



MINISZTERELNÖKSÉG
TÁMOGATÁSOKAT VIZSGÁLÓ IRODA

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Olivier Guersent
Director-General

European Commission
DG Competition

Electronic version only

Subject: Reporting obligation laid down in Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest and the 2012 services of general economic interest (SGEI) Framework – 2020-2021 – Hungary

Dear Mr Guersent,

With reference to the reporting obligation laid down in Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest ('the Decision'), we wish to report the following information, based on the data submitted by aid-grantors and the experience of the State Aid Monitoring Office, on behalf of the Hungarian authorities.

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (EUR millions)		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>	466	491
(1) Total compensation granted on the basis of the SGEI Decision	466	491
(2) Total compensation granted on the basis of the SGEI Framework	0	0

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

2.1. Social services

Content of entrustment
<p>In Hungary, aid-grantors met the entrustment obligation under Article 4 of the Decision by means of contracts (grant contracts, public service framework contracts and agency contracts) and legislation (acts, Government decrees, ministerial decrees and municipal decrees).</p> <p>Under Government Decree No 37/2011 of 22 March 2011 on the procedure for State aid for the purposes of EU competition law and the regional aid map ('the Government Decree'), aid-grantors are required to submit their aid plan to the State Aid Monitoring Office, which assesses it and issues an opinion.</p> <p>Subheading 8 of and Annex 3 to Government Decree No 37/2011 of 22 March 2011 govern the types of aid falling within the scope of the Decision. Section 20 states that the body granting the aid is obliged to check whether the specific registration and data provision required by the Decision, as well as the specific obligations set out above, are in fact complied with. Section 20(5) provides that the body granting the aid must send the State Aid Monitoring Office a report containing the information set out in Annex 3.</p> <p>The submitted data reveal that local authorities typically entrust public services to in-house providers.</p> <p>The legal acts contained a reference to the Decision, the entrustment, the public service obligation, the duration of the entrustment, the parameters for calculating, controlling and reviewing the compensation, an obligation to keep the documents for 10 years, and the rules on avoiding and recovering any overcompensation.</p> <p>Where the beneficiary also engaged in activities falling outside the scope of public services, the compensation had to be recorded separately. This obligation was also established in the aid plans sent to the State Aid Monitoring Office.</p>
Explanation of the (typical) forms of entrustment.
Public service contract, contract to perform public functions, supporting document, legal act.
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?
10 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants).

<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>Most of the public service compensation provided by aid-grantors was in the form of non-refundable aid.</p> <p>All the plans applied the cost-compensation method, where the compensation was used to cover justified costs incurred during the performance of a public service obligation, which were not covered elsewhere, and in certain cases to cover reasonable profits.</p>	
<p>Typical arrangements for avoiding and repaying any overcompensation.</p>	
<p>The relevant documents (legislation, contract, etc.) contain the rules on repayment of overcompensation, taking into account the 10% transferability rule.</p> <p>According to information received from aid-grantors, overcompensation rarely occurred. Where it did, it was either repaid by the beneficiary or deducted from the following year's compensation under the 10% rule.</p>	
<p>A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).</p>	
<p>No aid exceeding EUR 15 million was granted.</p>	
<p>Amount of aid granted</p>	
<p>Amount of aid granted This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
2020	2021
EUR 7 650 613.72	EUR 7 048 584.23
<p>A: Total amount of aid paid by the national central authorities</p>	
2020	2021
EUR 6 178 892.716	EUR 5 258 521.142
<p>B: Total amount of aid paid by regional authorities</p>	
2020	2021
-	-
<p>C: Total amount of aid paid by local authorities</p>	
2020	2021

EUR 1 712 506.82	EUR 1 790 063.08
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 14	
Size of companies: micro, small, medium, large	

2.2. Energy

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, supporting document.
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?
3 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
See 'compensation mechanism' on page 3
Typical arrangements for avoiding and repaying any overcompensation.

See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Amount of aid granted This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 18 889 077	EUR 30 274 556.23
A: Total amount of aid paid by the national central authorities	
2020	2021
-	EUR 12 617 190
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 18 889 077	EUR 17 657 366
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 2	
Size of companies: medium	

2.3. Waste management

Content of entrustment	
See 'content of entrustment' in point 2.1.1 on page 2	
Explanation of the (typical) forms of entrustment .	
Grant contract	
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?	
3 years	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
N/A.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation .	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021

EUR 132 300 595.15	EUR 153 966 305.92
A: Total amount of aid paid by the national central authorities	
2020	2021
EUR 132 300 595.15	EUR 153 966 305.92
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
-	-
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 2	
Size of companies: large	

2.4. Water services, waste water collection and management

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Grant contract
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?
3 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.

Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 693 649	EUR 806 694
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 693 649	EUR 806 694
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021

100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 3	
Size of companies: large, micro	

2.5. Culture

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract
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?
3 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
See 'compensation mechanism' on page 3
Typical arrangements for avoiding and repaying any overcompensation.
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 38 537 267.79	EUR 44 025 563.43
A: Total amount of aid paid by the national central authorities	
2020	2021
EUR 35 362 855.60	EUR 42 801 645.65
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 3 174 412.20	EUR 1 223 917.77
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 17	
Size of companies: small, medium, large,	

2.6. Property management

Content of entrustment
See 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.

Public service framework contract, public service contract, task performance contract.	
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?	
1 year	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
N/A.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 54 342 409	EUR 44 117 676
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-

B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 54 342 409	EUR 44 117 676
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 8	
Size of companies: medium, large	

2.7. Facilities support services, building maintenance and construction

Content of entrustment
see ‘content of entrustment’ in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, service contract, agency contract.
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?
3 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 1 274 246	EUR 2 042 427
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 1 274 246	EUR 2 042 427
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)
Number of beneficiaries: 4
Size of companies: small, large

2.8. Transport and traffic management

Content of entrustment
see ‘content of entrustment’ in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, contract to perform public functions, supporting document
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?
3 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
See ‘compensation mechanism’ on page 3
Typical arrangements for avoiding and repaying any overcompensation.
See ‘arrangements in place for avoiding and recovering any overcompensation’ on page 3
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 18 210 840.90	EUR 14 188 549.05
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 18 210 840.90	EUR 14 188 549.05
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 7	
Size of companies: large	

2.9. City management, urban development

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, contract to perform public functions, framework grant contract.

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?	
5 years	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
N/A.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 7 159 051	EUR 8 481 846
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021

-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 7 159 051	EUR 8 481 846
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 5	
Size of companies: small, medium, large	

2.10. Chimney sweeping rendered as a public service

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, contract to perform public functions, framework grant contract.
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?
N/A.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 6 444 363	EUR 4 176 554
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 6 444 363	EUR 4 176 554
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)
Number of beneficiaries: 1
Size of companies: large

2.11. Funeral services

Content of entrustment
See ‘content of entrustment’ in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract
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?
1 year
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
See ‘compensation mechanism’ on page 3
Typical arrangements for avoiding and repaying any overcompensation.
See ‘arrangements in place for avoiding and recovering any overcompensation’ on page 3
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 829 617	EUR 1 230 517
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 829 617	EUR 1 230 517
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 2	
Size of companies: medium	

2.12. Management of green spaces

Content of entrustment
See 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract

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?	
5 years	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
N/A.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation .	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 15 581 884	EUR 13 878 307
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	

2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 15 581 884	EUR 13 878 307
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 4	
Size of companies: large	

2.13. Engineering services, technical consulting services

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, task performance contract
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?
3 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Total amount of aid granted. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 947 788	EUR 984 076
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 947 788	EUR 984 076
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)
Number of beneficiaries: 2
Size of companies: micro, large

2.14. Motion picture, video and television programme services

Content of entrustment
see ‘content of entrustment’ in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service framework contract, public service contract, supporting document
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?
10 years
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
N/A.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Direct grant (non-repayable grants)
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
See ‘compensation mechanism’ on page 3
Typical arrangements for avoiding and repaying any overcompensation.
See ‘arrangements in place for avoiding and recovering any overcompensation’ on page 3
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Amount of aid granted This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 1 246 287.95	EUR 1 225 493.70
A: Total amount of aid paid by the national central authorities	
2020	2021
EUR 324 640.49	EUR 248 253.93
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 921 647	EUR 977 240
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 6	
Size of companies: Small, medium	

2.15. Radio broadcasting

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment .

Public service framework contract, public service contract	
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?	
1 year	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
N/A.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Amount of aid granted This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 92 605	0
A: Total amount of aid paid by the national central authorities	
2020	2021
-	-

B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021
EUR 92 605	0
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 1	
Size of companies: large	

2.16. Other sector

Other auxiliary business activities not classified elsewhere

Content of entrustment
see 'content of entrustment' in point 2.1.1 on page 2
Explanation of the (typical) forms of entrustment.
Public service contract, contract to perform public functions, supporting document
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?
5 years

Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
N/A.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Direct grant (non-repayable grants)	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
See 'compensation mechanism' on page 3	
Typical arrangements for avoiding and repaying any overcompensation.	
See 'arrangements in place for avoiding and recovering any overcompensation' on page 3	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for 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).	
No aid exceeding EUR 15 million was granted.	
Amount of aid granted	
Amount of aid granted This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
EUR 168 001 561	EUR 164 535 250.67
A: Total amount of aid paid by the national central authorities	
2020	2021
EUR 162 976 860.21	EUR 160 003 098.85
B: Total amount of aid paid by regional authorities	
2020	2021
-	-
C: Total amount of aid paid by local authorities	
2020	2021

EUR 5 024 700.29	EUR 4 532 151.82
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% direct grant	100% direct grant
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
Number of beneficiaries: 15	
Size of companies: micro, small, medium and large	

3. COMPLAINTS BY THIRD PARTIES

No such complaints were received by the State Aid Monitoring Office.

4. FURTHER MATTERS

Most of the questions submitted to the State Aid Monitoring Office by aid-grantors concerned the starting date of the eligibility of costs and the determination of a reasonable profit. Given that the Decision does not allow for claiming costs incurred prior to entrustment by a Member State to provide services of general economic interest, the project preparation costs are not eligible for aid granted under the Decision. The provisions of another legal basis, compatible with EU law, need to be applied to these cost items. The use of several aid categories, however, makes it difficult to apply the method of calculating compensation for both beneficiaries and aid-grantors.

We wish to point out that Hungary has no aid measure containing public service compensation that was approved by the European Commission on the basis of the European Union framework for state aid¹ in the form of public service compensation.

Should you have any further questions, please do not hesitate to contact my colleague Angéla Herczeg (zita.angela.herczeg@me.gov.hu, Tel.: +36-1-7957-937 or Dr Flóra Farkas (flora.farkas@me.gov.hu, Tel.: +36-1-8960-244).

Budapest, 30 June 2022.

¹ OJ C 85, 11.1.2012, p. 15.

Yours sincerely,

Dr Anita Gyürkés

Head of Department