

Report from the Republic of Bulgaria on the execution of services satisfying the conditions of Article 9 of the SGEI Decision¹ and paragraph 62 of the SGEI Framework² in the period 2014—2015

Based on the information and data received from the authorities responsible for the entrustment and administration of services of general economic interest (SGEI) in Bulgaria, this report contains information on the aid measures under the SGEI Decision and the SGEI Framework, and additional information. Please note that where no information is given, such has not been provided by the responsible authorities. The SGEI Framework has not been applied on the territory of the Republic of Bulgaria in the period 2014—2015.

1. EXPENDITURE OVERVIEW

General SGEI government expenditure by functions (millions EUR)		
	2014	2015
<i>Compensation for Services of General Economic Interest (I+2)</i>	18.784	21.639
(1) Compensation granted on the basis of the SGEI Decision	18.784	21.639
(2) Compensation granted on the basis of the SGEI Framework	-	-
<p><u>Non-compulsory:</u> If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision and 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 <i>de minimis</i> aid, etc.) and the sectors in which they are used. If you consider that for the sectors listed below your Member State only grants public financing to activities that are non-economic in nature and hence would not be in scope of State aid rules we invite you to also inform us about this (by describing why the subsidized activity is non-economic).</p>		
<p><i>A. The Ministry of Youth and Sport (MYS) grants public financing in the fields of “sport” and “youth activities”, not falling within the scope of the concept of “economic activities”. The public financing is granted subject to compliance with certain overriding regulatory requirements, on the basis of programmes approved by the Minister of Youth and Sport and published on MYS website, detailing the application conditions and the eligibility criteria for each programme.</i></p>		
<p><i>B. The municipalities provide subsidies to the community centres, sports clubs operating in the public interest and having local coverage, as well as capital transfers</i></p>		

¹ Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7 of 11.01.2012)

² European Union framework for State aid in the form of public service compensation (OJ C 8 of 11.01.2012)

to churches.

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))

Medical activities outside the scope of the mandatory health insurance, performed by municipal medical institutions.

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 below the limits set in Art. 2(1)(d)

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

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

i. Postal services:

Funds from the 2014 and 2015 national budget of the Republic of Bulgaria to compensate for the unfair financial burden from the provision of the universal postal service in 2012 and 2013, respectively, have been granted to the postal operator obliged to provide the universal postal service (Bulgarian Post EAD) in accordance with Article 29 of the Postal Services Act. The national legislation in the field of postal services is harmonized with the provisions of Directive 2008/6/EC. The compensation for the respective year does not exceed EUR 15 million and falls within the category of Art. 2(1)a) of the SGEI Decision.

ii. Energy

iii. Waste collection

iv. Water supply

v. Culture

vi. Financial services

vii. Other sectors (please specify)

A SGEI has been formulated in the agriculture sector it is being provided pursuant to Art. 2(1)a) of the SGEI Decision and is related to the protection against the harmful effects of water.

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

Clear and comprehensive description of how the respective services are organized in your Member State³.
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.

Item 2.1):

Medical activities outside the scope of the mandatory health insurance are included in the Decision on the Operation of Medical Institutions, issued by the Minister of Health, and are in line with the approved medical standards and the rules of good medical practice. They are enlisted in a separate annex to the agreement concluded with each healthcare establishment.

Item 2.2, b) and e):

Social services under Article 36 of the Implementing Regulations of the Social Assistance Act (PPZSP).

Item 2.5) i):

Universal Postal Service (UPS):

The scope and characteristics of the UPS are regulated by the Postal Services Act (ZPU).

UPS is a service of specified quality uniformly performed within set working hours at affordable prices and accessible to all users throughout Bulgaria.

The UPS involves the following types of postal services:

- 1. clearance, transport and distribution of domestic and cross-border postal items, as follows:*
 - (a) items of correspondence — up to 2 kg;*
 - (b) small packages — up to 2 kg;*
 - (c) printed works — up to 5 kg;*
 - (d) items for the blind and partially-sighted — up to 7 kg;*
- 2. clearance, transport and distribution of domestic and cross-border postal packages — up to 20 kg. The upper weight limit for packages from other countries may be higher;*
- 3. supplementary services for ‘registered items’ and ‘insured items’.*

Item 2.5)iii):

³ If in a certain sector only a small number of individual SGEIs exist in your Member State, we 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.

For the Metropolitan Municipality – waste treatment and disposal services, operation and maintenance of waste treatment facilities, acquired under the project “Integrated System of Facilities for the Treatment of Municipal Waste in Sofia”.

Item 2.5)v:

Financial support for state cultural institutes.

Item 2.5)vii:

A service of general economic interest related to the protection against the harmful effects of water has been established in the agriculture sector. It is provided by Napoitelni Sistemi EAD, which is a commercial company 100% owned by the state within the system of the Ministry of Agriculture and Food (MAF), on the basis of a contract (the Contract) concluded between MAF and Napoitelni Sistemi EAD. The activities related to the protection against the harmful effects of water are set out in the Contract and include the following:

- *Visits and monitoring for the purpose of identifying the technical and operational condition of Danube and protective dikes, corrections of rivers and gullies, drainage fields and of the related systems and facilities, as well as of the retention dams;*
- *Maintaining the capacity of river and gully corrections, including their cleaning from construction waste, domestic waste and soaked deposits, removal of trees growing along the water course, of trunks, bushes and all trees which have fallen or are at risk of falling;*
- *Measurements and keeping of Danube and protective dikes design parameters, river and gully corrections, removal of grass, shrubs and trees, restoration of degraded profiles;*
- *Maintenance and current repair works of the open and closed drainage network and facilities of drainage fields and systems;*
- *Operation and maintenance of the good working order of drainage pump stations and related facilities;*
- *Rectification of any faults which might impair the constructive and technological security of retention dams;*
- *Carrying out of emergency repair works of the facilities for protection against the harmful effects of water in case of accidents posing a threat to the personnel and population, engineering infrastructure and residential areas.*

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

Item 2.1):

Contract for the execution of medical activities pursuant to Article 106(1) and (2) of the Medical Institutions Act, concluded by and between the corresponding municipality and the medical institution.

Item 2.2 b) and e)):

Entrustment is performed on the grounds of and in accordance with the procedure under Article 18a(3) of the Social Assistance Act and Articles 37 to 39a of the Implementing Regulations of the Social Assistance Act after a tender procedure or direct negotiations with a single bidder. A contract for the service is concluded.

Item 2.5)i:

The obligation to provide the UPS is entrusted under the Postal Services Act and an

individual licence issued by the Communications Regulation Commission (KRS).

The obligation to provide the UPS includes:

- *provision of the UPS throughout the country, ensuring that it is available to all users regardless of their geographical location;*
- *provision of the UPS at the operator's points of access to the postal network on all working days, and at least five days a week, with at least one collection of post every working day and one delivery to recipients, except in settlements and residential areas with difficult access;*
- *provision of a UPS of a quality corresponding to the standards adopted by the regulator;*
- *provision of the UPS by type of service at affordable prices that are the same for the entire country and are established in accordance with the Ordinance on determining rules for setting and implementing the price of the UPS and the Methodology for determining the affordability of the UPS, adopted by the Council of Ministers;*
- *provision of the UPS free of charge in the cases envisaged in the Postal Services Act.*

Item 2.5)iii:

Contracts concluded on the basis of procedures under the Public Procurement Act.

Item 2.5)v:

Contracts

Item 2.5)vii:

The activities related to the protection against the harmful effects of water are carried out on the basis of a Public Service Contract, concluded between Napoitelni Sistemi EAD and MAF in accordance with §4a, para 1 of the Transitional and Final Provisions of the Water Act, in compliance with the provisions of the SGEI Decision. The means to compensate for the unfair financial burden from the provision of the public service related to the protection against the harmful effects of water are provided by Napoitelni Sistemi EAD. There is an unfair financial burden from the provision of the public service related to the protection against the harmful effects of water where the implementation of contract activities results in net costs for the company.

*Average duration of the entrustment (in years) and the proportion of entrustments are no 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.*

Item 2.1):

One-year period.

Item 2.2) b) and e):

All services are entrusted for a period of 3 years, except for the following: care for children in day-care facilities, care for children in care establishments and 'home social patronage', with regard to the decisions made annually with the adoption of the corresponding municipal budget.

Item 2.5)i:

Pursuant to § 70 of the Transitional and Final Provisions of the Act Amending and Supplementing the Postal Services Act, in force since 30 December 2010 (State Gazette No 102 of 2010), the post operator entrusted by law with the operation of the UPS is the company Bulgarian Post EAD, and the period of entrustment is 15 years as of 30 December 2010. In the postal services sector, the share of entrustment with duration longer than 10 years is 100%.

At the end of each five-year period from the entrustment of the UPS, the Communications Regulation Commission (KRS) will prepare a report on the implementation of this obligation with a view to continuing, amending or revoking it. The body empowered by the Constitution of the Republic of Bulgaria to amend or revoke such an obligation through amendments to the Postal Services Act, is the National Assembly.

The entrusted obligation for the operation of UPS for a period of 15 years from 30 December 2010 is not in conflict with Art 2(2) of Decision 2012/21/EU. This period is determined on the basis of significant investment made that needs to be depreciated over a longer period, for the organizing and maintaining of the postal network of the operator entrusted with the operation of UPS, built on the entire territory of the country, including in the least accessible and low population density areas.

Item 2.5)iii:

The period of entrustment is 15 years since the average period of operation of such facilities is 15 years and under the project replacement of facilities is foreseen after 15 years of operation.

Item 2.5)v:

One-year period

Item 2.5)vii:

The public service contract is concluded for a definite period of time (5 years and enters into force as of the date of its signing) within the limits defined in Art. 2(2) of the Decision and it covers the years 2014 and 2015.

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

Item 2.1):

No exclusive or special rights are entrusted. The rights are entrusted only with regard to particular medical activities, as enlisted in the annex – integral part of the contract for medical activities outside the scope of the mandatory health insurance.

Item 2.2) b) and e):

No exclusive or special rights are entrusted.

Item 2.5)i:

No exclusive or special rights are entrusted to the post operator entrusted with the operation of UPS.

Item 2.5)iii:

No exclusive or special rights are entrusted.

Item 2.5)v:

No exclusive or special rights are entrusted.

Item 2.5)vii:

The obligation for the carrying out of the activities related to the protection against the harmful effects of water has been conferred to the Minister of Agriculture and Food within the meaning of Art. 10, para 1, item 2 of the Water Act and Napoitelni Sistemi EAD has been entrusted with the operation and management of such service.

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

Item 2.1):

Direct subsidy

Item 2.2) b) and e):

Direct subsidy

Item 2.5)i:

The aid is a direct subsidy from the central budget of Bulgaria for the corresponding year.

Item 2.5)iii:

An annual compensation is paid for the purpose of covering the operating costs related to the operation and maintenance of the facilities to the municipally-owned undertaking “Metropolitan Waste Treatment Company” – the company is supported by budget funds and is a secondary authorising officer.

Item 2.5)v:

Direct subsidy

Item 2.5)vii:

Direct subsidy

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

Item 2.1):

The funds for compensating the medical activities performed outside the scope of the mandatory health insurance are defined using a non-standardised methodology approved by the mayor and developed on the basis of the specific internal rules on the operations and organisation of the corresponding municipality. The methodology is based on the net avoided cost. The allocation of funds by healthcare establishments is made following the adoption and publication of the State Budget Act of the Republic of Bulgaria for the respective year and in accordance with provisions enacted by the Ministry of Finance associated with the budgetary procedure, and based on the budget of the respective municipality. After having determined the amount of funds provided in the municipalities’ approved budgets for the year, appropriated for financing the municipal healthcare establishments, the Commission develops funding options for the healthcare establishments using the historical cost method while analysing their funding and operations during the previous three years, the current scope of activities of the healthcare establishment, the licence issued by the Ministry of Health for medical care /types of medical activities, disciplines and structures with levels of competence/, the medical and social importance of the services

provided to citizens. The compensation funds are in line with the laws and regulations and the national rules and regulations for financing medical activities approved by the Ministry of Health and the National Health Insurance Fund.

Item 2.2) b) and e):

For the provision of social services, the municipalities give external providers funding from the municipal budget based on a subsidy from the executive budget, in accordance with the cost standards for state mandates approved by a Council of Ministers decision for the corresponding financial year.

Item 2.5)i:

The compensation mechanism for the unfair financial burden resulting from the provision of the UPS is regulated in the Act Amending and Supplementing the Postal Services Act in effect since 30.12.2010 (AAS PSA). This Act transposed Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services (OJ L 52/3 of 20 February 2008) in connection with the financing of the universal postal service after the abolishment of the reserved area as of 1 January 2011.

Pursuant to the Postal Services Act, the postal operator obliged to provide the UPS receives compensation from the state budget where the UPS obligation results in net costs and is an unfair financial burden on it. The amount of the unfair financial burden resulting from the UPS is determined on the basis of the net costs. The compensation is determined in the State Budget of the Republic of Bulgaria Act for the corresponding year and may not exceed the amount of the unfair financial burden resulting from the provision of the universal postal service. Net costs resulting from the provision of UPS are calculated using a methodology prepared by the KRS and approved by the Council of Ministers (Council of Ministers Decree No 199 of 11.07.2011, prom. SG, issue 55 of 19.07.2011). This methodology is based on the NAC (Net Avoided Cost) method.

The methodology defines the procedure and manner in which the postal operator obliged to provide UPS in the entire territory of the country via the postal network, organised and managed by it, shall calculate and substantiate the net costs resulting from the obligation to provide the service. The methodology has been developed in accordance with Part B: Calculation of net cost of Annex I 'Guidance on calculating the net cost, if any, of universal service' of Directive 2008/6/EC.

Item 2.5) iii

The compensation is calculated on the basis of cost allocation methodology.

Item 2.5)v:

The compensation is calculated on the basis of cost allocation methodology.

Item 2.5)vii:

Pursuant to §4b of the Transitional and Final Provisions of the Water Act:

“(1) The company obligated to provide the public service related to the protection against the harmful effects of water shall submit to a committee appointed by Ordinance of the Minister of Agriculture and Food, a report for the previous year on the costs incurred in the provision of the public service, along with the required evidence by 31 March of the current year.

(2) The documents pertaining to calculation of net costs resulting from the provision of the public service for the protection against the harmful effects of water shall be submitted to the committee under para 1 and shall be inspected by an auditor appointed by the same committee.

(3) Within a period of three months following report submission under para 1 the committee shall announce their decision about the:

1. presence of an unfair financial burden resulting from the provision of the public service related to the protection against the harmful effects of water;
2. the amount of the compensation payable to the company obligated to provide the public service related to the protection against the harmful effects of water for the preceding year;
3. comparison between the unfair financial burden and the funds provided in advance for the respective period.

(4) Within the period under para 3 the committee may demand from the applicant to present additional information and evidence within a seven-day period.

(5) The Minister of Agriculture and Food shall, in the course of the budget procedure, present to the Minister of Finance the decision under para 3 and the relevant materials thereto."

The amount of the unfair financial burden shall be determined based on the net costs calculated using the Methodology adopted by the Council of Ministers:

" Art. 4. (1) The amount of the unfair financial burden is the compensation necessary to cover the sum of the net costs incurred by Napoitelni Sistemi EAD in the fulfillment of their obligations under the Contract, including a reasonable profit.

(2) The annual compensation under para 1 shall not exceed the amount in BGN which equals EUR 15 million, as for the term of the Contract the annual amount shall be calculated as an arithmetic mean of the annual amounts of the compensation expected to be received in the period of entrustment, and the investment costs for the period.

Art. 5. The net costs are the difference between the costs incurred for the provision of the service of general economic interest, and the earnings from the service of general economic interest.

Art. 15. To ensure the transparency and traceability of the funds spent for the public service, Napoitelni Sistemi EAD shall do a separate cost accounting for the separate cost items and activities under article 9."

In execution of Contract No. PД 50-43/03.04.2014 between Napoitelni Sistemi EAD and MAF, as well as under article 17, para 2 of the Methodology used to determine the unfair financial burden, Napoitelni Sistemi EAD submitted by 31.03.2015 an annual report on the costs incurred in the provision of the public service related to the protection against the harmful effects of water for 2014, along with the required evidence to the committee appointed by virtue of an Ordinance of the Minister of Agriculture and Food. The report, supported by the additional information, has been submitted for an audit and drawing up of an Auditor's Report of Factual Findings.

In fulfilment of the Rules of Procedure of the Commission, the following decisions were adopted in 2015:

- The funds granted in advance to Napoitelni Sistemi EAD for 2014 are the following:
 - BGN 15.000.000 VAT inclusive, Council of Ministers' Decree No 69/27.03.2014.
 - BGN 4.500.000 VAT inclusive, Council of Ministers' Decree No 298/19.09.2014

Total: BGN 19.500.000 VAT inclusive;

- Amount of the compensation payable to Napoitelni Sistemi EAD for the provision of the public service for 2014 - BGN 13.727.954,44 VAT inclusive;

- Funds granted in advance, exceeding the amount of the compensation payable to Napoitelni Sistemi EAD for 2014 - BGN 5.772.045,56 VAT inclusive.

By virtue of Article 17, para 5 of the Methodology used to determine the unfair financial burden and Article 17 of the Rules of Procedure of the Commission Report No 93-116/06.01.2016 was drawn up and approved by the Minister of Agriculture and Food, based on which Agreement No. PД 50-40/25.03.2016 has been concluded regarding the reimbursement of the amount by offsetting and the repayment of the amount of overcompensation exceeding 10 percent of the average annual compensation to the budget of the Ministry of Agriculture and Food.

In execution of Contract No. PД 50-43/03.04.2014 and Article 17, para 2 of the Methodology used to determine the unfair financial burden, Napoitelni Sistemi EAD submitted by 31.03.2016 to the Commission the annual report on the costs incurred in the provision of the public service related to the protection against the harmful effects of water for 2015, along with the required

evidence. The report, together with the additional information, has been submitted for an audit and drawing up of an Auditor's Report of Factual Findings.

For 2015 Napoitelni Sistemi EAD was granted in advance funds to the amount of BGN 15.000.000 VAT inclusive, Council of Ministers' Decree No 8/2015.

After submission of the Auditor's Report of Factual Findings, the Commission will consider it and make a decision about the amount of the compensation payable to Napoitelni Sistemi EAD, for the provision of the public service for 2015.

Typical arrangements for avoiding and repaying any overcompensation.

Item 2.1):

Medical activities performed by medical institutions outside the scope of the mandatory health insurance are not financed with additional funds.

Item 2.2) b) and e):

Together with the tender documentation the provider submits to the corresponding municipality a Programme for the Development of Social Services, comprising Technical Proposal and Financial Proposal for the entire period in which the service will be managed. These proposals are binding for the provider who has won the competition and are an integral part of the concluded contract. The service provider is obliged to submit monthly reports accompanied by copies of the documents supporting the costs corresponding to the Financial Proposal. Funds not utilised by the end of the budget year are subject to refunding by 31 December of the current year.

Item 2.5)i:

Pursuant to the Postal Services Act, the amount of the compensation is determined in the State Budget of the Republic of Bulgaria Act and may not exceed the amount of the unfair financial burden resulting from the provision of the UPS, calculated in accordance with the Methodology for calculating the net costs resulting from the obligation to provide the UPS. The documents relating to the calculation of the net costs and the unfair financial burden resulting from the provision of the UPS, and the implementation of the cost allocation system by the postal operator obliged to provide UPS are subject to an annual examination by an independent auditor. The cost allocation system is approved by the KRS and uses an objective approach to the calculation of costs by type of services — ABC method (Activity Based Costing).

Based on the results of the calculation of net costs and the auditor's KRS issues a ruling regarding:

- the existence of an unfair financial burden resulting from the provision of the UPS;*
- the amount of the compensation due to the postal operator's being obliged to provide the UPS.*

Pursuant to the procedure envisaged in the Postal Services Act for the calculation of net costs (based on the previous year's data), proving an unfair financial burden and determining the amount of the compensation, the postal operator obliged to provide the UPS receives compensation at the earliest during the second year after were calculated.

The legal arrangements for calculating the net costs resulting from the obligation to provide the UPS, determining the amount of the unfair financial burden and determining the amount of compensation eliminate, in practice, any possibility of overcompensation.

Item 2.5)iii:

The budget of the municipally-owned undertaking "Metropolitan Waste Treatment Company" is planned on an annual basis by entering the quantities of waste to be treated by facilities and

calculating the staff, electricity, water, fuel and mechanization costs, as well the administrative costs, etc. by separate facilities.

Item 2.5)v:

Carrying out of periodic documentary checks of undertakings and organisations.

Item 2.5)vii:

Pursuant to Art. 20 of the Methodology used to determine the unfair financial burden:

“Art. 20. (1) The funds under the Contract shall be provided in advance according to a schedule approved by the Minister of Agriculture and Food in view of the planned annual value by making adjustments on a quarterly basis according to the works completed by Napoitelni Sistemi EAD.

(2) The adjustment to the real costs, including of the investment costs and real income shall be made as of 31 December of each budget year pursuant to the provisions of § 46 of the Transitional and Final Provisions of the Water Act within the time limits for financial closure of the relevant year and without exceeding the amount, determined in Art. 2(1)(a) of Decision 2012/21 /EU – EUR 15 million.

(3) In case the compensation determined by the Commission exceeds the advance funds received, the amount of the difference shall be included in the estimated advance funds for the following year.

(4) Where the received advance funds exceed the amount of the due compensation, the amount of the overcompensation, if not exceeding ten per cent of the average annual compensation, shall be carried over to the following year and shall be deducted from the compensation for the following year.

(5) Where the amount of overcompensation exceeds 10 per cent of the average annual compensation, it shall be repaid to the budget of the Ministry of Agriculture and Food.”

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

Under all items:

Not applicable.

Amount of aid granted

Total amount of aid granted (in millions EUR)⁴. This includes all aid granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

	2014		2015
<u>Item 2.1):</u>	4.035	<u>Item 2.1):</u>	4.472
<u>Item 2.2)b):</u>		<u>Item 2.2)b):</u>	
	0.12		0.123
<u>Item 2.2)e):</u>	0.079	<u>Item 2.2)e):</u>	0.08

⁴ As stipulated in Article 9 b) of the 2012 SGEI Decision.

<u>Item 2.5)i:</u>		<u>Item 2.5)i:</u>	
	6.1		6.4
<u>Item 2.5)iii:</u>		<u>Item 2.5)iii:</u>	
	1.329		2.805
<u>Item 2.5)v:</u>		<u>Item 2.5)v:</u>	
	0.102		0.090
<u>Item 2.5)vii:</u>		<u>Item 2.5)vii:</u>	
	7.019		7.669
TOTAL:		TOTAL:	
	18.784		21.639
A: Total amount of aid granted (in millions EUR) paid by national central authorities⁵			
	2014		2015
<u>Item 2.5)vii:</u>		<u>Item 2.5)vii:</u>	
	7.019		7.669
<u>Item 2.5)i:</u>		<u>Item 2.5)i:</u>	
	6.1		6.4
TOTAL:		TOTAL:	
	13.119		14.069
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁶			
	2014		2015
	-		-
C: Total amount of aid granted (in millions EUR), paid by local authorities⁷			
	2014		2015
<u>Item 2.1):</u>		<u>Item 2.1):</u>	
	4.035		4.472

⁵ If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

⁶ See footnote 5.

⁷ See footnote 5.

<u>Item 2.2)b):</u>	<u>Item 2.2)b):</u>
0.012	0.123
<u>Item 2.2)e):</u>	<u>Item 2.2)e):</u>
0.079	0.08
<u>Item 2.5)iii):</u>	<u>Item 2.5)iii):</u>
1.329	2.805
<u>Item 2.5)v):</u>	<u>Item 2.5)v):</u>
0.102	0.090
TOTAL:	TOTAL:
5.665	7.57
Share of expenditure per aid instrument (direct subsidy, guarantees etc.)	
2014	2015
-	-
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ⁸	
2014	2015
<u>Item 2.5)i):</u>	<u>Item 2.5)i):</u>
<i>1 beneficiary</i>	<i>1 beneficiary</i>
<u>Item 2.5)vii):</u>	<u>Item 2.5)vii):</u>
<i>1 beneficiary</i>	<i>1 beneficiary</i>
<u>Item 2.5)vii):</u>	
<p><i>Napoitelni Sistemi EAD is a commercial company 100% owned by the state within the system of the Ministry of Agriculture and Food.</i></p> <p><i>In particular, the main activities of the company comprise:</i></p> <ul style="list-style-type: none"> ➤ <i>Management, operation, repair, maintenance, expansion, investment, study and design; research, development and engineering activities for the complex use of the irrigation fund;</i> 	

⁸ 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. If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services.

- *Water supply for irrigation and industrial water supply, amelioration and agricultural development;*
- *Carrying out of specialised works and provision of specialised services in the field of irrigation engineering and construction.*

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

In the period 2014-2015 the SGEI Framework has not been applied on the territory of the Republic of Bulgaria.

4. COMPLAINTS BY THIRD PARTIES

No complaints by third parties regarding the provided SGEI have been received in the period 2014-2015.

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.

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.

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.