimed at providing financial resources for the payment of compensation in the amount due.

Wrocław

Compensation is paid strictly for activities relating to the governance and management of municipal resources and is settled on the basis of the Implementation outline adopted for a given year. The implementing conditions and the amount of compensation are subject to annual scrutiny. Each year the Company reports the amount of total compensation received for the SGEl, the revenues generated from other activities and the level of costs incurred. On the basis of the report received, the entrusting authority determines whether the

Company has received the compensation due in accordance with the provisions of the Commission Decision.

If the compensation paid in the previous year for the SGEI exceeds the maximum level by more than 10%, the amount of overcompensation is reimbursed in full. If the overcompensation determined does not exceed 10% of the adopted value of the average annual compensation accepted, the excess is credited towards the payment for the next accounting period.

If the annual report is not received from the Company by the deadline set, the entrusting authority will suspend payment of compensation in the next accounting period.

Transparency requirements.

The Polish authorities would inform you that the compensation in question does not exceed EUR 15 million.

Amount of aid granted

Total amount of aid granted (€ million) A+B+C.

2018	2019
3.218	3.638
Nowy Sącz – 0.00 Wrocław – 3.218	Nowy Sącz – 0.151 Wrocław – 3.487

A: Total amount of aid granted (€ million) paid by national central authorities

2018	2019
0.000	0.000

B: Total amount of aid granted (€ million) paid by regional authorities

2018	2019
0.000	0.000

C: Total amount of aid granted (€ million) paid by local authorities

2018	2019
3.218	3.638
Nowy Sącz - 0.00 Wrocław - 3.218	Nowy Sącz - 0.151 Wrocław - 3.487

Share of expenditure by aid instrument.	
2018	2019
Subsidy – 3,218	Subsidy – 3,638
Additional quantitative information.	
2018	2019
Not applicable.	

- Waste management

Clear and comprehensive description of how the respective services are organized in your Member State
The range of services entrusted as SGEI.
<p>The Polish authorities would clarify that the <i>Local Government Act of 8 March 1990 (Journal of Laws 2020, item 713)</i> imposes an obligation on municipalities to fulfil the collective needs of their residents in terms of, inter alia, maintaining cleanliness and order. The specific powers and responsibilities of municipalities in this respect are defined in:</p> <ul style="list-style-type: none"> • <i>the Waste Act of 14 December 2012 (Journal of Law 2020, item 797, as amended);</i> • <i>the Act of 13 September 1996 on the maintenance of cleanliness and order in municipalities (Journal of Law 2017, item 1289, as amended).</i> <p>Compliance with the obligations set out in these Acts is designed to meet the needs of the local community by inter alia: ensuring cleanliness and order on their territory and creating the necessary conditions for their maintenance, such as: establishing a waste management system, including waste collection from manufacturers, transport, recovery and disposal. At the same time, in accordance with the Polish rules, the establishment and management of municipal installations and municipal separate waste collection points also form part of the tasks of local government bodies.</p> <p>In the light of the above, local authorities grant compensation for the provision of services relating to the management of municipal waste, in particular in terms of organizing and operating a municipal waste collection system, including a system of municipal separate waste collection, and by maintaining and operating installations and equipment for recovering or disposing of municipal waste.</p> <p>Under the <i>Act on the maintenance of cleanliness and order in municipalities</i>, services to</p>

ensure the maintenance and operation of waste treatment facilities and services for the collection of municipal waste from property owners or for the collection and handling of such waste are generally entrusted separately (the entrustment of these services is regulated according to two separate legal bases).

Forms of entrustment.

Local government's waste management tasks are, for the most part, implemented by municipal companies in the form of internal entities (the sole owner being a local authority, i.e. a municipality). A municipal company can also be formed by more than one municipality, in which case each of the municipalities which are shareholders in that company is its parent municipality. The tasks of meeting the needs of residents of the parent municipality are entrusted and the rules on financing the company's activities are determined in a resolution of the municipal entrusting body, i.e. the municipal council (or municipal council resolutions where the company is to manage the waste of several municipalities owning it jointly) and the company's constituent act (i.e. the contract or statutes of the municipal company).

In a few cases, an entity belonging to only one municipality is entrusted with managing waste from several municipalities. This is done on the basis of inter-municipality contracts, in which the municipality which owns the municipal company assumes the other municipalities' obligation to dispose of waste from their territory and obliges the company to dispose of the waste from its own land and the municipalities with which the contract has been concluded.

All the detailed arrangements specifying the terms of service and compensation (its grant, components and rules for avoiding overcompensation) are most commonly specified in implementing contracts or the relevant internal company act (such as a plan or regulations) adopted by the shareholders' meeting. These documents contain provisions consistent with the guidelines issued by the Minister for Infrastructure and Development *on the rules for co-financing, under operational programmes, entities fulfilling public service obligations in general economic interest in relation to the waste management tasks of the municipal government*.²

According to these Guidelines: 'an obligation to provide a service of general economic interest is imposed on a municipal company by means of a resolution of the municipal council on the establishment of or accession to a company, in which it must be stated that the purpose of the municipal company's activities will be to perform a task of the municipality relating to meeting the population's needs in respect of a specific own task of the municipality. In addition, the contract (statutes) of the municipal company should indicate that the purpose of the company is to carry out a specific own task of the municipality. The purpose of the activities of the municipal company should be reflected in the detailed description of its business activities.'

Local government entities may also entrust the implementation of waste management tasks to entities that are local-government budgetary institutions. In such cases, a service in the general economic interest is also entrusted by means of a resolution of the municipal council.

The scope of the service of general economic interest imposed on a local-government budgetary institution may be defined in detail in the statutes or regulations adopted by the municipal council. Alternatively, the municipal council may entrust the mayor with defining in detail the scope of a local-government budgetary

² https://www.funduszeuropejskie.gov.pl/media/10377/wytyczne_odpady_221015.pdf

institution's obligation to provide an SGEI.
Average duration of entrustment.
The average duration in the waste management sector is around 20 years. Cases exceeding 10 years represent the majority of all cases. These periods are so long because the performance of the entrusted services requires substantial investment (relating mainly to the construction of municipal waste facilities) which need to be amortised over a longer period and for which the life cycle can be as long as 30 years.
Exclusive or special rights.
A large proportion of municipalities granted exclusive or special rights to companies associated with the exercise of public service tasks in the area of waste management and the rehabilitation of closed landfills. Municipalities channel all waste to those companies to which they have entrusted the performance of a public task.
Aid instruments.
<p>Given the need to incur significant financial outlays to cover the costs of building new infrastructure or expanding and adapting existing infrastructure at the beginning of an SGEI waste management period, help of local government entities is required to partially finance such investments. The main components of compensation are therefore: grants, capital injections and preferential loans and guarantees covering investment costs.</p> <p>In some cases, an additional grant may also be paid every year to cover any current losses.</p>
The compensation mechanism.
<p>In most cases, companies entrusted with an SGEI do not perform any other activity, and all their costs and revenues are therefore taken into account in calculating the amount necessary to cover the net cost incurred by them in providing the SGEI. In cases where the company performs activities in addition to the entrusted SGEI, separate accounting records must be kept for the SGEI.</p> <p>In the bulk of cases, the cost-allocation method has been adopted to determine the amount of compensation not exceeding the amount necessary to cover the net cost of discharging the entrusted services, including a reasonable profit.</p>
Typical arrangements for avoiding and repaying any overcompensation.

A typical arrangement to ensure that overcompensation is avoided is the provision (most often set out in implementing contracts) that the compensation granted cannot lead to the company being obliged to provide an SGEI at a profit exceeding a 'reasonable profit'. In 2018-2019, the internal rate of return (IRR) was used as the measure of return on capital, and its value corresponding to 'reasonable profit' was determined as the appropriate average swap rate from the last quarter of the year preceding the year of the execution of the contract, increased by 100 basis points.

In order to avoid overcompensation, each year the local government unit entrusting the SGEI verifies the amount of compensation due by calculating the IRR indicator for the entire entrustment period. In order to verify the IRR at the beginning of the commitment period for the provision of the SGEI, data from the forecast for the entire period of entrustment are used. If the IRR for the entire period of the provision of services is below the 'reasonable profit' limit, then no adjustment is made. If the 'reasonable profit' is exceeded, the company providing the SGEI reimburses the excess, i.e. the amount giving rise to overcompensation.

When the annual verification is carried out, it is also determined whether the total compensation granted to the beneficiary in respect of the SGEI in question does not, on a yearly average, exceed €15 million for the whole period of entrustment.

In order to avoid irregularities in calculating and verifying the amount of compensation, some local authorities outsource these tasks or have an interim audit carried out as part of the checks.

Transparency requirements.

In 2018-2019, there was no need to publish information in order to meet the transparency requirement - in the vast majority of cases companies entrusted with SGEI in the field of waste management did not perform any other activity, and in any case the amount of compensation granted did not exceed €15 million on a yearly average.

Amount of aid granted

Total amount of aid granted (€ million) A+B+C.

2018	2019
38.716	30.658

A: Total amount of aid granted (€ million) paid by national central authorities

2018	2019
0.000	0.000

B: Total amount of aid granted (€ million) paid by regional authorities

2018	2019
0.000	0.000

C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
38.716	30.658
Share of expenditure by aid instrument.	
2018	2019
Grant instruments – 36.861	Grant instruments – 36.861
Preferential loans – 1.580	Preferential loans – 0.000
Tax exemption – 0.276	Tax exemption – 0.267
Capital injection – 0.000	Capital injection – 0.659
Additional quantitative information.	
2018	2019
Not applicable.	

- 'Milk bars' (subsidised canteens)

Clear and comprehensive description of how the respective services are organized in your Member State
<p>The range of services entrusted as SGEI.</p> <p>Subsidies for meals sold in 'milk bars' form part of the State's social policy. Under this policy, the Polish authorities provide access to relatively cheap and healthy meals to persons and families at risk of poverty, marginalisation and social exclusion. Typical market-oriented catering companies which apply high margins in search of profit do not pursue this objective. In the light of the above, an instrument was adopted with the aim of facilitating access to low-cost meals. It is implemented by the operators of self-service, alcohol-free, bulk catering establishments selling all-day milk/dairy/vegetarian meals which are accessible to all (Article 6(17) of the <i>Social Assistance Act of 12 March 2004</i> (Journal of Laws 2019, item 1769, as amended), i.e. in 'milk bars'. This definition of the conditions governing eligibility for subsidies is designed to facilitate access to catering services by lower-income customers. To encourage operators to take on this task, Article 7a of the Social Aid Act provides for specific subsidies for meals sold in 'milk bars'.</p>

Form of entrustment.
<p>The conditions for providing assistance were defined in the <i>Regulation of the Minister for Finance of 30 March 2015 on specific subsidies for meals sold in 'milk bars'</i> (Journal of Laws 2020, item 1318).</p> <p>The entrustment must always take the same form for all interested parties (it is not possible to negotiate). After the operator has submitted an application within the meaning of the above-mentioned Regulation of the Minister for Finance to the Director of the Revenue Administration Office, and after first agreeing how any subsidy would be recorded, the operator is entitled to receive a subsidy pursuant to the Regulation of the Minister for Finance (in this regard, the Director of the Revenue Administration Department does not conclude a contract or issue a decision, etc.) if they meet all the conditions set out in this Regulation. The decisions of the Director of the Revenue Administration Office refer to the accounts of the subsidised services carried out in a given month by the operator concerned and to the payment or refusal of payment of funds.</p>
Average duration of entrustment.
<p>The service in question is entrusted for a period not exceeding one year. It should be pointed out in this context that, under Article 7a of the <i>Social Assistance Act</i>, subsidies for meals sold in 'milk bars' may be granted at the operator's request until the funds earmarked for this purpose in the budget act for a given year are exhausted. Consequently, the duration of the entrustment for each operator may not exceed one year (it may be shorter if there is a shortfall in the budget available). The entrustment period will be renewed in the following financial year provided the operator submits an appropriate application.</p>
Exclusive or special rights.
<p>The Polish authorities do not grant any exclusive or special rights to operators of 'milk bars'.</p>
Aid instruments.
<p>Compensation is paid out in the form of a grant from the State budget.</p>
Compensation mechanism.
<p>In accordance with the <i>Regulation of the Minister for Finance of 30 March 2015 on specific subsidies for meals sold in 'milk bars'</i>, the operator must, by 30 November of the year preceding the year in which they intend to sell subsidised meals, notify the Director of the Revenue Administration Office of their intention to make use of the subsidies and must decide with the Director of the Revenue Administration Office about how they intend to keep records of the quantity and value of the meals sold and to prepare and collect recipe cards for subsidised meals. Likewise, by the 10th day of the month preceding the month in which the subsidy is to be paid, the operator must submit information to the Director of the Revenue Administration Office on the projected subsidy amount for the following month and the method of calculating it, and the Director must confirm the projected subsidy amount in the same month (data available in the Public Information Bulletin of the revenue office concerned).</p> <p>At the end of the month in which the operator has sold subsidised meals, they must submit</p>

a request for payment of the grant for the preceding month, together with the accounts, to the head of the tax office. The head of the tax office checks the correctness of the calculation of the grant and transmits the application to the Director of the Revenue Administration Office, and the Director of the Revenue Administration Office decides on the award of the grant.

In this context, please note that any operator of a milk bar may apply for a subsidy. Grants are provided for meals produced from the raw materials listed in the Annex to the aforementioned Regulation of the Minister for Finance. The grant rate is 40% of the value of the raw materials used for subsidised meals, plus a catering mark-up (56%). At the same time, a 'milk bar' operator is obliged to apply a low catering margin (which ensures a low price for the subsidised meal; market margins are significantly higher). Moreover, operators are required to keep records of the quantity and value of the raw materials used to make the meals in 'milk bars' so as to allow the value and quantity of raw materials used and the amount of subsidy payable to be determined; these records must be approved by the operator and the Director of the Revenue Administration Office (thereby ensuring transparency of subsidies).

The arrangements for avoiding and recovering overcompensation.

The Polish authorities wish to clarify that every month the head of the tax office verifies the amount of the subsidy on the basis of the accounts presented by the operator. Each operator has to keep records of the quantity and value of the raw materials used to prepare subsidised meals and to prepare and collect recipe cards. Before the subsidised raw materials are sold, the operator must agree on the above-mentioned records with the Director of the Revenue Administration Office to ensure that the amount of the subsidy and the absence of any overcompensation are correctly established. Any adjustments to the quantity or value of raw materials used results in a subsidy correction, and any excess amount of subsidy collected or any misappropriated amount (discovered during inspections) must be repaid with interest. The sale is registered using cash registers.

Transparency requirements.

The Polish authorities would inform you that no compensation above €15 million is granted under this scheme.

Amount of aid granted

Total amount of aid granted (€ million) A+B+C.

2018	2019
3.622	4.100

A: Total amount of aid granted (€ million) paid by national central authorities

2018	2019
3.622	4.100

B: Total amount of aid granted (€ million) paid by regional authorities

2018	2019
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0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.000	0.000
Share of expenditure by aid instrument.	
2018	2019
Subsidy – 3.622	Subsidy – 4.100
Additional quantitative information.	
2018	2019
Not applicable.	

- Construction services.

Service entrusted by the Cities of Wrocław and Poznań

Clear and comprehensive description of how the respective services are organised in your Member State
The range of the service entrusted as an SGEI.
<p><u>Wrocław</u></p> <p>The municipality of Wrocław entrusts to Spółka Wrocławskie Inwestycje Sp. z o.o. (hereinafter: 'WI' or 'the Company') tasks of a public nature providing a continuous and uninterrupted response to the collective needs of the community in managing and implementing the construction process with regard to municipal buildings, structures, roads, streets, engineering structures, parking spaces, squares, stadiums and other sports facilities and road traffic organisation. The task in question was defined in the Annex to Order No 2170/15 of the Mayor of Wrocław of 4 September 2015 amending Order No 2888/08 of the Mayor of Wrocław of 7 March 2008 on the rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławskie Inwestycje Sp. z o.o., with its registered office in Wrocław³.</p> <p><u>Poznań</u></p> <p>The City of Poznań entrusts a public-interest task to Poznańskie Inwestycje Miejskie Sp. z o.o. (hereinafter: 'the Company') covering the following:</p> <ul style="list-style-type: none"> – performing the function of replacement investor for investments financed from the City budget, – supervising the implementation of the investment task for investments financed by the City budget, – handling tasks accompanying such investment tasks,

³ http://wrossystem.um.wroc.pl/beta_4/webdisk/179660/2170zp15.pdf

implementing ancillary activities, in particular the design of traffic management and signalling projects, the drawing-up of technical specifications and investor cost estimates, etc., for operations financed from the City budget.

Form of entrustment.

Wrocław

The act of entrustment is set out in the following documents:

- *Order No 2170/15 of the Mayor of Wrocław of 04 September 2015 amending Order No 2888/08 of the Mayor of Wrocław of 07 March 2008 on the rules on outsourcing and accounting for the entrusted tasks to be carried out by Wrocławskie Inwestycje Sp. z o.o.[Limited Liability Company], with its registered office in Wrocław (as amended); hereinafter: Order No 2170/15),*
- *Rules on outsourcing and accounting for entrusted tasks to be carried out by Spółka Wrocławskie Inwestycje Sp. z o.o., with its registered office in Wrocław (Annex to Order No 2170/15);*
- *Implementation outline (template set out in the above-mentioned Rules on outsourcing and accounting for entrusted tasks).*

Poznań

The City entrusted a single-member company by means of a City Council Resolution, whereby the entrustment was also included in the company's articles of association. The implementing provisions take the form of an order of the City Mayor.

Average duration of entrustment.

The entrustment does not exceed 10 years.

Exclusive or special rights.

No exclusive or special rights have been granted to service providers.

Aid instruments.

Compensation takes the form of grants.

The compensation mechanism.

Wrocław

The method of determining the compensation and payment deadlines is laid down in the document *Rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławskie Inwestycje Sp. z o.o., with its registered office in Wrocław*. Under these Rules, each year the Company calculates the compensation for the following year for the activities carried out under the entrustment and any planned remuneration due to the Contractors during the period, estimated on the basis of continued contracts and proposals for new tasks. The calculation includes a list of operational and financial costs incurred in implementing the SGEI and must be justified in the light of market conditions. This calculation is subject to negotiation and to analysis and evaluation by specifically appointed auditors.

Poznań

The cost allocation method is used to calculate the compensation (remuneration). The maximum remuneration covers all direct costs related to the SGEIs and the indirect costs attributable to them, minus the revenue generated by the provision of services and profits from the performance of other tasks. In addition, the company has the right to earn, in any given year, a reasonable profit of not more than 1% of the equity capital used to perform SGEIs (the determination of the amount of equity invested in the company takes into account the company's revenue structure in a given year).

The arrangements for avoiding and repaying any overcompensation.

Wrocław

Compensation for the implementation of the task entrusted is paid strictly for the work carried out. The implementing conditions and the amount of compensation are subject to annual scrutiny.

Each year the Company reports the amount of total compensation received for the SGEI, the revenues generated from other activities and the level of costs incurred. On the basis of the report received, the entrusting authority carries out an analysis and assessment of expenditure, in terms of its purpose and amount, in relation to the scope of the tasks carried out and specifies whether the company has been compensated in accordance with the provisions of the European Commission Decision.

If the compensation paid in the previous year for the SGEI exceeds the maximum level by more than 10%, the amount of overcompensation is reimbursed in full. If the overcompensation determined does not exceed 10% of the adopted average value of annual compensation accepted, the excess is credited towards the payment for the next accounting period.

If this annual report is not received from the Company by the required deadline, the entrusting authority will suspend payment of compensation in the next accounting period.

Poznań

In order to avoid surpluses, the remuneration charged to a given task is verified after the closure of each investment task. Moreover, at least once every 3 years an audit of the compensation paid to the company is outsourced to an operator with specific competence and professional experience.

Where the remuneration received by the company for a completed task exceeds the maximum remuneration payable by more than 1%, the company reimburses the excess in full. If, on the other hand, the remuneration paid is higher by 1% or less, the decision on whether to recover the excess remuneration is taken by the entrusting entity.

In addition, if the audit of the compensation shows that, in a given year or cumulatively, the remuneration received by the company is higher by more than 10% than the maximum amount of compensation as calculated in accordance with the 2012 SGEI Decision, the company is required to repay the excess remuneration. If the remuneration exceeds the maximum amount of compensation as calculated in accordance with the 2012 SGEI Decision by less than 10%, the company is obliged to reduce its remuneration in the following year. If there is a surplus in the final year of entrustment, the company is required to reimburse it in full.

Transparency requirements.

Not applicable. The amount of compensation granted in respect of the SGEI has not exceeded €15 million as a yearly average.

Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
5.920 Wrocław — 3.510 Poznań — 2.410	6.491 Wrocław — 3.582 Poznań — 2.908
A: Total amount of aid granted (€ million) paid by national central authorities	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
5.920 Wrocław — 3.510 Poznań — 2.410	6.491 Wrocław — 3.510 Poznań — 2.410
Share of expenditure by aid instrument.	
2018	2019
Subsidy — 5.920	Subsidy — 6.491
Additional quantitative information.	
2018	2019
Not applicable.	

- Regeneration

Clear and comprehensive description of how the respective services are organised in your Member State
The range of services entrusted as SGEI.
Pursuant to the Local Government Act of 8 March 1990 (Journal of Laws 2020, item 713), the Municipality of Wrocław entrusts Wrocławska Rewitalizacja with the Municipality's own

tasks relevant to the development of the City of Wrocław and serving the purpose of preparing and implementing the regeneration of Wrocław, a process consisting of a comprehensive, coordinated and long-term process of spatial, technical, social and economic transformation within a specific area for the purpose of rescuing the area in question from a state of crisis by giving it a new functional quality and creating conditions for its development, on the basis of its specific endogenous conditions.

The scope of the entrustment includes in particular activities in the area of:

- continuous monitoring of regeneration problems,
- the development of the concept of the regeneration process,
- preparation for the regeneration process,
- the implementation of the regeneration process,

Form of entrustment.

The act of entrustment is set out in the following documents:

- *Order No 4486/12 of the Mayor of Wrocław of 8 May 2012 on the rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławska Rewitalizacja Sp. z o.o., with its registered office in Wrocław (as amended);*
- *Rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławska Rewitalizacja Sp. z o.o., with its registered office in Wrocław (Annex to the Order of the Mayor of Wrocław No 4486/12);*
- *Implementation outline (template set out in the above-mentioned Rules on outsourcing and accounting for entrusted tasks).*
- Contract with *Wrocławskie Mieszkania Sp. z o.o.* dated 2 October 2017 (Register A No 1066/2007).

Average duration of entrustment.

The entrustment runs for a period of 10 years.

Exclusive or special rights.

No exclusive or special rights have been granted to service providers.

Aid instruments.

Compensation takes the form of grants.

The compensation mechanism.

The method of determining the compensation and payment deadlines is laid down in the document *Rules on outsourcing and accounting for entrusted tasks to be carried out by Wrocławska Rewitalizacja Sp. z o.o., with its registered office in Wrocław.*

Under these Rules, each year the Company calculates the compensation for the following year for the activities carried out under the entrustment and any planned remuneration

due to the contractors during the period, estimated on the basis of continued contracts and proposals for new investments. This calculation is subject to negotiation, as well as analysis and evaluation by specifically appointed registered auditors.

Compensation is paid after the entrusted management operation has been performed.

The arrangements for avoiding and repaying any overcompensation.

Compensation for the implementation of regeneration tasks is paid strictly for the work carried out. Compensation for specific tasks and the payment deadline is determined in the implementation outline, and payment is made on the basis of VAT invoices after the acceptance report has been signed. The implementing conditions and the amount of compensation are subject to annual scrutiny. Each year the Company reports the amount of total compensation received for the SGEI, the revenues generated from other activities and the level of costs incurred. On the basis of the report received, the entrusting authority carries out an analysis and assessment of the expenditure, in terms of its purpose and amount, in relation to the scope of the tasks carried out and specifies whether the company has been compensated in accordance with the provisions of the European Commission Decision.

If the compensation paid in the previous year for the SGEI exceeds the maximum level by more than 10%, the amount of overcompensation is reimbursed in full. If the overcompensation determined does not exceed 10% of the adopted average value of annual compensation accepted, the excess is credited towards the payment for the next accounting period.

If this annual report is not received from the Company by the required deadline, the entrusting authority will suspend payment of compensation in the next accounting period.

Transparency requirements.

Not applicable. The amount of compensation granted in respect of SGEI to Przedsiębiorstwo Wrocławska Rewitalizacja Sp. z o.o. has not exceeded €15 million as a yearly average.

Amount of aid granted

Total amount of aid granted (€ million) A+B+C.

2018	2019
0.794	0.000

A: Total amount of aid granted (€ million) paid by national central authorities.

2018	2019
0.000	0.000

B: Total amount of aid granted (€ million) paid by regional authorities

2018	2019
0.000	0.000

C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.794	0.000
Share of expenditure by aid instrument.	
2018	2019
Subsidy – 0.794	Subsidy – 0.000
Additional quantitative information.	
2018	2019
Not applicable.	

- Management of car parks.

Services conferred by the City of Kraków and the Town of Nowy Sącz

Clear and comprehensive description of how the respective services are organised in your Member State
The range of services entrusted as SGEI.
<p><u>Kraków</u></p> <p>The Urban Municipality of Kraków entrusts the company Miejska Infrastruktura Sp. z o.o. with implementing own public-interest tasks of public interest consisting in the implementation of the entrusting entity's parking policy and operating a paid parking zone. The services entrusted include in particular:</p> <ul style="list-style-type: none"> • the provision of comprehensive services relating to the management of paid parking zones; • the provision of comprehensive services relating to the management of P&R car parks. <p><u>Nowy Sącz</u></p> <p>The town of Nowy Sącz has entrusted Miejskie Przedsiębiorstwo Komunikacyjne Spółka z o.o., in which it holds 100% of the share capital, with the implementation of its own public-interest utility task relating to the implementation of parking policy and operating a paid parking zone.</p>
Form of entrustment.
<p><u>Krakow</u></p> <p>The act of entrustment is set out in the following documents:</p> <ul style="list-style-type: none"> • <i>Resolution No XCIV/1392/13 of Kraków City Council of 18 December 2013 on the establishment of a single-member private limited liability company (as amended, the scope of the service is defined in this document),</i>

- *Resolution No LIII/723/12 of Kraków City Council of 29 August 2012 on the adoption of a parking plan for the City of Kraków (the scope of the service is defined in this document),*
- *Contract of 2 June 2014 on the provision of public services consisting of the management of a paid parking zone and the implementation of a parking plan (as amended),*
- *Contract of 27 July 2016 on the provision of public services (as amended).*

Nowy Sącz

The act of entrustment is set out in the following documents:

- Resolution No XVI/176/2019 of the Nowy Sącz Town Council of 23 July 2019 amending the own tasks of Miejskie Przedsiębiorstwo Komunikacyjne sp. z o.o.
- Internal Order No 118/2019 of Mayor of the Town of Nowy Sącz of 2 September 2019 setting out the method and rules for the discharge of municipal public utility services of general economic interest provided in connection with the performance of own tasks and the operation of a paid parking zone, entrusted the Town of Nowy Sącz the municipal company MPK Spółka z o.o., with its registered office in Nowy Sącz.

Average duration of entrustment.

Krakow

The entrustment runs for a period of 10 years. However, since 1 January 2020, the scope of the company's services relating to the operation of a paid parking zone has been significantly reduced, and since 1 April 2020 the company has no longer been providing services relating to the management of P&R car parks.

The budget entity of the Urban Municipality of Kraków has taken over these tasks.

Nowy Sącz

The entrustment runs for the period from 2 September 2019 to 31 December 2028 and does not exceed 10 years.

Exclusive or special rights.

No exclusive or special rights have been granted to service providers.

Aid instruments.

Compensation takes the form of grants.

The compensation mechanism.

Kraków

The conditions for payment of compensation are determined by implementing contracts. The cost allocation method is applied. Separate accounting records are submitted for SGEIs and other activities carried out by the service provider.

Nowy Sącz

Compensation for the implementation of the task entrusted is paid strictly for the work carried out. The method for determining the amount of compensation and the time limits

for paying compensation are laid down in Section 5 of Internal Order of the Mayor of Nowy Sącz No 118/2019 of 2 September 2019. A cost-allocation method is applied provided that the compensation provided does not exceed the amount earmarked in the budgetary decision for that purpose. MPK Sp. z o.o. provides detailed monthly statements indicating the gross income received for the operation of the Paid Parking Zone, and accordingly the compensation referred to in Article 5 of the Order is granted.

The arrangements for avoiding and repaying any overcompensation.

Kraków

In order to avoid overcompensation, the services provided under the entrustment are accounted for annually. The amount of compensation is therefore subject to an annual audit. The entrusting authority determines on the basis of the audit report whether the amount of compensation granted to the company is consistent with the 2011 Commission Decision.

If the result of entrusted activities in a given year exceeds the maximum reasonable profit by not more than 10%, the excess amount obtained is carried forward to the following period. If the audit shows that the compensation paid exceeds the maximum level by more than 10%, the Company is obliged to reimburse the entire overcompensation to the organiser's budget.

Nowy Sącz

In order to avoid overcompensation, the services provided under the entrustment are accounted for annually. The amount of compensation is therefore subject to an annual audit. The entrusting authority determines on the basis of the audit report whether the amount of compensation granted to the company is consistent with the Commission Decision.

Transparency requirements.

Not applicable. The amount of compensation granted in respect of the SGEI does not exceed €15 million as a yearly average.

Amount of aid granted

Total amount of aid granted (€ million) A+B+C.

2018	2019
2.744	4.939
Kraków — 2.744	Kraków — 4.729
Nowy Sącz — 0.000	Nowy Sącz — 0.210

A: Total amount of aid granted (€ million) paid by national central authorities.

2018	2019
0.000	0.000

B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
2.744	4.939
Kraków — 2.744 Nowy Sącz — 0.000	Kraków — 4.729 Nowy Sącz — 0.210
Share of expenditure by aid instrument.	
2018	2019
Subsidy — 2.744	Subsidy — 4.939
Additional quantitative information.	
2018	2019
Not applicable.	

- Water supply.

The service entrusted by the City of Kraków

Clear and comprehensive description of how the respective services are organized in your Member State
<p>The range of services entrusted as SGEI.</p> <p>The entrustment covers services of public interest relating to the operation of facilities owned by and situated within the territory of the Kraków Urban Municipality (fountains, drinking fountains, emergency water wells, springs, paddling pools and sprinkler networks), the transport of water to peripheral areas and the performance of municipal tasks relating to ensuring the efficiency of the municipal rainwater disposal system. The entrustment includes in particular:</p> <ul style="list-style-type: none"> • verification of the technical situation, repair and maintenance of equipment, display of information notices for fountains, drinking fountains, emergency water wells, springs, paddling pools and sprinkler networks; ongoing repair and maintenance of fountains, drinking fountains, emergency water wells, springs, paddling pools and sprinkler networks; • • water quality testing of the emergency water supply; • other activities necessary to ensure the proper functioning of fountains, drinking fountains, emergency water wells, springs, paddling pools and sprinkler networks, in

<p>particular: the repair of pumping units, cleaning and maintenance, painting, disinfection of wells, repair or replacement of manholes, repair of well plates, replacement of concrete rings, repair of corrosion damage;</p> <ul style="list-style-type: none"> • the supply of drinking water to peripheral areas in specially adapted water vehicles; • checking the permeability of the sewage system and its day-to-day maintenance; • performing rainwater quality tests; • taking the necessary measures to ensure proper operation of the municipal rainfall disposal system.
Form of entrustment.
<p>The basis for the entrustment is:</p> <ul style="list-style-type: none"> • <i>Order No 1205/2017 of the Mayor of Kraków of 16 May 2017 entrusting the following tasks to be performed on behalf of the Urban Municipality of Kraków: 'Operation of the (closed) rainfall disposal system owned by the Urban Municipality of Kraków, together with inspection wells and tanks, separators, outlets to receivers', having the character of public services, to Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji S.A. in Kraków;</i> • <i>Order No 3517/2017 of the Mayor of Kraków of 15 December 2017 entrusting the following tasks to be performed on behalf of the Urban Municipality of Kraków: 'operation of facilities owned by and situated within the territory of the Kraków Urban Municipality: (fountains, drinking fountains, emergency water wells, springs, paddling pools and sprinkler networks) and the supply of water to peripheral areas', having the character of public services, to Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji S.A. in Kraków;</i> • Contract concluded on 8 June 2017 between the Urban Municipality of Kraków and the Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji S.A. w Krakowie (as amended); • Contract concluded on 15 January 2018 between the Urban Municipality of Kraków and the Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji S.A. w Krakowie (as amended).
Average duration of entrustment.
The entrustment runs for a period of 3 years.
Exclusive or special rights.
No special or exclusive rights have been granted to the beneficiary.
Aid instruments.
Compensation takes the form of grants.
The compensation mechanism.
<p>The method of determining compensation is determined by the implementing contracts. The amount of compensation may not exceed what is necessary to cover the net costs resulting from the provision of public services, including a reasonable profit. Entrusted services are settled on a cost-sharing basis.</p> <p>As the company also engages in other activities, separate accounting records are kept in accordance with the rules adopted by the company's management.</p>

The arrangements for avoiding and repaying any overcompensation.	
In order to avoid overcompensation, compensation audits are envisaged. If the analysis carried out shows that the company has been overcompensated, it will be obliged to reimburse the excess to the budget of the Urban Municipality of Krakow.	
The company has been obliged to inform the Municipality each time it intends to obtain public funds from sources other than those derived from the remuneration paid under the contract affecting the level of compensation.	
Transparency requirements.	
Not applicable. The amount of compensation granted in respect of the SGEI has not exceeded €15 million as a yearly average.	
Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
0.826	0.988
A: Total amount of aid granted (€ million) paid by national central authorities.	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.826	0.988
Share of expenditure by aid instrument.	
2018	2019
Subsidy — 0.826	Subsidy — 0.988
Additional quantitative information.	
2018	2019
Not applicable.	

- Culture and education

Services entrusted by the City of Gdynia

Clear and comprehensive description of how the respective services are organized in your Member State
<p>The range of services entrusted as SGEI.</p> <p>The EXPERYMENT Learning Centre provides services of general economic interest as defined in Implementing Contract No KB/13/MN/2013 of 4 September 2013 for the provision of cultural and educational SGEIs concluded between the Gdynia Urban Municipality and the EXPERYMENT Learning Centre (cultural institution) to meet the programme objectives laid down in the Statutes of the EXPERYMENT Learning Centre in Gdynia⁴ established by Resolution of Gdynia City Council, i.e. '(...) Section 3. 1. The EXPERYMENT Learning Centre is a cultural institution established for the provision of public cultural and educational services.'</p> <p>The programme objectives of the EXPERYMENT Learning Centre are as follows:</p> <ul style="list-style-type: none"> • explaining phenomena and processes occurring in nature with the help of interactive exhibitions and educational activities, • arousing curiosity about the world through an interest in natural science and technology, • supporting learning programmes and broadening the didactic background of educational institutions, including schools of different levels, • promoting active education and modern methods of education and lifelong learning, • popularising science, technology and new technologies in order to highlight the importance of science and technology in the everyday life, • supporting the development of a knowledge-based economy; • the dissemination of world and in particular Polish cultural, scientific and technical achievements; • equal opportunities for the development and self-realisation of the younger generation; • the creation of a national and European platform for the exchange of knowledge. <p>The EXPERYMENT Learning Centre pursues its programme objectives with particular regard to the following:</p> <ul style="list-style-type: none"> • the creation and provision of interactive exhibitions enabling independent observation and experience, • the creation and provision of interactive mobile exhibits for events outside the premises of the EXPERYMENT Learning Centre, in particular in schools and educational establishments, • the organisation of popular science shows, meetings, conferences, workshops, training courses and educational activities; • the organisation of events, mass events and festivities of a scientific, cultural and artistic nature, • the creation, publication and dissemination of publications in its area of activity; • the initiation of, support for and implement of activities related to its area of activity, • cooperation with Polish and foreign institutions, government, non-governmental organisations, the media, other legal entities and organisations without legal personality, and natural persons involved in educational, cultural and scientific

⁴ <https://experyment.gdynia.pl/wp-content/uploads/2020/05/Utworzenie-instytucji-i-statut-Dz.U.pdf>.

activities,

- promotion of the City of Gdynia,
- the raising of budgetary and non-budgetary resources from national and foreign funds, including from the European Union, and using them to achieve its programme objectives,
- other actions meeting the needs of the local and regional community.

The EXPERYMENT Learning Centre is involved in performing tasks resulting from government policies and programmes.

Form of entrustment.
Services of general economic interest of a cultural and educational nature have been entrusted on the basis of the Statutes of the EXPERYMENT Learning Centre and an implementing contract for the provision of services of general economic interest of a cultural and educational nature between Gdynia City Municipality and the EXPERYMENT Learning Centre in Gdynia.
Average duration of entrustment.
Period of entrustment of SGEIs to the EXPERYMENT Learning Centre: from 4.9.2013 to 31.12.2022.
Exclusive or special rights.
No special or exclusive rights have been granted to the beneficiary.
Aid instruments.
Compensation takes the form of grants.
The compensation mechanism.
<p>The cost allocation method is applied. The rules for determining and settling the amount of compensation are laid down in Section 5 of the implementing contract.</p> <p>The amount of compensation is the amount necessary to cover the net cost incurred in discharging the public service obligations, including a reasonable profit. Section 5(2) of the contract provides a detailed list of costs and revenues included in the calculation of net costs.</p> <p>The total amount of compensation comprises monetary compensation with a reasonable profit and a non-monetary compensation provided by the Municipality and other public authorities in connection with the provision of services (benefit from preferential rent for the lease of assets and other non-monetary benefits relating to reduced fees).</p> <p>The value of the compensation must not lead to an internal rate of return on capital committed exceeding 4.37% (the maximum annual reasonable profit is set at a level corresponding to the maximum under the SGEI Decision) over the term of the contract. In addition, Section 5(16) of the implementing contract (inserted by means of Annex No 1) limits the nominal value of the monetary compensation to the EXPERYMENT Learning centre to PLN 33 million over the term of the implementing contract. The total nominal value of compensation for the cost of providing services using assets held or transferred to the EXPERYMENT Learning Centre may not exceed PLN 92 million over the term of the contract. During the period of entrustment, a reasonable profit limit is set at PLN 3.86 million in nominal value.</p> <p>The EXPERYMENT Learning Centre is required, within the time limit set by the Municipality in the schedule of work for the drawing-up of the draft municipal budget for the following financial year, to submit a proposal for the scope of SGEIs, the amount of monetary compensation and the schedule of payments for the following accounting (calendar) year.</p> <p>The annual monetary compensation comprises:</p> <ul style="list-style-type: none"> • a specific municipal grant, • dedicated municipal grants, • other grants for investment purposes. <p>Compensation in the form of the specific grant is paid to the EXPERYMENT Learning centre</p>

by the Municipality in equal instalments in each month of the accounting year and in the form of dedicated grants is paid in accordance with the schedule of payments determined by the Municipality (Section 5(8) of the implementing contract).	
The arrangements for avoiding and repaying any overcompensation.	
<p>The arrangements for avoiding and recovering overcompensation are laid down in the implementing contract for the provision of services of general economic interest of a cultural and educational nature. On the basis of the report on the implementation of the business plan received from EXPERYMENT Learning Centre for a given year and the explanatory notes to the financial section of the report, including additional data relating to monetary and non-monetary compensation, the Gdynia Urban Municipality determines whether the compensation received by EXPERYMENT Learning Centre for the performance of services in the last financial year was admissible under Article 5 of the Commission Decision and in line with that decision. If the compensation received by the EXPERYMENT Learning Centre exceeds the limit defined by the Municipality, it is required to refund the excess. If the surplus does not exceed 10% of the admissible level of compensation, it can be carried over to the following year and deducted from the amount due in that year. The Municipality is entitled to carry out routine and periodic checks on the EXPERYMENT Learning Centre's activities for the purposes of properly implementing the implementation contract.</p>	
Transparency requirements.	
Not applicable. The amount of compensation granted in respect of the SGEI has not exceeded €15 million as a yearly average.	
Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
1.116	1.115
A: Total amount of aid granted (€ million) paid by national central authorities.	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
1.116	1.115
Share of expenditure by aid instrument.	

2018	2019
Subsidy – 1.116	Subsidy – 1.115
Additional quantitative information.	
2018	2019
Not applicable.	

- **Other social services**

Services entrusted by the City of Gdynia to the company Agencja Rozwoju Gdyni Sp. z o.o.

Clear and comprehensive description of how the respective services are organised in your Member State
<p>The range of services entrusted as SGEI.</p> <p>Gdynia Urban Municipality, acting on the basis of a resolution and in accordance with the provisions of the implementing contract, entrusts the company Agencja Rozwoju Gdyni Sp. z o.o. (hereinafter 'ARG'), the sole shareholder of which is the City of Gdynia, with the performance of public tasks in the following areas: tourism, recreation areas and sports facilities, the creation of municipal green spaces and trees, the maintenance of municipal facilities and public utilities, the protection and care of monuments, markets and market halls and the promotion of the municipality. The tasks entrusted to the ARG are as follows:</p> <ol style="list-style-type: none"> 1. implementation of the project entitled 'Construction of a Central Park with an underground car park for 270 cars in Gdynia', including the management of the assets created; 2. the promotion and development of municipal tourism products; 3. the organisation of open, municipal events of a socio-cultural nature; 4. the organisation and promotion of an event entitled the 'Maritime Economy Forum'; 5. the preparation and management of community portals/online media relating to the promotion of urban areas; 6. promotion of the Gdynia Market Hall as a cultural heritage site. <p>ARG has performed its tasks by pursuing the following activities in particular:</p> <ul style="list-style-type: none"> • regarding point 1 – in the context of investment, performing investment replacement activities (proxy-type investor representation) on behalf of and on the account of the entrusting entity and, as part of those activities, the management of all tasks aimed at: the design and construction of the facility in a way that is compatible with the intentions and expectations of the entrusting entity, the design of the facility and the design agreement, the management of the constructed facility on behalf of and on the account of the entrusting entity, • regarding point 2 – promoting and enhancing the attractiveness of the following urban tourist products of the Municipality: the Gdynia Maritime Legend Route, the Gdynia Modernism Route and the Culinary Trail, • regarding point 3 – organising four events of a socio-cultural nature, including a Santa Claus event for children, • regarding point 4 – organising and promoting the Maritime Economy Forum, • regarding point 5 – running the website of Sea City in Polish (www.srodmiesciemorskie.pl) and English(www.sea-city.pl), and running and

<p>promoting an active and updated Facebook profile, increasing the number of followers in each year of the period of entrustment,</p> <ul style="list-style-type: none"> • regarding point 6 – maintaining ongoing contacts with traders and customers of Gdynia Market Hall, running its website (www.haletargowegdynia.pl), and maintaining an active and updated Facebook profile (haletargowegdynia), providing real-time media communication.
Form of entrustment.
<p>The services of general economic interest were entrusted on the basis of Resolution No XXXVII/1039/17 of the Gdynia City Council of 22 November 2017 entrusting the company Agencja Rozwoju Gdyni Spółka z o.o., with its registered office in Gdynia, with municipal own tasks of the Gdynia Urban Municipality and concerning the implementing contract for the provision of public services by an internal operator of the Municipality between the Gdynia Urban Municipality and Agencja Rozwoju Gdyni Spółka z o.o.</p>
Average duration of entrustment.
<p>The entrustment to ARG of the SGEIs referred to in point 1, i.e. implementation of the project entitled 'Construction of a Central Park with an underground car park for 270 cars in Gdynia', including the management of the assets created, runs from 4.9.2018 to 31.12.2021, and for the other points from 3.4.2018 to 31.12.2021.</p>
Exclusive or special rights.
<p>No special or exclusive rights have been granted to the beneficiary.</p>
Aid instruments.
<p>Compensation takes the form of grants.</p>
The compensation mechanism.
<p>The cost allocation method is applied. Compensation mechanism applied to services of general economic interest: The maximum financial compensation payable to the Contractor is calculated in accordance with the following formulae:</p> <ul style="list-style-type: none"> • Where the Contractor's supplementary activities are profitable, the maximum amount of monetary compensation without a reasonable profit (RE) is equal to: $\forall_{(P_{dod}-K_{dod})\geq 0} RE = K_{pow} - P_{pow} - (P_{dod} - K_{dod}) - POM$ <ul style="list-style-type: none"> • Where the additional activity of the Contractor makes a loss, the maximum amount of monetary compensation without a reasonable profit (RE) is equal to: $\forall_{(P_{dod}-K_{dod})< 0} RE = K_{pow} - P_{pow} - POM$ <ul style="list-style-type: none"> • The maximum amount of reasonable profit (RZ) amount is the product of the rate of return determined by the entrusting entity and the capital invested by the entrusting entity: $RERZ = \%RZ + RZ$

The entrusting entity would point out that, for the purpose of calculating the reasonable profit, it adopts the following assumptions:

- The basis for determining reasonable profit will be the amount of capital invested, understood as the sum of the cash compensation without a reasonable profit and other forms of active compensation ($ZK = RE + POM$),
- The accepted maximum rate of return (%RZ) is determined in accordance with the SGEI Decision as the level of the swap rate applicable to Poland for 4-year contracts on the date of signing the contract, plus 100 basis points. In view of the above, the rate of return is 3.30%.
- The total maximum amount of cash compensation to be awarded to the Contractor is calculated on the basis of the following formula:

$$RERZ = RE + RU$$

- The total value of State aid awarded in the form of compensation to the Contractor is the sum of the monetary compensation awarded to it and other resources meeting the definition of compensation under the contract.

where:

RE	Monetary compensation to the Contractor, without a reasonable profit
RERZ	Maximum Cash Value to be awarded to the Contractor with a reasonable profit
Ppow	Sum of revenues from the implementation of services
Pdod	Sum of revenues from the Contractor's additional activities under the contract
Kpow	Sum of the costs of providing services
Kdod	The sum of the costs of the Contractor's additional activities under the contract
%RZ	The maximum rate of return on the invested capital as determined by the entrusting entity
RZ	Reasonable profit
POM	Other forms of public aid (excluding monetary compensation) not included as revenue, converted into grant equivalent in accordance with the applicable rules
ZK	Invested capital — the basis on which reasonable profit is determined.

The arrangements for avoiding and repaying any overcompensation.

The compensation paid to the Contractor is verified annually as part of an audit of compensation focused on:

- the compliance of the compensation paid with the legal provisions, in particular state aid law, including the provisions of the SGEI Decision,
- compensation paid to cover the costs of the services provided by the Contractor and the revenues obtained therefrom,
- income from additional activities or other components resulting from the provisions, in particular public aid granted in other forms, relating to the implementation of services, while ensuring a reasonable profit for the Contractor.

If the compensation received by ARG exceeds the limit laid down by the Municipality, ARG is obliged to reimburse the excess. If the excess does not exceed 10% of the permissible level of compensation, it may be carried forward to the following year and deducted from the amount due to ARG in the following year.

The Municipality is entitled to carry out routine and periodic checks on ARG's activities for the purposes of properly implementing the implementation contract.

Transparency requirements.

Not applicable. The amount of compensation granted in respect of the SGEI has not exceeded €15 million as a yearly average.

Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
0.132	0.188
A: Total amount of aid granted (€ million) paid by national central authorities.	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.000	0.000
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.132	0.188
Share of expenditure by aid instrument.	
2018	2019
Subsidy – 0.132	Subsidy – 0.188
Additional quantitative information.	
2018	2019
Not applicable.	

Services entrusted by the Marshal of Pomorskie Province and the City of Gdynia to the company InnoBaltica sp. z o.o.

Clear and comprehensive description of how the respective services are organised in your Member State
The range of services entrusted as SGEI.
<p>Pomorskie Province and Gdynia Urban Municipality are responsible for carrying out the tasks of the Gdynia Urban Municipality in the following areas: public transport by fulfilling the obligations of the public transport contractor. The range of services entrusted as SGEIs:</p> <ul style="list-style-type: none"> the organisation of public transport with a view to ensuring its proper functioning, comprising the operation of the integrated tariff and ticketing system and the passenger information system,

<ul style="list-style-type: none"> management of public transport through the administration of the passenger information system.
Form of entrustment.
<p><u>Pomorskie Province</u></p> <p>Services of general economic interest were entrusted on the basis of Resolution No 545/XLIX/18 of 24 September 2018 of the Pomorskie Provincial Assembly entrusting InnoBaltica Spółka z o.o., with its registered office in Gdańsk, with own tasks of the Pomorskie Province.</p> <p><u>Gdynia</u></p> <p>The services of general economic interest were entrusted on the basis of Gdynia City Council Resolution No XL/VI/14 of 26.09.2018 entrusting InnoBaltica Spółka z o.o., with its registered office in Gdańsk, with own tasks of the Gdynia Urban Municipality and concerning the implementing contract for the provision of public services by an internal entity of the Municipality, concluded between the Gdynia City Municipality and InnoBaltica Sp. z o.o.</p>
Average duration of entrustment.
<p>The period of entrustment of services of general economic interest to the company InnoBaltica in the area of public transport obligations runs from 1.10.2018 to 30.9.2028</p>
Exclusive or special rights.
<p>No special or exclusive rights have been granted to the beneficiary.</p>
Aid instruments.
<p>Compensation takes the form of grants.</p>
The compensation mechanism.
<p>Compensation mechanism applied to services of general economic interest: The maximum financial compensation to be paid to the Contractor is calculated in accordance with the following formula:</p> $(K - P) -/+ A + RZ \text{ where:}$ <p>1) K = the costs incurred in performing the task, comprising at least the following items:</p> <ul style="list-style-type: none"> a) own costs of sales of services relating to the performance of the task, including direct costs, indirect costs identified for the task, and indirect costs for the administration of the company (overheads) attributable to the performance of the task; b) management costs, in particular the costs of running the company, management processes and advice relating to the performance of the task; c) financial charges, in particular interest and bank charges attributable to the

performance of the task,

(2) P = revenues, including positive financial revenues and revenues relating to the implementation of the task, comprising at least the following items:

- a) revenues from sales and other charges attributable to the implementation of the task;
- b) non-tariff revenues generated as a result of performing the task;
- c) financial revenues, in particular interest on deposits and funds in bank accounts;
- d) subsidies received (other than the compensation for performance of the task);
- e) the value of public aid received;
- f) other revenue (e.g. non-operational) attributable to the tasks performed.

3) A = the value of compensation for the previous accounting year of return which is to be reimbursed or supplemented as a result of auditing,

4) RZ = reasonable profit; 'Reasonable profit' calculated as an appropriate rate of return on committed capital over the entire term of the contract. The basis for the determining reasonable profit will be the amount of capital invested, understood as the sum of the cash compensation calculated without a reasonable profit, plus the value of the capital injections made to the Company in a given the calendar year of the period of entrustment. The accepted maximum rate of return is determined in accordance with Decision 2012/21/EU as the swap rate applicable to Poland on the date of signing the contract for 10-year entrustments, plus 100 basis points, thus amounting to 3.91%.

As part of the costs incurred in discharging the entrusted task – Task (K), account should be taken of cost items that are directly related to the performance of the tasks defined in the Methodology in accordance with the provisions of the contract, including the costs of the readiness to perform the task in the event of circumstances preventing performance of the task for reasons independent of the Company.

Not be included in the costs incurred in discharging the entrusted task – Task (K) are the costs of providing ancillary services which are not linked to the provision of the public service under the contract. The costs of performing the entrusted task should also not include the costs of activities/operations contested qualitatively or quantitatively by the Municipality/Province.

Entries in the appropriate account of own costs form the basis for determining the accepted operating costs for the purposes of implementing compensation.

The arrangements for avoiding and repaying any overcompensation.

1. The compensation paid to the Contractor is verified each year by means of an audit. The settlement of the compensation due to the Company for the performance of the entrusted task in a given year is carried out by verifying the actual costs and revenues generated by the Company in connection with the provision of services, taking into account a reasonable profit for the Company, in accordance with the principles set out in the contract, including Annex 1 thereto. The annual settlement of compensation takes account of modifications to individual payments made in the context of period settlements for services provided and any contractual penalties, calculated in accordance with the provisions of the contract, and deducted from payments. The Company will also carry out an annual verification of the compensation forecast for the years up to the end of the period of entrustment.
2. The annual statement of compensation owned for the provisions of services is submitted by the Company by 31 March of the year following the year to which the compensation relates.

3. For the purposes of the annual statement, the company attaches the necessary documents confirming, *inter alia*, the amount of the costs incurred and the revenues generated by the public service. The annual statement also includes information concerning the reasonable profit for each individual task carried out in the accounting year. The annual statement may be drawn up by the company or an appointed expert. Each of the Parties to the contract is entitled to appoint an expert.
4. The Municipality/Province carried out a verification on the basis of the annual statement, taking into account all the documents and accounts submitted by the company during the accounting year. The verification of the annual statement may be entrusted to a third party with appropriate knowledge and experience of public aid and the settlement of compensation for the provisions of public services (expert). At least once every three years and in any case in the final year of the contract, the Company selects an expert to conduct an ex-post verification of the settlement of compensation for the closed years of the Contract and to verify the compensation forecast for the following years.
5. If the Municipality/Province or the appointed expert requests additional information and documents or has reservations and doubts as to the documents and information submitted by the Company, they must communicate them together with the reasons without delay, and not later than within 14 days of the date on which the company's accounts are submitted.
6. The company must provide additional documents, replies or explanations within 10 days of receiving the request from the Municipality/Region or the expert, submitting any justification and proposals for amendments. In so doing, account must be taken of the deadline for the completion of the audit.
7. The verification by the municipality or province of the amount of annual compensation or the issue of an opinion by an expert and the completion of the annual settlement of compensation must take place by the end of May of the year following the year to which the annual accounts relate.
8. If the annual settlement of compensation results in excessive compensation being paid to the Company in a given year, i.e. an amount exceeding the amount actually due to the Company under the rules set out in the contract, including Annex 1 thereto, the Company must, within a designated time limit, reimburse the Municipality/Province an amount equal to the overcompensation, except where if the excess is less than 10% of the amount of the annual compensation and the settlement does not relate to the final year of application of the contract. In that case, the Municipality/Province deducts the excess amount from the successive payments to the Company. If, on the basis of the annual settlement of compensation, the amount of compensation received by the Company turns out to be lower than the amount resulting from the annual settlement, the Municipality/Province will make up the difference, subject however to Section 3(4) of the Resolution. The additional payment should be completed by the last day of the following calendar year.
9. In the event that adjustments need to be made at a later date to the amount of compensation, in particular in connection with the receipt by the Company of benefits from public funds, the Company must, without delay, issue an amending document for the relevant period. The procedure set out above applies *mutatis mutandis*.

Transparency requirements.

Not applicable. The amount of compensation granted in respect of the SGEI has not exceeded €15 million as a yearly average.

Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
0.397	2.015
A: Total amount of aid granted (€ million) paid by national central authorities.	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
0.198	1.007
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.199	1.007
Share of expenditure by aid instrument.	
2018	2019
Subsidy – 0.397	Subsidy – 2.015
Additional quantitative information.	
2018	2019
Not applicable.	

- Financial services

Services entrusted by the provinces.

Clear and comprehensive description of how the respective services are organised in your Member State
The range of services entrusted as SGEI.
The provinces have entrusted companies (regional development funds/agencies), which often are internal entities, with public-interest tasks involving the management and re-use of funds from the financial engineering instruments referred to in Article 98(1) of the Act of 11 July 2014 <i>on the principles of implementation of cohesion policy programmes financed in the 2014-2020 programming period</i> (Journal of Laws 2020,

item 818). These are funds derived from contributions made in the context of regional operational programmes to financial engineering instruments after the obligations resulting from the grant contracts entered into with respect to their use have been performed, reimbursed by the recipients or not committed under the contracts, and the revenue generated by those funds. They are intended, *inter alia*, to establish conditions for economic development, labour market creation, support for entrepreneurship, support for urban development and the improvement of regional energy efficiency. Support is provided in particular for micro, small and medium-sized enterprises in the province and all local government entities (in future it will also cover associations, cooperatives, housing associations and private individuals - the range of beneficiaries is open). The service is provided by facilitating access to external financing for the entities in question, mainly SMEs, and other recipients of support whose projects lead to the development of the region. The funds entrusted to companies are therefore made available to recipients in the form of repayable or partially repayable assistance to financial intermediaries or directly to the economic development objectives of the region. In view of the purpose of the intervention, the quality parameters of the products offered are more favourable than those of corresponding products offered on the open market. The entrustment contract requires the company to ensure equal treatment of final recipients and to guarantee universal (i.e. broad) and continued access to the service for different recipient groups, and is therefore not an activity corresponding to normal market conditions. Consequently, in return for the services provided, the companies receive compensation together with a reasonable profit.

Form of entrustment.

The decision to entrust tasks to companies forms part of the activities undertaken by the province covering the broad needs of the region and reflects the implementation of regional development policy which, in accordance with Article 11(2) of the Act. 2 of the Provincial Self-Government Act, includes establishing conditions for economic development, including labour market creation.

Entrustments have taken place on the basis of entrustment contracts between individual provinces and companies and the articles of association of those companies. Together, these documents constitute the acts of entrustment of the services concerned and contain the elements required by 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, 11.1.2012, p. 3):

- under the companies' articles of association, the purpose of the activities in question is to manage the funds in the area of support for the development of SMEs, urban development, etc.,
- in the entrustment contracts with companies, the provincial authorities have ensured full control over the activities of the companies (internal entities), including through an obligation to implement the investment strategies approved by the provincial executive boards, specifying a timetable for performance of tasks, and a continuous and comprehensive monitoring of the way in which the tasks entrusted are performed.

The entrustment contracts set out not only the quantitative parameters for the service provided but also the qualitative parameters (types of financial products, performance indicators) in view of the source and status of the funds involved (public funds).

Average duration of entrustment.
The period of entrustment is 10 years.
Exclusive or special rights.
The entrustment acts do not confer any exclusive or special rights on the companies.
Aid instruments.
Compensation mainly takes the form of grants.
The compensation mechanism.
<p>Companies receive compensation in exchange for managing the funds allocated to them and directly or indirectly providing support to recipients by means of products offering specific parameters that are more favourable than on the market. The amount of compensation does not exceed what is necessary to cover the net cost of discharging the public service obligations plus a reasonable profit. The cost allocation method is applied.</p> <p>Depending on the province, compensation is paid quarterly or monthly. The method of forecasting (in the form of schedule of the expected compensation) and then determining the compensation and payment dates are laid down in the entrustment contracts between the provinces and the companies. The conditions for performing the entrusted service are subject to ongoing monitoring and periodic material and financial reporting (in one of the provinces, companies are required to report every six months, in the rest, once a year), while the amount of compensation is subject to annual verification.</p> <p>In one of the provinces, compensation is payable periodically in the form of advances (quarterly) and is to be used to cover the expected net costs of the entrustment contract. After the end of the calendar year and the approval of the annual report, any overpayments/underpayments are corrected and a reasonable profit is paid.</p> <p>In the case of other provinces, compensation is paid periodically (monthly or quarterly) on the basis of invoices to be submitted by companies in an amount which reflects the costs incurred in providing the service, plus a reasonable profit. After a year, once the accounts have been approved, a verification of the amount of compensation paid is carried out.</p>
The arrangements for avoiding and repaying any overcompensation.
<p>The rules for the control and reimbursement of any overcompensation have been included in entrustment contracts, in accordance with the provisions of the Commission Decision.</p> <p>Each year the companies report the total amount of compensation received for the SGEI, the revenues, the amount of costs incurred and the method of calculating reasonable profit. On this basis, it is assessed whether they have been compensated in accordance with the provisions of the Commission Decision.</p> <p>If the compensation paid in the previous year for the SGEI exceeds the maximum level by more than 10%, the amount of overcompensation is reimbursed in full. If the overcompensation determined does not exceed 10% of the average value of annual compensation accepted, the excess is credited towards the payment for the next</p>

accounting period.	
Transparency requirements.	
Not applicable. The amount of compensation granted in respect of the SGEI has not exceeded €15 million as a yearly average.	
Amount of aid granted	
Total amount of aid granted (€ million) A+B+C.	
2018	2019
2.119	2.493
A: Total amount of aid granted (€ million) paid by national central authorities.	
2018	2019
0.000	0.000
B: Total amount of aid granted (€ million) paid by regional authorities	
2018	2019
2.119	2.493
C: Total amount of aid granted (€ million) paid by local authorities	
2018	2019
0.000	0.000
Share of expenditure by aid instrument.	
2018	2019
Subsidy -2.119	Subsidy -2.493
Additional quantitative information.	
2018	2019
Not applicable.	

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

The Polish authorities did not provide any aid under this Framework in the period covered by the report.

4. COMPLAINTS BY THIRD PARTIES

The Office for Competition and Consumer Protection has no information suggesting that judicial proceedings were initiated in 2018-2019 in connection with third party complaints concerning the provision of an SGEI.

5. MISCELLANEOUS QUESTIONS

A.

Please note that some service providers have difficulty in determining reasonable profit levels. In the case of a period of entrustment of more than 10 years (owing to an entity being obliged to carry out significant investments, e.g. in the municipal housing sector, which need to be amortised over a longer period), there have been doubts as to how to determine an appropriate rate of return on capital, which may not exceed the swap rate of a maturity corresponding to the duration of the entrustment act (plus a premium of 100 basis points); swap rates are published for a maximum of 10 years, which raises the question as to the rate which should apply for longer entrustment periods consistent with the depreciation period for fixed assets.

There has also been a case of the funding of a major project ('Construction of a thermal treatment facility for municipal waste in Gdansk') being incorrectly classified as compensation for a service of general economic interest. Correspondence between the Commission and the Polish authorities was initiated in that case by the Commission's letter of 12.4.2019 (ref.: COMP.B3/AC/JP/cl */2019/52377). The Commission services indicated that the Polish authorities had been wrong to classify services provided on the basis of infrastructure (including energy production) resulting from the project as an SGEI. As a result of the explanations provided, the above mentioned project was notified to the EC.

B.

The Polish authorities would inform you that no aid was granted under the 2012 SGEI Framework during the reporting period.

C.

The Polish authorities do not have any comments.