



STATE AID. Services of General Economic Interest.

2022 report (for 2020 and 2021) submitted pursuant to the 2012 SGEI Decision and the 2012 SGEI Framework

Every two years, a report must be submitted on the application of the Decision and Framework governing **services of general economic interest (SGEI)**, pursuant to Article 9 of the 2012 SGEI Decision (Commission Decision 2012/21/EU of 20 December 2011, OJ L 7, 11 January 2012, p. 3) and paragraph 62 of the 2012 SGEI Framework (Communication from the Commission on State aid in the form of public service compensation, OJ C 8, 11 January 2012, p. 15) on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of SGEI.

Thus, pursuant to these reporting requirements and as instructed in the letter from the European Commission's DG Competition dated 29 January 2020, we hereby enclose the requested information, provided by the competent administrations.

This information is provided using the template sent by DG COMP and is included in the enclosed annexes.

Measures within the scope of the 2012 Decision (Annexes 1 to 12) and measures within the scope of the 2012 Framework (Annex 13)

The table below provides an overview of the annexes, indicating the annex number, the grantor Autonomous Community or Ministry, the type of service of general economic interest and the amounts granted in 2020 and 2021. All these measures fall within the scope of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11 January 2012, p. 3), with the exception of the measure in Annex 12, which falls within the scope of the 2012 SGEI Framework.

Summary of sections 1 and 2 of the report

We have also provided a summary table of sections 1 (Expenditure overview), 2 (Description of the application of the 2012 SGEI Decision) and 3 (Description of the application of the 2012 SGEI Framework) of the report template, listing each of the 12 annexes under the relevant heading based on the type of measure concerned.

Annex	Autonomous Community/Ministry		2020 €	2021 €
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1) Compensation granted on the basis of the SGEI Decision				
1	Andalusia	Special employment centres in Andalusia classed as SGEI	66 775 835.30	61 616 582.54
2	Andalusia	Work integration undertakings in Andalusia classed as SGEI		1 488 127.80
3	Asturias	Hospitals (Art. 2(1)(b)). Healthcare agreements for the provision of healthcare services	72 370 000	77 760 000
4	Asturias	Social housing (Art. 2(1)(c)). Agreement entrusting VIPASA with the management of public land for social housing and the development of protected housing	3 650 000	4 800 000
5	Castile-La Mancha	Energy		840 000
6	Catalonia	Aid to help people with disabilities remain in special employment centres and aid for support units, as well as subsidies for individual projects creating long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings	92 832 636.60	102 066 778
7	Catalonia	Subsidies for work integration undertakings to implement measures to improve the employment and labour integration of groups at risk of or experiencing social exclusion	9 536 694.50	12 456 384.39
8	Catalonia	Integrated guidance, support and assistance services to integrate people with disabilities or mental health disorders (SIOAS) into the labour market for 2020 and 2021	7 471 621	8 003 789
9	Catalonia	Direct grant to the energy company <i>Energía XXI Comercializadora de Referencia SLU</i> to tackle energy poverty		3 672 442.16
10	Valencia	Subsidies to facilitate the social and labour market integration, at work integration undertakings and ordinary companies, of workers experiencing or at risk of social exclusion	1 132 392.57	1 542 132.57
11	Ministry of Economic Affairs and Digital Transformation	Subsidies granted by SETELECO to offset the costs of the simultaneous and temporary broadcasting of its television channels during the process of releasing the 694-790 MHz frequency band (second digital dividend)	4 695 073.20	
13	Galicia	Aid for work integration undertakings (EILs) and their partner entities and aid for	4 995 000	21 337 000



		special employment centres (CEEs)		
14	Navarre		58 318 911	86 539 889
2) Total amount granted on the basis of the SGEI Framework				
12	Ministry for the Ecological Transition	Production of electricity and procedure for dispatch to the electricity systems of the non-peninsular territories.	1 126 000 000	422 000 000
TOTAL:			1 447 778 164.17	804 123 125.46

1. EXPENDITURE OVERVIEW

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021
<i>Compensation for Services of General Economic Interest (1+2)</i>		
1) Compensation granted on the basis of the SGEI Decision	321.778	382.123
2) Compensation granted on the basis of the SGEI Framework	1126.000	422.000

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))
[Annex 3 – ASTURIAS - Hospitals. Healthcare agreements for the provision of healthcare services](#)
- 2) Social services (Art. 2(1)(c))
 - a) Health and long term care
 - b) Childcare
 - c) Access to and reintegration into the labour market
[Annex 1 – ANDALUSIA - Subsidies for special employment centres to integrate into the labour market people with disabilities and people at risk of social exclusion](#)
[Annex 2 – ANDALUSIA - Subsidies for work integration undertakings](#)
[Annex 6 – CATALONIA - Aid to help people with disabilities remain in special employment centres and aid for support units, as well as subsidies for individual projects creating long-term employment](#)



for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings

Annex 7 – CATALONIA - Subsidies for work integration undertakings to implement measures to improve the employment and labour integration of groups at risk of or experiencing social exclusion

Annex 8 – CATALONIA - Integrated guidance, support and assistance services to integrate people with disabilities or mental health disorders (SIOAS) into the labour market for 2020 and 2021

Annex 9 – CATALONIA - Direct grant to the energy company *Energia XXI Comercializadora de Referencia SLU* to tackle energy poverty

Annex 10 – VALENCIA - Subsidies to facilitate the social and labour market integration, at work integration undertakings and ordinary companies, of workers experiencing or at risk of social exclusion

Annex 13 – GALICIA - Aid for work integration undertakings (EILs) and their partner entities and aid for special employment centres (CEEs)

d) Social housing

Annex 4 – ASTURIAS - Agreement entrusting VIPASA with the management of public land for social housing and the development of protected housing

e) Care and social inclusion of vulnerable groups

f) Other social services (if applicable)

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 limits set in Art. 2(1)(e)

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

a) Postal services

b) Energy

Annex 5 – CASTILE-LA MANCHA - Projects to adapt high-voltage overhead power lines

c) Waste collection

d) Water supply

e) Culture

f) Financial services

g) Other sectors (please specify)

Annex 11- Ministry of Economic Affairs and Digital Transformation. Audiovisual sector. Subsidies granted by SETELECO to offset the costs of the simultaneous and temporary broadcasting of its television channels during the process of releasing the 694-790 MHz frequency band (second digital dividend)



Annex 14 – NAVARRE Audiovisual sector. Expansion of the digital terrestrial television service (DTT) in Zone II of the Autonomous Community of Navarre and the service to operate the DTT network in that zone as a Service of General Economic Interest (SGEI)

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, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):

ii. Energy

Annex 12- Ministry for the Ecological Transition. Production of electricity and procedure for dispatch to the electricity systems of the non-peninsular territories.

REPORT FROM THE DIRECTORATE-GENERAL FOR ACTIVE EMPLOYMENT POLICIES ON THE AID GRANTED TO SERVICES OF GENERAL ECONOMIC INTEREST, PURSUANT TO COMMISSION DECISION 2012/21/EU OF 20 DECEMBER 2011 (SGEI DECISION).

Article 9 of 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 (hereinafter, SGEI) requires the Member States to send the Commission a report on their application of that Decision.

Article 5(4) of Law 5/2011 of 29 March 2011 on the Social Economy classifies special employment centres and work integration undertakings as entities that provide SGEI when they are established and classified as such in the legislation that applies to them.

To fulfil its obligation, this management body is reporting on the aid granted to the special employment centres in Andalusia classified as entities providing SGEI, within the scope of its competence:

EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
<i>Compensation for Services of General Economic Interest (1+2)</i>	2020	2021
1) Compensation granted on the basis of the SGEI Decision	€66 775 835.30	€ 61 616 582.54
2) Compensation granted on the basis of the SGEI Framework	-	-

Enacted by the Orders of 7 February 2017 establishing the regulatory framework for the granting of public subsidies intended for people with disabilities by the Andalusian Employment Service on a competitive and non-competitive basis (BOJA (Official Journal of the Government of the Autonomous Community of Andalusia) No 106 of 9 February 2017).

In the 2020 financial year, the total expenditure indicated was granted through four separate aid lines. The amounts are indicated below:

- Aid for the creation of permanent employment for people with disabilities at special employment centres: EUR 5 356 651.41.
- Aid for the safeguarding of posts occupied by people with disabilities at special employment centres: EUR 60 835 241.94.
- Aid for the adaptation of workplaces and removal of architectural barriers at special employment centres: EUR 15 743.36.



- d) Subsidies to implement measures relating to professional activity support units, in the context of personal and social adjustment services for people with disabilities at special employment centres: EUR 568 198.59.

In the 2021 financial year, the total expenditure indicated was granted through four separate aid lines. The amounts are indicated below:

- a) Aid for the creation of permanent employment for people with disabilities at special employment centres: EUR 7 120 180.63.
- b) Aid for the safeguarding of posts occupied by people with disabilities at special employment centres: EUR 53 759 249.48.
- c) Aid for the adaptation of workplaces and removal of architectural barriers at special employment centres: EUR 8 699.15
- d) Subsidies to implement measures relating to professional activity support units, in the context of personal and social adjustment services for people with disabilities at special employment centres: EUR 728 453.28.

DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

The activities fall under the following headings:

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

- a) Access to and reintegration into the labour market
- b) Care and social inclusion of vulnerable groups

Article 43 of the Recast General Law on the Rights of Persons with Disabilities and their Social Inclusion, approved by Royal Legislative Decree 1/2013 of 29 November 2013, defines special employment centres as those entities *'whose main purpose is to produce goods or provide services, participating regularly in market operations, with the aim of ensuring paid employment for persons with disabilities; they are also a means of including a greater number of persons with disabilities in the mainstream labour market. Likewise, special employment centres must provide, by means of support units, any personal and social adjustment services required by workers with disabilities, in line with their circumstances and in accordance with the requirements established by law'*.

The workforce at special employment centres must comprise the highest number of workers with disabilities permitted by the nature of the production process and, in any event, workers with disabilities must account for at least 70% of the workforce. Staff without disabilities engaged in providing personal and social adjustment services are not taken into account for the purpose of this calculation.

Personal and social adjustment services are defined as those services which help workers with disabilities at special employment centres overcome the barriers, obstacles or difficulties they may experience in the process of starting a job, as well as in terms of staying on and progressing in that job. This also includes any services focusing on social and cultural inclusion and inclusion in sporting activities.

Meanwhile, the Order of 7 February 2017 establishing the regulatory framework for granting public subsidies intended for people with disabilities establishes public incentives to fund the creation of permanent employment, the safeguarding and adaptation of posts filled by people with disabilities, as well as the implementation of measures relating to professional activity support units, in the context of personal and social adjustment services for people with disabilities at special employment centres.

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The general aim of the aid is to give special employment centres financial compensation for providing services of general economic interest by granting incentives for them to hire permanent staff, both on a full-time and part-time basis, and to implement measures that will help people with disabilities overcome any barriers, obstacles or difficulties they may experience in the process of starting a job, as well as in terms of staying on and progressing in that job.

The activities and services provided by special employment centres, participating regularly in market operations, with the aim of ensuring paid employment for people with disabilities, fall within the scope of the services of general economic interest set out in Commission Decision 2012/21/EU of 20 December 2011.

Clear and comprehensive description of how the respective services are organised in your Member State.
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.
The services in this sector that have been defined as SGEI are those related to the integration of persons with disabilities into the labour market with the aim of achieving their labour and social integration through special employment centres.
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.
<p>The entrustment is expressly set out in Article 5(4) of Law 5/2011 of 29 March 2011 on the Social Economy, as amended by Law 31/2015 of 9 September 2015, by virtue of which special employment centres are classified as entities providing services of general economic interest. The provisions of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest therefore apply.</p> <p>Furthermore, Article 44 of the Recast General Law on the Rights of Persons with Disabilities and their Social Inclusion, approved by Royal Legislative Decree 1/2013 of 29 November 2013, establishes that, in view of the particular features of special employment centres and in order for the centres to fulfil their required social function, the public authorities may, in the manner determined by law, establish financial compensation for the centres to assist with their viability, and put in place appropriate control mechanisms for that purpose.</p> <p>Lastly, the Order of 7 February 2017 establishing the regulatory framework for the granting of public subsidies intended for people with disabilities on a competitive and non-competitive basis expressly sets out that the purpose of the aid lines is to grant financial compensation for the services of general economic interest provided by the special employment centres and, in so doing, to ensure their viability, by granting incentives for hiring persons with disabilities and keeping them in post.</p>
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?



The entrustment of this service to special employment centres will continue for as long as the law confers upon them this specific task of general economic interest, and provided that they maintain their status and registration in the specific register for special employment centres.

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

Special employment centres do not have any exclusive or special rights assigned to them. However, they do receive economic benefits such as subsidies, reductions in Social Security payments and reserved public-sector contracts.

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

The aid instrument used is that of subsidies regulated by means of invitations to tender. The aid is granted on a competitive or non-competitive basis, depending on the nature of the aid granted, in all cases observing the applicable basic State legislation.

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

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In general, Article 19 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 4 of the Orders of 5 October 2015 approving the standard regulatory framework and standard forms of the Administration of the Government of the Autonomous Community of Andalusia for the granting of subsidies on a competitive and non-competitive basis, which form the regulatory framework for the aid granted to special employment centres, establish the main compensation mechanism for the aid and subsidies granted. They lay down that *'the amount of the subsidies granted, either in isolation or combined with other subsidies or aid from other public administrations, or from other national or international public or private entities, may not, under any circumstances, exceed the cost of the activity to be carried out by the beneficiary person or entity'*.

Specific compensation mechanisms are established for each line of aid. Generally speaking, the mechanism established to determine the financial compensation is the amount of aid itself, as this is calculated in such a way as to prevent entities from obtaining, through subsidies, an amount greater than the cost of the subsidised activity or action. Where employment or salary costs are subsidised, the limit is generally set at the statutory minimum wage in force.

We have set out the mechanism used for each of the aid lines below:

- Line to create permanent employment for people with disabilities:

The aid to create permanent employment for people with disabilities at special employment centres comes to EUR 12 021 for each new, full-time permanent contract or for each conversion of a fixed-term contract into a permanent contract. Where an employee is hired on a permanent, part-time contract, the aid will be reduced in proportion to the working hours, which may not be less than 18 hours a week.

Posts created with the incentive granted must be maintained for at least 1 095 days of actual work, i.e. three years. This equates to aid totalling EUR 4 007 per year, an amount that is very much below the statutory minimum wage.

- Line to safeguard posts occupied by people with disabilities:

The amount of aid is a flat-rate amount corresponding to 50% of the statutory minimum wage for each month in which the incentivised post is filled by a worker with a disability who is working full-time. This amount of aid will be reduced proportionally when the post is filled for periods of less than one full month and when the working hours are on a part-time basis, with a minimum of 18 hours a week.

As a result, the amount of aid will never exceed the worker's wage.

- Aid line for workplace adaptation and removal of architectural barriers:

Incentives are granted for workplace adaptation and personal protective equipment. The amount of aid will be the cost of the investment, with a ceiling of EUR 2 000 for each adapted job, or an incentive for the removal of architectural barriers, the amount of which may total up to 80% of the cost of the investment, with a ceiling of EUR 30 000.

As a result, the amount of aid will always be less than the total cost of the activity.

- Line of subsidies to implement measures relating to professional activity support units, in the context of personal and social adjustment services for people with disabilities at special employment centres:

Subsidies are granted towards the salary costs of staff in support units looking after persons with disabilities. The amount is calculated based on the people receiving support, totalling EUR 1 200 a year for each employed person receiving support with the established type and degree of disability. The total amount of aid cannot exceed the salary and Social Security costs for the staff in the support units. Subsidies are granted for maximum employment periods of one year.

Typical arrangements for avoiding and repaying any overcompensation.

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The aid amount takes the form of compensation for the services provided, and may not under any circumstances exceed the cost of the service itself.

Furthermore, as indicated above, in accordance with Article 19 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 4 of the Orders of 5 October 2015, the amount of the subsidies granted, either in isolation or combined with other subsidies or aid from other public administrations, or from other national or international public or private entities, may not, under any circumstances, exceed the cost of the activity to be carried out by the beneficiary person or entity.

If other aid and subsidies are also being received, and the amount of the aid granted exceeds the cost of the subsidised activity, the amount in excess of the cost of the subsidised activity will be recovered, and the corresponding late-payment interest will apply in accordance with the Law in question.

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).

Information on the aid is published in the National Subsidies Database (BDNS), in accordance with Article 20 of Law 38/2003 of 17 November 2003, the General Law on Subsidies.

In addition, and more specifically, aid granted on a competitive basis is published on the website of the Andalusian Employment Service, and can be accessed via the following link: <https://juntadeandalucia.es/organismos/empleoformacionytrabajoautonomo/sae.html>

Amount of aid granted

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

2020	2021
€66 775 835.30	€61 616 582.54
A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2020	2021
-	-

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B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2020	2021
-	-
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2020	2021
-	-
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
-	-

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REPORT FROM THE DIRECTORATE-GENERAL FOR ACTIVE EMPLOYMENT POLICIES ON THE AID GRANTED TO SERVICES OF GENERAL ECONOMIC INTEREST, PURSUANT TO COMMISSION DECISION 2012/21/EU OF 20 DECEMBER 2011 (SGEI DECISION)

Article 9 of 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 (hereinafter, SGEI) requires the Member States to send the Commission a report on their application of that Decision.

Article 5(4) of Law 5/2011 of 29 March 2011 on the Social Economy classifies special employment centres and work integration undertakings as entities that provide SGEI when they are established and classified as such in the legislation that applies to them.

To fulfil its obligation, this management body is reporting on the aid granted to the work integration undertakings in Andalusia classified as entities providing SGEI, within the scope of its competence:

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
<i>Compensation for services of general economic interest (1+2)</i>	2020	2021
1) Compensation granted on the basis of the SGEI Decision	-	EUR 1 488 127.80
2) Compensation granted on the basis of the SGEI Framework	-	-

Enacted by the Order of 17 November 2018 establishing the regulatory framework for the granting of subsidies, on a non-competitive basis, to facilitate the social and labour integration of socially excluded persons through work integration undertakings in Andalusia (BOJA (Official Journal of the Government of the Autonomous Community of Andalusia) No 227 of 23 November 2018).

In the 2021 financial year, the total expenditure indicated was granted through three separate aid lines. The amounts are indicated below:

- Incentives for hiring socially excluded persons and/or keeping them in post: EUR 1 027 469.03.
- Incentives for hiring staff with expertise in mentoring and providing support for people entering employment and/or keeping expert staff in post: EUR 459 658.77.
- Incentives for the procurement of technical assistance to support the viability of work integration undertakings: EUR 1 000.00.

1. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

The activities fall under the following headings:

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

- a) Access to and reintegration into the labour market
- b) Care and social inclusion of vulnerable groups

Article 4 of Law 44/2007 of 13 December 2007 laying down the rules applicable to work integration undertakings defines a 'work integration undertaking' as any commercial company or cooperative society, constituted in accordance with the law, which, having been duly recognised by the competent authorities in the Autonomous Community, carries out any economic activity involving the production of goods or provision of services, and whose corporate purpose is to help integrate into society and the labour market and to train socially excluded persons as a transition towards ordinary employment.

To that end, the work integration undertakings must provide socially excluded workers, as part of their integration pathway, with personalised assistance programmes of paid work, on-the-job training, and processes to familiarise them with the world of work and society. The undertakings must provide intervention or support services focusing on social and labour integration that help socially excluded persons to enter the mainstream labour market at a later date.

Meanwhile, the purpose of the Order of 17 November 2018 establishing the regulatory framework for the granting of subsidies, on a non-competitive basis, to facilitate the social and labour integration of socially excluded persons through work integration undertakings in Andalusia is to encourage the employment participation of socially excluded persons, by providing work and social integration pathways for them through the work integration undertakings in Andalusia. Support is provided for creating, running and developing work integration undertakings so that they can fulfil their social function of facilitating the integration of socially excluded persons into the mainstream labour market.

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

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

The services in this sector that have been defined as SGEl are those that concern the integration of socially excluded persons into the labour market with the aim of achieving their labour and social integration through work integration undertakings.

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

The entrustment is expressly set out in Article 5(4) of Law 5/2011 of 29 March 2011 on the Social Economy, as amended by Law 31/2015 of 9 September 2015, by virtue of which the work integration undertakings are classified as entities providing services of general economic interest. The provisions of the Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest therefore apply.

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Article 16 of Law 44/2007 of 13 December 2007 laying down the rules applicable to work integration undertakings provides that the public authorities, within the scope of their respective competences and in accordance with their commitments under EU law, must take action to support the creation, running and furtherance of work integration undertakings, so that they may fulfil their social function of facilitating the integration of socially excluded persons into the mainstream labour market.

Work integration undertakings may receive financial aid to comply with the provisions of the above Law. The aid may be put towards the cost of initially establishing and setting up the undertaking and of carrying out its activities. It may also be used for technical assistance, training and hiring of expert staff to manage the undertaking, and for R&D&I-related activities.

Work integration undertakings may receive the following types of aid:

a) Reductions in Social Security payments for the work contracts of the persons referred to in Article 2, totalling EUR 70.83/month (EUR 850/year) throughout the duration of the contract, or for three years if the person has a permanent contract.

The provisions of Law 43/2006 of 29 December 2006 will apply with regard to the requirements to be met by beneficiaries, cases where reductions cannot apply, maximum amounts, incompatibility or recovery of aid.

b) Subsidies to safeguard posts for the purpose of social and labour integration, in the form of financial compensation for the additional labour costs stemming from the integration process.

c) Aid for investment in fixed assets in line with the undertaking's corporate purpose.

4. Work integration undertakings run by public administrations or public bodies may receive the aid referred to in the previous paragraph.

5. Work integration undertakings or their partner entities providing social and labour integration support services as referred to in Article 3 of this Law may receive aid from the relevant administration to provide those services.

6. In order to defend their interests and organise advisory and training services, legal and technical assistance and any other services that may be appropriate for their members, work integration undertakings may form associations or special groupings, at national or regional level, ensuring compliance with antitrust rules. Associations representing work integration undertakings may receive financial aid from public administrations to cover running and operating costs.

Lastly, the Order of 17 November 2018 establishes public incentives for the integration of socially excluded persons into the labour market through work integration undertakings in Andalusia.

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 entrustment of this service to work integration undertakings will continue for as long as the law confers upon them this specific task of general economic interest, and provided that they maintain their status and registration in the special register of work integration undertakings.

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

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Work integration undertakings do not have any exclusive or special rights assigned to them. However, they do receive economic benefits such as subsidies, reductions in Social Security payments and aid for investment in fixed assets.

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

The aid instrument used is that of subsidies regulated by means of invitations to tender. The aid is granted on a competitive or non-competitive basis, depending on the nature of the aid granted, in all cases observing the applicable basic State legislation.

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

In general, Article 19 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 4 of the Orders of 5 October 2015 approving the standard regulatory framework and standard forms of the Administration of the Government of the Autonomous Community of Andalusia for the granting of subsidies on a competitive and non-competitive basis, which form the regulatory framework for the aid granted to special employment centres, establish the main compensation mechanism for the aid and subsidies granted. They lay down that *'the amount of the subsidies granted, either in isolation or combined with other subsidies or aid from other public administrations, or from other national or international public or private entities, may not, under any circumstances, exceed the cost of the activity to be carried out by the beneficiary person or entity'*.

Specific compensation mechanisms are established for each line of aid. Generally speaking, the mechanism established to determine the financial compensation is the amount of aid itself, which is calculated in such a way as to prevent entities from obtaining, through subsidies, an amount greater than the cost of the subsidised activity or action. Where employment or salary costs are subsidised, the limit is generally set at the statutory minimum wage in force.

We have set out the mechanism used for each of the aid lines below:

- Incentives to fund investment in fixed assets in order to create posts to be filled by persons experiencing social exclusion

Investment in tangible or intangible fixed assets is eligible if it is directly related to the creation of a new post filled by a socially excluded person.

The eligible amount is EUR 8 000 for each new recruitment of a socially excluded person, although the total amount of aid granted may not exceed 80% of the total cost of the investment in fixed assets made by the entity, with a ceiling of EUR 40 000.

When the person hired is female, the amount of aid is EUR 10 000, and the maximum eligible amount is EUR 50 000.

If the contract is for part-time employment, the amount of aid is reduced proportionally based on the length of the day; days that are less than 50% of an ordinary working day as set out in a collective agreement or, failing that, are less than 50% of the maximum working day laid down in law are not eligible.

- Incentives for hiring socially excluded persons and/or keeping them in post

The aim is to encourage new recruitments, as well as to keep in post socially excluded persons hired through work integration undertakings that are recognised and registered in Andalusia.

For new recruitments, subsidies will be granted towards salary costs of socially excluded persons in employment for the first twelve months of the employment relationship. Following the initial twelve-month period, if the

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employment relationship is maintained, subsidies will be granted to keep the post based on the number of days worked. To be eligible, contracts must be maintained for at least 90 days. Under no circumstances are subsidies granted towards salary costs of the same socially excluded employee for a period of more than three years. The maximum amount of the subsidy will be up to 50% of the salary costs of socially excluded persons. In the case of newly created work integration undertakings, the amount of the annual subsidy during the first year of the contract will be 80% of salary costs for any workers hired over the course of the undertaking's first year of activity after it was recognised as a work integration undertaking. This amount will be reduced proportionally for part-time work; under no circumstances may the length of the working day be less than 50% of an ordinary working day as set out in a collective agreement or, failing that, of the maximum working day laid down in law. When the person hired is female, the maximum amount of aid will increase by 10%.

- Incentives for hiring staff with expertise in mentoring and providing support for people entering employment and/or keeping expert staff in post

These subsidies are for hiring and/or keeping in post, for at least 12 months, expert staff tasked with mentoring and providing support for people in the process of entering employment. The maximum amount of the subsidy will be: The salary costs, including all Social Security contributions for which the work integration undertaking is liable, of those persons hired for full-time work, with a ceiling of three times the annual statutory minimum wage in force at the time of the request, per person and per year (year of recruitment and/or each year in post). This amount will be reduced proportionally for part-time work, but the length of the working day must not be less than 50% of an ordinary working day as set out in the applicable collective agreement or, failing that, of the maximum working day laid down in law.

- Incentives for the integration of socially excluded persons into the mainstream labour market

Work integration undertakings will receive subsidies for every working, socially excluded person who is on their books and in the process of entering employment, who successfully transitions into the mainstream labour market by means of a permanent contact with an ordinary company. The aid is a fixed amount of EUR 2 000 for each socially excluded person who is on the books of the work integration undertaking and who enters the mainstream labour market with a permanent, full-time contract. When the person hired is female, the amount of aid will increase by 25%.

- Incentives for the procurement of technical assistance to support the viability of work integration undertakings

The aim is to subsidise technical assistance in order to facilitate and safeguard the viability of work integration undertakings.

Funding will be granted towards the cost of the following technical assistance activities:

- Market research and technical, economic and financial viability studies.
- Non-mandatory accounting audits.
- Social audits.
- Costs arising from quality certifications and subsequent renewals thereof.

The amount of the subsidy will be 80% of the total cost of the activity, with the following ceilings:

- Up to EUR 6 000 for market studies and technical, economic and financial viability studies.
- Up to EUR 1 500 for non-mandatory accounting audits.
- Up to EUR 1 500 for social audits.
- Up to EUR 1 000 for costs arising from quality certifications.

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Typical arrangements for avoiding and repaying any overcompensation.

The aid amount takes the form of compensation for the services provided, and may not under any circumstances exceed the cost of the service itself.

Furthermore, as indicated above, in accordance with Article 19 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 4 of the Orders of 5 October 2015, the amount of the subsidies granted, either in isolation or combined with other subsidies or aid from other public administrations, or from other national or international public or private entities, may not, under any circumstances, exceed the cost of the activity to be carried out by the beneficiary person or entity.

If other aid and subsidies are also being received, and the amount of the aid granted exceeds the cost of the subsidised activity, the amount in excess of the cost of the subsidised activity will be recovered, and the corresponding late-payment interest will apply in accordance with the Law in question.

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).

Information on the aid is published in the National Subsidies Database (BDNS), in accordance with Article 20 of Law 38/2003 of 17 November 2003, the General Law on Subsidies.

In addition, and more specifically, aid granted on a competitive basis is published on the website of the Employment Service of Andalusia, and can be accessed via the following link: <https://juntadeandalucia.es/organismos/empleoformacionytrabajoautonomo/sae.html>

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Amount of aid granted

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

2020	2021
-	EUR 1 488 127.80

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

2020	2021
-	-

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

2020	2021
-	-

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

2020	2021
-	-

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

2020	2019
-	-

DIRECTOR-GENERAL FOR ACTIVE EMPLOYMENT POLICIES

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ANNEX

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

The reporting obligations are set out in the 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.*

Paragraph 62 of the 2012 SGEI Framework sets in principle 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:

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>	72.37	77.76
1) Total compensation granted on the basis of the SGEI Decision	72.37	77.76
2) Total compensation granted on the basis of the SGEI Framework		

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

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

- 2) Social services (Art. 2(1)(c))
 - a) Health and long term care
 - b) Childcare
 - c) Access to and reintegration into the labour market
 - d) Social housing
 - e) Care and social inclusion of vulnerable groups
 - f) Other social services (if applicable)
- 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))
 - a) Postal services
 - b) Energy
 - c) Waste collection
 - d) Water supply
 - e) Culture
 - f) Financial services
 - g) Other sectors (please specify)

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

Section (for example 1, hospitals or 2b, childcare)
<p style="text-align: center;">1. Hospitals</p>
<p>Clear and comprehensive description of how the respective services are organised in your Member State¹.</p>
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.</p>
<p>In the healthcare sector, the healthcare agreements that the Health Service has entered into with the following foundations are defined as SGEIs:</p> <ul style="list-style-type: none"> - Fundación hospital de Jove (Jove Hospital Foundation); - Fundación Sanatorio Adaro (Adaro Sanatorium Foundation); - Fundación hospital de Avilés (Avilés Hospital Foundation); - Cruz Roja Española (Spanish Red Cross). <p>The legal basis for these arrangements is, firstly, Article 90 of Law 14/1986 of 25 April 1986, the General Health Act, which lays down that 'Within the scope of their respective powers, public health administrations may enter into agreements for the provision of health services using external means', and, in the Autonomous Community of Asturias, Law 7/2019 of 29 March 2019, the Health Act, Article 11(1) of which lays down that 'The public health network in Asturias includes all publicly owned centres and those privately owned centres that have an agreement, contract or another form of integrated or shared management arrangements with the SESPA'.</p>

¹ 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.

Article 12 of the same law lays down that 'Asturias' public hospital network, which is part of Asturias' network of public health facilities, comprises publicly owned hospitals and privately owned hospitals run by non-profit-making institutions or foundations that enter into a special agreement to make them part of the network.

The purpose of the special agreement shall be to entrust the provision of a Service of General Economic Interest in accordance with Article 14 of the Treaty on the Functioning of the European Union. The financial aspects of the agreement must comply with European Union law on State aid in the form of public service compensation'.

The Department of Health and Healthcare Services Decision of 7 April 2003 classifies the hospitals in Asturias and lays down that:

- Jove Hospital is the hospital for Health Area V, District 1;
- the Avilés Hospital Foundation is the acute care hospital associated with San Agustín Hospital in Avilés;
- the Red Cross Hospital is the acute care hospital associated with the Cabueñes Hospital in Gijón;
- the Adaro Sanatorium is the convalescence centre for Health Area VIII.

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

Special agreements are used for this purpose.

The following agreements have been concluded, with the above legislation as their legal basis:

- The Special Agreement between the Asturias Health Service and the Jove Hospital Foundation, for the provision of healthcare to the population covered by the Spanish National Health System.
- The Special Agreement between the Asturias Health Service and the Spanish Red Cross, for the provision of healthcare to the population covered by the Spanish National Health System at Gijón Hospital and the Oviedo Haemodialysis Centre.
- The Special Agreement between the Asturias Health Service and the Aviles Hospital Foundation, for the provision of healthcare to the population covered by the Spanish National Health System.
- The Special Agreement between the Asturias Health Service and the Adaro Sanatorium Foundation, for the provision of healthcare to the population covered by the Spanish National Health System.

These agreements define the time periods, the planned funding, the healthcare to be provided and the rights and duties of the parties.

In the 2020 and 2021 financial years, as a result of the public health emergency caused by COVID-19, addenda were added to the agreements. These addenda were published in the Asturias Provincial Gazette (BOPA), as were the contracts.

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?

Annual

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

The only difference between the four agreements is that the one with Jove Hospital Foundation establishes a fixed rate of compensation for the activity this hospital carries out as an alternative healthcare provider for patients from the assigned geographical area (District I of Health Area V).

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

There are no other aid instruments such as subsidies, guarantees, etc.

The form of entrustment is the agreement and all the management terms are defined therein.

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

The unit prices of the services are specified in the Annexes included in the agreements (Annex V) on the understanding that the rates assigned to the procedures include the hospital's costs - for in-house and joint work, both healthcare-related and non-healthcare-related - for handling medical and surgical procedures with the scope set out in Royal Decree 1030/2006 of 15 September 2006 establishing the portfolio of common services of the National Health System and the procedure for its revision.

These rates are invoiced by the hospitals as compensation for the expenditure required to provide the services and carry out the procedures in each of the hospitals.

The invoices are only paid by the public administration after verifying that the invoiced activity corresponds to the activity actually carried out by the hospitals over the course of the year.

It is only for Jove Hospital that a different procedure is in place, as the compensation for the activity carried out as an alternative healthcare provider is paid in advance in twelve instalments.

All the agreements describe the monitoring and audit process for the activity delegated to and carried out by each hospital, as well as the application of penalties for non-compliance or possible financial liability arising from the care provided by each hospital.

The rates are revised annually considering factors related to both care and the economic situation (increase in the CPI, increase in VAT, introduction of new medicines, containment of the public deficit, etc.).

However, the differences both in the size and capacity of the hospitals, as well as the complexity associated with similar tests for different purposes, result in different rates for processes and sub-processes, even within the same hospital.

Aside from the details explained above, for the agreements concluded in 2020 and 2021, there is a specific clause governing recovery of possible overcompensation. This clause sets out the following:

‘In accordance with the 2011 SGEI Decision, the amount of compensation must not exceed what is necessary to cover the net cost incurred in discharging the public service obligations, including a reasonable profit.

To this end, a maximum profit of 5.5% may be considered "reasonable", calculated using the following formula:’

$$\text{SGEI profits (\%)} = \frac{\text{SGEI income} - \text{SGEI costs}}{\text{SGEI income}} \times 100$$

Typical arrangements for avoiding and repaying any overcompensation.

It should be noted that there is no possibility of overcompensation, since the only invoices paid are those corresponding to services actually carried out.

The internal inspection process for the compensation granted to these four entities is summarised below:

- The same body that has referred the patients from the Health Service to the hospitals confirms that the services requested have been performed, and a list (‘list of care provided’) is prepared on an ongoing basis, i.e. as notifications are received from the hospitals to which the patients are referred. This list includes, for each service or case, the identification details and a description of the procedure performed on each person.

- Once it has been signed by the Health Service, this document is sent to the receiving hospital as confirmation of the treatments carried out. In turn, it serves as the basis for the receiving hospital to prepare and issue the corresponding invoice.

- Once the management unit has received the invoices, they are checked against the lists prepared ('list of care provided') to ensure that the amount, description, code and authorised rates on the invoice are correct for each procedure carried out. This is a direct manual verification carried out by the staff in the health services management unit of the Health Service.

- In parallel, the invoices are recorded, line by line, in a specific computer application for internal control purposes.

- Since Jove Hospital is an alternative healthcare provider, the Foundation issues a monthly document for one-twelfth of the expected invoicing for the entire financial year. However, each month, in addition to recording the document relating to the monthly payment, a summary is received of the activity and the total amount for the activity carried out in the month, as well as a statement of the amounts for all the procedures carried out and the people treated. The procedure for recording each line of activity is identical to the one used for the other invoices.

- Finally, each invoice is monitored within the Health Service by the body that made the referrals, and a report is prepared summarising each block of invoices, which will then move on to the accounting and payment stage.

Therefore, the Health Service continually monitors the performance of the agreements itself, keeping an up-to-date ongoing record of the following:

- a) Requests for healthcare involving external means
- b) Referred activity
- c) Completed activity
- d) Invoiced activity

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

The agreements signed in the 2020 and 2021 financial years and the addenda thereto were published in the province's Official Gazette (BOPA).

Amount of aid granted	
Total amount of aid granted (in millions EUR)² .This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
72.37	77.76
A: Total amount of aid granted (in millions EUR) paid by national central authorities³	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁴	
2020	2021
72.37	77.76
C: Total amount of aid granted (in millions EUR) paid by local authorities⁵	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ⁶	
2020	2021

² As stipulated in Article 9 b) of the 2012 SGEI Decision.

³ 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.

⁴ See footnote 3.

⁵ See footnote 3.

⁶ 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.

Please also fill out the annexed summary excel file “SGEI Decision 2020 2021” with the total amounts per section for the whole Member State (not per region, local authority or municipality).

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

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

SGEI compensation exceeding EUR 15 million, 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 Art. 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:

Section (for example iii. Waste collection or viii. Financial services)
Clear and comprehensive description of how the respective services are organised in your Member State⁷.
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.

⁷ 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. Since cases falling under

Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	
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?	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Typical arrangements for avoiding and repaying any overcompensation.	
A short explanation of how the transparency requirements (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).	
Amount of aid granted	
Total amount of aid granted (in millions EUR)⁸. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021

the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

⁸ As stipulated in Article 62 b) of the 2012 SGEI Framework.

A: Total amount of aid granted (in millions EUR) paid by national central authorities⁹	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities¹⁰	
2020	2021
C: Total amount of aid granted (in millions EUR) paid by local authorities¹¹	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ¹²	
2020	2021

Please also fill out the annexed summary excel file “SGEI Framework 2020 2021” 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 in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received

⁹ 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.

¹⁰ See footnote 9.

¹¹ See footnote 9.

¹² 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.

the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

There have been no complaints from third parties with regard to these kinds of decisions.

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.

a. drawing up an entrustment act that complies with Article 4 of the SGEI Decision;

The entrustment act is formalised when it is signed. For those signed in this financial year, the following sections are included, among others:

- The subject of the agreement
- The geographical area and the population covered
- Resources and portfolio of services
- The activity entrusted
- Commitments and objectives
- General terms of the agreement
- Patient admission system
- Financial and invoicing arrangements
- Relations and coordination with the public health network
- Monitoring committee.
- Duration, amendment and interpretation.
- Description of the compensation mechanism and parameters used for calculating, checking and revising compensation.

- Reference to the SGEI Decision of 20 December 2011.
- Determining potential overcompensation: recovery.

b. specifying the amount of compensation in line with Article 5 of the SGEI Decision;

The unit prices of the services are specified in the Annexes included in the agreements (Annex V) on the understanding that the rates assigned to the procedures include the hospital's costs - for in-house and joint work, both healthcare-related and non-healthcare-related - for handling medical and surgical procedures with the scope set out in Royal Decree 1030/2006 of 15 September 2006 establishing the portfolio of common services of the National Health System and the procedure for its revision.

These rates are invoiced by the hospitals as compensation for the expenditure required to provide the services and carry out the procedures in each of the hospitals.

The invoices are only paid by the public administration after verifying that the invoiced activity corresponds to the activity actually carried out by the hospitals over the course of the year.

It is only for Jove Hospital that a different procedure is in place, as the compensation for the activity carried out as an alternative healthcare provider is paid in advance in twelve instalments, and is then corrected once the special agreement is no longer in force.

All the agreements describe the monitoring and audit process for the activity delegated to and carried out by each hospital, as well as the application of penalties for non-compliance or possible financial liability arising from the care provided by each hospital.

The rates are revised annually considering factors related both to care and the economic situation (increase in the CPI, increase in VAT, introduction of new medicines, containment of the public deficit, etc.).

However, the differences both in the size and capacity of the hospitals, as well as the complexity associated with similar tests for different purposes, result in different rates for processes and sub-processes, even within the same hospital.

c. determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI

Decision;

For the purposes of the 2011 SGEI Decision (Article 5), “reasonable profit” means the rate of return on capital that would be required by a typical undertaking considering whether or not to provide the service of general economic interest for the whole period of entrustment, taking into account the level of risk. (...) The level of risk depends on the sector concerned, the type of service and the characteristics of the compensation mechanism.’

In view of the above, the following points should be noted:

- Hospital healthcare requires considerable investment in very complex and costly equipment, with a high rate of obsolescence. The cost of replacing it is sometimes higher than its historical cost, which is what is charged to the income statement using the accounting concept of depreciation. In addition, the sector is constantly growing in terms of staff, technical, technological and telematic resources, and process automation. Technological development is extremely rapid, and innovative and very expensive equipment can very quickly become outdated (external obsolescence). This makes it

necessary for the entities to have sufficient funds of their own available to deal with these changes to ensure that the care provided is not affected by technological obsolescence.

- These hospitals are responding to local demand, focused on the healthcare of the population of the Autonomous Community (Asturias), where their geographical proximity to the patients allows their services and facilities to supplement the capacity of the public hospitals, thereby making it possible to ensure provision of the health services covered by the National Health System.
- Most of their sales (100% in some cases) come from a single customer, which is the Asturias Health Service. This dependence, together with the short duration of the agreements entered into (one year), means the activity is a high-risk one. Consequently, any change occurring in the National Health System or in the management and/or capacity of the public hospitals in the region will have a direct and immediate effect on the number of procedures and admissions referred to these hospitals; the more capacity there is in the public network, the less need there will be for the Public Health Service to use external hospitals to supplement its activity.

Therefore, although these are undertakings that operate in a regional market, and although it is difficult to find similar undertakings (in terms of their structure, services, quality or capacity), it seems reasonable to use the performance of other undertakings in the sector at national level as a reference, on the understanding that, with the compensation, these hospitals should not make a profit higher than the average made by undertakings in the same sector that are well-managed and have the material resources to meet the necessary service requirements.

Lastly, it should be noted that Jove Hospital, Adaro Sanatorium, Avilés Hospital and the Red Cross Hospital are all managed by non-profit foundations and therefore operate in the general interest.

Under Law 50/2002 of 26 December 2002 on Foundations, the assets and income of a foundation are allocated and assigned to the pursuit of its aims and objectives in the general interest.

In addition, the law provides that at least 70% of the income from the economic activity carried out and the revenue obtained from any other item, after deducting the expenditure incurred to obtain this income or revenue, must be allocated to the achievement of the foundation's objectives, with the remainder being allocated to increasing either its budget or reserves, as agreed by the Board.

For all of these reasons, we consider a profit not exceeding 5.5% to be reasonable.

d. regularly checking overcompensation as required by Article 6 of the SGEI Decision.

In accordance with the 2011 SGEI Decision, the amount of compensation must not exceed what is necessary to cover the net cost incurred in discharging the public service obligations, including a reasonable profit.

To this end, a maximum profit of 5.5% may be considered 'reasonable', calculated using the following formula:

$$\text{SGEI profits (\%)} = \frac{\text{SGEI income} - \text{SGEI costs}}{\text{SGEI income}} \times 100$$

Under Article 5(9) of the 2011 SGEI Decision, if a hospital carries out activities that fall both within and outside the scope of the service of general economic interest, its internal accounts must show the costs and revenue associated with the service of general economic interest separately from those of other services, as well as the parameters for allocating costs and revenue.

Based on this information, if, once the agreements have been settled and the annual accounts and activity reports referred to in those agreements have been submitted, the profit obtained exceeds that set out in this paragraph, the hospital must repay the overcompensation to the Asturias Health Service.

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 wish, you may make any additional observations below regarding the application of the SGEI Decision and the SGEI Framework.

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Report from the Principality of Asturias pursuant to Article 9 of the SGEI Decision and Paragraph 62 of the SGEI Framework - Housing

The **reporting obligations** are set out in the 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.

Paragraph 62 of the Framework sets in principle identical reporting obligations for aid granted under the SGEI Framework.

Please structure your report as follows:

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021
Compensation for Services of General Economic Interest (1+2)	3.65	4.80
1) Compensation granted on the basis of the SGEI Decision	3.65	4.80
2) Compensation granted on the basis of the SGEI Framework		

2. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNT GRANTED

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

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

d) Social housing

Please provide information using the following table:

Clear and comprehensive description of how the respective services are organised in your Member State¹.
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.
<p>The corporate purpose of ‘Viviendas del Principado de Asturias (Asturias Housing), S.A.’ (VIPASA) is as follows:</p> <ul style="list-style-type: none"> <i>a) Managing the portfolio of State-subsidised housing in the Principality of Asturias, and carrying out the property management tasks entrusted to it.</i> <i>b) Managing the Principality of Asturias’ Public Land for Social Housing Fund, governed by Decree 84/89 of 27 July 1989.</i> <i>c) Amortisation and disposal of properties belonging to the Principality of Asturias.</i> <i>d) Activities within the scope of the undertaking’s corporate purpose may be carried out indirectly, in full or in part, through ownership of shares or shareholdings in undertakings with an identical or similar purpose, or in undertakings whose activities complement the above objectives.</i> <i>e) Developing protected housing and managing programmes led by the administration of Asturias designed to facilitate access to housing.</i> <i>f) Purchasing property assets of all kinds for residential use, and managing, especially renting out, those assets and, where applicable, disposing of them.</i>
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.
Viviendas del Principado de Asturias S.A. (VIPASA) was created in 1991 by legal mandate pursuant to the Third Additional Provision of Law 7/1990 of the Principality of Asturias of 29 December 1990, on the General Budget for 1991. The General Budget of the Principality of Asturias provides for two named transfers to the undertaking, one to cover operating costs and

¹ 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. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

the other for capital costs relating to maintenance and repairs to the social housing.
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 entrustment is for one year.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
By means of named transfers, laid down each year in the relevant General Budget laws of Asturias.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Typical arrangements for avoiding and repaying any overcompensation.
<p>The mechanism set out in the Second Additional Provision of the Recast Rules on Financial and Budgetary Arrangements, approved by Legislative Decree 2/1998 of 25 June 1998:</p> <p><i>1. Current transfers made to public bodies and entities subject to private accounting rules and to public undertakings to finance their operating budgets shall only be for the amount required to balance their profit and loss account. Within fifteen days of their annual accounts being approved, payment of the transfer shall be referred to the General Audit Office of the Principality of Asturias.</i></p>
<p>A short explanation of how the transparency requirements are being complied with (see Article 7 of the 2012 SGEI Decision) for aid above EUR 15 million granted to undertakings that also have activities not classified as SGEI, or for each SGEI covered by the Framework (see point 60 of the 2012 SGEI Framework). In your answer please</p>

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

An audit is carried out annually by independent auditors. These audits are subject to approval by the General Shareholders' Meeting and registered in the commercial register. The undertaking's annual accounts are made widely and publicly available on the Business Transparency Portal online at www.vipasa.info.

In addition, since it is a public-sector body within the Autonomous Community, it is also audited by the Court of Auditors of Asturias, which issues various reports, either specific or sector-based, on its activities and operations: <http://www.sindicastur.es>.

Amount of aid granted

Total amount of aid granted (in millions EUR)². This includes all aid granted in your territory, including aid granted by regional and local authorities (A+B+C).

2020	2021
EUR 3.65 million	EUR 4.80 million
A: Total amount of aid granted (in millions EUR)³ paid by national central authorities	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁴	
2020	2021
EUR 3.65 million	EUR 4.80 million

² 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.

³ As stipulated in Article 9(b) of the SGEI Decision and para. 62(b) of the SGEI Framework. Please provide a breakdown by calendar year.

⁴ As stipulated in Article 9(b) of the SGEI Decision and para. 62(b) of the SGEI Framework. Please provide a breakdown by calendar year.

C: Total amount of aid granted (in millions EUR) paid by local authorities⁵	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ⁶	
2020	2021
The undertaking managed a public building stock of 12 487 buildings, has an average workforce of 45 staff and a healthy balance of EUR 72.056 million.	The undertaking managed a public building stock of 12 485 buildings, has an average workforce of 39 staff and a healthy balance of EUR 68.435 million.

3. COMPLAINTS BY THIRD PARTIES

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

⁵ As stipulated in Article 9(b) of the SGEI Decision and para. 62(b) of the SGEI Framework. Please provide a breakdown by calendar year.

⁶ The Commission would welcome data that you might have on aid granted under the SGEI Decision and the SGEI Framework, for example number of beneficiaries per sector, average amount of aid, aid instrument (direct subsidy, guarantee, etc.), size of the undertakings, etc. Should such other quantitative information data not be readily available in a 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.

4. MISCELLANEOUS QUESTIONS

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:

- a) Drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- b) Specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- c) Determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- d) 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.

ANNEX

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

The reporting obligations are set out in the 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.*

Paragraph 62 of the 2012 SGEI Framework sets in principle 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:

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>		0.84364716
1) Total compensation granted on the basis of the SGEI Decision		0.84364716
2) Total compensation granted on the basis of the SGEI Framework		

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

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

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

- 2) Social services (Art. 2(1)(c))
 - a) Health and long term care
 - b) Childcare
 - c) Access to and reintegration into the labour market
 - d) Social housing
 - e) Care and social inclusion of vulnerable groups
 - f) Other social services (if applicable)
- 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 an annual amount EUR 15 million (Art. 2(1)(a))
 - a) Postal services
 - b) Energy
 - c) Waste collection
 - d) Water supply
 - e) Culture
 - f) Financial services
 - g) Other sectors (please specify)

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

Section (for example 1, hospitals or 2b, childcare)
Section 5(b) Energy
Clear and comprehensive description of how the respective services are organised in your Member State ¹ .
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.

¹ 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**

<p>Pursuant to 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, we hereby declare as a service of general economic interest the implementation of projects to adapt the high-voltage overhead power lines referred to in Article 3(2) of Royal Decree No 1432/2008 of 29 August 2008 (Order No 125/2018 of 24 July 2018 of the Regional Ministry of Agriculture, the Environment and Rural Development establishing the regulatory framework for funding work to adapt high-voltage power lines to comply with the requirements set out in Royal Decree No 1432/2008 of 29 August 2008, as referred to in action 060d1ES21100101 (OT6_21100001) under the 2014-2020 ERDF Regional Operational Programme for Castile-La Mancha).</p>
<p>Explanation of the (typical) forms of entrustment. If standardized templates for entrustments are used for a certain sector, please attach them.</p>
<p>Compensation for the cost of adapting the high-voltage overhead power lines referred to in Article 3(2) of Royal Decree No 1432/2008 of 29 August 2008 establishing measures to protect birdlife from collisions and electrocution involving high-voltage power lines. The beneficiary undertaking submits a request for the work to be carried out estimated on the basis of a maximum price set out in the rules governing the grant. Once the request has been processed, an award decision is issued, though the grant is not paid out until supporting evidence is submitted.</p>
<p>Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?</p>
<p>Less than one year. The compensation covers 80% of the cost of the work needed to adapt power lines to comply with requirements to protect birdlife from collisions and electrocution involving high-voltage power lines. Once the work has been carried out and supporting evidence submitted, compensation will be paid out to cover 80% of the costs for which evidence of payment has been provided.</p>
<p>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</p>
<p>The aid beneficiaries are electricity distribution companies, be they public or private legal persons, that own high-voltage power lines. The Ministry of Industry, Energy and Tourism keeps the administrative register of distribution companies listing duly authorised distribution companies, in accordance with Law No 24/2013 of 26 December 2013 on the Electricity Sector.</p>
<p>Which aid instruments have been used (direct subsidies, guarantees, etc.)?</p>
<p>Grant, awarded via a competitive procedure.</p>
<p>Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>The eligible amounts pertaining to established transactions are calculated on the basis of the maximum unit prices set out in Annex I to Order No 125/2018 of 24 July 2018 of the Regional Ministry of Agriculture, the Environment and Rural Development establishing the regulatory framework for funding work to adapt high-voltage power lines to comply with the requirements set out in Royal Decree No 1432/2008 of 29 August 2008, as referred to in action 060d1ES21100101</p>

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.

(OT6_21100001) under the 2014-2020 ERDF Regional Operational Programme for Castile-La Mancha.

Typical arrangements for avoiding and repaying any overcompensation.

The grant covers 80% of the cost, subject to the submission of evidence of expenditure incurred and proof of payment.

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

Not applicable

Amount of aid granted

Total amount of aid granted (in millions EUR)². This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2020	2021
A: Total amount of aid granted (in millions EUR) paid by national central authorities³	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁴	
2020	2021
	0.84364716
C: Total amount of aid granted (in millions EUR) paid by local authorities⁵	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021

² As stipulated in Article 9 b) of the 2012 SGEI Decision.

³ 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.

⁴ See footnote 3.

⁵ See footnote 3.

	80% of the expenditure for which evidence has been submitted and payment made; grant awarded via a competitive procedure.
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ⁶	
2020	2021
	8 recipients The average amount granted is €105 455.90, with the lowest amount being €13 279.90 and the highest €225 060.39, depending on the work that was proposed and carried out and for which supporting evidence was submitted correctly and on time.

Please also fill out the annexed summary excel file “SGEI Decision 2020 2021” with the total amounts per section for the whole Member State (not per region, local authority or municipality).

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

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

SGEI compensation exceeding EUR 15 million, 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 Art. 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

⁶ 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.

ix. Other sectors (please specify)

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

Section (for example iii. Waste collection or viii. Financial services)
Clear and comprehensive description of how the respective services are organised in your Member State⁷.
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.
Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.
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?
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

⁷ 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. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

Typical arrangements for avoiding and repaying any overcompensation.	
A short explanation of how the transparency requirements (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).	
Amount of aid granted	
Total amount of aid granted (in millions EUR) ⁸ . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
A: Total amount of aid granted (in millions EUR) paid by national central authorities ⁹	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities ¹⁰	
2020	2021
C: Total amount of aid granted (in millions EUR) paid by local authorities ¹¹	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021

⁸ As stipulated in Paragraph 62 b) of the 2012 SGEI Framework.

⁹ 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.

¹⁰ See footnote 9.

¹¹ See footnote 9.

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)¹²

2020	2021

Please also fill out the annexed summary excel file “SGEI Framework 2020 2021” 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 in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

No complaints have been received from third parties.

5. MISCELLANEOUS QUESTIONS

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

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

¹² 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.

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 below.

The information given in this report relates only to compensation covered by Order No 125/2018 of 24 July 2018 of the Regional Ministry of Agriculture, the Environment and Rural Development establishing the regulatory framework for funding work to adapt high-voltage power lines to comply with the requirements set out in Royal Decree No 1432/2008 of 29 August 2008, as referred to in action 060d1ES21100101 (OT6_21100001) under the 2014-2020 ERDF Regional Operational Programme for Castile-La Mancha, in order to carry out **projects to adapt the high-voltage overhead power lines referred to in Article 3(2) of Royal Decree No 1432/2008 of 29 August 2008**, pursuant to Commission Decision 2012/21/EU of 20 December 2011.

2020-2021 REPORT SUBMITTED BY SPAIN PURSUANT TO ARTICLE 9 OF THE SGEI DECISION

1 - Identification

Member State	Spain
Region	Catalonia (ES51)
Title of the measure	Aid to help people with disabilities remain in special employment centres and aid for support units, as well as subsidies for individual projects creating long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings
Indicate the name and the address of the granting authority	Department of Work and Business Calle Sepúlveda, 148-150 08011 Barcelona

2. Justification

Article 9 of the 2012 SGEI Decision establishes that the Member States must submit a report on the implementation of the Decision every two years.

Article 9 of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3) sets out the following:

'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; and 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.'*

3. Rules and calls for applications covered in this SGEI report

The rules applicable to the subsidies and the calls for applications covered in this report are those set out in the table below.

Year	Rules (Orders) and Calls for applications (Decisions) partially or fully within the scope of the Commission Decision of 20 December 2011 issued by the Protected Work, Employment and Autonomy Section of the Department for Work, Social Affairs and Families
2020	ORDER TSF/91/2017 of 15 May 2017 approving the rules for granting subsidies to special employment centres. (Programme 2)
	ORDER TSF/96/2020 of 18 June 2020 amending Order TSF/91/2017 of 15 May 2017 approving the rules for granting subsidies to special employment centres.
	DECISION TSF/711/2020 of 5 March 2020 launching the call for applications for 2020 for the granting of subsidies to promote the labour integration of persons with a degree of disability of 33% or more employed in special employment centres.
	DECISION TSF/710/2020 of 5 March 2020 launching the call for applications for 2020 for the granting of subsidies for activities to be carried out in professional activity support units in the context of personal and social adjustment services for people with disabilities facing particular difficulties who are employed at special employment centres.
	ORDER TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres.
	ORDER TSF/174/2019 of 13 September 2019 amending Order TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres.
	DECISION TSF/2153/2020 of 31 August 2020 launching the call for applications for 2020 for the granting of the subsidies set out in Order TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres, as amended by Order TSF/174/2019 of 13 September 2019.
	DECISION TSF/3167/2020 of 27 November 2020 increasing the maximum amount approved by Decision TSF/2153/2020 of 31 August 2020 launching the call for applications for 2020 for the granting of the subsidies set out in Order TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres, as amended by Order TSF/174/2019 of 13 September 2019.
2021	ORDER TSF/91/2017 of 15 May 2017 approving the rules for granting subsidies to special employment centres. (Programme 2)
	DECISION TSF/3235/2020 of 4 December 2020 launching the call for advance applications for 2021 for the granting of subsidies to promote the labour integration of persons with a degree of disability of 33% or more employed in special employment centres.
	DECISION TSF/1340/2021 of 30 April 2021 increasing the maximum amount of the call for applications for 2021 for the granting of subsidies from Programme 2 to special employment centres.
	DECISION EMT/3669/2021 of 3 December 2021 increasing for a second time the maximum amount of the call for applications for 2021 for the granting of subsidies from Programme 2 to special employment centres.
	DECISION TSF/3236/2020 of 4 December 2020 launching the call for advance applications for 2021 for the granting of subsidies for activities to be carried out in professional activity support units in the context of personal and social adjustment services for people with disabilities facing particular difficulties who are employed at special employment centres.

ORDER TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres.
ORDER TSF/174/2019 of 13 September 2019 amending Order TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres.
DECISION EMT/3157/2021 of 19 October 2021 launching the call for applications for 2021 for the granting of subsidies to certain activities covered by Order TSF/223/2017 of 28 September 2017 approving the rules for granting aid under two aid lines to support the employment of workers with specific disabilities at special employment centres, as amended by Order TSF/174/2019 of 13 September 2019.
ORDER TSF/88/2018 of 21 June 2018 approving the rules for granting subsidies to individual projects creating long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings.
ORDER TSF/203/2018 of 4 December 2018 amending Order TSF/88/2018 of 21 June 2018 approving the rules for granting subsidies to individual projects creating long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings.
DECISION TSF/1897/2019 of 5 July 2019 launching the call for applications for 2019 for the granting of subsidies to individual projects creating long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings.
DECISION EMT/2215/2021 of 13 July 2021 launching the call for applications for 2021 for the granting of subsidies to individual projects creating long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings.

4. Public expenditure

Total SGEI government expenditure by legal basis (millions EUR).		
Compensation for Services of General Economic Interest (1+2)	2020	2021
Compensation granted on the basis of the SGEI Decision	€92 832 636.60	€102 066 778
Compensation granted on the basis of the SGEI Framework		

4.1. Public expenditure for each call (EUR million)

DECISION TSF/711/2020 and DECISION TSF/710/2020	2020
Total SGEI government expenditure by legal basis (millions EUR).	
Compensation for Services of General Economic Interest (1+2)	
1) Compensation granted on the basis of the SGEI Decision	€63 462 245.20
Compensation granted on the basis of the SGEI Framework	

DECISION TSF/2153/2020	2020
Total SGEI government expenditure by legal basis (millions EUR).	
Compensation for Services of General Economic Interest (1+2)	
1) Compensation granted on the basis of the SGEI Decision	€29 370 391.40
Compensation granted on the basis of the SGEI Framework	
Decision TSF/3235/2020, Decision TSF/3236/2020, Decision TSF/1340/2021, EMT/3669/2021	2021
Total SGEI government expenditure by legal basis (millions EUR).	
Compensation for Services of General Economic Interest (1+2)	
1) Compensation granted on the basis of the SGEI Decision	€71 022 504.50
Compensation granted on the basis of the SGEI Framework	

DECISION EMT/3157/2021		2021
Total SGEI government expenditure by legal basis (millions EUR).		
Compensation for Services of General Economic Interest (1+2)		
1) Compensation granted on the basis of the SGEI Decision		€31 044 273.09
Compensation granted on the basis of the SGEI Framework		

5. Description of the services

A) A CLEAR AND COMPREHENSIVE DESCRIPTION OF HOW THE SERVICES FALLING WITHIN THE SCOPE OF THIS DECISION, INCLUDING INTERNAL ACTIVITIES, ARE ORGANISED.

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

The rules regulating the subsidies are established by means of Orders from the Regional Minister for Work, Social Affairs and Families, and are published in the Official Gazette of the Regional Government of Catalonia (DOGC). The specific calls for subsidy applications are published each year.

Beneficiary entities

Beneficiary entities can be entities that own special employment centres and any special employment centres that have their own legal personality and permanent establishment in Catalonia and are registered in the Catalan Regional Government's Register of Special Employment Centres.

The main purpose of special employment centres is to produce goods or provide services and participate regularly in market operations. The aim of these centres is to provide paid employment for people with disabilities, while at the same time helping as many of them as possible to enter mainstream employment.

The activity of special employment centres is carried out by a workforce of whom at least 70% are people with disabilities, and constitutes a service of general interest.

Target population

The end recipients of the subsidies from this programme are people with disabilities employed by special employment centres.

Eligible actions

The eligible expenditure is the wage costs in the financial year of each call relating to each post occupied by a person with disabilities who is employed on a full-time or part-time basis and who is registered with Social Security. In addition, the labour costs and Social Security costs of hiring, on a permanent basis, staff to work in professional activity support units at special employment centres also constitute eligible expenditure, as does expenditure for individual projects to create long-term employment for persons experiencing or at risk of exclusion or people with disabilities at special employment centres or work integration undertakings.

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

The award procedure is carried out by means of a call for applications published in the Official Gazette of the Regional Government of Catalonia.

The subsidies are awarded directly or via a competitive procedure, depending on the call for applications, which lays down different measures for distributing the subsidy.

The grant is formalised by issuing an award decision which, together with the call for applications and the relevant rules, constitutes the formal entrustment of the SGEI.

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 same undertakings may be granted subsidies over the course of several years based on the workers that they employ. These workers face two problems when it comes to entering the labour market: a) finding work in a mainstream company, given that available data points to a lack of workers from this group in the mainstream market, and b) in special employment centres, as the centres must address the impact of the economic activity carried out by workers with disabilities who have particular difficulties, as this affects the overall productivity of the company.

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

The beneficiary entities are special employment centres, as explained in the beneficiary entity point, not just one entity exclusively.

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

The instruments used are subsidies.

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

The costs covered by the subsidy are the total or partial wage costs, with a maximum amount that depends on the basic amount of the specific subsidy.

Supporting evidence for staff costs must be provided by submitting payslips and Social Security General Fund contribution documents, along with documentation proving payment (worker's direct debit or entry on the bank statement). Some rules also require employment contracts and/or registration with Social Security.

The eligible period depends on the call for applications and may be all the monthly wages for the current year or for part of the year.

Typical arrangements for avoiding and repaying any overcompensation.

Review/amendment of the decision. The granting body has the power to review the aid granted and amend the award decision or agreement if the conditions taken into account for granting the subsidy change or in the event that other aid or subsidies are received at the same time.

Withdrawal (the rule set out in Order TSF/91/2017 is given as an example):

Point 8. Grounds and procedure for withdrawal

8.1 Once the procedure required by law has been carried out, the granting body shall withdraw, in full or in part, the subsidies granted, with the beneficiary being obliged to repay the amount received and to pay any applicable late payment interest, in accordance with Article 100(2) of the Catalan Public Finance Law, approved by Legislative Decree 3/2002 of 24 December 2002, amended by Law 5/2017 on tax, administrative, financial and public sector measures, and Law 38/2003 of 17 November 2003, the General Law on Subsidies.

8.2 The following are also grounds for withdrawal:

a) Obtaining the subsidy by providing false information with regard to the conditions required or concealing grounds for exclusion.

- b) Partial or total failure to fulfil the objective for which the subsidy is granted, as set out in this Order.
- c) Total or partial failure to supply supporting evidence, in accordance with Article 30 of Law 38/2003 of 17 November 2003, the General Law on Subsidies.
- d) Failure to implement the required dissemination measures set out in Article 18(4) of Law 38/2003 of 17 November 2003, the General Law on Subsidies.
- e) Failure to comply with the requirements set out in Articles 32(1), 32(3) and 36(a) of Law 1/1998 of 7 January 1998 on language policy.
- f) Resistance, excuses, obstruction or refusal to undergo the financial verification and audit activities provided for in Articles 14 and 15 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, as well as failure to comply with accounting, registration and document retention obligations, where this makes it impossible to verify the use of the funds received, the achievement of the objective or the existence and regularity of the subsidised activities; or simultaneous receipt of subsidies, aid, revenue or resources for the same purpose, received from any administration or public or private body.
- g) Failure on the part of a beneficiary to comply with the requirements imposed by the administration or to fulfil the commitments entered into when the subsidy was granted, provided that this affects or relates to the manner of achieving the objective for which the subsidy was granted.
- h) Failure to fulfil the requirements imposed by the administration on beneficiaries or the commitments entered into by beneficiaries for the granting of the subsidy, other than those above, where this makes it impossible to verify the use of the funds received.
- i) Failure to fulfil the obligations established in the Seventh Additional Provision of Law 5/2008, where the beneficiaries of the subsidy are undertakings with a workforce of at least 25 people, to indicate the means they use to prevent and detect cases of sexual and gender-based harassment and to intervene in their employment centres.
- j) Failure to comply with any of the requirements described in point 5 constitutes grounds for withdrawing the subsidy, without prejudice to other potential consequences provided for by the legislation in force.

8.3 If, as a result of any of the verification and audit activities, evidence is found of any of the grounds for withdrawal referred to above, the withdrawal procedure shall be initiated, in accordance with the provisions of Articles 98 and 100 the recast Catalan Public Finance Law, approved by Legislative Decree 3/2002 of 24 December 2002.

8.4 The decision to initiate the aforementioned procedure shall be notified to the entity in order for it to submit, within 10 days, any arguments it considers necessary or any evidence it deems appropriate.

8.5 Subsequently, and immediately before the draft decision is drawn up, the entity shall be granted the relevant hearing procedure in order for it to submit as evidence and present any documents and supporting material that it deems appropriate, within a period of 10 days.

The hearing can be dispensed with where no facts, statements or evidence, other than those submitted by the entity concerned, appear in the procedure or are taken into consideration in the decision.

8.6 Once the period referred to above has elapsed, the body that granted the subsidy, on a proposal from the body conducting the procedure, shall issue the relevant decision and demand full or partial reimbursement of the sums unduly received, with any interest where applicable.

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

Not applicable. No undertaking has been granted aid equal to or greater than EUR 15 000 000.00.

Amount of aid granted	
Total amount of aid granted (in millions EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
€92 832 636.60	€102 066 778

B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2020	2021
€29 370 391.40	€31 044 273.09

b) THE TOTAL AMOUNT OF AID GRANTED IN ACCORDANCE WITH THIS DECISION, WITH A BREAKDOWN BY THE ECONOMIC SECTOR OF THE BENEFICIARIES

A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2020	2021
€63 462 245.20	€71 022 504.50

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2020	2021
15 882 recipients (employees)	16 393 recipients (employees)
200 special employment centres	197 special employment centres

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

There is no record to date of any complaints having been received from third parties with regard to potential competition, as the people served are people with disabilities who have particular difficulties in terms of entering employment. This is not an attractive field for private companies working in employment intermediation, which is one of the services offered.

d) PLEASE INDICATE WHETHER THE SPANISH AUTHORITIES HAVE EXPERIENCED DIFFICULTIES IN APPLYING THE 2012 SGEI DECISION, PARTICULARLY WITH REGARD TO 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.

The method for calculating the amount of aid is set out in the relevant Order and Call for Applications and we have carried out checks to determine that no overcompensation has occurred. Naturally, if the requirements are not met and the aid has already been granted, provision is made in the same Order for the subsidy to be withdrawn.

Barcelona, 30 May 2021

Isabel Garcia i Hernandez

Deputy Director-General for Work in Diversity and the Voluntary Sector



REPORT SUBMITTED BY SPAIN PURSUANT TO ARTICLE 9 OF THE 2012 SGEI DECISION

1 - Identification

Member State concerned	Spain
Region	Catalonia (ES51)
Title of the measure	Subsidies for work integration undertakings to implement measures to improve the employment and labour integration of groups at risk of or experiencing social exclusion
Indicate the name and the address of the granting authority	Department of Work, Social Affairs and Families (2020 Call) Department of Work and Business (2021 Call) Directorate-General for the Social and Solidarity-based Economy, the Voluntary Sector and Cooperatives Calle Sepúlveda, 148-150 08011 Barcelona

2. Justification

Work integration undertakings combine business logic with methodologies that make it possible for socially excluded people to enter the labour market. These undertakings carry out economic activities with the aim of reintegrating vulnerable groups (people experiencing social exclusion or at serious risk of exclusion) into the labour market, thereby facilitating their social inclusion. In this respect, the activities of the work integration undertakings constitute a service of general [economic] interest (SGEI) and the subsidies for the years 2018 and 2019 (Lines 1, 2, 3 and 4) intended for work integration undertakings fall within the scope of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3) with regard to the paragraph on the care and social inclusion of vulnerable groups.

The regulatory framework for subsidies for work integration undertakings to implement measures to improve the employment and labour integration of groups at risk of or experiencing social exclusion is as follows:

For the year 2020:

ORDER TSF/235/2017 of 13 October 2017 approving the rules for granting subsidies to work integration undertakings to carry out activities to improve the employment and labour integration of groups at risk of or experiencing social exclusion (Official Gazette of Catalonia (DOGC) No 7477 – 19.10.2017).



DECISION TSF/1435/2020 of 16 June 2020 opening the call for applications for the year 2020 for the granting of subsidies to work integration undertakings to carry out activities to improve the employment and labour integration of groups at risk of or experiencing social exclusion (DOGC No 8159 – 26.6.2020).

DECISION TSF/943/2021 of 30 March 2021 opening the call for applications under an extraordinary and supplementary procedure for the 2020 financial year for the granting of subsidies under line 2 to work integration undertakings to carry out activities to improve the employment and labour integration of groups at risk of or experiencing social exclusion (DOGC No 8381 – 7.4.2021).

Royal Decree No 231/2020 of 4 February 2020 setting the statutory minimum wage for 2020 (Official State Gazette (BOE) No 31 – 5.2.2020).

For the year 2021:

ORDER TSF/235/2017 of 13 October 2017 approving the rules for granting subsidies to work integration undertakings to carry out activities to improve the employment and labour integration of groups at risk of or experiencing social exclusion (DOGC No 7477 – 19.10.2017).

DECISION EMT/1977/2021 of 23 June 2021 opening the call for applications for the year 2021 for the granting of subsidies to work integration undertakings to carry out activities to improve the employment and labour integration of groups at risk of or experiencing social exclusion (DOGC No 8444 – 28.6.2021).

DECREE No 21/2021 of 25 May 2021 creating, naming and determining the scope of competence of the departments of the Government of the Autonomous Community of Catalonia.

DECREE No 247/2021 of 22 June 2021 on the restructuring of the Department of Work and Business.

DECREE No 256/2021 of 22 June 2021 on the restructuring of the Department of Social Rights.

Royal Decree-Law No 38/2020 of 29 December 2020 adopting measures to adapt to the third-country status of the United Kingdom of Great Britain and Northern Ireland following the end of the transition period provided for in the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community of 31 January 2020 (Sixth Additional Provision extending the validity of Royal Decree No 231/2020 of 4 February 2020 setting the statutory minimum wage for 2020, pending the adoption of the Royal Decree setting the statutory minimum wage for 2021 within the framework of social dialogue, in accordance with the terms laid down therein, and in accordance with Article 27 of the recast Workers' Statute approved by Royal Legislative Decree No 2/2015 of 23 October 2015).

Royal Decree No 231/2020 of 4 February 2020 setting the statutory minimum wage for 2020 (Official State Gazette (BOE) No 31 – 5.2.2020).



Article 9 of the 2012 SGEI Decision establishes that the Member States must submit a report on the implementation of the Decision every two years.

Article 9 of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3) sets out the following:

'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.'*

3. Public expenditure

Total public expenditure by SGEI for the category of care and social inclusion of vulnerable groups, and of access to and reintegration into the labour market		
	2020	2021
Compensation for Services of General Economic Interest (1+2)		
1) Compensation granted on the basis of the SGEI Decision	€9 536 694.50	€12 456 384.39
2) Compensation granted on the basis of the SGEI Framework	(€8 536 746.94 + €999 948.56 extraordinary procedure)	

4. Description of the services

- a) A CLEAR AND COMPREHENSIVE DESCRIPTION OF HOW THE SERVICES FALLING WITHIN THE SCOPE OF THIS DECISION ARE ORGANISED.**



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.

Please list the contents of the services entrusted as SGEI:

The principal objective of the aid proposed is to grant funds to undertakings that specialise in assisting people experiencing exclusion or at risk of social exclusion (ensuring protection and inclusion of vulnerable people). As a result, they will acquire the competences needed for them to re-enter the mainstream labour market. The measure consists of two lines of action in 2020 and 2021:

Line 1 - Aid for the recruitment of staff who are specialised in giving support or assistance to vulnerable people during the integration process (e.g. subsidies to cover the wage costs of specialist staff who provide support to those persons during the integration process).

Line 2 - Aid to encourage the employment of vulnerable people by the beneficiary undertakings (partial subsidising of wage costs).

In 2020 and 2021, no calls were launched for applications under aid lines 3 and 4, as established in Order TSF/235/2017 of 13 October 2017 approving the relevant rules.

The Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI) (OJ L 7, 11.1.2012) applies to the granting of subsidies to work integration undertakings to carry out activities to improve the employment and integration into the labour market of at-risk or socially excluded groups. This comes under the category of compensation for the provision of services of general economic interest meeting social needs (Article 2(1)(c)) as regards access to and reintegration into the labour market.

Actions

Line 1 supports improvement in the vocational qualifications and employability of workers following an integration pathway by recruiting specialist staff to support these workers (by seeking employment opportunities in businesses and supporting and training people entering employment in order to facilitate their access to the mainstream labour market).

Line 2 provides incentives for the hiring of people at risk of social exclusion by the work integration undertakings (covering part of the cost of hiring these workers following an integration pathway).

For 2020:

- the implementation period for line 1 ran from 1 July 2020 to 30 June 2021;
- the implementation period for line 2 ran from 1 October 2019 to 30 September 2020;



For 2021:

- the implementation period for line 1 ran from 1 July 2021 to 30 June 2022;
- the implementation period for line 2 ran from 1 October 2020 to 31 December 2021.

Beneficiary entities

The beneficiary entities are work integration undertakings classed as such in accordance with Law No 27/2002 of 20 December 2002 on legislative measures to regulate social and employment integration undertakings, and that are registered in Catalonia's administrative register of work integration undertakings (Decree No 277/2003 of 4 November 2003).

In order to receive aid, work integration undertakings must comply with their obligations under Article 7 of Law No 27/2002 of 20 December 2002 on legislative measures applicable to work integration undertakings, as well as the obligations laid down in Articles 14, 15, 18, 19 and 20 of Decree No 277/2003 of 4 November 2003 on the operation of and responsibility for Catalonia's administrative register of work integration undertakings.

Target population

- a) Persons covered by Law No 14/2017 of 20 July 2017 on the guaranteed minimum income (GMI) (DOGC No 7418 of 24.7.2017) (formerly Law No 10/1997 of 3 July 1997 on the basic guaranteed income – DOGC No 2435 of 17.7.1997).
- b) People with physical, mental or sensory disabilities or with mental illnesses who can prove that they are at risk of social exclusion, and who have a real possibility of entering the labour market.
- c) Young people (aged over 16 and under 30) from child protection institutions or who are at risk of exclusion, provided that they have proof of their risk of exclusion.
- d) People with drug or alcohol addiction problems who, in the opinion of their therapeutic team, have successfully come through the detoxification and withdrawal phases, provided that no more than 12 months have passed between the end of the abovementioned treatment and the start of the integration process.
- e) Inmates in prisons whose status allows them access to employment as well as people on conditional release and former prisoners, provided that they are employed within 18 months of their release from prison.
- f) People who may not be able to access the guaranteed minimum income (GMI) (formerly 'basic guaranteed income'), but who are, in the opinion of the competent social services, at risk of exclusion.
- g) Long-term unemployed people aged over 45, provided that they have proof of their risk of exclusion.

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

The award procedure is carried out by means of an open call for applications published in the Official Gazette of Catalonia. This publication includes the **call for applications** and the **relevant rules**, which govern all fundamental aspects such as: the purpose of the measure, requirements for being selected as a provider undertaking, criteria for entrustment, period of provision of the SGEI, amount of compensation, forms of supporting documentation,



reasons for withdrawal to avoid overcompensation, overall budget and deadline for submitting applications.

After evaluating the applications submitted, the selection body puts forward the names of the undertakings that will provide the services and the amounts they will receive based on the services that each will provide. This proposal gives rise to the **award decision**.

The actual award, i.e. the legal act informing the selected undertakings that the administration has decided to entrust them with the SGEI provision, and that they are therefore entitled to compensation, and setting out the duration and the scope of the services to be provided, is formalised through the issuing of an **award decision**. Together with the **call for applications and the rules** for the measure, this constitutes the formal **entrustment** of the SGEI.

We have enclosed the award decisions for the subsidies for work integration undertakings to implement measures to improve the employment and labour integration of groups at risk of or experiencing social exclusion (2020 and 2021 financial years):

Aid line	Financial year 2020	Financial year 2021
L1	€2 313 088.82	€2 464 299.38
L2	€6 223 658.12 + €999 947.56) = €7 223 605.68	€9 992 085.01

For 2020, line 2 comprised two calls. The first ran in 2020 in accordance with Decision TSF/1435/2020 and the second additional call ran in 2021 (Decision TSF/943/2021). However, both calls relate to exactly the same implementation period (1 October 2019 to 30 September 2020) and to the same workers whose employment has been subsidised.

2020 call (detail of allocations per aid line):

Line 1:

Available funding: EUR 2 400 000.00

Funding awarded: EUR 2 313 088.82

Aid was granted for the hiring of 112 expert staff.

In total, 58 work integration undertakings requested aid under line 1 in 2020, of which 57 had their applications approved. One undertaking did not receive aid because it did not meet the requirements set out in Article 5 of Decision TSF/1435/2020 of 16 June 2020 (DOGC No 8159 of 26.6.2020), since the activities were required to begin by 1 December 2020 at the latest and the undertaking asked to launch the activities on 1 February 2021). Of the 57 applications approved, 45 obtained the grant they requested, and 12 received a smaller grant than requested (either because they had requested an amount greater than the ceiling amounts in the Order setting out the applicable rules, the employment dates of the expert staff did not correspond to the period requested, the number of technical staff



requested did not correspond to the group receiving support, or because the expenditure declared by the undertaking was less than the requested amount).

Line 2:

Available funding: €6 200 000.00 (Decision TSF/1435/2020) + €1 000 000.00 (Decision TSF/943/2021- extraordinary procedure) = €7 200 000.00

Funding awarded: €6 223 658.12 (Decision TSF/1435/2020) + €999 947.55 (Decision TSF/943/2021- extraordinary procedure) = €7 223 605.68

(The surplus amount of €86 911.18 from line 1 is included in the budget for line 2; €69 528.94 from the budget for 2020 and €17 382.24 from the budget for 2021)

Number of FTE months covered by grants = 11 741.32

Final amount for the recruitment incentive = €531.10/month (Decision TSF/1435/2020) + €86.93/month (Decision TSF/943/2021 - extraordinary procedure) = €618.03/month

In total, 56 applications were received for line 2 (Decision TSF/1435/2020), all of which were approved.

Of the 56 applications that were approved, 14 were granted the FTE months they requested, and, for 42 applications, the full number of FTE months requested was not granted, for various reasons:

- a worker's actual employment period as shown in Social Security records is shorter than the period indicated by the undertaking in the report submitted when requesting the aid;
- a worker's actual working day as shown in Social Security records is shorter than the day indicated by the undertaking in the report submitted when requesting the aid;
- the aid is not granted for whole or part of the requested period either because, prior to that date, the 36-month limit has already been reached under the initial aid granting period, or the 18-month limit has already been reached for the second aid granting period, or because the limit will be reached before the end of the requested period;
- the certificate of exclusion is not submitted for a worker following an integration pathway for whom the aid is being requested;
- a worker is hired for less than the minimum period of 3 continuous months;
- the undertaking mistakenly requests a period extending beyond 30 September 2020 or preceding 1 October 2019 for certain workers;
- the undertaking mistakenly requests the same period twice (in whole or in part) for the same worker;



- the undertaking mistakenly gives a figure that is too low (less than the actual figure) for the ordinary weekly working hours at the undertaking; as a result, a worker's working hours expressed as a percentage of that figure are also wrong (and often lower than the actual figure).

For the extraordinary call for applications (Decision TSF/943/2021), 54 applications were submitted (two of the 56 recipients of aid under line 2 from the ordinary call did not request extra support under the extraordinary procedure). Of the 54 applications received, one applicant withdrew, making the final number of recipients 53.

Of the one million euro available under the extraordinary call (Decision TSF/943/2021), €999 947.55 was ultimately granted, giving an additional €86.93/month for the module for which aid was initially granted under the ordinary call (Decision TSF/1435/2020), and resulting in a final total of €618.03/month.

2021 call (detail of allocations per aid line):

Line 1:

Available funding: EUR 2 650 000.00

Funding awarded: EUR 2 464 299.38

Aid was granted for the hiring of 117 expert staff.

The requests submitted by 62 work integration undertakings were approved. Of the 62 applications approved, 44 obtained the grant they requested, and 18 received a smaller grant than requested (either because they had requested an amount greater than the ceiling amounts in the Order setting out the applicable rules, the employment dates of the expert staff did not correspond to the period requested, the number of technical staff requested did not correspond to the group receiving support, the expenditure declared by the undertaking was less than the requested amount, or because the person hired as an integration support specialist did not hold the diploma or had not completed the level of studies required, as laid down in point 4.1.2(a) of the relevant Order).

Line 2:

Available funding: EUR 10 250 000.00

Funding awarded: EUR 9 992 085.01

Number of FTE months covered by grants = 14 043.82

Final amount for the recruitment incentive = €712.50/month

In 2021, aid was granted under line 2 to the 62 undertakings that requested it, and the amount of aid available in the budget was sufficient to grant the maximum possible amount for the recruitment incentive (75% of the statutory minimum wage).



Of the 62 applications that were approved, 10 were granted the FTE months they requested, and, for 52 applications, the full number of FTE months requested was not granted, for various reasons:

- a worker's actual employment period as shown in Social Security records is shorter than the period indicated by the undertaking in the report submitted when requesting the aid;
- a worker's actual working day as shown in Social Security records is shorter than the day indicated by the undertaking in the report submitted when requesting the aid;
- the aid is not granted for whole or part of the requested period either because, prior to that date, the 36-month limit has already been reached under the initial aid granting period, or the 18-month limit has already been reached for the second aid granting period, or because the limit will be reached before the end of the requested period;
- the certificate of exclusion is not submitted for a worker following an integration pathway for whom the aid is being requested;
- a worker is hired for less than the minimum period of 3 continuous months;
- the undertaking mistakenly requests a period extending beyond 31 December 2021 or preceding 1 October 2020 for certain workers;
- the undertaking mistakenly requests aid for certain workers hired after 1 July 2021;
- the undertaking mistakenly requests the same period twice (in whole or in part) for the same worker;
- the undertaking mistakenly gives a figure that is too low (less than the actual figure) for the ordinary weekly working hours at the undertaking; as a result, a worker's working hours expressed as a percentage of that figure are also wrong (and often lower than the actual figure).

Award procedure

For all lines, the aid is awarded using a non-competitive procedure.

Exceptionally, in accordance with Article 22(1) of Law No 38/2003 of 17 November 2003, the General Law on Subsidies, and in order to ensure the aid can reach all registered work integration undertakings that apply for it, the aid will be apportioned on a pro-rata basis, with prior review of the application documents and the award conditions.

Once the application documents and award conditions have been reviewed, the apportionment procedure will be carried out.

If, for line 1 (and, if applicable, also for lines 3 and 4), the maximum available amount is lower than the total amount applied for, the maximum amounts set out in the relevant call will be reduced in order to be able to subsidise all the work integration undertakings included in the Register that applied for aid.

For line 2, the final amount for the recruitment incentive is calculated on the basis of the applications received, and is a single amount for all beneficiary work integration undertakings. The amount of this incentive falls within a range set for each call, meaning



that the maximum amount available for this line can be adapted on the basis of the total FTE months that are ultimately granted.

The initial distribution of the available ceiling amounts for each line can be modified in accordance with the requirements of each line. Specifically, if there is funding left over from other aid lines, priority will first be given to line 2, then line 1, then line 4 and, lastly, to line 3.

Line 1:

To grant the aid from line 1, once the specialist support staff have been hired, checks must be carried out on recruitments of persons following an integration pathway that took place before the call was published (time periods and number of people), and this is checked against the annex containing the list of workers following integration pathways to whom support will be provided by the specialist staff hired. This aid may only be granted if, before 1 December of the year covered by the ongoing call, the specialist staff and at least two people following integration pathways are recruited.

Since the application period was brought forward for the 2021 call, it was not possible to carry out checks on recruitments of persons following an integration pathway that took place before the call was published. This is due to the fact that the application period overlapped with the start of the implementation period for line 1 for 2021 (1 July 2021 to 30 June 2022).

Line 2:

To grant the aid from line 2, checks are carried out on recruitments of persons following an integration pathway that took place before the call was published (time periods and number of people), and this information is used to calculate the FTE months for this first period. The FTE months are calculated by taking the number of months of employment and multiplying it by the number of weekly working hours completed divided by the work integration undertaking's ordinary working week.

For line 2, the final amount of the recruitment incentive is determined once the application deadline has passed and in line with the applications received; the amount will be within the range set out in the relevant call for applications. This is a single value for all beneficiary undertakings and is indicated in the award decision.

For the 2021 call, the implementation period was extended until 31 December 2021 (in 2020, the implementation period ended on 30 September 2020).

In 2020 and 2021, no calls were launched for applications under aid lines 3 and 4, so we will not give details of the award procedure.

The procedure for granting the aid is handled by the Head of the Subdirectorate-General for Work in Diversity. This aid is processed once the work integration undertaking has submitted a request. Checks are made on the periods and days of employment and to ensure that all the requirements are met. It is not necessary to compare or rank the applications, since all registered work integration undertakings are entitled to this aid. A



committee is formed comprising the Head of the Subdirectorate-General for Work in Diversity, the Head of the Labour Integration Programmes Service or the Head of the Integration Programmes Section.

The Committee must draw up a report detailing the outcome of the review, in accordance with the requirements set out in the relevant rules.

Once the file and report issued by the committee have been examined, the Head of the Subdirectorate-General for Work in Diversity submits the draft decision to the Head of the Directorate-General for the Social and Solidarity-based Economy, the Voluntary Sector and Cooperatives, who issues the relevant duly reasoned decision, and a hearing procedure is held. The hearing can be dispensed with where no facts, statements or evidence, other than those submitted by the parties, are submitted or taken into consideration in the proceedings.

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?

Subsidies for work integration undertakings to implement measures to improve the employment and labour integration of groups at risk of or experiencing social exclusion are granted for a period of **one year**.

Defrayal of the expenditure must take place during the period subsidised for each aid line.

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

No exclusive or special rights are assigned to the integration undertakings that provide the following services:

- guidance, support and assistance for the integration of people experiencing or at serious risk of social exclusion;
- employment of people experiencing or at serious risk of social exclusion.

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

Subsidies.

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

Compensation mechanism:

Maximum amount of the compensation

For 2020 and 2021:

Line 1:



The maximum number of support specialists that can be subsidised is as follows:

- If the work integration undertaking provides evidence of support provision for a group of two to seven people for the entire period subsidised, it can apply for one integration or production support specialist, according to the needs of the entity.
- If the work integration undertaking provides evidence of support provision for a group of eight to 29 people for the entire period subsidised, it can apply for a subsidy for two specialists: one integration support specialist and one production support specialist.
- Where the work integration undertaking can provide evidence of support provision for a group of 30 or more people for the entire period subsidised, it can apply for a subsidy for a third specialist, who may be an integration support specialist or a production support specialist.

The maximum amounts that can be subsidised are as follows:

Depending on the support group taken on by the specialist, the maximum amounts to be subsidised will be as follows:

Eligible cost	Support group taken on by the specialist	Maximum eligible amount for 12 months
Integration support specialist	From 8 to 29 workers	EUR 25 000.00
	From 2 to 7 workers	EUR 17 000.00
Production support specialist	From 8 to 29 workers	EUR 21 000.00
	From 2 to 7 workers	EUR 14 000.00

The maximum eligible cost for the third integration support specialist for groups of more than 29 workers will be EUR 25 000.

The maximum eligible cost for the third production support specialist for groups of more than 29 workers will be EUR 21 000.

The group of workers following an integration pathway and receiving support must be maintained at the average figure for the period for which the application was made. The maximum grant amounts are for 12 months and for full-time employment contracts, and will be reduced proportionally if the number of working hours is lower or the period for which the application was made is shorter.

In any event, the final remuneration received by the worker cannot be less than the minimum amount provided for in the applicable collective agreement. These subsidies will be reduced proportionally if the specialists are employed on a part-time basis or on the basis of the working hours the integration and/or production support specialists spend on the programme.



Line 2:

The actions from line 2 are subsidised for a minimum period of three continuous months of employment.

In general, the employment of a person following an integration pathway may be subsidised in subsequent calls for applications, up to a maximum and cumulative total of 36 months over the course of a three-year period (which is the maximum amount of time an integration pathway can last). An integration pathway begins when the worker is employed for the first time by the work integration undertaking, regardless of the contract duration and working hours, and it ends a maximum of three years later. Where three years have elapsed since the date of first employment, the work integration undertaking may not apply for more months of aid even if it has not used up the 36-month allocation.

For an integration pathway to be considered as part of one and the same process, no more than six months may elapse between employment periods. If, under exceptional circumstances, this six-month period is exceeded, a new certificate of exclusion must be provided.

If a worker has been unable to complete their integration pathway at the initial work integration undertaking, they will have the option of continuing the process at another work integration undertaking. The maximum limit is kept at 36 months of subsidy over the course of the three years from when the worker following an integration pathway was employed by the initial work integration undertaking.

Exceptionally and as a one-off occurrence, work integration undertakings may apply for aid from line 2 to employ a person following an integration pathway who was previously employed by a work integration undertaking. In such a case where a new integration process must begin, it will be necessary for at least three years to have elapsed since the previous three-year period of eligible employment ended, and for social services to confirm both the situation of social exclusion and the need to start a new integration process at a work integration undertaking. The aid will be for a maximum of 18 months over the course of one-and-a-half years starting from the date of this latest recruitment giving rise to the new eligible period.

To calculate the amount of the subsidy, and in accordance with Article 67(1)(b) of Regulation (EU) 1303/2013, which establishes a system for justifying expenditure based on a standard scale of unit costs, one module is used as an employment incentive, and this is situated within a range.

The amount of aid granted depends on the amount set for the employment incentive module, the multiplication factor and the number of months of employment:

$$\text{Aid (line 2)} = \text{Module amount} \times \frac{\text{Weekly working hours completed}}{\text{Ordinary weekly working hours at work integration undertaking}} \times \text{X number of months of employment}$$



For line 2, the system for justifying expenditure is based on an established module and does not require paid invoices or accounting documents of equivalent evidential value to be submitted.

The aid intensity will never exceed 100% of the eligible costs.

Expenditure covered by the aid

Period

Any expenditure that is allocated to the implementation of the activities, on the grounds that it relates directly to the nature of those activities, carried out during the implementation period of the measure and actually paid by the beneficiary before financial supporting documents are submitted.

Documentary evidence:

For line 1, expenditure claimed must be supported by paid invoices or accounting documents of equivalent evidential value. The original documents are marked with a stamp, showing the subsidy for which evidence is provided, the ESF co-financing, where appropriate, and the amount or percentage charged.

For line 2, the system for justifying expenditure is based on an established module and does not require paid invoices or accounting documents of equivalent evidential value to be submitted.

As supporting evidence, a report must be submitted showing the recruitments carried out (periods and days), expressed in FTE months. The report will be subject to all the checks referred to above. In the report, the beneficiary undertaking must declare the FTE months worked, and must also declare, if applicable, any other income or grants used to fund the same activity financed under line 2, indicating the amount and the source of the income or grant. The beneficiary undertaking must also submit the follow-up and evaluation reports for each worker, describing the initial situation, employment assessment, work plan, cross-cutting competencies used, training received, as well as the point reached by the individual worker on their integration pathway by the end of the implementation period for the call in question. In short, the report must give an overview of the activities carried out and the results achieved.

Eligible expenditure for line 1:

Eligible expenditure for the activity from line 1 as regulated by this Order is any expenditure that is allocated to the implementation of the activities, on the grounds that it relates directly to the nature of those activities, carried out during the implementation period for the measure and actually paid by the beneficiary before financial supporting documents are submitted, without prejudice to the provisions of point 11.2.3 of the Order setting out the applicable rules.



All these expenses must be supported by pay slips, Social Security contribution documents or accounting documents of equivalent evidential value.

For the purposes of the Order setting out the applicable rules, in accordance with Order ESS/1924/2016 of 13 December 2016 determining the eligible expenditure for the European Social Fund during the 2014-2020 programming period (Official State Gazette No 307 of 21.12.2016), expenditure directly related to staff is considered eligible expenditure as per Article 5(a) of the abovementioned Order:

- a) the gross remuneration agreed with the undertaking or established in a collective agreement. This includes the following wage payments: the basic salary, length-of-service increments, special expertise increments or other activity-based increments, bonuses, production bonuses, overtime and residence allowances;
- b) non-wage payments agreed with the undertaking or established in a collective agreement for distance and travel allowances, paid by the undertaking to workers to reduce or cover the cost of their travel to their usual place of work;
- c) compensation for termination of the service provided, as regulated by Article 49(1)(c) of the recast Workers' Statute approved by Royal Legislative Decree No 2/2015 of 23 October 2015, provided that the service is linked to the operation co-financed by the ESF;
- d) the worker's social contributions and taxes and the undertaking's Social Security contributions.

As regards costs relating to social contributions, the amount of any discounts or reductions associated with the payment of this contribution must be deducted in order to calculate the eligible amount.

Ineligible expenditure for line 1:

For the purposes of this Order, the following are considered ineligible costs, in accordance with Article 5(b) of Order ESS/1924/2016 of 13 December 2016, referred to above:

- a) labour and Social Security costs resulting from a worker being off work, whether through common illness or accident, occupational illness or accident, or maternity or paternity. In any event, costs pertaining to the person substituting them will be eligible, but not those pertaining to the person who is off work;
- b) the wage payment corresponding to profit sharing;
- c) benefits in kind, expenses for travel, board and lodging, as well as non-wage payments other than those referred to in paragraph (a) of Article 5(5)(1);
- d) allowances and salaries paid to participants in ESF operations.
- e) any other general expenditure that is not specifically listed as eligible expenditure;



f) any other type of expenditure that is not considered to be chargeable on account of its nature or relationship to the subsidised programme.

If a specialist is off work while the programme is being implemented, the entity is obliged to notify the managing body of this within one month of the specialist stopping work.

The entity must report the arrival of the new employee and fulfil the requirement set out in paragraphs (d) and (e) of point 5.4 of the Order setting out the applicable rules with regard to the person employed as specialist staff.

For line 1, supporting evidence must be provided in the form of an account statement along with proof of expenditure.

For this line, once the activity has ended, the beneficiary entity must submit an account statement providing evidence of the performance of the subsidised activities, the expenditure arising from the activities and the correct use of the funding received.

The account statement for the activities under line 1 must include the following documents:

- Technical report providing evidence of the activity (assessment report for the subsidised activity, and the follow-up and evaluation reports for the workers following an integration pathway who received support throughout the entire subsidised period).

- Financial report providing evidence of the cost of the activities carried out. The financial supporting documents to be submitted for line 1 are as follows:

a) A categorised list of expenses for all eligible expenditure deriving from the implementation of the action.

b) Formal declaration of tax payments with regard to amounts withheld as workers' income tax accounted for as expenditure.

c) A detailed list of other income or subsidies that have funded the subsidised activity, showing the amount and its origin.

d) A monthly overview of hours spent on each task by the undertaking's own staff.

e) Salary slips for the relevant period, duly accounted for, together with receipts proving the bank payment.

f) TC1 and TC2 forms for Social Security payments, issued during the relevant period and duly accounted for, together with receipts proving the bank payment.

Expenditure must be evidenced by pay slips, Social Security contribution documents and other documents of equivalent evidential value with legal force for commercial or administrative purposes. Expenditure must be disbursed before the financial supporting documents are submitted. If the undertaking receiving the subsidy has been issued with a deferral approval decision by the competent body and is up to date with payments for this deferral on the date of review, the expenditure is deemed to have been disbursed.

Line 2:

With regard to activity under line 2, evidence must be provided using a system of modules. Statements of expenses are not required for this aid line, nor are any other documents to prove payment of expenditure.



When submitting a request for this aid, the beneficiary entities must provide:

- Financial report detailing the persons employed and the months requested.
- A follow-up and evaluation report for each worker following an integration pathway.

The financial report and the follow-up and evaluation reports are already required supporting documents for this aid line. To complete the process of justifying expenditure, currently the only requirement is for beneficiary entities to provide up-to-date information on any income and grants also used to finance the subsidised activity, or for them to provide a declaration stating that they have not received any income or grants.

Typical arrangements for avoiding and repaying any overcompensation.

For 2020:

Line 1:

For work integration undertakings that have already begun activities before the call for applications was published, the subsidy is paid by means of an advance payment of 80% of the amount granted following the award decision, and no guarantee is required.

The payment of the remaining 20% must be processed once the subsidised activity has been duly justified.

The advance must be processed once the Head of the Directorate-General for the Social and Solidarity-based Economy, the Voluntary Sector and Cooperatives has approved the release of the payment.

For work integration undertakings that have not started the activities before the call for applications was published, the Head of the Subdirectorate-General for Work in Diversity must approve the start of activity communication submitted by the beneficiary entity before the advance is paid.

Line 2:

For activities under line 2, the payment must be made as follows:

- a) For recruitments where it has been possible to check all the award and evidential requirements, 100% of the amount awarded will be granted at the time of the decision.
- b) For recruitments where it is necessary to carry out post-award checks to ensure the person has remained in employment for at least three continuous months, the payment of the subsidy is processed following the award decision through an advance payment of 80% of the amount awarded, for which no guarantee is required. The payment of the remaining 20% will be processed once the abovementioned check has been carried out.

In the 2020 call for applications, and in accordance with point 9.2 of the Order setting out the applicable rules and Article 10 of the Decision launching the Call, for contracts which began after 1 July 2020, payment is made by means of an advance payment of 80% of the



amount awarded following the award decision (for employment beginning before 1 July 2020, the whole amount awarded is paid).

For 2021:

Line 1:

For work integration undertakings that have already begun activities before the call for applications was published, the subsidy is paid by means of an advance payment of 80% of the amount granted following the award decision, and no guarantee is required.

The payment of the remaining 20% must be processed once the subsidised activity has been duly justified.

The advance must be processed once the Head of the Directorate-General for the Social and Solidarity-based Economy, the Voluntary Sector and Cooperatives has approved the release of the payment.

For work integration undertakings that have not started the activities before the call for applications was published, the Head of the Subdirector General for Work in Diversity must approve the start of activity communication submitted by the beneficiary entity before the advance is paid.

Line 2:

For activities under line 2 and in accordance with point 9.2 of Order TSF/235/2017 of 13 October 2017, an advance payment will be made following the award decision for 80% of the amount awarded for contracts starting on or after 1 October 2020, provided the contract is valid for the entire application period. The remaining 20% will be paid out following checks on compliance with the award and evidential requirements, in accordance with points 4.2 and 11.3 of the above-mentioned Order.

For recruitments initiated on or after 1 October 2020 and completed before 15 July 2021, 100% of the amount awarded will be granted.

Payments relating to all the aid lines covered by this Order must be processed in accordance with the liquidity, availability and programming criteria of the Treasury of the Regional Government of Catalonia and the conditions set out in the award decision.

Prior to the recognition of obligations, the awarding body must check whether the beneficiary entity is up to date with tax and Social Security payments. By signing the grant application, the beneficiary entity gives their authorisation for these checks to be carried out.

The **checks** made by the competent body on the eligible activities can be one of two types:

- a) Administrative checks.



The purpose of these checks is to ensure that statements justifying expenses submitted by the beneficiary entities are borne out by the supporting documentation (invoices, pay slips, bank statements, etc.).

b) On-the-spot checks.

The purpose of these checks is to ensure that the subsidised measure was actually carried out or that the beneficiary fulfilled its obligations.

The on-the-spot checks can be carried out, where appropriate, while the subsidised measure is being implemented.

Review:

It is possible to review subsidies that have already been granted and amend the award decision where there are changes to conditions or where other aid is obtained simultaneously.

Pursuant to Article 19(4) of Law No 38/2003 of 17 November 2003, the General Law on Subsidies, any change to the conditions that were taken into account when granting the subsidies and, in any event, simultaneously receiving additional subsidies other than those permitted in the relevant rules, may result in the award decision being amended, in accordance with the rules governing the subsidy.

The beneficiary must propose to the awarding body any changes to the use of the subsidy, where the purpose is the same. In such an event, the change must be expressly authorised by the awarding body, in accordance with Article 95(e) of Legislative Decree No 3/2002 of 24 December 2002 approving the Recast Catalan Public Finance Law.

Withdrawal:

The grounds for withdrawal are those set out in Articles 92 bis, 99 and 100 of Legislative Decree No 3/2002 of 24 December 2002 approving the Recast Catalan Public Finance Law, and Article 37 of Law No 38/2003 of 17 November 2003, the General Law on Subsidies.

If, in the course of carrying out checks, the competent body, or, as part of an audit procedure, the General Audit Office, detect any grounds for withdrawing the aid granted, it must launch the relevant procedure, in accordance with the provisions of Chapter 9, Section 4 of the Catalan Public Finance Law; or, if it observes any grounds for considering there has been an infringement, it must begin disciplinary proceedings, in accordance with the provisions of Chapter 9, Section 5 of the Catalan Public Finance Law, and Law No 38/2003 of 17 November 2003, the General Law on Subsidies. Similarly, if, during its audit, the General Audit Office encounters any conduct by the party subject to the checks that is designed to hinder, delay or impede its work, it must propose to the competent body that withdrawal and disciplinary proceedings be launched.

The grounds for completely or partially **withdrawing** aid are as follows:



- a) Total or partial failure to fulfil the objective, complete the activity or project, or pursue the action for which the subsidy was awarded.
- b) Total or partial failure to supply supporting evidence, in accordance with the rules set out in the applicable Order.
- c) Obtaining the subsidy by providing false information with regard to the conditions required or concealing grounds for exclusion.
- d) Failure on the part of a beneficiary, be they a person or an entity, to comply with the requirements imposed by the administration or to fulfil the commitments entered into when the subsidy was granted, provided that this affects the manner in which the objectives are to be met, the activity carried out, the project implemented or the behaviour adopted which forms the basis for, or relates to, the granting of the subsidy.
- e) Failure on the part of a beneficiary, be they a person or an entity, to fulfil the conditions imposed by the administration or the commitments entered into when the subsidy was granted, other than those set out above, including obstruction of audits or reluctance to allow them in such a way that hinders verification of the use of the funds received, achievement of the objective, the existence and regularity of the subsidised activities, or the simultaneous receipt of subsidies, aid, revenue or resources for the same purpose, received from any administration or public or private body, be it a national, European Union or international body.
- f) Resistance, excuses, obstruction or refusal to undergo the financial verification and audit activities provided for in Articles 14 and 15 of Law No 38/2003 of 17 November 2003, the General Law on Subsidies, as well as failure to comply with accounting, registration and document retention obligations, where this makes it impossible to verify the use of the funds received, achievement of the objective, the existence and regularity of the subsidised activities, or the simultaneous receipt of subsidies, aid, revenue or resources for the same purpose, received from any administration or public or private body, be it a national, European Union or international body.
- g) Obtaining a total amount of subsidies which, either alone or in combination with subsidies from other public or private agencies, whether national or international, exceeds the cost of the activity entrusted to the beneficiary person or agency.
- h) The adoption, pursuant to Articles 107 to 109 of the Treaty on the Functioning of the European Union, of a decision setting out grounds for recovery.

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).

In accordance with Article 18 of Law No 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 94(6) of the recast Catalan Public Finance Law, if the amount of an individual subsidy is equal to or greater than EUR 3 000, it has to be published in the Official Gazette of the Government of Catalonia, and, from 2015 onwards, also on the electronic bulletin board of the Catalan Regional Government (all award decisions are published on



the electronic bulletin board, irrespective of the amount of the award, although they remain online only for a while: <https://tauler.seu.cat/inici.do?idens=1>)

In order to comply with the transparency requirements of Law No 38/2003, all individual subsidies over EUR 3 000 are published in the Official Gazette of the Government of Catalonia, and that publication is permanent: http://dogc.gencat.cat/es/index.html?newLang=es_ES&language=es_ES

To fulfil the publicity and transparency requirements for all of Spain, and in accordance with Article 7(1) of Royal Decree No 130/2019, the National Subsidies Database (BDNS) is used as the national system for publicising subsidies and public aid, and fulfils the publicity and transparency requirements for subsidies and public aid granted, and, in line with the same Decree, also for State aid and de minimis aid at national level, in accordance with provisions of EU law.

For Catalonia (Region ES51), there is also a Catalan Register of Subsidies and Aid (RAISC), which was created by Law No 5/2017 of 28 March 2017, on tax, administrative, financial and public sector measures. The Register fulfils the requirement to actively publish details of subsidies set out in Law No 19/2014 of 29 December 2014 on transparency, access to public information and good governance. The RAISC sends information to the BDNS.

The aim of the RAISC is to distribute information on subsidies from the:

- Regional Government of Catalonia and the public entities in which it holds majority shareholdings, directly or indirectly, as well as consortia reporting to the Regional Government.
- Entities which are part of local government and the public entities in which they hold majority shareholdings, directly or indirectly, as well as local consortia.

Currently, the RAISC holds information on calls for applications and awards that have been registered in the RAISC by public-sector entities in Catalonia since 2016.

b) THE TOTAL AMOUNT OF AID GRANTED IN ACCORDANCE WITH THIS DECISION, WITH A BREAKDOWN BY THE ECONOMIC SECTOR OF THE BENEFICIARIES

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

2020	2021

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

2020	2021



EUR 9 536 694.50 (EUR 9.54 million)	EUR 12 456 384.39 (EUR 12.46 million)
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C: Total amount of aid granted (in millions EUR) paid by local authorities

2020	2021

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

2020	2021
100% subsidy	100% subsidy

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2020	2021

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

There is no record to date of any complaints having been received from third parties with regard to potential competition. We believe this is essentially due to the fact that the amount of aid granted is too small to make it worthwhile for other types of undertaking to employ socially excluded people with major integration difficulties and to have to maintain a specialised support structure for them, with the extra costs all that would entail.

Furthermore, the work integration undertakings are SMEs that occupy a niche in the service sector left to them by larger businesses, so they do not constitute any form of competition for those businesses.

Digitally signed by Isabel García Hernández

Deputy Director-General for Work in Diversity and the Voluntary Sector



REPORT SUBMITTED BY SPAIN PURSUANT TO ARTICLE 9 OF THE 2012 SGEI DECISION

1 - Identification

Member State concerned	Spain
Region	Catalonia (ES51)
Title of the measure	Integrated guidance, support and assistance services to integrate people with disabilities or mental health disorders (SIOAS) into the labour market for the years 2020 and 2021
Indicate the name and the address of the granting authority	Department of Work, Social Affairs and Families (Call 2020-2021) Directorate-General for the Social and Solidarity-based Economy, the Voluntary Sector and Cooperatives Calle Sepúlveda, 148-150 08011 Barcelona

2. Justification

The integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders for the years 2020 and 2021 fall within the scope of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3) in relation to the paragraph on the care and social inclusion of vulnerable groups.

The legal basis for the integrated guidance, support and assistance services to integrate people with disabilities or mental health disorders for the years 2020 and 2021 is as follows:

Order ESS/1120/2017 of 20 November 2017 approving the rules for the granting of subsidies for the provision of integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders (Official State Gazette (BOE) No 283, 21.11.2017).

Decision TSF/926/2020 of 20 April 2020 announcing subsidies for the year 2020 for the provision of integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders (National Subsidies Database (BDNS) ref. 503471). (Official Gazette of Catalonia (DOGC) No 8127 - 6.5.2020)



Decision TSF/1087/2021 of 25 March 2021 announcing subsidies for the year 2021 for the provision of integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders (National Subsidies Database (BDNS) ref. 557734). (DOGC No 8390 - 20.4.2021)

Article 9 of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3) sets out the following:

'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.'*

3. Public expenditure

Total public expenditure per SGEI for the category of protection and social inclusion of vulnerable groups		
Compensation for Services of General Economic Interest (1+2)	2020	2021
1) Compensation granted on the basis of the SGEI Decision	EUR 7.471621 million	EUR 8.003789 million
2) Compensation granted on the basis of the SGEI Framework		

4. Description of the services

- a) A CLEAR AND COMPREHENSIVE DESCRIPTION OF HOW THE SERVICES FALLING WITHIN THE SCOPE OF THIS DECISION ARE ORGANISED.**



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:

Access to employment is an unwaivable right and, at the same time, a fundamental human right. Regrettably, certain groups find it harder than others to enter the world of work. The government must therefore guarantee that those who find it difficult to enter the labour market are able to do so by making it easier for them to access and rejoin the labour market. Work needs to be done to reduce the problems faced by those who experience the greatest difficulty and to build a more caring society.

It is our duty to work to resolve the problems faced by the most vulnerable, such as people with disabilities and mental illness.

The COVID-19 pandemic has had a negative impact on the situation faced by people with disabilities and mental illness, as a result of which, now more than ever, efforts need to be made to empower people with disabilities so that they can participate fully in society as equals with the rest of the population.

The integration guidance and support services seek to place people with disabilities or mental health disorders on an equal footing with other citizens to work towards their integration.

The Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI) (OJ L 7, 11.1.2012) applies to the granting of subsidies for the provision of **integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders**. These services come under the category of compensation for the provision of services of general economic interest meeting social needs (Article 2(1)(c)) as regards access to and reintegration into the labour market.

The aim of the integrated guidance, support and assistance services for the integration of people with disabilities and mental illness is to make a set of resources available to jobseekers with disabilities or mental health disorders to ensure that they are in the same position as other people, or a better position, when it comes to finding work. The services provided help jobseekers to make decisions and deal with changes to their profession, training or career plan. This improvement is part of a process that looks at the competencies of each person and compares them to those required by the labour market for each job, enabling people to identify their professional objectives.

We define competencies as the set of personal resources, abilities, skills, expertise, knowledge, preferences and interests of each person with a disability and/or mental illness. When applied to the work context, these become professional competencies. People acquire competencies in several ways: through formal and informal learning, work experience and life experience, etc.

The integration specialists providing the services support the participants in drawing up a career plan to improve their employability by developing the competencies that are needed in the world of work.



The Service aims to meet the needs of each participant with a disability and/or mental illness, and will design an appropriate pathway according to those needs.

Beneficiary entities

The beneficiary entities (listed below) operate in Catalonia and have experience of implementing measures to support unemployed job seekers with disabilities and/or mental illness to help them integrate into the labour market.

- a) Private non-profit entities with their own legal personality.
- b) Local entities, as well as entities operating under them or linked to them.

They are considered small businesses given the number of workers.

The 2020-2021 call for applications did not apply to local entities, or entities operating under them or linked to them.

Target population

The integration guidance and support service targets:

- a) people with disabilities or mental health disorders who are unemployed jobseekers registered with the Catalan Employment Service, who have a recognised degree of disability of 33% or more and have any of the following disabilities: mental, physical or sensory disability or limited intellectual ability;
- b) people with mental health disorders. A disability certificate or report from the service responsible for therapeutic follow-up is sufficient proof of eligibility;
- c) persons entitled to a Social Security pension due to their permanent inability to perform their habitual work (*incapacidad total*) or any work (*incapacidad absoluta*), and civil service, armed forces and judiciary pensioners (*clases pasivas*) entitled to a retirement pension or disability pension due to their permanent unfitness for service or incapacity, with availability to enter the mainstream labour market, are also considered to have a degree of disability of 33% or more. In this case, sufficient proof can be furnished in the form of a certificate or decision recognising the bearer's status as a recipient of a Social Security pension on the grounds of their permanent inability to perform their habitual work or any work, or a civil service, armed forces or judiciary pension on the grounds of unfitness for work or incapacity in accordance with the provisions of Royal Decree 1414/2006 of 1 December 2006 determining the status of disabled person for the purposes of Law 51/2003 of 2 December 2003 on equal opportunities, non-discrimination and universal accessibility for people with disabilities. Following the Supreme Court ruling of 29 November 2018 harmonising the law and equating persons in receipt of a Social Security pension on the grounds of their permanent inability to perform their habitual work or any work, or on the grounds of general invalidity, to persons who have a degree of disability of 33% or more, it should be noted that this degree of disability will be recognised only if it has been established following an official assessment by the Disability Care Centre (CAD);
- d) victims of gender-based violence with one of the disabilities set out in the above paragraphs.

Actions

The actions that comprise the integration guidance and support process are arranged into four blocks, with each block corresponding to a part of the process. There are several modules within each block. Each participant will take part in one or more blocks depending on their needs, and within each block they may participate in one or more modules/actions. This design means there is a wide range of possible pathways, which can be tailored to each person.

The blocks that comprise the integration guidance and support process for persons with a disability and/or mental illness are as follows:



Block 0: Key competences

World of work

Identification of cross-cutting competencies

Block 1: Employability analysis

Motivations and interests

Labour market and employment

Block 2: Finding a job

Channels for finding a job

Job search tools

Selection process

Self-employment

Block 3: Training

Basic/foundation training

Training in new technologies

Training in social or cross-cutting skills

Technical and vocational training

Unpaid work experience

Block 4: Relations with companies

Job scouting

Follow-up after placement

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

Award procedure

The award procedure is carried out by means of an open call for applications published in the Official Gazette of Catalonia.

After evaluating the applications submitted, the selection body puts forward the names of the undertakings that will provide the services and the amounts they will receive based on the services that each will provide. This proposal gives rise to the **award decision**.

The actual award, i.e. the legal act informing the selected undertakings that the administration has decided to entrust them with the SGEI provision, and that they are therefore entitled to compensation, and setting out the duration and the scope of the services to be provided, is formalised through the issuing of an **award decision**. Together with the **call for applications and the rules** for the measure, this constitutes the formal **entrustment** of the SGEI.

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?



Integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders are entrusted for one year, although, in most cases, the entrustment begins in one budgetary period and ends in the following budgetary period.

Defrayal of the expenditure must take place during the period of provision of the subsidised guidance, support and assistance services for the integration of people with disabilities or mental health disorders.

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

No exclusive or special rights are assigned to the undertakings providing guidance, support and assistance services for the integration of people with disabilities or mental health disorders.

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

Subsidies



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

Compensation mechanism:

Maximum amount of the compensation

The maximum eligible amounts per person/year and per group for each activity are as follows:

Maximum amounts/group

	Actions	Eligible cost	Type of expenditure	Maximum amount per year/group
ACTION IMPLEMENTED BY THE ENTITY (a)	WORK PREPARATION ACTIVITIES	Direct expenditure on staff carrying out the activity	Direct expenditure on employment coaching staff	EUR 32 000.00
	JOB SCOUTING ACTIVITIES		Direct expenditure on staff carrying out job scouting activities	EUR 16 000.00
	IT LITERACY ACTIVITIES		Direct expenditure on staff teaching IT literacy	EUR 4 000.00
	TECHNICAL/VOCATIONAL TRAINING ACTIVITIES if applicable		Direct expenditure on staff providing technical/vocational training*	EUR 8 000.00
		Other costs of the activity	Other direct costs Indirect costs	25% of direct staff costs incurred



SUBCONTRACTED ACTIVITY, if applicable b)	Actions	Eligible cost	Maximum amount per year/group
	IT LITERACY ACTIVITIES	Expenditure on provision of IT literacy activities	EUR 5 000.00
	TECHNICAL/VOCATIONAL TRAINING ACTIVITIES	Expenditure on provision of technical/vocational training activities**	EUR 10 000.00

These amounts will be multiplied by the number of employment coaches.

With regard to the technical and vocational training costs, the maximum eligible amount will be EUR 10 000.00 for one employment coach, with a maximum amount of EUR 20 000.00 for two or groups receiving support.

As a general rule, one employment coach will manage at least one group of 30 people with disabilities or mental health disorders. As an exception to this rule, when support is provided for people with disabilities or mental health disorders who have particular difficulty entering the labour market, the minimum number will be 10.

The total remuneration costs and employer Social Security contributions, under all headings, will be subsidised for the staff implementing the actions in line with the legal and regulatory standards set in the collective agreement applicable to private non-profit entities.

In any event, the final remuneration received by the worker cannot be less than the minimum amount provided for in the applicable collective agreement.

The remuneration of the employment coach is for the provision of services on a full-time basis for a contract type.



Expenditure covered by the aid

Period

Any expenditure that is allocated to the implementation of the activities, on the grounds that it relates directly to the nature of those activities, carried out during the implementation period of the measure and actually paid by the beneficiary before financial supporting documents are submitted.

Documentary evidence

Expenditure must be supported by paid invoices or accounting documents of equivalent evidential value. The original documents are marked with a stamp, showing the subsidy for which evidence is provided, the ESF co-financing, where appropriate, and the amount or percentage charged. Supporting documents for expenditure on staff on the payroll of the beneficiary entity charged on the basis of hours worked and cost/hour (payslips and Social Security contribution documents) and e-invoices are not stamped.

Eligible expenditure

Subsidies will be granted towards the direct costs incurred by the beneficiary entity to hire staff whose duties are employment coaching, job scouting, IT literacy and technical and vocational training activities, and who provide integrated guidance, support and assistance services for the integration of people with disabilities or mental health disorders, in addition to the costs of external technical and vocational training and IT literacy training, as well as other direct and indirect costs relating to the purpose of the subsidy.

Direct costs

A) Direct eligible staff costs, i.e. in-house staff costs.

The gross remuneration costs, as agreed with the undertaking or established in a collective agreement, of the staff who carry out employment coaching tasks, teach the IT literacy module, provide the technical and vocational training and carry out job scouting activities, incurred within the implementation period and actually paid before the end of the expenditure justification period. This item includes the following wage payments:

the basic salary, length-of-service increments, special expertise increments or other activity-based increments and bonuses;

non-wage payments agreed with the undertaking or established in a collective agreement for distance and travel allowances, paid by the undertaking to workers to reduce or cover the cost of their travel to their usual place of work;

the worker's social contributions and taxes and the undertaking's Social Security contributions.

As regards costs relating to social contributions, the amount of any discounts or reductions associated with the payment of this contribution must be deducted in order to calculate the eligible amount.

The cost/hour corresponding to the hours actually worked will be charged.

B) Other eligible direct expenditure

1. The cost of the insurance policy for participants.
2. The cost of the spaces and technical and computer equipment needed to carry out the action.



3. The cost of consumables and teaching materials participants need to use.
4. The cost of sending invitations to attend via registered mail to potential participants (people receiving the guaranteed minimum income), where applicable.
5. Participants' travel to the beneficiary entity, to the place where the eligible measures are carried out and/or to the undertaking where the placement takes place; work-related travel expenses and allowances of the job scouts, or of IT literacy teachers where they cover more than one place of activity, as well as the work-related travel expenses of staff working as employment coaches.
6. Communication accessibility expenditure as part of the expenditure on technical and vocational training and IT literacy training.
7. The costs of the material used and of renting equipment to correctly deliver the technical and vocational training and IT literacy training.

Indirect costs

1. Support staff: the undertaking's wage costs and Social Security costs for coordination staff and administrative staff.
2. General indirect costs: electricity, gas, water, telephones, office equipment and cleaning and maintenance, as well as other similar costs, when these are incurred and actually paid for in the period between the start date of the actions and the deadline for submitting the supporting accounts.

The other direct and indirect costs will be 25% of the direct staff costs.

Subcontracting costs in connection with the recruitment of IT literacy and technical and vocational training staff, the material used to deliver the training, and communication accessibility costs.

Ineligible costs

- a) The employment and Social Security costs of a worker while that worker is off work, whether as a result of common illness or accident, occupational illness or a workplace accident, or maternity or paternity. In any event, expenditure pertaining to the person substituting them will be eligible, but not expenditure pertaining to the person who is off work.
- b) Benefits in kind, subsistence expenses, as well as non-wage payments other than those mentioned above.
- c) The purchase or development of IT applications, where they are treated as an investment for accounting purposes.
- d) Allowances and salaries paid to participants in ESF operations.
- e) Any other general expenditure that is not specifically listed as eligible expenditure.
- f) Any other type of expenditure that is not considered to be chargeable on account of its nature or relationship to the subsidised programme.



Typical arrangements for avoiding and repaying any overcompensation.

The measures contain provisions to prevent overcompensation. Approximately 80% of the subsidy is disbursed in advance, while the remaining 20% is disbursed after checks have been carried out on the eligible costs. It is possible to recover the aid when there is overcompensation by means of a withdrawal decision and the corresponding repayment, or to offset against outstanding amounts granted under other calls for applications for other services or programmes.

Payments must be processed in accordance with the liquidity, availability and programming criteria of the Treasury of the Regional Government of Catalonia and the conditions set out in the award decision.

Prior to the recognition of obligations, the awarding body must check whether the beneficiary entity is up to date with tax and Social Security payments. By signing the grant application, the beneficiary entity gives their authorisation for these checks to be carried out.

The checks made by the competent body on the eligible actions can be one of two types:

a) Administrative checks.

The purpose of these checks is to ensure that statements justifying expenses submitted by the beneficiary entities are supported by the supporting documentation (invoices, pay slips, bank statements, etc.).

b) On-the-spot checks.

The purpose of these checks is to ensure that the subsidised measure was actually carried out or that the beneficiary fulfilled its obligations.

The on-the-spot checks can be carried out, where appropriate, while the subsidised measure is being implemented.

Review. It is possible to review subsidies that have already been granted and amend the award decision where there are changes to the conditions or where other aid is obtained simultaneously. Any change to the conditions that were taken into account when granting the subsidies and, in any event, simultaneously obtaining additional subsidies other than those permitted in the relevant rules, may result in the award decision being amended, in accordance with the rules governing the subsidy.

Withdrawal. If, in the course of carrying out checks, the awarding body, or, as part of an audit procedure, the General Audit Office, detect any ground for revoking the aid granted, it will launch the relevant withdrawal procedure, and the beneficiary entity must reimburse the unduly received funds. If there are any grounds for considering that an infringement has occurred, disciplinary proceedings will be launched.

If, when carrying out checks, the General Audit Office finds that the party subject to the audit is attempting to hinder, delay, or impede its intervention, it must propose to the competent body that withdrawal and disciplinary proceedings be launched.

Grounds for withdrawing aid. The grounds for completely or partially withdrawing aid are as follows:

- a) Total or partial failure to fulfil the objective, complete the activity or project, or pursue the action for which the subsidy was awarded.
- b) Total or partial failure to supply supporting evidence in accordance with the rules set out in this Order.



- c) Obtaining the subsidy by providing false information with regard to the conditions required or concealing grounds for exclusion.
- d) Failure on the part of a beneficiary, be they a person or an entity, to comply with the requirements imposed by the administration or to fulfil the commitments entered into when the subsidy was granted, provided that this affects the manner in which the objectives are to be met, the activity carried out, the project implemented or the behaviour adopted which forms the basis for, or relates to, the granting of the subsidy.
- e) Failure on the part of a beneficiary, be they a person or an entity, to fulfil the conditions imposed by the administration or the commitments entered into when the subsidy was granted, other than those set out above, including obstruction of audits or reluctance to allow them in such a way that hinders verification of the use of the funds received, achievement of the objective, the existence and regularity of the subsidised activities, or the simultaneous receipt of subsidies, aid, revenue or resources for the same purpose, received from any administration or public or private body, be it a national, European Union or international body.
- f) Resistance, excuses, obstruction or refusal to undergo the financial verification and audit activities provided for in Articles 14 and 15 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, as well as failure to comply with accounting, registration and document retention obligations, where this makes it impossible to verify the use of the funds received, achievement of the objective, the existence and regularity of the subsidised activities, or the simultaneous receipt of subsidies, aid, revenue or resources for the same purpose, received from any administration or public or private body, be it a national, European Union or international body.
- g) Obtaining a total amount of subsidies which, either alone or in combination with subsidies from other public or private agencies, whether national or international, exceeds the cost of the activity entrusted to the beneficiary person or agency.
- h) The adoption, pursuant to Articles 107 to 109 of the Treaty on the Functioning of the European Union, of a decision setting out grounds for recovery.
- i) The failure to fulfil any other obligation set out in the applicable rules, such as failure to achieve a minimum percentage of workplace integration and/or failure to provide services for a minimum number of participants.

Partial failure to fulfil the requirements or obligations incumbent upon beneficiary entities, incorrect performance of the activities as brought to light during administrative or on-the-spot checks on the subsidised measures, as well as the submission of evidence for an amount lower than that initially granted, will entail the launch of a procedure to partially withdraw the subsidies granted and/or a procedure to partially recover from the beneficiary entity the amounts paid (advances) with the relevant interest.

The adjustment criteria and formulas used to calculate the amounts to be paid to the beneficiary entity or, where applicable, to be recovered owing to failure to meet the conditions, are as follows:

- 1) If, for a certain period of time, the beneficiary entity does not have subsidised employment coaches available to perform their role, this will entail the partial withdrawal of the subsidy granted as set out below:



the subsidised part of the employment coach's remuneration for the period from the day following the date on which they finished working until the start date of the new employment coach or the date the subsidised service ends, and the proportional part of the other eligible direct and indirect costs.

- 2) If, when the service ends, the minimum number of participants for which the subsidy was granted have not used the service, the subsidy will be reduced as follows: with regard to the number of people who have used the service when it ends in relation to the expected number of service users set out in the award decision and/or approval of a recalculation, a 10% decrease is accepted without any financial reduction being applied.

If a figure with decimals is obtained after applying the above percentage, it will be necessary to round the figure until a whole number is obtained. To that end, only the first decimal will be taken into account (e.g.: 32.4 = 32; 45.8 = 46).

The percentage reduction of the subsidy will be established on the basis of the difference between the number of participants set out in the award decision and the average number of participants using the service during the period subsidised.

Formula: $100 - \{(\text{number of service users in award decision} / \text{average number of service users}) \times 100\}$

Ranges:

Result from applying the formula	Percentage reduction of subsidy
From 0.00% to 10%	0%
From 10.01% to 20%	10%
From 20.01% to 30%	20%
From 30.01% to 40%	30%
From 40.01% to 50%	40%
From 50.01% to 60%	50%

- 3) In the event that, once six months have elapsed since the end of the service provision, the entity has not managed to place 20% of participants with a mainstream company, the subsidy granted will be reduced as follows:

Formula: $(\text{number of people placed with a company} \times 100) / \text{number of people covered by subsidy}$

Ranges:

% placed	Percentage reduction of subsidy
15% or more	10%
0 to 14%	15%

If a figure with decimals is obtained after applying the above percentage, it will be necessary to round the figure until a whole number is obtained. To that end, only the first decimal will be taken into account (e.g.: 32.4 = 32; 45.50 = 46).



- 4) If no unpaid work placements are planned, 5% of the amount awarded will be withdrawn.
- 5) If the employment coach spends less than 70% of their hours working directly with participants, the subsidy will be reduced as set out below:

Percentage spent on direct activities	Percentage reduction of subsidy
From 69% to 50%	10%
Less than 50%	20%

- 6) Once the supporting documentation for the subsidised actions has been provided and the expenditure reviewed, the awarding body will recalculate the subsidy and may reduce the amount initially awarded in line with the activities carried out and the costs incurred.
- 7) In the event of simultaneous instances of non-compliance, the reduction applied will be the highest amount, which will include the lower amount.

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).

In accordance with Article 18 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 94(6) of the recast Catalan Public Finance Law, if the amount of an individual subsidy is equal to or greater than EUR 3 000, it has to be published in the Official Gazette of the Government of Catalonia, and, from 2015 onwards, also on the electronic bulletin board of the Catalan Regional Government (all award decisions are published on the electronic bulletin board, irrespective of the amount of the award, although they remain online only for a while: <https://tauler.seu.cat/inici.do?idens=1>)

In order to comply with the transparency requirements of Law 38/2003, all individual subsidies over EUR 3 000 are published in the Official Gazette of the Government of Catalonia, and that publication is permanent:
http://dogc.gencat.cat/es/index.html?newLang=es_ES&language=es

To fulfil the publicity and transparency requirements for all of Spain, and in accordance with Article 7(1) of Royal Decree 130/2019, the [National Subsidies Database](#) (BDNS) is used as the national system for publicising subsidies and public aid, and fulfils the publicity and transparency requirements for subsidies and public aid granted, and, in line with the same Decree, also for State aid and de minimis aid at national level, in accordance with provisions of EU law.



For Catalonia (Region ES51), there is also a [Catalan Register of Subsidies and Aid](#) (RAISC), which was created by Law 5/2017 of 28 March 2017, on tax, administrative, financial and public sector measures. The Register fulfils the requirement to actively publish details of subsidies set out in Law 19/2014 of 29 December 2014 on transparency, access to public information and good governance. The RAISC sends information to the BDNS.

The aim of the RAISC is to distribute information on subsidies from the:

- ☐ Regional Government of Catalonia and the public entities in which it holds majority shareholdings, directly or indirectly, as well as consortia reporting to the Regional Government.
- ☐ Entities which are part of local government and the public entities in which they hold majority shareholdings, directly or indirectly, as well as local consortia.

Currently, the RAISC holds information on calls for applications and awards that have been registered in the RAISC by public-sector entities in Catalonia since 2016.

However, no undertakings have been granted aid of EUR 15 million or more.

b) THE TOTAL AMOUNT OF AID GRANTED IN ACCORDANCE WITH THIS DECISION, WITH A BREAKDOWN BY THE ECONOMIC SECTOR OF THE BENEFICIARIES

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

2020	2021

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

2020	2021
EUR 7.471621 million	EUR 8.003789 million

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

2020	2021



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

2020	2021

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

2020	2021

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 WITH REGARD TO MEASURES UNDER THE 2012 SGEI DECISION

There is no record to date of any complaints having been received from third parties with regard to potential competition, as the people served are people with disabilities who have particular difficulties in terms of entering employment. This is not an attractive field for private companies working in employment intermediation, which is one of the services offered.

Digitally signed by Isabel García Hernández
Deputy Director-General for Work in Diversity and the Voluntary Sector

**REPORT SUBMITTED BY SPAIN PURSUANT TO ARTICLE 9 OF THE 2012 SGEI
DECISION**

Member State concerned	Spain
Region	Catalonia (ES51)
Title of the measure	Decision awarding a direct grant to the energy company <i>Energía XXI Comercializadora de Referencia SLU</i> to tackle energy poverty (File ref.: TAIS SED074/21/000001)
Indicate the name and the address of the granting authority	Department of Work and Business Paseo de Gracia, 105, 08028, Barcelona

EXPENDITURE OVERVIEW

Article 6(1) of Law No 24/2015 of 29 July 2015 on emergency measures to address the housing and energy poverty crisis lays down that ‘public administrations must guarantee the right of access to basic utilities, namely drinking water, gas and electricity, for individuals and households at risk of homelessness’. Pursuant to that aim, Article 6(3) establishes the principle whereby public administrations may enter into the requisite agreements with companies supplying drinking water, gas and electricity to ensure that they grant non-repayable aid to individuals and households at risk of homelessness or that they significantly reduce the cost of minimum charges for those individuals and households.

As a result, in line with the precautionary principle, under Article 6(2) of the Law in question a mandatory protocol must be in place ensuring that social services are informed and that they intervene before any aid is granted, so as to prevent utilities from being cut off if the individuals or households involved are unable to pay owing to a lack of financial resources.

In order to apply this precautionary principle, Article 6(4) of the same Law establishes that if a supplier needs to cut off supply, it must first request a report from social services at municipal level to determine whether or not the individual or household is at risk of homelessness. If it is determined that they are at risk, supply of basic utilities must be guaranteed and the requisite aid granted to prevent them from accumulating debts.

In view of the number of individuals and households in a vulnerable situation with regard to energy, on 29 March 2021 an Agreement to tackle energy poverty was signed by the Department of Work, Social Affairs and Families (now the Department of Social Rights), the Department of Work and Knowledge (now the Department of Work and Business) of the Regional Government of Catalonia and the energy supplier Endesa (Energía XXI Comercializadora de Referencia SLU and Endesa Energía SAU). The Agreement was published in the Official Gazette of the Government of Catalonia No 8381 of 7 April 2021 (hereinafter ‘Agreement signed on 29 March 2021’). In accordance with clauses five and six of that Agreement, for the two-year period from 2019 to 2020, the signatories undertake to assume liability for the debts of individuals and households at risk of homelessness, with each Party assuming liability for half of the debt (50% for Endesa and 50% for the Regional Government of Catalonia), to be paid in three annual instalments (2021, 2022 and 2023).

In assuming liability for the debts of individuals and households at risk of homelessness with electricity and gas suppliers, the Regional Government of Catalonia is providing urgent social

assistance, in accordance with Article 22 of Law No 12/2007 of 11 October 2007 on social services, read together with Articles 5 and 30 of Law No 13/2006 of 27 July 2006 on social benefits of a financial nature.

Article 9 of the 2012 SGEI Decision establishes that the Member States must submit a report on the implementation of the Decision every two years.

Article 9 of Commission Decision 2012/21/EU on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012, p. 3) sets out the following:

'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.'*

Total SGEI government expenditure by legal basis (millions EUR)		
Total compensation for Services of General Economic Interest (1+2)	2020	2021
1) Total compensation granted on the basis of the SGEI Decision		€3 672 442.16
2) Total compensation granted on the basis of the SGEI Framework		

DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

Section
2) Social services (Art. 2(1)(c)) e) Care and social inclusion of vulnerable groups
Clear and comprehensive description of how the respective services are organised in your Member State.
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.



Content of the services entrusted as SGEI

The aim of the aid granted is to combat energy poverty. To that end, 50% of the total amount billed by Endesa and owed by individuals or households at risk of homelessness will be deemed to have been paid for the 2019-2020 period, in line with the information provided by the energy supplier.

The beneficiary of the aid is Energía XXI Comercializadora de Referencia SLU and the persons receiving the aid are individuals and households at risk of homelessness, as they are the parties that have debts with Endesa and that receive, albeit indirectly, the relevant amounts as urgent social assistance, in accordance with Article 22 of Law No 12/2007 of 11 October 2007 on social services, read together with Articles 5 and 30 of Law No 13/2006 of 27 July 2006 on social benefits of a financial nature.

The Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI) (OJ L 7, 11.1.2012) applies to the granting of this aid. The aid comes under the heading of compensation for the provision of services of general economic interest meeting social needs (Article 2(1)(c)) with respect to healthcare, long-term care, childcare, access to and reintegration into the labour market, social housing and care and social inclusion of vulnerable groups.

Actions

The aid is granted by means of a single action, namely covering 50% of the total amount billed by Endesa and owed by individuals or households at risk of homelessness for the 2019-2020 period. The total amount of aid is €10 850 269.00, paid in three annual instalments: €3 672 442.16 in 2021, €3 588 913.42 in 2022 and €3 588 913.42 in 2023.

Beneficiary entity

The beneficiary of the aid is Energía XXI Comercializadora de Referencia SLU and the persons receiving the aid are individuals and households at risk of homelessness, as they are the parties that have debts with Endesa and that receive, albeit indirectly, the relevant amounts as urgent social assistance, in accordance with Article 22 of Law No 12/2007 of 11 October 2007 on social services, read together with Articles 5 and 30 of Law No 13/2006 of 27 July 2006 on social benefits of a financial nature.

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

The grant is not subject to public competition and is awarded by means of a decision, which sets out the following: background, legal basis, amount granted, submission of evidence and other obligations to which the beneficiary is subject. This decision constitutes the formal entrustment of the SGEI.



We attach a copy of the award decision and of Decision TSF/945/2021 of 3 April 2021 publishing the Agreement to tackle energy poverty signed by the Department of Work, Social Affairs and Families (now the Department of Social Rights), the Department of Work and Knowledge (now the Department of Work and Business) of the Regional Government of Catalonia and the energy supplier Endesa (Energía XXI Comercializadora de Referencia SLU and Endesa Energía SAU).

According to the information provided by the company receiving the aid, the maximum amount to be covered by the two Parties for the 2019-2020 period is €21 700 538.00, which relates to 30 535 contracts with 312 467 bills. In accordance with the terms of the Agreement signed on 29 March 2021.

Processing of the payment of the first annual instalment of the grant (an advance) began on the date of the decision. Payment of the second and third annual instalments is subject to correct supporting evidence being submitted.

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 aid is granted on an annual basis. It was awarded in 2021 and is paid out in three instalments (2021, 2022 and 2023).

The period for defrayal of the expenditure is the period for which the aid is granted: 2019-2020.

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

No exclusive or special rights are assigned to the beneficiary undertaking receiving the grant.

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

Grant not subject to public competition.

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

According to the information provided by the company receiving the aid, the maximum amount to be covered by the two Parties for the 2019-2020 period is €21 700 538.00, which relates to 30 535 contracts with 312 467 bills.

The amount of compensation covers the net cost of providing the SGEI and corresponds to 50% of the amount of unpaid bills for the 2019-2020 period, in line with the information provided by the beneficiary undertaking.

In accordance with the terms of the Agreement signed on 29 March 2021.

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).

In accordance with Article 18 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, and Article 94(6) of the recast Catalan Public Finance Law, if the amount of an individual subsidy is equal to or greater than EUR 3 000, it has to be published in the Official Gazette of the Government of Catalonia, and, from 2015 onwards, also on the electronic bulletin board of the Catalan Regional Government (all award decisions are published on the electronic bulletin board, irrespective of the amount of the award, although they remain online only for a while: <https://tauler.seu.cat/inici.do?idens=1>)

In order to comply with the transparency requirements of Law No 38/2003, all individual subsidies over EUR 3 000 are published in the Official Gazette of the Government of Catalonia, and that publication is permanent: http://dogc.gencat.cat/es/index.html?newLang=es_ES&language=es_ES

To fulfil the publicity and transparency requirements for all of Spain, and in accordance with Article 7(1) of Royal Decree No 130/2019, the National Subsidies Database (BDNS) is used as the national system for publicising subsidies and public aid, and fulfils the publicity and transparency requirements for subsidies and public aid granted, and, in line with the same Decree, also for State aid and de minimis aid at national level, in accordance with provisions of EU law.

For Catalonia (Region ES51), there is also a Catalan Register of Subsidies and Aid (RAISC), which was created by Law No 5/2017 of 28 March 2017, on tax, administrative, financial and public sector measures. The Register fulfils the requirement to actively publish details of subsidies set out in Law 19/2014 of 29 December 2014 on transparency, access to public information and good governance. The RAISC sends information to the BDNS.

The aim of the RAISC is to distribute information on subsidies from the:

- Regional Government of Catalonia and the public entities in which it holds majority shareholdings, directly or indirectly, as well as consortia reporting to the Regional Government.
- Entities which are part of local government and the public entities in which they hold majority shareholdings, directly or indirectly, as well as local consortia.

Currently, the RAISC holds information on calls for applications and awards that have been registered in the RAISC by public-sector entities in Catalonia since 2016.

Amount of aid granted

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

2020	2021
€0.00	€3 672 442.16
A: Total amount of aid granted (in millions EUR) paid by national central authorities	
2020	2021
€0.00	€0.00



B: Total amount of aid granted (in millions EUR) paid by regional authorities	
2020	2021
€0.00	€3 672 442.16
C: Total amount of aid granted (in millions EUR) paid by local authorities	
2020	2021
€0.00	€0.00
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
0%	100%
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2020	2021
0	1

COMPLAINTS BY THIRD PARTIES

There is no record to date of any complaints having been received from third parties with regard to potential competition.

MISCELLANEOUS QUESTIONS

There is no record to date of the 2012 SGEI Decision having caused problems for the Spanish authorities.

Business and Competitiveness Secretary

2018/2019 REPORT FROM LABORA - THE VALENCIAN EMPLOYMENT AND TRAINING SERVICE ON SGEI AID

1. EXPENDITURE OVERVIEW

Total public expenditure on SGEI for the category of labour market reintegration and the protection and social inclusion of vulnerable groups

	2020	2021
1) Total compensation granted on the basis of the SGEI Decision	1 132 392.57	1 542 132.57
2) Total compensation granted on the basis of the SGEI Framework		
Total compensation for Services of General Economic Interest (1+2)		

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

CLEAR AND COMPREHENSIVE DESCRIPTION OF HOW THE RESPECTIVE SERVICES ARE ORGANISED IN YOUR MEMBER STATE

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

Article 9(2) of the Spanish Constitution, the supreme law of the Spanish legal system, requires the public authorities to enable all citizens to participate in the country's political, economic, cultural and social life. Thus, the legislature must consider the need to establish appropriate channels to facilitate this participation, especially for people who, for various reasons, face difficulties or experience social exclusion.

People who are at a particular disadvantage, or who are marginalised or excluded, find it especially difficult to access the labour market, owing to social or economic difficulties or gaps in their education or professional qualifications. As a result, it is difficult for them to engage in work, which is a right and duty of all citizens, as enshrined in Article 35 of the Constitution; they may feel demotivated, they may not be aware of, or they may have abandoned, basic social and work-related norms, they may not have a basic level of education or they may not be able to adapt to career changes.

This is where Spain's 'Work integration undertakings' come in. They are a special type of social undertaking that helps people facing deprivation or who are socially excluded to

find work, as a means of facilitating social inclusion and participation in society, with the very specific ultimate aim of enabling them to enter the mainstream labour market.

The initial legal basis for these arrangements in the Autonomous Community of Valencia is found in Law 1/2007 of 5 February 2007 of the Autonomous Community of Valencia laying down rules governing work integration undertakings to promote social inclusion in the Autonomous Community of Valencia (Official Gazette of the Autonomous Community of Valencia (DOCV) No 5447 of 9 February 2007). This was followed by the publication at national level of Law 44/2007 of 13 December 2007 governing the rules applicable to work integration undertakings (Official State Gazette No 299 of 14 December 2007).

To implement Law 1/2007, Decree 81/2009 of 12 June 2009 of the Government of the Autonomous Community of Valencia was published laying down implementing rules for the recognition, registration and development of work integration undertakings in the Autonomous Community of Valencia (DOCV No 6036 of 16 June 2009). To implement Law 44/2007, Royal Decree 49/2010 of 22 January 2010 was published, creating the Ministry of Labour and Immigration's Administrative Register of Work Integration Undertakings (Official State Gazette No 29 of 3 February 2010).

While these rules govern the work integration undertakings and their recognition and registration, public service compensation is governed by the publication of an order announcing the aid and the corresponding annual calls for application, namely:

- Order 20/2018 of 14 November 2018 of the Regional Ministry for the Sustainable Economy, Productive Sectors, Trade and Labour establishing the regulatory framework for subsidies to facilitate the social and labour integration of workers experiencing or at risk of social exclusion in work integration undertakings and mainstream undertakings (DOGV No 8425 of 16 November 2018).
- Corrigendum to Order 20/2018 of 14 November 2018 of the Regional Ministry for the Sustainable Economy, Productive Sectors, Trade and Labour establishing the regulatory framework for subsidies to facilitate the social and labour integration of workers experiencing or at risk of social exclusion in work integration undertakings and mainstream undertakings (DOGV No 8550 of 17 May 2019).
- Decision of 27 December 2019 of the Director-General of the Valencian Employment and Training Service (LABORA) launching the call for applications for 2020 for subsidies to facilitate the social and labour integration of workers experiencing or at risk of social exclusion in work integration undertakings (DOGV No 8747 of 24 February 2020).
- Decision of 15 March 2021 of the Director-General of the Valencian Employment and Training Service (LABORA) launching the call for applications for 2021 for subsidies to facilitate the social and labour integration of workers experiencing or at risk of social exclusion in work integration undertakings (DOGV No 9045 of 22 March 2021).

A wide range of people can find themselves in this situation, even more so in a globalised society such as ours. People using these services may belong to any of the groups set out below, provided that they can supply evidence of their social exclusion in the form of a report from the competent social services:

- a) Persons receiving the basic guaranteed income, or any other benefit of the same or of a similar nature, depending on the name used in the relevant Autonomous Community, as well as members of the household receiving those benefit payments.

b) People who cannot access the benefits referred to in the paragraph above, for any of the following reasons:

1 - failure to fulfil the required residency or registration period, or the requisite period for the formation of the unit receiving the benefit;

2 - having exhausted the maximum period established by law for receiving the benefit.

c) Young people (aged over 18 and under 30) from child protection institutions.

d) Persons with substance abuse issues or other addictions who are following a rehabilitation or social reintegration programme.

e) Inmates in prisons whose status allows them access to employment and whose employment relationship does not fall within the scope of the special employment relationship covered by Article 1 of Royal Decree 782/2001 of 6 July 2001, as well as parolees and former prisoners.

f) Juvenile prisoners included in the scope of Organic Law 5/2000 of 12 January 2000 on the criminal responsibility of minors, whose situation allows them to access employment and whose employment relationship does not fall within the scope of the special employment relationship referred to in Article 53(4) of the implementing rules for the abovementioned Law, approved by Royal Decree 1774/2004 of 30 July 2004, as well as juvenile prisoners who are on probation and former prisoners.

g) People from alternative accommodation centres authorised by the Autonomous Communities and the cities of Ceuta and Melilla.

h) People from prevention and social integration services authorised by the Autonomous Communities.

Work integration undertakings are commercial companies or cooperative societies, constituted in accordance with the law, and are run by, and have at least 51% of their share capital owned by, one or several non-profit bodies, including those governed by public law, non-profit associations and foundations whose corporate purpose is to facilitate the social integration of people facing particularly high levels of exclusion. They must be duly recognised by the competent authorities in the Autonomous Community, and must carry out an economic activity involving the production of goods or provision of services. Their corporate purpose must be to help integrate into society and the labour market and to train socially excluded persons as a transition towards ordinary employment.

Irrespective of the employment relationship, at least 30% of their workforce in the first three years of activity must comprise workers following an integration pathway, of whom there must be at least two. From the fourth year onwards, this proportion must be 50%.

The work integration undertaking must ensure that workers at risk of social exclusion follow an integration pathway that includes the intervention and support measures that are deemed to be most appropriate for each worker. This pathway must comprise a set of services, activities, guidance and mentoring sessions, personalised assistance programmes of paid work, on-the-job training, and processes to familiarise them with the world of work and society. The aim of all these activities is to address or resolve specific problems caused by the socially excluded person's situation that may hinder the person's

integration pathway in the work integration undertaking, with the ultimate aim of enabling them to enter the mainstream labour market.

Work integration undertakings are non-profit bodies and, despite the fact that they are commercial companies or cooperative societies, they must use at least 80% of their revenue or available surplus in each financial year to improve or expand their production or integration infrastructure.

The Commission Decision of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of **services of general economic interest** (OJ L 7, 11.1.2012), includes 'Access to and reintegration into the labour market' and 'Care and social inclusion of vulnerable groups' among the categories of aid to which the Decision can apply. If the conditions set out in the Decision are met, prior notification is not required.

Meanwhile, Article 3 of Law 31/2015 of 9 September 2015 amending and updating the rules on self-employment and adopting measures to develop and promote self-employment and the Social Economy (Official State Gazette No 217 of 10 September) amended Law 5/2011 of 29 March 2011 on the Social Economy, and declared Special Employment Centres and work integration undertakings to be **entities that provide services of general economic interest** (Official State Gazette No 76 of 30 March 2011).

As a result, the Regional Ministry for the Sustainable Economy, Productive Sectors, Trade and Labour published Order 20/2018 of 14 November 2018 establishing the regulatory framework for subsidies to facilitate the social and labour integration of workers experiencing or at risk of social exclusion in work integration undertakings and mainstream undertakings (DOGV No 8425 of 16 November 2018). This Order is implemented on an annual basis by means of the corresponding annual calls for applications and reads as follows:

a) Purpose

The purpose of this Order is threefold:

1. **To establish a programme of subsidies to promote and facilitate the reintegration into the labour market and the protection and social inclusion of vulnerable groups** (social and labour integration of persons experiencing or at risk of social exclusion) in work integration undertakings, prior to their entering mainstream employment on a permanent basis.
2. **To entrust to work integration undertakings** that operate in the Autonomous Community of Valencia and which, having been granted permanent recognition by

LABORA (the Valencian Employment and Training Service), employ persons experiencing or at risk of social exclusion, **the performance of the service focusing on the labour market reintegration and the protection and social inclusion of vulnerable groups** (persons experiencing social exclusion or at serious risk of exclusion) as a service of general economic interest (SGEI), in accordance with the Commission Decision of 20 December 2011.

3. To lay down the operational requirements and obligations for the service of general economic interest consisting of the labour market reintegration and the care and social inclusion of vulnerable groups (persons experiencing social exclusion or at serious risk of exclusion) entrusted to the work integration undertakings.

b) Beneficiary entities

Those work integration undertakings that operate in the Autonomous Community of Valencia and which, having been granted permanent recognition by LABORA (the Valencian Employment and Training Service), employ persons experiencing or at risk of social exclusion.

c) Type of compensation or subsidies

1. Subsidy for creating or safeguarding posts for socially excluded persons or people at risk of social exclusion.
2. Subsidy to finance the wage and Social Security costs for specialist staff providing social and employment support.
3. Subsidy to finance the wage and Social Security costs for specialist staff providing support for the productive activity.
4. Subsidy to cover the cost of setting up a work integration undertaking, i.e. the expenditure incurred and paid out in the corresponding financial year, and which may be used from the date on which permanent recognition is granted, and for the first three years of operations.
5. Subsidy to create new posts linked to a fixed investment.
6. Subsidy for the management of work integration undertakings.

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

The award procedure for the subsidies begins when the Head of the LABORA Directorate-General (the Valencian Employment and Training Service) issues a call for applications, which is published in the National Subsidies Database and the Official Gazette of the Autonomous Community of Valencia.

Once the applications have been received, the Head of the LABORA Subdirectorates-General (the Valencian Employment and Training Service) with responsibility for employment matters oversees the procedure.

Once the applications have been assessed, the body overseeing the procedure will issue a report, stating that the beneficiary entities fulfil all of the award criteria.

After an initial assessment, the files will be sent to the Evaluation Committee which will issue a report detailing the outcome of the evaluation.

The Evaluation Committee comprises the following members:

- Chairperson: the Head of the LABORA Subdirectorate-General (the Valencian Employment and Training Service) with responsibility for employment matters or another civil servant appointed as his or her replacement, and whose position in the hierarchy must be Head of Department or higher.

- Secretary: the Head of Department with responsibility for sheltered employment matters or another civil servant appointed as their replacement.

Member: a civil servant from the department responsible for sheltered employment matters, who will be appointed by the Head of Department.

Efforts are made to ensure a gender balance in the Committee.

The body overseeing the procedure will draw up the draft decision based on the information in the file and the report from the Committee.

Decisions on the applications received are issued by the Head of the LABORA Directorate-General, or the body to which he or she has delegated this power. This power is currently delegated to the Directorate-General for Employment and Training.

The subsidies are awarded on a competitive basis; the only factors taken into consideration are the time and date of submission of the application and the other documents required in the call for applications.

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 services to facilitate the reintegration into the labour market and the protection and social inclusion of vulnerable groups (social and labour integration of persons experiencing or at risk of social exclusion) in work integration undertakings, prior to their entering mainstream employment on a permanent basis, are entrusted on an **annual basis**.

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

No exclusive or special rights are assigned to the integration undertakings that provide services to facilitate labour market reintegration and the protection and social inclusion of vulnerable groups.

However, the Fourth Additional Provision of Law 9/2017 of 8 November 2017 on Public Sector Contracts, which transposes into Spanish law Directives 2014/23/EU and 2014/24/EU of the European Parliament and of the Council of 26 February 2014, lays down that the public authorities will earmark a minimum percentage of award procedures for certain contracts or lots for work integration undertakings.

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

Subsidies

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

The compensation mechanism is subsidies as regulated by Order 20/2018 and for which certain amounts are updated in the annual calls.

a) Subsidy for creating or safeguarding posts for socially excluded persons or people at risk of social exclusion.

These subsidies are used to partially fund the wage costs of workers experiencing or at risk of social exclusion, for a minimum period of six months and a maximum period of three years.

The subsidy will consist of an amount equivalent to a percentage of the statutory minimum wage in force in the financial year of the call for applications, including the proportional amount of any bonuses, to be determined in each call, with the maximum amount being 100% of the statutory minimum wage, to create or safeguard a post for a full-time worker for one calendar year, provided that this employment relationship is linked to a personalised integration pathway.

In order to be eligible, the worker must be employed for a minimum of six months and with working hours equating to at least half of the ordinary full-time working hours at the work integration undertaking. The aid will be proportionate to the contract duration and working hours.

The eligible amount of the statutory minimum wage was 75% for the 2020 financial year (i.e. EUR 831.22/month and EUR 9 974.70/year). Owing to the crisis caused by the global pandemic, the eligible amount was 90% in the 2021 financial year, standing at EUR 997.47/month from

January to August, and rising to EUR 1 013.22/month from September to December, for each worker at risk of exclusion hired on a full-time basis for one year.

b) Subsidy to finance the wage and Social Security costs for specialist staff providing social and employment support.

The subsidy is used to finance the wage and Social Security costs for specialist staff providing social and employment support to staff experiencing or at risk of social exclusion, by developing personalised integration pathways lasting up to three years, as well as the subsequent follow-up of staff placed in mainstream companies over a maximum period of six months.

The amount of the subsidy for each member of specialist staff providing social and employment support is set out in each annual call as an amount per worker receiving support through an integration pathway. The subsidy may not exceed 3.5 times the statutory minimum wage, including the proportional amount of any bonuses.

In both the 2020 and 2021 financial years, the maximum annual amount for each worker experiencing or at risk of social exclusion was EUR 3 500, i.e. up to a maximum total of EUR 35 000, for each member of specialist staff providing social and employment support hired on a full-time basis for one year who supports 10 workers at risk of exclusion.

Given that the integration services have to be provided for each worker experiencing or at risk of social exclusion irrespective of their working hours (which must always be more than 50% of the usual working hours at the work integration undertaking), the amount of aid will not take this figure into account, but rather the employment periods. As a result, the subsidy will be reduced proportionally if the social and labour integration services have not been provided throughout the entire eligible period.

For costs pertaining to the staff providing social and employment support to be eligible, they must provide the services as set out below:

- Between 1 and 5 workers experiencing or at risk of social exclusion: at least one member of specialist staff working 50% of the usual working hours at the work integration undertaking.
- Between 6 and 10 workers experiencing or at risk of social exclusion: at least one member of specialist staff working 100% of the usual working hours at the work integration undertaking.

When the number of workers experiencing or at risk of social exclusion does not correspond to the requirements set out above, the provision of social and employment support services by the specialist support staff must be proportionate to the number of those workers.

The subsidy will be used to finance the wage and Social Security costs for the minimum number of specialist staff providing social and employment support required in accordance with the ratios set out above.

Under no circumstances may the amount of aid exceed 100% of the actual cost.

c) Subsidy to finance the wage and Social Security costs for specialist staff providing support for the productive activity.

The subsidy is used to help hire or keep in post specialist staff providing support for the productive activity in work integration undertakings and who are tasked with overseeing the productive activity and providing training in the tasks carried out by the staff experiencing or at risk of social exclusion.

The amount of the subsidy for each member of specialist staff providing support for the productive activity is set out in each annual call as an amount per worker receiving support. The subsidy may not exceed twice the statutory minimum wage, including the proportional amount of any bonuses.

In both financial years, the maximum annual amount for each worker experiencing or at risk of social exclusion was EUR 2 500, i.e. up to a maximum total of EUR 12 500, for each member of specialist staff providing support for the productive activity hired on a full-time basis who supports five workers at risk of social exclusion.

Given that the support for the productive activity has to be provided for each worker experiencing or at risk of social exclusion, the amount of aid will take into account the working hours or employment periods of those workers. As a result, the subsidy will be reduced proportionally if the support for the productive activity has not been provided for the entire eligible period or on a full-time basis.

For costs pertaining to support for the productive activity to be eligible, the support must be provided in line with the minimum ratios set out below:

- Between 1 and 5 workers experiencing or at risk of social exclusion: at least one person providing support for the productive activity for 100% of the usual working hours at the work integration undertaking.
- Between 6 and 10 workers experiencing or at risk of social exclusion: at least two people providing support for the productive activity for 100% of the usual working hours at the work integration undertaking. When the number of workers experiencing or at risk of social exclusion does not correspond to the requirements set out above, the provision of support for the productive activity must be proportionate to the number of those workers.

The subsidy will be used to finance the wage and Social Security costs for the minimum number of staff providing support for the productive activity required in accordance with the ratios set out in paragraph 3 of this Article.

Under no circumstances may the amount of aid exceed 100% of the actual cost.

d) Subsidy to cover the cost of setting up a work integration undertaking, i.e. the expenditure incurred and paid out in the corresponding financial year, and which may be used from the date on which permanent recognition is granted, and for the first three years of operations.

The subsidy is to cover the cost of setting up a work integration undertaking, i.e. the expenditure incurred and paid out in the corresponding financial year, and which may be used from the date on which permanent recognition is granted, and for the first three years of operations.

The eligible costs covered by the subsidy are:

a) Viability, organisation, marketing and diagnostic studies and other studies of a similar nature. The studies must have the following characteristics:

a.1) The aim of the studies is to foster growth and encourage the sustainability of the undertaking and the safeguarding or expansion of the number of posts.

a.2) The conclusions must contain specific proposals for actions with a guide to how these could be implemented, and they must focus on one of the following objectives: restructuring the economic activity, improving competitiveness or improving the professional skills of the workers.

b) Audits and financial reports.

c) Cost of training.

The eligible services will be provided by specialist external undertakings or individuals that can guarantee professional competence, and may not be provided by persons who are partners or associates or who are directly related to the work integration undertaking receiving the aid or to one of its partner entities.

The amount of the subsidy for each of these headings will consist of a subsidy of up to 50% of the cost of the service provided, although the total amount of aid must not exceed EUR 500 per year for each person employed who is experiencing or at risk of social exclusion.

Indirect taxes will not be considered eligible expenditure if they may be subject to recovery or offsetting.

e) Subsidy to create new posts linked to a fixed investment.

This subsidy consists of the payment of an amount, set out in each call for applications, for each post created for persons experiencing or at risk of social exclusion; it is capped at 90% of the total eligible investment, and evidence must be provided to prove that 100% of the investment was made.

In both financial years, the amount for each post created was up to EUR 12 000.

This subsidy may be compatible with the subsidy for creating or safeguarding posts for socially excluded persons or people at risk of social exclusion.

It is used to help finance fixed investments provided that these investments are linked to the creation of new posts for persons experiencing or at risk of social exclusion. The new posts created must lead to an increase in the number of persons following an integration pathway. Posts will count as newly created posts if they were not subsidised previously

and if they were made official in the financial year of the call for applications and if their creation is linked to the investment for which the aid is requested.

The following are considered fixed investments:

- a) Purchase and refurbishment of premises used exclusively to carry out the work integration undertaking's activity.
- b) Office furniture and equipment. Items of furniture, desks, filing cabinets, shelving, display cases, chairs, tables, projectors, photocopiers, etc.
- c) Vehicles required for the activity and used exclusively for that purpose.
- d) Machinery and tools. This machinery includes all of the machines or equipment used for the extraction, production or processing of the products or for the provision of the services that constitute the undertaking's activity. It includes transport equipment used indoors to move people, animals, materials and good inside the factories, workshops, etc., without going outdoors. Tools include all items or instruments that can be used individually or together with machinery, including moulds or templates.
- e) Information processing equipment. IT equipment: Computers, printers, scanners, external hard drives, multifunctional equipment, etc. Other electronic equipment: Electronic scales, presence monitoring systems, etc.
- f) IT applications. The amount paid to acquire ownership of or access rights to IT programs, the cost of producing any IT programs developed, or the cost of developing web pages, provided that they are designed to be used over several financial years. In all cases, investment in IT applications must be linked to posts created at the work integration undertaking.

In any event, with the exception of property, goods that may be eligible for subsidies must not be second hand.

Any indirect taxes related to the payment of costs covered by the subsidy are not eligible.

Any investments financed using leasing or other similar legal arrangements will not be considered investments in fixed assets if they do not give the requesting entity full ownership or initial ownership of the investment.

f) Subsidy for the management of work integration undertakings.

The subsidy for the management of work integration undertakings is designed to facilitate the employment of managers who can ensure the technical, economic or financial viability of work integration undertakings with five or more posts for persons following an integration pathway.

The subsidy will be for a percentage of the statutory minimum wage, to be set out in each call for applications, capped at 50% of the statutory minimum wage, and concerns the employment of a manager throughout the eligible period. With regard to part-time employment, the maximum amount received will be proportionate to the amount of time actually worked in relation to the usual full-time working hours.

In 2020, the maximum eligible amount was up to EUR 554.15/month (EUR 6 649.80/year). In 2021, it was up to EUR 554.15/month from January to August and up to EUR 562.90/month from September to December.

Managers should carry out the following tasks:

1. Planning, organising, managing and overseeing the various operations and departments of the undertaking, covering all aspects (marketing, sales, production, personnel, etc.).
2. Planning the strategy to attract clients, coordinating customer care and evaluating customer satisfaction.
3. Designing and presenting projects to access external financial resources for the work integration undertaking.
4. Supervising the tasks assigned to staff in the employment centre and coordinating follow-up of objectives, facilitating participation by all members of staff assigned to the organisation, taking into account the training and employment pathways of those following an integration pathway.
5. Planning, managing and overseeing the condition and proper functioning of the employment centres' premises and equipment.
6. Managing and overseeing the workplace risk prevention plan.
7. Designing and planning the ongoing training policy and the retraining of all staff, and encouraging interpersonal relationships in the team.
8. Acting as an external representative of the undertaking within its field of activity.
9. Establishing contact with undertakings and organisations related to the professional field of the undertaking in order to promote the undertaking's activities and to encourage synergies that may facilitate the social and labour integration of those who have completed an integration pathway.

Typical arrangements for avoiding and repaying any overcompensation

In both financial years, aid payments were made using a system of advance payments for 70% of the total amount of aid granted, with the exception of aid to cover current expenditure and aid to create new posts linked to an investment, which were paid out on the basis of proof of expenditure.

In the 2020 financial year, aid was paid out on the basis of annual requests. Supporting evidence for the advance for the last six months of the year was submitted at the start of the following budgetary period. Payment of the subsidy due in that period was subject to proper supporting evidence being provided for the advance payments made in the previous period.

However, in the 2021 financial year, aid was paid out twice-yearly (with the exception of aid to create new posts linked to a fixed investment, which is processed on an annual basis). As a result, in both cases, supporting documents are sent at the end of the relevant six-month period. The granting and payment of aid in the subsequent six-month period is conditional on correct supporting evidence being provided for the previous six-month period and on any unused funding being repaid (if applicable).

Overcompensation is recovered in one of two ways:

1. For subsidies awarded but not paid out, the subsidy will be released for payment based on the supporting evidence actually provided by the entity to which the public service is entrusted, and the amount for which supporting evidence was not provided will be deducted from the amount awarded.
2. If subsidies have been awarded and paid out, any compensation for which satisfactory supporting evidence has not been provided will be recovered by means of recovery procedures and penalty proceedings, if applicable.

Furthermore, national law governs the procedures for declaring an award decision invalid or null and void, in which case the awarding body will launch an ex officio review or, if applicable, will declare that the decision is harmful and will subsequently contest it, bearing in mind that a judicial or administrative declaration that the decision is invalid or null and void will require the amounts received to be returned.

Grounds for recovery

Public service compensation paid to work integration undertakings may be subject to recovery, in line with the grounds and procedures set out in Article 36 et seq. of Law 38/2003 of 17 November 2003 and in accordance with Articles 91 to 93 of Royal Decree 887/2006 of 21 July 2006 with regard to Article 172 of Law 1/2015 of 6 February 2015.

Full and partial recovery

Full or partial recovery will be effected depending on the circumstances, as set out below:

a) Full recovery of the subsidy awarded. Examples:

1. Failure to comply with the general or specific obligations imposed on the beneficiary entities in the relevant Order.
2. Failure to provide documentary evidence of performance of the personalised social and labour integration pathways covered by the Order.
3. Failure on the part of the specialist staff to provide social and employment support for workers following an integration pathway for a period of more than three months.

b) Partial recovery applying the proportionality criterion. Examples:

1. Failure to replace specialist staff providing social and employment support and support for the productive activity within the timeframe set out in Articles 25 and 30 of the Order, which may lead to the withdrawal of the aid granted for the remainder of the financial year and the recovery of that aid, if applicable.
2. Reductions in working time, leave on the grounds of temporary unfitness for work, maternity and paternity leave, and end of contract leave for persons experiencing or at risk of social exclusion where this occurs earlier than initially planned, and where absent persons are not replaced.
3. Failure to fulfil the requirement to maintain the integration post created, the workforce following an integration pathway, or investments, where this corresponds to the subsidy to create new posts linked to a fixed investment.

Penalty proceedings

The provisions set out above will apply without prejudice to any possible classification of the facts as an administrative infringement and the resulting launch of penalty proceedings, pursuant to Article 52 et seq. of Law 38/2003, and Article 173 et seq. of Law 1/2015, with regard to the provisions of Article 19 bis of the Recast Law on Infringements and Penalties in the Social Order approved by Royal Legislative Decree 5/2000 of 4 August 2000 (Official State Gazette No 189 of 8 August 2000).

Failure to comply with the transparency obligations set out in Law 2/2015 of 2 April 2015, and pursuant to Article 35 thereof, could lead to the full or partial recovery of the subsidy granted, following penalty proceedings in accordance with the provisions of Chapter III of that same law.

Furthermore, and in addition to the administrative checks carried out by the management body pursuant to Order 20/2018 of the Regional Ministry for the Sustainable Economy, Productive Sectors, Trade and Labour, the annual calls, Law 38/2003 of 17 November 2003, the General Law on Subsidies, Royal Decree 887/2006 of 21 July 2006 approving the rules of application of Law 38/2003, Law 39/2015 of 1 October 2015 on the Common Administrative Procedure of Public Administrations, the Recast Law on Infringements and Penalties in the Social Order approved by Royal Legislative Decree 5/2000 of 4 August 2000, and other applicable rules, work integration undertakings are required to undergo financial checks carried out by the General Audit Office as provided for in Article 113 et seq. of Law 1/2015 of 6 February 2015, and in Article 44 et seq. of Law 38/2003 of 18 November 2003.

A SHORT EXPLANATION OF HOW THE **TRANSPARENCY REQUIREMENTS** (SEE ARTICLE 7 OF THE 2012 SGEI DECISION) FOR AID ABOVE 15 MILLION EURO TO UNDERTAKINGS THAT ALSO HAVE ACTIVITIES OUTSIDE THE SCOPE OF THE SGEI ARE BEING COMPLIED WITH. IN YOUR ANSWER PLEASE ALSO INCLUDE SOME RELEVANT EXAMPLES OF INFORMATION PUBLISHED FOR THIS PURPOSE (E.G. SOME LINKS TO WEBSITES OR OTHER REFERENCES), INDICATE WHETHER YOU HAVE A CENTRAL WEBSITE ON WHICH YOU PUBLISH THIS INFORMATION FOR ALL AID MEASURES CONCERNED IN YOUR MEMBER STATE (AND IF SO PROVIDE THE LINK TO THIS WEBSITE), OR ALTERNATIVELY EXPLAIN IF AND HOW THE PUBLICATION TAKES PLACE AT THE LEVEL GRANTING THE AID (E.G. CENTRAL, REGIONAL OR LOCAL LEVEL).

Not applicable.

Amount of aid granted

Total amount of aid granted (in millions EUR) ⁶ . This includes all aid granted in your territory, including aid granted by regional and local authorities (A+B+C).	
2020	2021
A: Total amount of aid granted (in millions EUR) paid by national central authorities ⁷ .	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities ⁸ .	
2020	2021
1 132 392.57	1 542 132.57
C: Total amount of aid granted (in millions EUR) paid by local authorities ⁹	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
100% subsidy	100% subsidy
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ¹⁰	

2020	2021
Eight work integration undertakings were entrusted with the service to reintegrate workers at risk of social exclusion:	Nine work integration undertakings were entrusted with the service to reintegrate workers at risk of social exclusion:
<ul style="list-style-type: none"> • Two micro-sized undertakings (with fewer than 10 workers); • Six small undertakings (between 11 and 50 workers). <p>In total, 124 workers experiencing or at risk of social exclusion were following personalised integration pathways and working at these eight undertakings in 2020 (95 posts).</p> <p>The economic activities carried out by the eight undertakings are as follows:</p> <ul style="list-style-type: none"> • 1 - Waste collection, treatment and disposal; • 1 - Ceramic work using <i>trencadís</i> (mosaic pieces) / full services for buildings and other premises / gardening; • 4 - Collection, sorting, recycling and sales of second-hand clothing; • 1 - Textile and accessories industry; • 1 - Cleaning services, building maintenance, domestic service, home help service / sustainable catering. <p>The average amount of aid for each worker experiencing or at risk of social exclusion at the work integration undertakings was EUR 9 132.19.</p>	<ul style="list-style-type: none"> • Two micro-sized undertakings (with fewer than 10 workers); • Seven small undertakings (between 11 and 50 workers). <p>In total, 134 workers experiencing or at risk of social exclusion were following personalised integration pathways and working at these nine undertakings in 2021 (123 posts).</p> <p>The economic activities carried out by the nine undertakings are as follows:</p> <ul style="list-style-type: none"> • 2 - Waste collection, treatment and disposal; • 1 - Ceramic work using <i>trencadís</i> (mosaic pieces) / full services for buildings and other premises/ gardening; • 4 - Collection, sorting, recycling and sales of second-hand clothing; • 1 - Textile and accessories industry; • 1 - Cleaning services, building maintenance, domestic service, home help service / sustainable catering. <p>The average amount of aid per work integration undertaking was EUR 11 508.45, which is higher than in the previous financial year. This is due to the increase in the statutory minimum wage and to the increase in the percentage of the statutory minimum wage eligible for aid to create or safeguard posts for people at risk of social exclusion, which rose from 70% in 2020 to 90% in 2021.</p>
3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK	

SGEI compensation exceeding EUR 15 million	NOT APPLICABLE
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4. COMPLAINTS BY THIRD PARTIES

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

None reported.

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.

No problems were experienced with the **award decision**, which was enacted by means of Order 20/2018 of 14 November 2018 of the Regional Ministry for the Sustainable Economy, Productive Sectors, Trade and Labour establishing the regulatory framework for subsidies to facilitate the social and labour integration of workers experiencing or at risk of social exclusion in work integration undertakings and mainstream undertakings. This was preceded by Law 31/2015 of 9 September 2015 amending and updating the rules on self-employment and adopting measures to develop and promote self-employment and the Social Economy (Official State Gazette No 217 of 10 September 2015), which declared work integration undertakings to be entities that provide services of general economic interest.

Specifying the amount of compensation in line with Article 5 of the SGEI Decision:

Under no circumstances may the amount of compensation exceed the net cost of the public service. Calculating the amount of compensation has not caused any difficulties, since annual caps on the compensation are set out in the Order. In any event, they are subject to a second cap, meaning that they cannot exceed 100% of the actual cost of the service, as explained in the section on the compensation mechanism.

Determining the reasonable profit level in line with Article 5 of the SGEI Decision:

The work integration undertakings entrusted with the provision of the service to facilitate the reintegration of vulnerable people experiencing or at risk of social exclusion are non-profit entities. As a result, no 'reasonable profit' has been determined, beyond the satisfaction of helping achieve the objectives for which they were created.

Regularly checking overcompensation as required by Article 6 of the SGEI Decision:

As referred to above, overcompensation can only occur in the event of a failure to supply sufficient supporting evidence, in which case the amount of compensation would be reduced or recovery would ensue, depending on whether or not the aid had been paid out in advance. It could also lead to the launch of penalty proceedings, if the necessary requirements were met, or a procedure to declare the award decision invalid or null and void, as set out in Law 38/2003 with regard to Law 39/2015 on the Common Administrative Procedure of Public Administrations.

Generally speaking, no instances of non-compliance or irregularities worth mentioning have been detected.

Other issues not covered in the previous questions

b. 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.

It should be noted that, as a result of the activities carried out by the work integration undertakings, one worker following an integration pathway was placed with a mainstream undertaking in 2020; in 2021, this figure was three. By 'placed' we mean that workers were hired within three months of completing their integration pathway at the work integration undertaking and that this contractual relationship with the mainstream undertaking lasted at least six months. This was achieved in spite of the impact of the COVID-19 crisis that led to many people in Spain being furloughed or made redundant.

DIRECTOR-GENERAL FOR EMPLOYMENT AND TRAINING

Signed by Rocio Briones Morales on 14/06/2022 09:27:28



Services of General Economic Interest: Report pursuant to the 2012 SGEI Decision on the subsidies covered by Royal Decree 707/2020 of 28 July 2020

1) Total expenditure on the basis of the SGEI Decision

2020: **EUR 4 695 073.20** (of the EUR 5 193 750 initially set out in Royal Decree 707/2020 of 28 July 2020)

2021: No such aid was granted.

2. Description of the application of the 2012 SGEI Decision

g) Other sectors (please specify)

Subsidies have been given to providers of public service television at State and Autonomous Community level.

The subsidies are governed by Royal Decree 707/2020 of 28 July 2020.

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

As laid down in Article 40(1) of General Law 7/2010 of 31 March 2010 on Audiovisual Media, in Spain this service is considered a service of general economic interest and its aim is to broadcast content that promotes the principles and values enshrined in the Spanish Constitution, help to form public opinion that is pluralistic in nature, raise awareness of Spain's cultural and linguistic diversity, and disseminate knowledge and the arts, focusing especially on audiovisual culture.

In accordance with Article 40(2) of that Law, the State and the Autonomous Communities may approve the provision of public service radio and television to ensure public broadcasting of generalist or thematic channels. Unlike other countries, the release of the second digital dividend in Spain has a major impact on public service television, since a significant number of the radio frequency channels due to be used for the provision of this service, both at State and Autonomous Community level, are in the 694-790 MHz frequency band, which is impacted by the release of the second digital dividend.

As a result, and considering the importance of public service broadcasting as set out above, it is necessary to ensure that part of the Spanish population does not lose access to public service broadcasting



until their receiving equipment has been adapted. This means that providers of public service television at State and Autonomous Community level must ensure the simultaneous and temporary broadcasting of their television channels in the 694-790 MHz frequency band.

Until the outbreak of the COVID-19 pandemic, Spain had met the requisite deadlines in order to release the second digital dividend frequency band on 30 June 2020, as set out in Decision (EU) 2017/899 of the European Parliament and of the Council of 17 May 2017 and in the aforementioned Royal Decree 391/2019 of 21 June 2019. In order to deal with the pandemic, Royal Decree 463/2020 of 14 March 2020 had to be approved, declaring a state of emergency to manage the health crisis caused by COVID-19. The Royal Decree introduced the requisite restrictions on the movement of people and the performance of many economic and business activities.

Moreover, the State Secretariat for Telecommunications and Digital Infrastructure issued a set of instructions with the aim of guaranteeing that a service as important as digital terrestrial television would not be affected during that time and so as to avoid the need to retune people's televisions, which would lead to unnecessary visits to people's homes. All of this caused a significant slowdown in the process of changing frequencies at the transmission centres that are required to broadcast on new radio frequency channels as a result of the release of the second digital dividend. It also caused delays to adaptations to the systems used in buildings to receive the digital television service. It thus became clear that it would be impossible to finalise the process of releasing the second digital dividend on the scheduled date (30 June 2020).

The deadline of 30 June 2020 for allowing the use of the 700 MHz frequency band for terrestrial systems capable of providing wireless broadband electronic communications services was extended in accordance with Article 1(1), second paragraph, of Decision (EU) 2017/899 of the European Parliament and of the Council of 17 May 2017. The Spanish authorities informed the European Commission of the need to extend the deadline on 30 March 2020. Article 12 of Royal Decree-Law No 23/2020 of 23 June 2020 approving measures in the field of energy and other areas to restart the economy sets a new deadline of 31 October 2020 for releasing the second digital dividend. Extending the deadline for releasing the second digital dividend has meant that providers of public service television at State and Autonomous Community level have had to continue the simultaneous and temporary broadcasting of their television channels throughout the now extended process of releasing the second digital dividend frequency band so as to facilitate adaptations to individuals' receiving equipment.



The costs stemming from the simultaneous and temporary broadcasting of their television channels until the initially scheduled date of 30 June 2020 were already covered by compensation under Royal Decree 579/2019 of 11 October 2019 governing the awarding of direct subsidies to providers of public service television at State and Autonomous Community level as compensation to cover the cost of broadcasting, simultaneously and temporarily, their television channels during the process of releasing the 694-790 Mhz frequency band.

As a result of the extended deadline, service providers have incurred extra costs in addition to those incurred in their normal operations and to those already incurred during the initial process of releasing the second digital dividend. As was the case previously, for reasons of public and social interest, service providers should receive compensation for these additional costs. Without additional measures, the changes to radio frequency channels required in order to release the second digital dividend would lead to part of the population losing access to certain public service television channels until adjustments were made to receiving equipment. At European level, there is general acknowledgement of the importance of the broadcasting service as a means of ensuring that the public has extensive access to a broad range of information and content, providing a forum for individuals' opinions and public opinion to be aired.

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.

Within this regulatory framework, and with the aim of ensuring that part of the Spanish population does not lose access to public service broadcasting until their receiving equipment has been adapted, it was necessary to ensure the continued simultaneous and temporary broadcasting of public service television channels at State and Autonomous Community level in the aforementioned frequency band of the second digital dividend, without discrimination and ensuring a level playing field.

As a result, this simultaneous and temporary broadcasting was declared a service of general economic interest by means of Royal Decree 707/2020 of 28 July 2020, in accordance with 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 (TFEU) to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI Decision). This Decision lays down the conditions under which the State aid in question can be considered compatible with the internal market and exempt from the notification requirements laid down in Article 108(3) TFEU.



One consequence of this simultaneous and temporary broadcasting of television channels by providers of public service television at State and Autonomous Community level is that the providers in question have to bear the costs incurred, which are in addition to their usual costs. As a result, the subsidies covered by Royal Decree 707/2020 of 28 July 2020 are justified on the grounds of their public and social interest.

The compensation is to be paid, on the one hand, to Corporación de Radio y Televisión Española, S.A, a State-owned commercial company, to which the direct management of the State-run public television service is entrusted by virtue of the Fifth Additional Provision of Law 7/2010 of 31 March 2010, and, on the other hand, to public bodies in the Autonomous Communities to which the management of the public television service in the respective Autonomous Community has been entrusted in implementation of the Law referred to above and its implementing rules.

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

The simultaneous and temporary broadcasting by providers of public service television at State and Autonomous Community level of the channels they will broadcast on the frequencies affected by the process of releasing the 694-790 MHz frequency band (second digital dividend band) from 1 July 2020 to 30 September 2020 (inclusive) is declared a service of general economic interest in Article 1 of Royal Decree 707/2020 of 28 July 2020, in accordance with Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

As a result, Article 2 lays down that the subsidies covered by the Royal Decree will be granted using the direct award procedure as laid down in Article 22(2)(c) and Article 28 of Law 38/2003 of 17 November 2003, the General Law on Subsidies, given that the public television service is a public service as laid down in Article 40(1) of General Law 7/2010 of 31 March 2010 on Audiovisual Media, and given that there is a public and social interest in ensuring that part of the Spanish population does not lose access to public service broadcasting until their receiving equipment has been adapted, thus making it impossible to hold a competitive procedure.



As we have pointed out, the award is in the form of direct subsidies to providers of public service television at State and Autonomous Community level, the legal basis for which is Royal Decree 707/2020, and specifically Article 2 thereof, which covers the direct award procedure.

Average duration of the entrustment (in years)

The aid covered by Royal Decree 707/2020 is awarded once only, for simultaneous broadcasting over a period of three months.

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

Restrictions regarding the awarding of licences in the audiovisual sector stem from the very nature of the radio spectrum as a scarce resource that needs to be managed effectively. Its use is governed by Chapter 5, entitled 'Public Radio Spectrum', of General Law 9/2014 of 9 May 2014 on Telecommunications.

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

As stated above, the award is in the form of direct subsidies to providers of public service television at State and Autonomous Community level, and the legal basis is Royal Decree 707/2020.

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

In the interest of efficiency, the maximum amount of subsidy has been calculated for each beneficiary in such a way as to ensure that it does not exceed what is necessary to cover the net cost of fulfilling the public service obligation i.e. the simultaneous and temporary broadcasting of their television channels.

Typical arrangements for avoiding and repaying any overcompensation.

Article 14 of Royal Decree 707/2020 ensures that full supporting evidence is provided for the subsidies and that they are used in line with applicable law. It lays down that beneficiaries must provide proof of expenditure and payment to demonstrate that the subsidy has been used for the purpose set out in the award decision.



Invoices must give an appropriate and detailed breakdown of costs incurred by the simultaneous and temporary broadcasting over the relevant period covered by the subsidies. Invoices must be submitted within three months of the end date of the simultaneous and temporary broadcasting that is covered by the subsidies.

Lastly, Article 15 lays down provisions regarding the recovery of subsidies in the event that, as a result of checks on supporting documents and on the use of the subsidies, it is ascertained that the costs incurred were lower than the amount of subsidy received, or in the event of full or partial failure to comply with the conditions attached to the granting of the subsidy.

Total amount of aid granted (in millions EUR)

The total amount of aid is **EUR 4 695 073.20**, all of which was granted in 2020 by the public undertaking Red.es.

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

Please find below the list of providers that received aid and the respective amounts.

Entities broadcasting nationally:

- **Corporación Radio Televisión Española, S.A (State broadcaster): EUR 3 081 250.00**

Entities broadcasting in the Autonomous Communities:

- **Agencia Pública Empresarial de la Radio y Televisión de Andalucía (Andalusia): EUR 215 157.68**
- **Ente Público Radio Televisión Canaria (Canaries): EUR 105 450.00**
- **Corporació Catalana de Mitjans Audiovisuals (Catalonia): EUR 481 250.00**
- **Ente Público Radiotelevisión de Castilla-La Mancha (Castile-La Mancha): EUR 134 297.52**



- **Corporación de Radio e Televisión de Galicia (Galicia):**
EUR 431 250.00
- **Radio Televisión Madrid, S.A.U (Madrid): EUR 146 418.00**
- **Corporación Extremeña de Medios Audiovisuales**
(Extremadura):
EUR 100 000.00
- **Corporació Valenciana de Mitjans de Comunicació**
(Valencia): Withdrew and did not receive any subsidies.

3. Description of the application of the 2012 SGEI Framework

The simultaneous and temporary broadcasting by providers of public service television at State and Autonomous Community level of the channels they broadcast on the frequencies affected by the process of releasing the 694-790 MHz frequency band (second digital dividend band) is declared a service of general economic interest in Article 1(1) of Royal Decree 707/2020 of 28 July 2020, in accordance with Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest.

4. Complaints by third parties

At the time of writing, we are not aware of any complaints, challenges or litigation before the national courts with regard to the aid covered by Royal Decree 707/2020 of 28 July 2020.

5. Miscellaneous questions

At the time of writing, we are not aware of the national authorities having experienced any problems concerning the application of the SGEI Decision with regard to the aid covered by Royal Decree 707/2020 of 28 July 2020.

ANNEX

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

The reporting obligations are set out in the 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.*

Paragraph 62 of the 2012 SGEI Framework sets in principle 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:

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>		
1) Total compensation granted on the basis of the SGEI Decision		
2) Total compensation granted on the basis of the SGEI Framework	1126	422

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))

- 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
 - f) Other social services (if applicable)
- 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 not exceeding the limit set in Art. 2(1)(e)
- 5) SGEI compensation not exceeding an annual amount EUR 15 million (Art. 2(1)(a))
 - a) Postal services
 - b) Energy
 - c) Waste collection
 - d) Water supply
 - e) Culture
 - f) Financial services
 - g) Other sectors (please specify)

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

Section (for example 1, hospitals or 2b, childcare)
Clear and comprehensive description of how the respective services are organised in your Member State ¹ .
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.

¹ 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**

Explanation of the (typical) forms of entrustment . If standardized templates for entrustments are used for a certain sector, please attach them.	
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?	
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Typical arrangements for avoiding and repaying any overcompensation.	
A short explanation of how the transparency requirements (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Amount of aid granted	
Total amount of aid granted (in millions EUR)² . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021

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.

² As stipulated in Article 9(b) of the 2012 SGEI Decision.

A: Total amount of aid granted (in millions EUR) paid by national central authorities³	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁴	
2020	2021
C: Total amount of aid granted (in millions EUR) paid by local authorities⁵	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)⁶	
2020	2021

Please also fill out the annexed summary excel file “SGEI Decision 2020 2021” with the total amounts per section for the whole Member State (not per region, local authority or municipality).

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

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

SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):

³ 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.

⁴ See footnote 3.

⁵ See footnote 3.

⁶ 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.

- i. Postal services
- ii. Energy: SA.42270 - Production of electricity and procedure for dispatch to the electricity systems of the non-peninsular territories, as a Service of General Economic Interest (SGEI)
- iii. Waste collection
- iv. Water supply
- v. Air or maritime links to islands with average annual traffic above the limits set in Art. 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:

Section (for example iii. Waste collection or viii. Financial services)
Clear and comprehensive description of how the respective services are organised in your Member State ⁷ .
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.
<u>SA.42270:</u> Law No 24/2013 of 26 December 2013 on the Electricity Sector lays down that the supply of electricity in the non-peninsular territories is subject to special rules, allowing additional remuneration to be granted to cover the difference between the investment and operating costs of electricity-generation activities carried out in the electricity systems of the non-peninsular territories and the income from those activities.

⁷ 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. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

These special rules establish an alternative set-up to the electricity market - the dispatch of generated electricity. All generating facilities, retailers and direct consumers must participate in the scheme if they are operating in those systems and if generating facilities are dispatched by the system operator, Red Eléctrica de España, prioritising variable costs.

Royal Decree 738/2015 of 31 July 2015 regulating the production of electricity and the procedure for dispatch to the electricity systems of the non-peninsular territories establishes an additional remuneration scheme for manageable generating facilities which is designed to cover the costs incurred by an undertaking to operate its electricity-generation activities in the non-peninsular territories where these costs cannot be covered by the sale of electricity in those territories.

Thus, the aim of remunerating the generation of electricity in the Canaries, Balearic Islands and Ceuta and Melilla (the non-peninsular territories) is to guarantee electricity supply and ensure that consumer prices are equivalent to those on the mainland electricity market.

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

SA.42270:

To be eligible for this scheme, a favourable decision must first be issued by the Directorate-General for Energy Policy and Mines in accordance with Law 17/2013 of 29 October 2013 to guarantee supply and increase competition in the electricity systems of the Spanish islands and non-peninsular territories.

This decision is issued following a competitive procedure, which is public, and which constitutes the formal entrustment of the SGEI.

In 2020 and 2021, no competitive procedures were launched. Therefore, no additional remuneration schemes were made available for new plants.

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?

SA.42270:

Remuneration under the scheme is granted for a 'regulatory useful life', which is 25 years for thermal plants and equipment for hydro-electric plants, and 65 years for civil engineering works at hydro-electric plants. Remuneration is granted for five years for existing generator sets where they are renewing their adherence to the scheme without making new investments. For new investments, the regulatory useful life will be set out in the decision granting the additional remuneration.

The reason behind this is that these generator sets and facilities require a high initial investment. Their long-term operational requirements are based on annual growth in demand and are justified in the compatibility decision issued before the aid is granted under the remuneration scheme.

Around 13% of the generator sets that are currently receiving aid under the remuneration scheme will end their useful life in over ten years' time.

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

SA.42270:

The owners of the generator sets benefiting from the additional remuneration scheme do not have exclusive or special rights.

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

SA.42270:

The additional remuneration scheme is a model designed to cover the generating costs for a standard plant that would be incurred by an efficient and well-managed undertaking when generating electricity.

The generating costs are broken down into fixed and variable costs; the technical and financial parameters used to determine the remuneration for each standard plant are those set out in Royal Decree 738/2015 of 31 July 2015.

As for variable costs, which cover operating costs, fuel prices and emission allowance costs are referenced to price indices on the international markets, and they are therefore reviewed on a twice-yearly or annual basis.

Using this cost model, the final amount of compensation will be the difference between the approved generation costs and the revenue the generator sets have received as a result of the system operator dispatching generated electricity, in accordance with the procedure set out in Article 72 of Royal Decree 738/2015 of 31 July 2015.

Since there is a time lag between when the approved generation costs are determined and when the generated electricity is dispatched and supplied, the National Markets and Competition Commission, the body responsible for payments in the electricity sector, makes a provisional payment of the compensation, ahead of the definitive yearly payment.

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

SA.42270:

As indicated above, the compensation mechanism for the additional remuneration scheme is based on a calculation of appropriate costs for the generation of electricity in these

specific territories, from which is deducted the revenue received by the producers from the dispatch of electricity.

Typical arrangements for avoiding and repaying any overcompensation.

SA.42270:

As indicated above, the additional remuneration scheme is based on covering generation costs for a standard plant, encouraging technological efficiency and incentivising the ongoing improvement of facilities.

This model includes twice-yearly and annual reviews, and reviews after the six-year regulatory period, looking at the different variables that determine the costs of the generating sets. These reviews take account of various prices on the international markets, as well as technical and financial performance data for the sets, so as to ensure that the remuneration is commensurate with the activity being carried out.

In addition, various mechanisms are set out in Royal Decree 738/2015 of 31 July 2015 to prevent overcompensation.

Thus, remuneration for fixed costs is determined on the basis of plant availability, and provision is made for penalties to be applied vis-à-vis those fixed costs in the event of high levels of unavailability or for failure to execute orders to start up if requested to do so by the system operator.

With regard to variable costs relating to fuel consumption, a correction factor is applied that will recover part of the fuel payment if it is higher than fuel expenditure at the facilities, as evidenced by invoices.

Lastly, the definitive generation costs are calculated by the Directorate-General for Energy Policy and Mines, using the data calculated by the system operator and the National Markets and Competition Commission, following an audit of costs, and requires a favourable report from the central government administration. This procedure is considered a control mechanism to prevent overcompensation.

A short explanation of how the **transparency requirements** (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).

SA.42270:

As indicated above, the technical and financial parameters used to determine the remuneration for each standard plant are those set out in Royal Decree 738/2015 of 31 July 2015.

The reviews of these parameters, the decisions that determine prices based on international markets, and the definitive amount of compensation per undertaking are published in the Official State Gazette.

For example:

- Order TEC/1260/2019 of 26 December 2019 establishing the technical and financial parameters to be used to calculate remuneration for the generation of electricity in the non-peninsular territories under the additional remuneration scheme for the 2020-2025 regulatory period, and reviewing other technical matters (<https://www.boe.es/buscar/act.php?id=BOE-A-2019-18620>).
- Decision of 19 September 2020 of the Directorate-General for Energy Policy and Mines approving the definitive amounts to be settled pertaining to generation costs for plants under the additional remuneration scheme, generation costs for plants under the special remuneration scheme from 1 September to 31 December, and the additional cost of generation activities for the 2015 financial year, in the non-peninsular territories ([BOE.es - BOE-A-2020-11584](https://www.boe.es/buscar/act.php?id=BOE-A-2020-11584).)

Amount of aid granted	
Total amount of aid granted (in millions EUR) ⁸ . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021
1126	422
A: Total amount of aid granted (in millions EUR) paid by national central authorities ⁹	
2020	2021
1126	422
B: Total amount of aid granted (in millions EUR) paid by regional authorities ¹⁰	
2020	2021
C: Total amount of aid granted (in millions EUR) paid by local authorities ¹¹	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021

⁸ As stipulated in Paragraph 62 b) of the 2012 SGEI Framework.

⁹ 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.

¹⁰ See footnote 9.

¹¹ See footnote 9.

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) ¹²	
2020	2021
<p><u>SA.42270:</u></p> <p>Over this period, 152 facilities received aid under the additional remuneration scheme in the non-peninsular territories. Almost all of them are owned by one undertaking, UNELCO and GESA, in the Canaries and the Balearics respectively, and ENDESA GENERACIÓN in Ceuta and Melilla, all of which are part of the ENDESA Group. The only exceptions are the plant owned by GORONA DEL VIENTO EL HIERRO, S.A, and one owned by COTESA (which initially belonged to COGENERACIÓN DE TENERIFE, S.A.U., taken over by CEPSA, GAS Y ELECTRICIDAD, S.A.U.), although the latter did not receive compensation in 2020 and 2021.</p> <p>As a result, the beneficiaries that have received aid under the additional remuneration scheme are UNELCO, GESA and ENDESA GENERACIÓN, which are owned by the ENDESA Group, and GORONA DEL VIENTO EL HIERRO, S.A.</p>	

Please also fill out the annexed summary excel file “SGEI Framework 2020 2021” 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 in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

SA.42270:

There have been no complaints from third parties with regard to this Service covered by the 2012 SGEI Framework.

¹² 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.

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.

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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with para 19 of the SGEI Framework;
- determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paras 33-38 of the SGEI Framework.

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

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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 below.

SA.42270:

In accordance with the Fifteenth Additional Provision of Law 24/2013 of 26 December 2013, half of the compensation that the plants receive under the additional remuneration scheme is financed from the General State Budget, and half is financed as a cost to the electricity system.

Under Article 18 of the aforementioned Law, settlement of all the costs borne by the electricity system, which includes this compensation, takes place on a monthly basis, ahead of the definitive end-of-year payment, which will be made before 1 December of the year following the year in question. In other words, there is a time lag of 11 months between when the electricity is supplied and when the related generation costs borne by the electricity system are settled, and so provisional monthly payments are made.

The payment procedure in the non-peninsular territories is an ex-post procedure, where the generation costs depend on a number of variables that are only known once the supply has taken place. As a result, for both the part financed from the electricity system budget and the part financed under the General State Budget, there will be imbalances in the provisional payments made; these will be addressed in the definitive payment for each financial year, which is made at least two years after the supply took place. The special payment procedure for compensation for the generation of electricity in the non-peninsular territories charged to the electricity system budget is laid down in Article 72 of Royal Decree 738/2015 of 31 July 2015, whereas Royal Decree 680/2014 of 1 August 2014 lays down the budget, approval, payment and monitoring procedure for the compensation charged to the General State Budget.

In view of the above, the approved generation costs and the compensation for a given year for electricity-generation facilities located in the non-peninsular territories, financed in equal parts by the electricity system and the General State Budget, are calculated with a time lag of at least two years. And the final amount of the corresponding share to be financed by the electricity system is calculated with an 11-month time lag.

As a result, in calendar year 'n', there will be provisional compensation from the General State Budget heading for the financial year in question, provisional compensation from the electricity system for year 'n' and for the previous year, 'n-1'. There could also be, from both sources of funding, adjustments for imbalances in year 'n-2' and preceding financial years.

As a result, in addition to the amounts given in the section 'Amount of aid granted', which shows the total amount of compensation from both sources in the 2020 and 2021 calendar years, we also wish to give the amounts of compensation calculated on the basis of the final settlement from the electricity system for 2020 and 2021 (corresponding to the 2019 and 2020 financial years respectively), as an approximate indication of the final amount

of compensation for the 2020 and 2021 financial years, which has not yet been determined.

	2020	2021
	Final amount 2019	Final amount 2020
Compensation for electricity generators based on final settlement calculations (<i>million euro</i>)	1390	1068

Lastly, in 2020, the final amount of compensation for the 2015 financial year was approved, as a result of which the ‘Amount of aid granted’ heading includes the corresponding amounts that were reallocated in 2020.

ANNEX

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
Total compensation for SGEI (1+2)	2020	2021
1) Total SGEI Decision	4.995	21.337
2) Total SGEI Framework	0	0

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

Section 2: Social services

c) Access to and reintegration into the labour market

- Description. Content of the services entrusted as SGEI:

There are two types of aid:

A. Aid for work integration undertakings (EILs) and their partner entities

The aim is to promote the social and labour integration of people experiencing or at risk of social exclusion by establishing measures to support work integration undertakings with employment centres in the Autonomous Community of Galicia.

Article 5(4) of Law 5/2011 of 29 March 2011 on the Social Economy classifies work integration undertakings as entities that provide services of general economic interest.

The aid scheme to support wage costs of workers at risk of or experiencing social exclusion is within the scope of the Commission Decision of 20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI) (OJ L 7, 11.1.2012).

B. Aid for special employment centres (CEEs)

The aim of the aid is to safeguard posts for workers with disabilities at centres in the Autonomous Community by partially financing the cost of their wages and creating and adapting stable jobs.

Article 5(4) of Law 5/2011 of 29 March 2011 on the Social Economy classifies CEEs as entities that provide services of general economic interest.

This aid, in the form of compensation for the provision of labour integration services for persons with disabilities at CEEs, is within the scope of the Commission Decision of

20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (SGEI) (OJ L 7, 11.1.2012).

C. Furthermore, in 2021 aid was granted to help rebalance the finances of CEEs and EILs, as they were particularly affected by the COVID-19 crisis, with a view to safeguarding posts for persons with disabilities and/or at risk of social exclusion.

This aid falls within the scope of the Commission Decision of 20 December 2011 on the application of Article 106(2) TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 11.1.2012).

- Forms of entrustment: **Non-competitive award**
- Average duration of the entrustment: **Up to ten years**
- Exclusive or special rights:
- Aid instruments: **Direct subsidies**
- Compensation mechanism: **The criterion used to calculate the financial compensation is the statutory minimum wage in force.**
- Typical arrangements for avoiding and repaying any overcompensation: **Rules are laid down concerning cumulative aid and the monitoring thereof. Rules are also in place to adjust the amount of aid granted if supporting evidence is provided for a lower amount, or to withdraw aid and to require recovery in those cases set out in the call.**

Monitoring, evaluation and auditing rules are in place.

- Transparency requirements: **Publication in the BDNS.**
- Amount of aid: **EILs 2021: EUR 1.025 million**

CEEs 2020: EUR 4.995 million CEEs 2021: EUR 19.312 million

CEEs and EILs COVID-19 2021: EUR 1.000 million

- Additional quantitative information:
 - * Number of beneficiaries per sector
 - * Average aid amount
 - * Size of the undertakings

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

4. COMPLAINTS BY THIRD PARTIES

5. MISCELLANEOUS QUESTIONS

ANNEX

REPORT FROM NAVARRE PURSUANT TO ARTICLE 9 OF THE DECISION AND PARAGRAPH 62 OF THE SGEI FRAMEWORK

1. EXPENDITURE OVERVIEW

Total SGEI government expenditure in Navarre by legal basis (millions EUR)		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>	0.58318911	0.86539889
1) Total compensation granted on the basis of the SGEI Decision	0.58318911	0.86539889
2) Total compensation granted on the basis of the SGEI Framework	--	--

2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

- 1) Hospitals providing medical care, including, where applicable, emergency services (Art. 2(1)(b))
- 2) Social services (Art. 2(1)(c))
 - a) Health and long term care
 - b) Childcare
 - c) Access to and reintegration into the labour market
 - d) Social housing
 - e) Care and social inclusion of vulnerable groups
 - f) Other social services (if applicable)
- 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 not exceeding the limit set in Art. 2(1)(e)
- 5) SGEI compensation not exceeding an annual amount EUR 15 million (Art. 2(1)(a))
 - a) Postal services
 - b) Energy
 - c) Waste collection

- d) Water supply
- e) Culture
- f) Financial services
- g) Other sectors (please specify)

Section 5(g) - SGEI compensation not exceeding an annual amount of EUR 15 million. Other sectors.
Audiovisual sector (digital television service in areas not covered by operators)
Clear and comprehensive description of how the respective services are organised in your Member State¹.
Expansion of digital terrestrial television (DTT) in Zone II of the Autonomous Community of Navarre, which is a remote area with geographical constraints. As a result of these constraints, broadcasters do not provide coverage as they are unwilling to bear the additional costs of expanding coverage, as this goes beyond their obligations as licence-holders, all of which results in a market failure.
Explanation of the (typical) forms of entrustment. If standardized templates for entrustments are used for a certain sector, please attach them.
<p>Entrustment to the public company NASERTIC (Navarra de Servicios y Tecnologías, S.A.), an in-house service provider of the government of Navarre.</p> <p>The following Decisions have been issued:</p> <ul style="list-style-type: none"> - Decision 84E/2020, of 29 April 2020, of the Director-General of Telecommunications and Digitalisation, approving the terms of the entrustment and entrusting to the in-house service provider Navarra de Servicios y Tecnologías, S.A. (NASERTIC) work to provide a DTT service in Zone II of the Autonomous Community of Navarre (for 2020), (File ref.: 0005-0402-2020-000007). - Decision 551E/2020, of 17 December 2020, of the Director-General of Telecommunications and Digitalisation, approving the terms of the entrustment and entrusting to the in-house service provider Navarra de Servicios y Tecnologías, S.A. work to provide a DTT service in Zone II of the Autonomous Community of Navarre (for 2021), (File ref.: 0005-0402-2020-000048).

¹ 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.

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.	
No exclusive or special rights are assigned.	
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	
The aforementioned entrustments to the public undertaking.	
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Allocation of the budgeted amount for expenditure incurred as a result of costs directly linked to the provision of the service (cost allocation method).	
Typical arrangements for avoiding and repaying any overcompensation.	
Amounts are paid out upon submission of the corresponding statements of expenditure.	
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).	
No aid above EUR 15 million has been granted.	
Amount of aid granted	
Total amount of aid granted (in millions EUR)². This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
2020	2021

² As stipulated in Article 9(b) of the 2012 SGEI Decision.

A: Total amount of aid granted (in millions EUR) paid by national central authorities³	
2020	2021
B: Total amount of aid granted (in millions EUR) paid by regional authorities⁴	
2020	2021
0.58318911	0.86539889
C: Total amount of aid granted (in millions EUR) paid by local authorities⁵	
2020	2021
Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)	
2020	2021
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)⁶	
2020	2021

3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

NOT APPLICABLE

4. COMPLAINTS BY THIRD PARTIES

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

³ 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.

⁴ See footnote 3.

⁵ See footnote 3.

⁶ 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.

the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

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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.

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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with para 19 of the SGEI Framework;
- determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paras 33-38 of the SGEI Framework.

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

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- 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 below.

The SGEI entrustment act for this aid is the 'Agreement of the Government of Navarre of 12 February 2020 classifying the expansion of the digital terrestrial television service (DTT) in Zone II of the Autonomous Community of Navarre and the service to operate the DTT network in that area as a Service of General Economic Interest (SGEI)', published in the Official Gazette of Navarre on 21 February 2020.