

Services of General Economic Interest: Report submitted following the 2012 SGEI Decision and the 2012 SGEI Framework

1. EXPENDITURE OVERVIEW

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)		
	2018	2019
<i>Compensation for Services of General Economic Interest (1+2)</i>	48.42	50.52*
1) Compensation granted on the basis of the SGEI Decision	48.42	50.52*
2) Compensation granted on the basis of the SGEI Framework	0.00	0.00

- 1) * Includes expenditure from December 2018 and January 2020 which could not be separated from 2019 expenditure - See point 4) Air or maritime links to islands with average annual traffic not exceeding the limit set in Art. 2(1)(d)

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

- 2) Hospitals (Art. 2(1)(b))
- 3) Social services (Art. 2(1)(c))
 - a) Health and long term care
 - b) Childcare
 - c) Access to and reintegration into the labour market
 - d) Social housing
 - e) Care and social inclusion of vulnerable groups
- 4) **Air or maritime links to islands with average annual traffic not exceeding the limit set in Art. 2(1)(d)**

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

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

Scheduled passenger transport services by air between Porto Santo and Funchal (Autonomous Region of Madeira) that are subject to public service obligations in accordance with Regulation (EC)

No 1008/2008 of the European Parliament and of the Council have been defined as SGEIs, with the aim of guaranteeing service continuity on the scheduled air route serving the Autonomous Region of Madeira and providing a better quality service for passengers.

To that end, a number of obligations were put in place covering, for example, minimum flight frequency, timetables, the category of aircraft used and maximum internal configuration capacity, fares, service continuity and punctuality and marketing of flights.

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

The management of the service of general economic interest was entrusted to a private-sector undertaking AERO VIP - Companhia de Transportes e Serviços Aéreos, S. A. - for the period running from 1 January to 4 June 2018.

The Portuguese government decided to amend the public service obligations, as of 1 June 2014, for the scheduled air services operated on the Porto Santo/Funchal/Porto Santo route, with the aim of improving service quality for users. It therefore imposed a number of obligations covering, inter alia, minimum flight frequency, timetables, the category of aircraft used and maximum internal configuration capacity, fares, service continuity and punctuality and marketing of flights. These obligations were published in the Official Journal of the European Union (2013/C 353/05) of 3 December 2013.

Following this decision, the Portuguese government launched a competitive call, in accordance with Articles 16 and 17 of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008, for a concession to operate the air services in question. The invitation to tender was published in the Official Journal of the European Union (2013/C 355/05) of 5 December 2013.

The operating concession, to be awarded via public tender, for the scheduled air services on the route in question was subject to amended public service obligations on the condition that no EU air transport operators liable to be authorised to operate the route in question submitted an application to begin providing scheduled air services that were operationally and economically sustainable and fulfilled the modified public service obligations, without requesting any compensation whatsoever, and that this application was approved by the State.

AERO VIP, S.A. submitted a tender that fulfilled all of the public service obligations required and it was awarded the service concession for scheduled air services between Porto Santo and Funchal by means of a contract signed on 12 May 2014 for a three-year period beginning on 5 June 2014 and ending on 4 June 2017.

The procedure relating to the imposition of public service obligations could not be launched on time from 5 June 2017 owing to the fact that the competitive procedure for the operation of the scheduled air services in question differed significantly from the previous obligations. This meant that a time-consuming process of assessment and negotiation was necessary, causing delays with regard to the establishment of the new public service obligations by the Portuguese government.

This delay in terms of amending and establishing the public service obligations jeopardised the continuity, without interruption, of the service provision. As a result, pursuant to Article 16(9) of Regulation (EC) No 1008/2008 and so as to maintain continuity of the public service provided until the conclusion of the competitive procedure that was under way, the Portuguese government decided to maintain, from 4 June 2017 until 4 June 2018, the amended public service obligations that were established for a three-year period by means of Commission Communication (2013/C 353/05) published in the Official Journal of European Union. As a result, the contract with Aerovip, which was in force at the time, was amended by adding an addendum.

In order to guarantee continuity of service provision on the air route serving the Autonomous Region of Madeira, and in accordance with Article 16 of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008, the Portuguese government decided to impose modified public service obligations for the scheduled air services on the Porto Santo/Funchal/Porto Santo route for a period of three years.

The aim of the modified public service obligations was to ensure permanent availability of appropriate levels of continuity, regularity, quality, quantity and price on the route covered by the concession. As a result, requirements were imposed vis-à-vis minimum frequency and capacity levels, timetables, service continuity and punctuality, category of aircraft used, transport of cargo and post, fares and marketing of flights, these obligations having been established by means of Commission Communication (2017/C 284/09) of 29 August 2017, published in the Official Journal of the European Union.

Following this decision by the Portuguese government, and in accordance with Articles 16(10) and 17 of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008, approval was granted for the expenditure relating to the award of the concession to operate scheduled air services on the Porto Santo/Funchal/Porto Santo route for a three-year period, subject to amended public service obligations. The decision was made to invite tenders and the call was published in the Official Journal of the European Union to select the air carrier that would be awarded the service concession.

In accordance with Article 17(5) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008, a Commission Communication (2017/C 284/08) was published in the Official Journal of the European Union on 29 August 2017 to announce the call for tenders.

The operating concession, to be awarded via public tender, for the scheduled air services on the route in question was subject to amended public service obligations on the condition that no EU air transport operators liable to be authorised to operate the route in question submitted an application to begin providing scheduled air services that were operationally and economically sustainable and fulfilled the modified public service obligations, without requesting any compensation whatsoever, and that this application was approved by the State.

The air carrier Binter Canarias S.A. submitted a tender fulfilling all the legal requirements and it was therefore awarded the concession to operate the services.

The public tender procedure launched for the operation of this route for the period 2018-2012 [sic] could not be concluded on time, since, within the deadline for submitting the eligibility documents and providing the guarantee, one of the unsuccessful tenderers launched pre-contractual administrative proceedings calling for the award decision to be declared invalid and/or annulled, leading to the automatic suspension of the effects of the contested decision or of contract implementation.

It was only in November 2018 that the Portuguese government was notified of the judge's decision, which ruled that the pre-contractual action challenging the award decision was unfounded.

The unsuccessful party was entitled to lodge an appeal against the decision within 15 days, but they did not do so.

With the appeal process having come to an end and the suspensive effect of the action having been lifted, a number of formalities were still required in order to conclude the award procedure - with specific deadlines set for that purpose - namely, approval of the draft contract, acceptance and award of the contract.

Following the award of the contract, it then needed to be sent to the Court of Auditors for prior approval; this always takes at least 30 days.

This delay in concluding the tender procedure jeopardised the continuity, without interruption, of the provision of services on this route.

Therefore, for reasons of extreme urgency and after inviting the future concessionaire to submit a tender to operate scheduled air services on the route in question, on 1 June 2018, following the conclusion of a direct award procedure, a concession contract was signed with Binter Canarias, S.A. for the operation of scheduled air services subject to amended public service obligations, beginning on 5 June 2018 for a period of two months. This ensured that citizens who were residents of the Madeiran islands in question were able to travel and, as a result, upheld the principles of territorial continuity and social and territorial cohesion.

This delay to the tender procedure required four further amendments to the concession contract referred to above; these were in force from 5 August 2018 to 4 April 2019.

Once the tender procedure was concluded, the concession for regular air services between Porto Santo and Funchal was awarded to Binter Canarias, S.A., and a three-year contract was signed on 24 January 2019, with a start date of 24 April 2019.

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

The contract with Aero Vip, S.A, had an initial duration of three years (from 5 June 2014 to 3 June 2017), and was extended for a further year in accordance with Article 16(9) of Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008, which provides for continued

operation of the services for a four-year period, which can be extended to five years given that the region in question is an outermost region.
The concession contract with Binter Canarias S.A. is a three-year contract, running from 24 April 2019 to 23 April 2022.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
The concessionaire has exclusive responsibility for operating the scheduled air services on the Porto Santo/Funchal/Porto Santo route.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
The concession contracts entered into with the private undertakings awarded the concession for the scheduled passenger air transport service on the Porto Santo/Funchal/Porto Santo route (Aero Vip – Companhia de Transportes e Serviços Aéreos, S.A. and Binter Canarias, S.A.) establish that, as consideration for the provision of the air services, the concessionaire will be entitled to receive compensation that will take into account the specific nature of the concession, the level of inherent risk in operating the concession and the actual commencement of operations.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The amount of compensation to be paid is calculated as described below:</p> <p>a) The financial result for the concession will be calculated annually, based on profits/revenue and actual costs/expenditure incurred and duly justified, as follows:</p> <p>i) all operating profit/revenue from the provision of the services of general economic interest covered by the concession, and</p> <p>ii) the corresponding operational costs/expenditure incurred in the provision of the service; this covers variable costs/expenditure, including costs/expenditure incurred from the passenger service charge, with regard to passengers transported under the concession, the costs/expenditure incurred from the plan to increase demand, and from common fixed costs/expenditure inherent to the provision of those services, if the undertaking has other business activities not covered by the concession;</p> <p>b) A reasonable profit corresponding to the return on the capital invested in providing the services of general interest covered by the concession; this is calculated by applying a return to the liquid assets assigned to the concession activity at the start of each annual period of the concession, net of investment support provided by the State or EU structural funds, and with a ceiling of an annual equivalent simple interest rate of 6.08%.</p> <p>Assets used in the concession that are financed under operational leasing arrangements are not taken into account when calculating reasonable profit.</p> <p>c) The total amount of compensation borne by the awarding authority, in each annual period of the concession, must correspond to the lower of the following two amounts, exempt from VAT, in accordance with Articles 14(1)(r) and (t) of the VAT Code, following approval from the Inspectorate-General for Finance:</p> <p>i) the figure calculated in accordance with a) and b) above;</p> <p>ii) the ceiling amount of the compensation indicated in the concessionaire's tender for each annual period of the concession.</p>

Typical arrangements for avoiding and repaying any overcompensation.

In order avoid overcompensation and to allow the costs to be allocated correctly, the terms of the contracts in question contain provisions setting out the following rules:

- The concessionaire is obliged to have an accounting system in place allowing costs/expenditure and profit/revenue relating to the service under concession to be correctly identified and justified. It must also provide the inspection bodies (the National Civil Aviation Authority - ANAC and the Inspectorate-General for Finance - IGF) with all the required, appropriate or requested information to enable them to carry out their inspection activities.
- The concessionaire must also grant the ANAC and/or the IGF unrestricted access to minute books, attendance records and related documents concerning the concessionaire and to books, registers and other documents relating to the activities covered by the concession, and it must also provide clarifications whenever requested to do so by the awarding authority.

The IGF, the body responsible for inspecting the economic, financial and tax transactions carried out by air carriers as part of a concession issues a decision on the amounts of compensation due in accordance with Decree-Law No 138/99 of 23 April 1999.

However, the amount of compensation to be paid to the concessionaire must take into account the outcome of the checks on compliance with the public service obligations conducted by the ANAC, which draws up a report for that purpose, as it is the body tasked with inspecting the concessionaire's activity with regard to its compliance with the applicable concession contracts, legislation and regulations and with regard to all matters outside the remit of other entities.

Payment of compensation to the concessionaire by the awarding authority is made by the Directorate-General for the Treasury and Finance (DGTF) at the end of each quarter of the concession, with the amount of compensation corresponding to one quarter of the ceiling amount of compensation indicated in the concessionaire's tender for each annual period of the concession; however, the amount must always be in line with the annual ceilings set for each financial year of the overall concession period. The payment for the final quarter of each year of the concession is made available only once the exact amount of compensation due has been established by the IGF and the payment will be for the difference between this amount and the total of the payments already made.

If in the final quarter of each year of the concession the balance is in favour of the awarding authority, the amount will be settled through offsetting in the next quarter, with the exception of the final quarter of the concession, when the amount will be repaid.

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

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

Amount of aid granted

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

2018	2019
<p>Aero Vip, S.A.</p> <p>From 1 January to 4 June 2018 €1 813 832.00 - this corresponds to the amount of compensation as set out in the concession contract covering the period from 5 June 2017 to 4 June 2018</p> <p>Binter Canarias, S.A.</p> <p>From 5 June to 4 December 2018 - €870 000.00</p> <p>•</p>	<p>Binter Canarias, S.A.</p> <p>From 5 December 2018 to 4 April 2019 – €580 000.00</p> <p>The amount indicated below relates to the compensation that is not yet available for allocation to the concessionaire:</p> <p>From 24 April 2019 to 23 January 2020 – €1 045 856.25</p>
A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2018	2019
0.00	0.00
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2018	2019
0.00	0.00
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2018	2019
0.00	0.00

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

2018	2019
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Number of passengers transported on the Porto Santo/Funchal/Porto Santo route: 25 137	Number of passengers transported on the Porto Santo/Funchal/Porto Santo route: 33 126
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SGEI Decision

Airports and ports with average annual traffic not exceeding the limit set in Art. 2(1)(e)

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible .
<p>The following services have been defined as SGEI:</p> <p>a) airport services to support civil aviation at regional aerodromes;</p> <p>b) redevelopment, modernisation and construction of port infrastructure:</p>
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.
<p>The management of the service of general economic interest was entrusted to undertakings in the commercial public sector, as explained below.</p> <p><u>AIRPORTS</u></p> <p>SATA GESTÃO DE AERÓDROMOS, SA</p> <p>The concession for the public airport service to support civil aviation at the aerodromes of Corvo, Graciosa, Pico and São Jorge and the Flores air terminal was awarded to SATA Gestão de Aeródromos, SA, by means of a contract of 1 July 2005, which was signed following the publication of the Council of Government Resolution No 102/2005 of 16 June 2005; the concession was awarded for ten years, renewable in five-year periods up to a maximum of 20 years. By means of Resolution No 103/2016 of 25 May 2016 the contract was renewed for five years, expiring on 1 July 2020.</p> <p><u>PORTS</u></p> <p>PORTOS DOS AÇORES, SA</p> <p>By means of Regional Legislative Decree No 30/2003/A of 27 June 2003, three regional port administrations were created (APSM - Administração dos Portos das Ilhas de S. Miguel e Santa Maria, S.A (for the islands of São Miguel and Santa Maria); APTO - Administração dos Portos do Triângulo e do Grupo Ocidental, S.A (for the islands of the so-called 'Triangle' group and the Western group); and APTG - Administração dos Portos da Terceira e Graciosa, S.A (for Terceira and Graciosa)). By means of Regional Legislative Decree No 24/2011/A of 22 August 2011, these authorities were merged into one undertaking, Portos dos Açores, SA.</p> <p>Portos dos Açores, SA is entirely publicly owned and is responsible for managing the ports in the Autonomous Region of the Azores; this involves operating, maintaining and developing the ports and acting as the port authority.</p>

In 2016, three public investment contracts were entered into by the Autonomous Region of the Azores (RAA) and Portos dos Açores, SA, by means of Council of Government Resolutions. The contracts relate to the redevelopment of the port of Poças, construction of a 'ro-ro' ramp at the port of Calheta S. Jorge and strengthening of the protective wall of the main quay at the port of Ponta Delgada.

In 2017, three public investment contracts were also signed for the following work: purchasing and installation of bollards and defences, regrading of the quay -10 (CD), repaving of the port embankment and improvements to the technical networks that are part of it, dredging of the port basin at the port of Ponta Delgada and repairs to the damage caused to the port of Madalena on Pico during the storm of 27/28 February 2017.

In 2018, one public investment contract was entered into by the Autonomous Region of the Azores (RAA) and Portos dos Açores, SA, by means of a Council of Government Resolution. The contract relates to the redevelopment of the commercial port of Horta.

In 2019, two public investment contracts were signed for the following work: project to strengthen the protective wall of the quay at the Vila do Porto marina and work to repair and replace the covering of the passenger terminal in Vila do Porto; consultancy services, studies and designs relating to the development of the port of Praia da Vitória and the passenger terminal at the port of São Roque on Pico.

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

The durations are usually as follows for the contracts:

- a) airport services to support civil aviation at regional aerodromes: ten years, with the possibility of renewal for five-year periods, up to a maximum of 20 years;
- b) redevelopment, modernisation and construction of port infrastructure: one to four years.

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

Yes. Specifically, the right to manage the infrastructure entrusted by law or by contract.

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

Direct grant.

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

All contracts signed with the regional public-sector undertakings providing public services include clauses to prevent cross-subsidising, allow the costs to be allocated correctly and avoid overcompensation.

In order to ensure that the amount of compensation does not exceed what is necessary to cover the costs incurred by fulfilling the obligations, in the contracts entered into with Administrações Portuárias Regionais (currently Portos dos Açores, SA) a number of clauses are included setting out the overall amount of funding and establishing the condition that the financial contribution to be allocated will be proportionally reduced if the undertaking receives additional support via other types of funding.

For SATA Gestão de Aeródromos, SA, the costs and investments for which the awarding authority is responsible were set out and it was established that the concessionaire must submit an operating plan each year for the following year, for prior approval, indicating the equipment,

conservation/maintenance work or extension work that needs to be carried out at the aerodromes to ensure that they operate normally and develop, as well as a timetable for the work and the related costs.

Typical arrangements for avoiding and repaying any overcompensation.

The Autonomous Region of the Azores carries out and commissions regular checks to guarantee that the undertakings are not receiving more compensation than is necessary to cover the costs incurred by fulfilling the public service obligations.

The Region considers this monitoring to be perfectly adequate and welcomes the close relationship it has with these public-sector undertakings in the region for the purposes of supervision and oversight and close monitoring of their activities.

SATA – GESTÃO DE AERÓDROMOS, SA

SATA Gestão de Aeródromos, SA, as the concessionaire for the public airport service to support civil aviation at the regional aerodromes, is required to submit, for approval by the awarding authority, an operating plan for the following year by July of the previous year, indicating the equipment needed and the conservation/maintenance/extension work it plans to carry out at the aerodromes for which it holds the concession in order to ensure that the aerodromes develop as they should, as well as a timetable for the work and the related costs. In consideration for the provision of services, the concessionaire is entitled to receive the financial compensation set out in the contract.

The same contract also establishes that SATA – Gestão de Aeródromos, SA bears the risks of the concession, while it nevertheless remains possible to restore the financial equilibrium of the concession in the event of force majeure due to unforeseen and inevitable events beyond the control of the concessionaire that have a direct negative impact on the concession, or in the event of abnormal and unforeseen changes to the conditions on which the proposal was based that result in a substantial increase in costs. The financial equilibrium of the concession will be restored by way of direct compensation from the awarding authority to the concessionaire, and the concessionaire must inform the awarding authority of any event that might give rise to the need to restore the financial equilibrium of the concession, within a maximum of ten days of the event occurring.

SATA – Gestão de Aeródromos, SA is contractually obliged to provide the awarding authority with all information relating to the concession when so requested and to allow duly identified inspection bodies unrestricted access to all facilities and equipment inside the areas covered by the concession.

PORTOS DOS AÇORES, SA

Checks on the use of the funding made available under the contracts entered into with Portos dos Açores, S.A. and on the matching of the funds to the proposed objectives are carried out by means of the requirement on the undertaking to provide any information and clarifications requested by the Region, at intervals decided on by the Region; it is also required to undergo assessments and/or audits carried out by the Region or whoever it appoints for that purpose.

Portos dos Açores, SA is also required to draw up annual progress reports and send them to the Region, as well as final reports on the implementation of the contracts.

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

references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The contracts are approved by means of Council of Government Resolutions, which are published in the Official Journal of the Autonomous Region of the Azores (<https://jo.azores.gov.pt/>).

Amount of aid granted

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

2018	2019
€13 749 766.62	€7 348 384.16

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

2018	2019
0.00	0.00

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

2018	2019
Airports: €9 666 129.62 Ports: €4 083 637.00	Airports: €3 425 234.16 Ports: €3 923 150.00

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

2018	2019
0.00	0.00

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

2018	2019
Direct grant: Airports: €9 666 129.62 Ports: €4 083 637.00	Direct grant: Airports: €3 425 234.16 Ports: €3 923 150.00

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

2018	2019
The beneficiaries of the services of general economic interest at airports and ports are citizens and businesses.	The beneficiaries of the services of general economic interest at airports and ports are citizens and businesses.

Portos dos Açores, SA is an SME with an average workforce of 278 staff. SATA Gestão de Aeródromos, SA is a small company with an average workforce of 24 staff.	Portos dos Açores, SA is an SME with an average workforce of 277 staff. SATA Gestão de Aeródromos, SA is a small company with an average workforce of 24 staff.
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SGEI Decision

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

- i. Postal services
- ii. Energy
- iii. **Waste collection**

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

PO SEUR supports investments relating to public urban-waste recovery services, i.e. services to recover household waste and waste from small-scale producers producing less than 1 100 litres per day (for example, cafés, shops and catering establishments), focusing on activities to prevent the production of waste or activities relating to material and/or organic recycling with a view to recovering the waste.

In order to be eligible, the investments must fit within the current national and EU strategy for the urban-waste sector, as defined in the Framework Directive on Waste (FDW) and in Portugal's Strategic Plan for Urban Waste (PERSU 2020), approved by means of Ministerial Implementing Order No 187-A/2014 of 17 September 2014, so that they help to meet the demanding national and EU targets in terms of preparing biodegradable urban waste for reuse and recycling and diverting it away from landfills.

The only potential beneficiaries of the 'Urban waste recovery' part of PO SEUR are urban-waste management bodies that provide public urban-waste recovery services and operate on the market regulated by the Regulatory Body for Water and Waste Services (ERSAR).

All public funding from the Cohesion Fund allocated through PO SEUR is channelled into the tariffs charged by the beneficiary to end-users, irrespective of whether the urban waste-management system in question is municipal or cross-municipal, publicly, privately or jointly run, and irrespective of the management model used.

The Programme beneficiaries must at all times act merely as intermediaries for the funding in question, given that, as laid down in ERSAR's Tariff Regulation, they are required to include in the tariff calculation for the waste-management service any subsidies that they have been allocated by PO SEUR, with the financial benefit associated with the public funding in question being passed on to end-users.

PO SEUR finances projects focusing on the recovery of urban waste. Below are some examples of the types of project it finances:

- Activities to prevent the production of waste and make it safe, including educational and awareness-raising activities, as well as any studies that may be required, focusing on the first levels of the waste-management pyramid;
- Investments designed to improve the quantity and quality of multi-material recycling by improving and bolstering the existing selective collection networks, optimising infrastructure for multi-material sorting, the system of door-to-door selective collection and Pay-As-You-Throw systems (PAYT);
- Investments designed to increase the recovery of organic waste, by boosting the mechanical and/or biological treatment of waste, selective collective systems for biodegradable urban waste, systems for household composting of biodegradable urban waste and compost recovery systems.

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

The typical form of award of the funding is via competitive calls, with funding allocations from the Cohesion Fund. The merits of the applications are assessed with reference to the selection criteria set out in the calls; the selection criteria comply with the Operational Programme and have been approved in advance by the PO SEUR Monitoring Committee.

Please find enclosed an example of a Funding Award Decision issued by PO SEUR (POSEUR-03-1911-FC-000196).

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

The average duration of the funding allocated by PO SEUR is three years, and, in the area of urban waste recovery, the maximum duration of funding is ten years.

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

Under PO SEUR, no exclusive or special rights are conferred on the undertakings.

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

The aid is granted by means of non-refundable grants, and the maximum rate of Cohesion Fund co-financing is 85% of the total amount of eligible expenditure.

As regards revenue-generating projects, the eligible investment is the eligible expenditure minus the net revenue that is expected to be generated during the operational phase and which was taken into account in the financial viability studies for each project.

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

Without prejudice to the rules and ceilings on eligible expenditure set out in Article 15 of Decree-Law No 159/2014 of 27 October 2014, as currently worded, the only eligible expenditure is that which is strictly necessary in order to carry out the approved activities and which results from the real costs incurred when carrying out those activities as set out in Articles 7 and 92 of the Specific Regulation on the Sustainable and Efficient Use of Resources (RE SEUR), adopted by means of Ministerial Implementing Order No 57 - B/2015 of 27 February, as currently worded.

Typical arrangements for avoiding and repaying any overcompensation.

As explained above, all public funding from the Cohesion Fund relating to PO SEUR is channelled into the tariffs charged by the beneficiary to end-users, irrespective of whether the urban-waste management system in question is municipal or cross-municipal, or publicly, privately or jointly run, and irrespective of the management model used.

The Programme beneficiaries must at all times act merely as intermediaries for the funding in question, given that, as laid down in ERSAR's Tariff Regulation, they are required to include in the tariff calculation for the waste-management service any subsidies that they have been allocated by PO SEUR, with the financial benefit associated with the public funding in question being passed on to end-users.

Without prejudice to the powers conferred upon other bodies, and in the exercise of its legal duties and powers in the area of urban waste management, namely regulation of economic behaviour, ERSAR shall, for any financial support granted to urban waste management bodies and communicated by POSEUR to ERSAR, inform the POSEUR Management Authority in a timely and complete manner of any measures taken by a beneficiary which jeopardise, either in terms of form or content, and directly or indirectly, the provisions set out above, so that the Management Body is able, where necessary, to correct support for investments made as part of the Programme; this could include, but is not restricted to, full repayment of the approved or allocated funding, plus interest.

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

Not applicable.

Amount of aid granted

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

2018

2019

EUR 31.16 million	EUR 40.71 million
A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2018	2019
EUR 31.16 million	EUR 40.71 million
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2018	2019
0.00	0.00
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2018	2019
0.00	0.00
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2018	2019
EUR 31.16 million - grant	EUR 40.71 million - grant

SGEI Decision

iv. Water supply

v. **Culture**

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible .
Public investment contract between the Autonomous Region of the Azores and the Teatro Micaelense – Centro Cultural e de Congressos, SA.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.
In 2018, by means of Council of Government Resolution No 38/2018 of 13 April 2018, approval was granted for a public investment contract, awarded on 16 April 2018, between the Autonomous Region of the Azores and the TEATRO MICAELENSE - CENTRO CULTURAL E DE CONGRESSOS, SA, with the aim

<p>of setting out the terms of the cooperation between the Autonomous Region and the undertaking with a view to implementing the annual action plan to develop and diversify the cultural activities on offer and promote the region.</p> <p>In 2019, by means of Council of Government Resolution No 27/2019 of 14 March 2019, approval was granted for a public investment contract, awarded on 14 March 2019, between the Autonomous Region of the Azores and the TEATRO MICAELENSE - CENTRO CULTURAL E DE CONGRESSOS, SA, with the aim of setting out the terms of the cooperation between the Autonomous Region and the undertaking with a view to implementing the annual action plan to develop and diversify the cultural activities on offer and promote the region.</p>
<p>Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?</p>
<p>Each year, the region sets the amount of funding to be transferred to the concessionaire by means of a Joint Order of the Regional Ministers responsible for finance and culture. For 2018 and 2019, the public investment contract was for €825 000.00.</p>
<p>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</p>
<p>No.</p>
<p>Which aid instruments have been used (direct subsidies, guarantees, etc.)?</p>
<p>Direct grants under the public investment contract.</p>
<p>Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>Under the public investment contract, financial compensation is based on cost allocation.</p>
<p>Typical arrangements for avoiding and repaying any overcompensation.</p>
<p>TEATRO MICAELENSE - CENTRO CULTURAL E DE CONGRESSOS, SA is contractually obliged to fulfil specific reporting requirements and must draw up half-yearly reports and send them to the Region, as well as a final report on the implementation of the contract.</p>
<p>A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>

Amount of aid granted	
Total amount of aid granted (in millions EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2018	2019
€825 000.00	€825 000.00
A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2018	2019
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2018	2019
€825 000.00	€825 000.00
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2018	2019
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2018	2019

4. COMPLAINTS BY THIRD PARTIES

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

No complaints have been received from third parties.

5. MISCELLANEOUS QUESTIONS

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

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
 - specifying the amount of compensation in line with Article 5 of the SGEI Decision;
 - determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
 - regularly checking overcompensation as required by Article 6 of the SGEI Decision;
- Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

Nothing to report.

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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
 - complying with public procurement rules in line with para 19 of the SGEI Framework;
 - determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
 - determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;
- Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

Nothing to report.

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

Nothing to report.

SGEI Decision in your Member State		Total amount for whole Member State	
		2018	2019
Article 2(1)(b)	Hospitals providing medical care, including, where applicable emergency services		
Article 2(1)(c)	Health and long term care		
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing		
	Care and social inclusion of vulnerable groups		
	Other social services		
Article 2(1)(d)	Air or maritime links	€ 2.683.832,00	€ 1.625.856,25
Article 2(1)(e)	Airports and ports	€ 13.749.766,62	€ 7.348.384,16
Article 2(1)(a), less than EUR 15 million per year	Postal Services		
	Energy		
	Waste collection	€ 31.160.000,00	€ 40.710.000,00
	Water supply		
	Culture	€ 825.000,00	€ 825.000,00
	Financial services		
	Other		

SGEI Framework in your Member State	Total amount for whole Member State	
	2018	2019
Postal Services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Other		



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**Services of General Economic Interest: Report submitted following the 2012
SGEI Decision and the 2012 SGEI Framework**

1. EXPENDITURE OVERVIEW

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)		
	2018	2019
<i>Compensation for Services of General Economic Interest (1+2)</i>		
1) Compensation granted on the basis of the SGEI Decision		
2) Compensation granted on the basis of the SGEI Framework		

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

- 1) Hospitals (Art. 2(1)(b))
- 2) Social services (Art. 2(1)(c))
 - a) Health and long term care
 - b) Childcare
 - c) Access to and reintegration into the labour market
 - d) Social housing
 - e) Care and social inclusion of vulnerable groups
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Art. 2(1)(d)
- 4) **Airports and ports with average annual traffic not exceeding the limit set in Art. 2(1)(e)**

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



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

The following services have been defined as SGEI:

- a) airport services to support civil aviation at regional aerodromes;
- b) redevelopment, modernisation and construction of port infrastructure:

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

The management of the service of general economic interest was entrusted to undertakings in the commercial public sector, as explained below.

AIRPORTS

SATA GESTÃO DE AERÓDROMOS, SA

The concession for the public airport service to support civil aviation at the aerodromes of Corvo, Graciosa, Pico and São Jorge and the Flores air terminal was awarded to SATA Gestão de Aeródromos, SA, by means of a contract of 1 July 2005, which was signed following the publication of the Council of Government Resolution No 102/2005 of 16 June 2005; the concession was awarded for ten years, renewable in five-year periods up to a maximum of 20 years. By means of Resolution No 103/2016 of 25 May 2016 the contract was renewed for five years, expiring on 1 July 2020.

PORTS

PORTOS DOS AÇORES, SA

By means of Regional Legislative Decree No 30/2003/A of 27 June 2003, three regional port administrations were created (APSM - Administração dos Portos das Ilhas de S. Miguel e Santa Maria, S.A (for the islands of São Miguel and Santa Maria); APTO - Administração dos Portos do Triângulo e do Grupo Ocidental, S.A (for the islands of the so-called 'Triangle' group and the Western group); and APTG - Administração dos Portos da Terceira e Graciosa, S.A (for Terceira and Graciosa)). By means of Regional Legislative Decree No 24/2011/A of 22 August 2011, these authorities were merged into one undertaking, Portos dos Açores, SA.

Portos dos Açores, SA is entirely publicly owned and is responsible for managing the ports in the Autonomous Region of the Azores; this involves operating, maintaining and developing the ports and acting as the port authority. In 2016, three public investment contracts were entered into by the Autonomous Region of the Azores (RAA) and Portos dos Açores, SA, by means of Council of Government Resolutions. The contracts relate to the redevelopment of the port of Poças, construction of a 'ro-ro' ramp at the port of Calheta S. Jorge and strengthening of the protective wall of the main quay at the port of Ponta Delgada.

In 2017, three public investment contracts were also signed for the following work: purchasing and installation of bollards and defences, regrading of the quay -10 (CD), repaving of the port embankment and improvements to the technical networks that are part of it, dredging of the port basin at the port of Ponta Delgada and repairs to the damage caused to the port of Madalena on Pico during the storm of 27/28 February 2017.

In 2018, one public investment contract was entered into by the Autonomous Region of the Azores (RAA) and Portos dos Açores, SA, by means of a Council of Government Resolution. The contract relates to the redevelopment of the commercial port of Horta.

In 2019, two public investment contracts were signed for the following work: project to strengthen the protective wall of the quay at the Vila do Porto marina and work to repair and replace the covering of the passenger terminal



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in Vila do Porto; consultancy services, studies and designs relating to the development of the port of Praia da Vitória and the passenger terminal at the port of São Roque on Pico.

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

The durations are usually as follows for the contracts:

- a) airport services to support civil aviation at regional aerodromes: ten years, with the possibility of renewal for five-year periods, up to a maximum of 20 years;
- b) redevelopment, modernisation and construction of port infrastructure: one to four years.

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

Yes. Specifically, the right to manage the infrastructure entrusted by law or by contract.

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

Direct grant.

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

All contracts signed with the regional public-sector undertakings providing public services include clauses to prevent cross-subsidising, allow the costs to be allocated correctly and avoid overcompensation.

In order to ensure that the amount of compensation does not exceed what is necessary to cover the costs incurred by fulfilling the obligations, in the contracts entered into with Administrações Portuárias Regionais (currently Portos dos Açores, SA) a number of clauses are included setting out the overall amount of funding and establishing the condition that the financial contribution to be allocated will be proportionally reduced if the undertaking receives additional support via other types of funding.

For SATA Gestão de Aeródromos, SA, the costs and investments for which the awarding authority is responsible were set out and it was established that the concessionaire must submit an operating plan each year for the following year, for prior approval, indicating the equipment, conservation/maintenance work or extension work that needs to be carried out at the aerodromes to ensure that they operate normally and develop, as well as a timetable for the work and the related costs.

Typical arrangements for avoiding and repaying any overcompensation.

The Autonomous Region of the Azores carries out and commissions regular checks to guarantee that the undertakings are not receiving more compensation than is necessary to cover the costs incurred by fulfilling the public service obligations.

The Region considers this monitoring to be perfectly adequate and welcomes the close relationship it has with these public-sector undertakings in the region for the purposes of supervision and oversight and close monitoring of their activities.

SATA – GESTÃO DE AERÓDROMOS, SA

SATA Gestão de Aeródromos, SA, as the concessionaire for the public airport service to support civil aviation at the regional aerodromes, is required to submit, for approval by the awarding authority, an operating plan for the



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following year by July of the previous year, indicating the equipment needed and the conservation/maintenance/extension work it plans to carry out at the aerodromes for which it holds the concession in order to ensure that the aerodromes develop as they should, as well as a timetable for the work and the related costs. In consideration for the provision of services, the concessionaire is entitled to receive the financial compensation set out in the contract.

The same contract also establishes that SATA – Gestão de Aeródromos, SA bears the risks of the concession, while it nevertheless remains possible to restore the financial equilibrium of the concession in the event of force majeure due to unforeseen and inevitable events beyond the control of the concessionaire that have a direct negative impact on the concession, or in the event of abnormal and unforeseen changes to the conditions on which the proposal was based that result in a substantial increase in costs. The financial equilibrium of the concession will be restored by way of direct compensation from the awarding authority to the concessionaire, and the concessionaire must inform the awarding authority of any event that might give rise to the need to restore the financial equilibrium of the concession, within a maximum of ten days of the event occurring.

SATA – Gestão de Aeródromos, SA is contractually obliged to provide the awarding authority with all information relating to the concession when so requested and to allow duly identified inspection bodies unrestricted access to all facilities and equipment inside the areas covered by the concession.

PORTOS DOS AÇORES, SA

Checks on the use of the funding made available under the contracts entered into with Portos dos Açores, S.A. and on the matching of the funds to the proposed objectives are carried out by means of the requirement on the undertaking to provide any information and clarifications requested by the Region, at intervals decided on by the Region; it is also required to undergo assessments and/or audits carried out by the Region or whoever it appoints for that purpose.

Portos dos Açores, SA is also required to draw up annual progress reports and send them to the Region, as well as final reports on the implementation of the contracts.

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

The contracts are approved by means of Council of Government Resolutions, which are published in the Official Journal of the Autonomous Region of the Azores (<https://jo.azores.gov.pt/>).

Amount of aid granted

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

2018	2019
13 749 766.62	7 348 384.16



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A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2018	2019
0.00	0.00
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2018	2019
Airports: 9 666 129.62 Ports: 4 083 637.00	Airports: 3 425 234.16 Ports: 3 923 150.00
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2018	2019
0.00	0.00
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2018	2019
Direct grant: Airports: 9 666 129.62 Ports: 4 083 637.00	Direct grant: Airports: 3 425 234.16 Ports: 3 923 150.00

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2018	2019
The beneficiaries of the services of general economic interest at airports and ports are citizens and businesses. Portos dos Açores, SA is an SME with an average workforce of 278 staff. SATA Gestão de Aeródromos, SA is a small company with an average workforce of 24 staff.	The beneficiaries of the services of general economic interest at airports and ports are citizens and businesses. Portos dos Açores, SA is an SME with an average workforce of 277 staff. SATA Gestão de Aeródromos, SA is a small company with an average workforce of 24 staff.

- 5) SGEI compensation not exceeding an annual amount EUR 15 million (Art. 2(1)(a))
- i. Postal services
 - ii. Energy



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- iii. Waste collection
- iv. Water supply
- v. **Culture**

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible .
Public investment contract between the Autonomous Region of the Azores and the Teatro Micaelense – Centro Cultural e de Congressos, SA.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.
In 2018, by means of Council of Government Resolution No 38/2018 of 13 April 2018, approval was granted for a public investment contract, awarded on 16 April 2018, between the Autonomous Region of the Azores and the TEATRO MICAELENSE - CENTRO CULTURAL E DE CONGRESSOS, SA, with the aim of setting out the terms of the cooperation between the Autonomous Region and the undertaking with a view to implementing the annual action plan to develop and diversify the cultural activities on offer and promote the region.
In 2019, by means of Council of Government Resolution No 27/2019 of 14 March 2019, approval was granted for a public investment contract, awarded on 14 March 2019, between the Autonomous Region of the Azores and the TEATRO MICAELENSE - CENTRO CULTURAL E DE CONGRESSOS, SA, with the aim of setting out the terms of the cooperation between the Autonomous Region and the undertaking with a view to implementing the annual action plan to develop and diversify the cultural activities on offer and promote the region.
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Each year, the region sets the amount of funding to be transferred to the concessionaire by means of a Joint Order of the Regional Ministers responsible for finance and culture. For 2018 and 2019, the public investment contract was for €25 000.00.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
No.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grants under the public investment contract.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.



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Under the public investment contract, financial compensation is based on cost allocation.

Typical arrangements for avoiding and repaying any overcompensation.

TEATRO MICAELENSE - CENTRO CULTURAL E DE CONGRESSOS, SA is contractually obliged to fulfil specific reporting requirements and must draw up half-yearly reports and send them to the Region, as well as a final report on the implementation of the contract.

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

Amount of aid granted

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

2018	2019
825 000.00	825 000.00
A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2018	2019
B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2018	2019
825 000.00	825 000.00
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2018	2019



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Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2018	2019

- vi. Financial services
- vii. Other sectors (please specify)

4. COMPLAINTS BY THIRD PARTIES

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

No complaints have been received from third parties.

5. MISCELLANEOUS QUESTIONS

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

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

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

Nothing to report.



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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
 - complying with public procurement rules in line with para 19 of the SGEI Framework;
 - determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
 - determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;
- Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

Nothing to report.

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

Nothing to report.