

## ANNEX 1

### Services of general economic interest. Guidance for report to be submitted under the 2012 SGEI Decision and the 2012 SGEI Framework

The **reporting obligations** are set out in Article 9 of the 2012 SGEI Decision:

*Each Member State shall submit a report on the implementation of this Decision to the Commission every 2 years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

*a) a description of the application of this Decision to the services falling within its scope, including in-house activities;*

*b) the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*

*c) an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties;*

*d) any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

In principle, paragraph 62 of the 2012 SGEI Framework sets identical reporting obligations for aid granted under the 2012 SGEI Framework.

Please structure your report as follows:

#### **1. EXPENDITURE OVERVIEW**

Please complete the following table(s)

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2018	2019
<b><i>Compensation for Services of General Economic Interest (1+2)</i></b>	<b>39.139</b>	<b>59.130</b>
1) Total compensation granted on the basis of the SGEI Decision	39.139	59.130
2) Total compensation granted on the basis of the SGEI Framework	-	-

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

## 2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

- 1) Hospitals providing medical care, including, where applicable, emergency services (Art. 2(1)(b))

No State aid was granted.

- 2) Social services (Art. 2(1)(c))

- a) Healthcare and long-term care

No State aid was granted.

- b) Childcare

No State aid was granted.

- c) Access to and reintegration into the labour market

No State aid was granted.

- d) Social housing

No State aid was granted.

- e) Care and social inclusion of vulnerable groups

No State aid was granted.

- f) Other social services (if applicable)

No State aid was granted.

- 3) Air or maritime links to islands with average annual traffic below the limits set in Art. 2(1)(d)

No State aid was granted.

- 4) Airports and ports with average annual traffic below the limit set in Art. 2(1)(e)

### Aid for the operation of small airports

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>1</sup></b>
Please list what services in the respective sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>In the field of aviation, aid is paid to Tallinna Lennujaam AS for the operation of small airports. The task of the company at Kärdla, Kuressaare, Ruhnu, Tartu, Pärnu and Kihnu airports is to ensure that the necessary infrastructure for regional development exists at these airports for regular flights to be operated, ground handling services and rescue services to be provided, and rescue and emergency flights to be operated.</p> <p>In order for a subsidy to be granted, the <b>Ministry of Economic Affairs and Communications</b> signs contracts for the use of earmarked appropriations from the State budget with Tallinna Lennujaam AS each year.</p> <p>In addition, the <b>City of Tartu</b> provides a subsidy (for the operation of Tartu Airport). In order for a subsidy to be granted, the City of Tartu signs contracts for the use of earmarked appropriations from the City of Tartu budget with Tallinna Lennujaam AS.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<p>In the case of the <b>Ministry of Economic Affairs and Communications</b>: contracts for the use of targeted support from the State budget.</p> <p>In the case of the <b>City of Tartu</b>: contracts for the use of targeted support from the City of Tartu budget.</p>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Entrustments are of unlimited duration, but one-year contracts for aid provided for the performance of public services are concluded by the <b>Ministry of Economic Affairs and Communications</b> every year. The <b>City of Tartu</b> also enters into a contract for a period of one year.
Explanation as to whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No.

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

What <b>aid measures</b> have been used (direct subsidies, guarantees, etc.)?	
Direct subsidies.	
What is the typical <b>compensation mechanism</b> as regards the respective services and is a methodology based on cost allocation or the net avoided cost methodology used?	
A methodology based on cost allocation is used.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
<p>The contract entered into by the <b>Ministry of Economic Affairs and Communications</b> stipulates that the State may inspect the effectiveness and impact of the use of the allocated funds. The company is also required to submit to the State a report on the use of the aid. The contract stipulates that the recipient of aid is required to use that aid for the activities specified in the contract, and submit regular reports regarding those activities. Under the contract, if aid is not used for the purpose provided for, the entrepreneur is required to return it in full.</p> <p>The contract entered into by the City of Tartu also stipulates that the City of Tartu may inspect the effectiveness and impact of the use of the allocated funds. The company is also required to submit to the City of Tartu a report on the use of the aid. The contract stipulates that the recipient of aid is required to use that aid for the activities specified in the contract, and submit regular reports regarding those activities. Under the contract, if aid is not used for the purpose provided for, the entrepreneur is required to return it in full.</p>	
A short explanation of how the <b>transparency requirements</b> (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).	
Transparency requirements are fulfilled by means of the register of State aid and de minimis aid, which is administered by the Ministry of Finance, and the possibility for the public to make enquiries, available on the website of the <a href="#">Ministry of Finance</a> .	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions of EUR)<sup>2</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
<b>2018</b>	<b>2019</b>
1.616	2.400

<sup>2</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<b>A: Total amount of aid granted (in millions of EUR) by national central authorities<sup>3</sup></b>	
<b>2018</b>	<b>2019</b>
1.616	2.200
<b>B: Total amount of aid granted (in millions of EUR) by regional authorities<sup>4</sup></b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in millions of EUR) by local authorities<sup>5</sup></b>	
<b>2018</b>	<b>2019</b>
-	0.200
<b>Share of expenditure by aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries by sector, average aid amount, size of the undertakings) <sup>6</sup>	
<b>2018</b>	<b>2019</b>
The <b>Ministry of Economic Affairs and Communications</b> granted aid to a single company (Tallinna Lennujaam AS), which in turn distributed the aid to four small airports in order to ensure the performance of public functions there. These airports were: Kärddla, Kuressaare (incl. Ruhnu), Tartu and Pärnu (incl. Kihnu).	<p>The <b>Ministry of Economic Affairs and Communications</b> granted aid to a single company (Tallinna Lennujaam AS), which in turn distributed the aid to four small airports in order to ensure the performance of public functions there. These airports were: Kärddla, Kuressaare (incl. Ruhnu), Tartu and Pärnu (incl. Kihnu).</p> <p>The <b>City of Tartu</b> granted aid to a single company (Tallinna Lennujaam AS), which uses the aid for the performance of public functions at the small airport at Tartu.</p>

## 5) SGEI compensation not exceeding EUR 15 million (Art. 2(1)(a))

<sup>3</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted to all authorities should be reported.

<sup>4</sup> See footnote 3.

<sup>5</sup> See footnote 3.

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

a) Postal services

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup></b>
Please list what services in the respective sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>The distribution of national periodical publications in rural areas.</p> <p>Section 36<sup>1</sup>(1) of the Estonian Postal Act lays down that the provider of the universal postal service is responsible for delivering national periodical publications. The Postal Act also defines the general content of the public service obligation and the conditions for ensuring the discharge of this obligation (e.g. recipients of a periodic publication must receive it once a day, six days a week).</p> <p>The Postal Act does not explicitly designate or name the provider of the service of delivering periodical publications, but, in accordance with the Act, this can only be the provider of the universal postal service. Therefore the provider of the public service in question is the company providing the universal postal service.</p> <p>Aid is provided for in the State budget, which is approved by the Estonian Parliament on the basis of an Order of the Government of the Republic.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Contract for the use of appropriations (compensation) from the State budget.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Entrustments are of unlimited duration, but one-year contracts for aid provided for the performance of public services are concluded every year.
Explanation as to whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No.
What <b>aid measures</b> have been used (direct subsidies, guarantees, etc.)?
Direct subsidies.
What is the typical <b>compensation mechanism</b> as regards the respective services and is a methodology based on cost allocation or the net avoided cost methodology used?

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

The State pays the provider of universal postal services (UPS) aid on the basis of a payment schedule. The UPS provider enter into contracts with publishers for the delivery of periodical publications.

The rates specified in contracts concluded with publishers for the distribution of publications in rural areas are established by the UPS provider.

UPS providers will reduce the amounts of the invoices for contracts by dividing the aid allocated from the State budget and the number of copies of publications expected to be distributed in rural areas by the amount determined – i.e. the amount of aid received per copy.

The rate for distributing publications in rural areas is reduced by an equal amount for all periodical publications.

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

When executing the contract, the State may demand that UPS providers return the unused amount of the appropriation by the end of the last month of validity of the contract, or reduce the aid to be disbursed in the subsequent calendar months by the amount of aid not used in accordance with the terms of the contract.

The contract stipulates that the State may at any moment check the effectiveness and impact of the use of the allocated funds, the accuracy of the circumstances on which the aid is conditional and the degree to which the aid is correctly targeted and effective. UPS providers are required to present to the State a report on the use of the aid.

If the number of copies of periodical publications delivered over a one-year period is lower than the predicted figure, the UPS provider will distribute the unused amount for that calendar year in full among publishers in January of the following year, based on the publisher's share of the overall number of copies of periodical publications delivered by the publisher in a particular rural area.

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).

Transparency requirements are fulfilled by means of the register of State aid and de minimis aid, which is administered by the Ministry of Finance, and the possibility for the public to make enquiries, available on the website of the [Ministry of Finance](#). The contract for the use of the specific allocation (compensation) from the State budget will be published on the website of the Ministry of Economic Affairs and Communications.

#### Amount of aid granted

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

2018	2019
1.278	1.778

<sup>8</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<b>A: Total amount of aid granted (in millions of EUR) by national central authorities<sup>9</sup></b>	
<b>2018</b>	<b>2019</b>
1.278	1.778
<b>B: Total amount of aid granted (in millions of EUR) by regional authorities<sup>10</sup></b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in millions of EUR) by local authorities<sup>11</sup></b>	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure by aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries by sector, average aid amount, size of the undertakings) <sup>12</sup>	
<b>2018</b>	<b>2019</b>
Number of aid recipients: 1	Number of aid recipients: 1

b) Energy

No State aid was granted.

c) Waste collection

No State aid was granted.

d) Water supply

<sup>9</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted to all authorities should be reported.

<sup>10</sup> See footnote 3.

<sup>11</sup> See footnote 3.

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



**Clear and comprehensive description of how the respective services are organised in your Member State<sup>13</sup>**

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

The provision of public water supply and sewerage services constitutes a service of general economic interest.

The Environmental Investment Centre (KIK) grants State aid in the field of water supply, supporting investment by water companies in water infrastructure. Services include supplying drinking/domestic water to residential buildings and businesses in densely populated areas, discharging and treating waste water, ensuring availability of water for fire-fighting and, in most cases, discharging rain water, in according to the applicable environmental and health requirements. Specifically, this area is regulated by the Public Water Supply and Sewerage Act, the English-language version of which can be found at: <https://www.riigiteataja.ee/en/eli/ee/529082019006/consolide>

Over the reporting period, KIK granted State aid under two measures:

- 1) Regulation No 13 of the Minister for the Environment of 17 February 2006 'Requirements and rules for assessing applications for funding environmental-protection projects – Criteria for assessing applications – Rules on decision-making, contract performance review and reporting';
- 2) Regulation No 59 of 22 December 2014 'Conditions for granting aid under the 'Water management infrastructure management' measure for open application procedures'.

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

Services of general economic interest are entrusted by decision of local government entities (specifically, their councils). KIK grants financial aid for the performance of construction and reconstruction tasks for the necessary infrastructure, by means of a decision of the KIK Board, or signs a grant agreements with the recipient.

**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 is with the ten-year limit; the deadline is always set.

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

Explanation as to whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
No, they are not, but this is a case of a natural monopoly, as the same public water supply cannot be operated by several operators at the same time.	
What <b>aid measures</b> have been used (direct subsidies, guarantees, etc.)?	
Direct subsidies.	
What is the typical <b>compensation mechanism</b> as regards the respective services and is a methodology based on cost allocation or the net avoided cost methodology used?	
A methodology based on cost allocation is used.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
Regular monitoring in accordance with Article 6 of Commission Decision 2012/21/EU. The legislation on the basis of which the aid is granted and the decision to grant aid provide that KIK has the right at any time to check that the appropriation is being used in a targeted and effective manner. The company is also required to submit to the State a report on the use of the aid. The legislation stipulates that the recipient of aid is required to use the aid and to submit regular reports regarding its use. Under the legislation, if aid is not used under the conditions provided for, the entrepreneur is required to return it, or it will be recovered.	
A short explanation of how the <b>transparency requirements</b> (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).	
Transparency requirements are fulfilled by means of the register of State aid and de minimis aid, which is administered by the Ministry of Finance, and the possibility for the public to make enquiries, available on the website of the <a href="#">Ministry of Finance</a> .	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions of EUR)</b> <sup>14</sup> . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
<b>2018</b>	<b>2019</b>
22.084	51.922

<sup>14</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<b>A: Total amount of aid granted (in millions of EUR) by national central authorities<sup>15</sup></b>	
<b>2018</b>	<b>2019</b>
22.084	51.922
<b>B: Total amount of aid granted (in millions of EUR) by regional authorities<sup>16</sup></b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in millions of EUR) by local authorities<sup>17</sup></b>	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure by aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries by sector, average aid amount, size of the undertakings) <sup>18</sup>	
<b>2018</b>	<b>2019</b>

e) Culture

No State aid was granted.

f) Financial services

No State aid was granted.

g) Other sectors (please specify)

Communications services (broadband)

<sup>15</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted to all authorities should be reported.

<sup>16</sup> See footnote 3.

<sup>17</sup> See footnote 3.

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

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>19</sup></b>
Please list what services in the respective sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEIs</b> as clearly as possible.
<p>The objective of granting the aid is to improve the availability of Internet connections in regions where broadband services are not available to end users due to the absence of new generations of electronic communication basic network infrastructure, and thereby to raise the competitiveness of those regions.</p> <p>The aid provider is the National Information System Agency (RIA).</p> <p>The granting of aid is regulated by Regulation No 37 of the Minister for Economic Affairs and Communications of 30 April 2015, 'Conditions for providing support for the construction of new generations of electronic communications basic networks and the procedure for preparing investment plans' and Regulation No 143 of the Government of the Republic of 1 September 2014, 'Conditions and procedure for determining the eligibility of costs compensated using the structural aid for the period 2014-2020, the payment of the aid and the making of financial corrections'.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Direct subsidies, which the RIA grants by adopting a decision to grant a subsidy.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
The duration does not exceed ten years. In accordance with the conditions for granting a subsidy, and with the funding decision, aid recipients must be offered wholesale network services on equal terms for at least seven years after the end of the eligibility period. The period may be extended if an infrastructure owner possesses significant market power within the meaning of the Electronic Communications Act, or an infrastructure owner is in control of essential facilities (and as a result is an undertaking that possesses a dominant position in the market) within the meaning of the Competition Act.
Explanation as to whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No.
What <b>aid measures</b> have been used (direct subsidies, guarantees, etc.)?

<sup>19</sup> If only a small number of individual SGEIs exist in a certain sector in your Member State, we would appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example, because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised, including the common features of the individual entrustments, remains crucial.

Direct payments.	
What is the typical <b>compensation mechanism</b> as regards the respective services and is a methodology based on cost allocation or the net avoided cost methodology used?	
Methodology based on cost allocation.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
Compensation is paid accordingly to cover actual costs incurred in the implementation of eligible activities. Payment is based on reports of work carried out and received in accordance with the contracts and invoices corresponding to those reports. The Regulation of the Minister for Economic Affairs and Communications lays down the obligation to inspect the aid recipient, i.e. the RIA (in accordance with Article 6(1) of the Commission Decision) with the aim of determining that overcompensation has not taken place. Operators submit data which enable the RIA to check work done and the payment of compensation. No overcompensation is possible.	
A short explanation of how the <b>transparency requirements</b> (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).	
A breakdown of granted aid and compensation paid is given on the RIA website: <a href="https://www.ria.ee/ee/telekommunikatsiooni-taristu.html">https://www.ria.ee/ee/telekommunikatsiooni-taristu.html</a> .	
Furthermore, transparency requirements are fulfilled by means of the register of State aid and de minimis aid, which is administered by the Ministry of Finance, and the possibility for the public to make enquiries, available on the website of the <a href="#">Ministry of Finance</a> .	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions of EUR)<sup>20</sup></b> . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
<b>2018</b>	<b>2019</b>
4.042	0.643
<b>A: Total amount of aid granted (in millions of EUR) by national central authorities<sup>21</sup></b>	
<b>2018</b>	<b>2019</b>
4.042	0.643

<sup>20</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>21</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted to all authorities should be reported.

<b>B: Total amount of aid granted (in millions of EUR) by regional authorities<sup>22</sup></b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in millions of EUR) by local authorities<sup>23</sup></b>	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure by aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries by sector, average aid amount, size of the undertakings) <sup>24</sup>	
<b>2018</b>	<b>2019</b>

[Aid for the reconstruction of apartment buildings and investment support to develop a housing fund for local authorities](#)

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<sup>22</sup> See footnote 3.

<sup>23</sup> See footnote 3.

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

**Clear and comprehensive description of how the respective services are organised in your Member State<sup>25</sup>**

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

Aid for the reconstruction of apartment buildings

Developing construction of municipal residential housing and organising renovation of municipal residential housing and accommodation.

Investment support to develop a housing fund for local authorities

Development of a housing fund for local authorities to build rental housing or convert existing buildings into rental housing. The purpose of the granted aid is to improve access for mobile workers to necessary rental accommodation and to encourage investment in the construction of such accommodation.

The aid provider is KredEx.

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

Aid for the reconstruction of apartment buildings

The recipient is a local authority entrusted with the task in question by means of a regulation or order. Aid is granted in accordance with Regulation No 23 of the Minister for Economic Affairs and Infrastructure of 23 March 2015 ‘Conditions for granting aid for the reconstruction of apartment buildings’.

Three aid recipients have received State aid under this measure – the City of Tartu, the municipality of Ülenurme and the City of Tallinn. For instance, the applicant is Tallinn City Authority, which exercises its functions in accordance with the basic Regulation. Sections 5 and 6(1) of the Regulation stipulate that the City Authority’s area of activity is the handling of matter relating to the building of municipal residential housing and accommodation in Tallinn. Section 6(1)(9) of the same Regulation states that, within this area of activity, the City Authority’s tasks are to developing construction of municipal residential housing and organise renovation of municipal residential housing and accommodation.

Investment support to develop a housing fund for local authorities

The recipient is a local authority. Aid is granted in accordance with Regulation No 38 of the Minister for Enterprise and Information Technology of 13 July 2017 ‘Conditions and rules for granting case-by-case investment aid to develop local-authority housing funds’. An open application procedure is performed for this aid measure. Based on the assessment of how well applications submitted during the open call for tenders meet the requirements, a two-stage decision-making process ensues: first a conditional decision is taken (a deadline is set for certain conditions to be fulfilled) and then, when the conditions have been fulfilled, the final funding decision is made.

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

<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
<p>Municipal administrations have an ongoing obligation to carry out the tasks set out in the Estonian Local Government Organisation Act.</p> <p>The aid recipient must make appropriate use of the assets acquired and item of infrastructure built or rebuilt as a result of the grant for at least five years after the end of the project's eligibility deadline.</p>
Explanation as to whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No.
What <b>aid measures</b> have been used (direct subsidies, guarantees, etc.)?
Direct subsidies.
What is the typical <b>compensation mechanism</b> as regards the respective services and is a methodology based on cost allocation or the net avoided cost methodology used?
Methodology based on cost allocation.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
The funding decision states that KredEx is authorised to verify discharge of the recipient's obligations as set out in the aid decision and that the recipient must submit a final report to KredEx. If aid is used for any other purposes than that intended, the recipient is required to pay back the aid amount.
A short explanation of how the <b>transparency requirements</b> (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).
Transparency requirements are fulfilled by means of the register of State aid and de minimis aid, which is administered by the Ministry of Finance, and the possibility for the public to make enquiries, available on the <a href="#">website</a> of the Ministry of Finance.



Amount of aid granted	
<b>Total amount of aid granted (in millions of EUR)</b> <sup>26</sup> . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2018	2019
10.119	2.387
<b>A: Total amount of aid granted (in millions of EUR) by national central authorities</b> <sup>27</sup>	
2018	2019
10.119	2.387
<b>B: Total amount of aid granted (in millions of EUR) by regional authorities</b> <sup>28</sup>	
2018	2019
<b>C: Total amount of aid granted (in millions of EUR) by local authorities</b> <sup>29</sup>	
2018	2019
<b>Share of expenditure by aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2018	2019
<b>Additional quantitative information</b> (e.g. number of beneficiaries by sector, average aid amount, size of the undertakings) <sup>30</sup>	
2018	2019
Number of aid recipients: 8	Number of aid recipients: 4

<sup>26</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>27</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted to all authorities should be reported.

<sup>28</sup> See footnote 3.

<sup>29</sup> See footnote 3.

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

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

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

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

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

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>31</sup></b>
Please list what services in the respective sector have been defined as SGEIs in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.

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

<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?	
Explanation as to whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
What <b>aid measures</b> have been used (direct subsidies, guarantees, etc.)?	
What is the typical <b>compensation mechanism</b> as regards the respective services and is a methodology based on cost allocation or the net avoided cost methodology used?	
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
A short explanation of how the <b>transparency requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and, if so, provide the link to this website) or, alternatively, explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions of EUR)<sup>32</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</b>	
<b>2018</b>	<b>2019</b>
<b>A: Total amount of aid granted (in millions of EUR) by national central authorities<sup>33</sup></b>	
<b>2018</b>	<b>2019</b>

<sup>32</sup> As stipulated in Paragraph 62 b) of the 2012 SGEI Framework.

<sup>33</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted to all authorities should be reported.

<b>B: Total amount of aid granted (in millions of EUR) by regional authorities<sup>34</sup></b>	
<b>2018</b>	<b>2019</b>
<b>C: Total amount of aid granted (in millions of EUR) by local authorities<sup>35</sup></b>	
<b>2018</b>	<b>2019</b>
<b>Share of expenditure by aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2018</b>	<b>2019</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries by sector, average aid amount, size of the undertakings) <sup>36</sup>	
<b>2018</b>	<b>2019</b>

**Please also fill out Annex 2 with the total amounts per section for the whole Member State (not per region, local authority or municipality).**

#### **4. COMPLAINTS BY THIRD PARTIES**

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

#### **5. OTHER ISSUES**

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

- 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;

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<sup>34</sup> See footnote 33.

<sup>35</sup> See footnote 33.

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

- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

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

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 point 14 of the SGEI Framework;
- complying with public procurement rules in line with point 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.

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 below.

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