

**SGEI report in accordance with Article 9 of the 2012  
Commission Decision on services of general economic  
interest and point 62 of the 2012 EU Framework for  
services of general economic interest, for the period  
1.1.2020 - 31.12.2021**

# **Ministry of the Economy of the Slovak Republic**

## **Energy**

<i>Total SGEI government expenditure by legal basis (millions EUR)</i>		
	2020	2021
<i>Compensation for Services of General Economic Interest (1+2)</i>	113.332239	126.145672
<i>1. Compensation granted on the basis of the SGEI Decision</i>	113.332239	126.145672
<i>2. Compensation granted on the basis of the SGEI Framework</i>		

# **Ministry of Finance of the Slovak Republic**

## **I. Financial services – the ‘eKolok’ [eStamp] service**

### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2020	2021
<b><i>Total compensation for Services of General Economic Interest (1 + 2)</i></b>	10.12	9.43
1. Total compensation granted on the basis of the SGEI Decision	10.12	9.43
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 (Article 2(1)(b))
2. Social services (Article 2(1)(c))
  - a) Healthcare and long-term care
  - b) Childcare
  - c) Access 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 not exceeding the limit set in Article 2(1)(d)
4. Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
5. **SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))**
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services – the ‘eKolok’ [eStamp] service**
  - g) Other sectors (please specify)

Section 5(f) Financial services – the ‘eKoloK’ [eStamp] service
<p>5(f) – ensuring the standard operation of the eKoloK payment system, carrying out financial operations credited to the State budget (in certain cases, also to local authorities) in the form of cash (including cash management) and non-cash payments from payers, reconciling unmatched payments and handling incidents in payment transactions (approximately 5 – 10 million transactions per year), refund operations: (a) entering instructions for the refund of erroneous payments in the payment system, (b) crediting payments back to payers on the basis of a decision of a public authority. comprehensive provision of the eKoloK service, which includes the operation of the central IT system and the sale of eKoloK stamps for the purpose of paying administrative and court fees, which are credited as revenue to the State budget and, in specified cases, also to local authorities, the operation of the sales network at its own branches, the installation and operation of technical facilities installed at administrative bodies (approximately 900 - 1 000 counters), the operation of other components of the eKoloK service to make payments online (web and mobile applications).</p>
Clear and comprehensive description of how the respective services are organised in your Member State <sup>1</sup>
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.</p>
<p>The eKoloK service (or central payment recording system) pursuant to Section 18a(2) of the Administrative Fees Act (Act No 145/1995 on administrative fees, as amended) and Section 16a(2) of the Court Fees Act (Act No 71/1992 on court fees and fees for criminal record certificates, as amended) is a public service. In accordance with the statutory obligations set out in Section 18a(1) of the Administrative Fees Act and Section 16a(1) of the Court Fees Act, this service is carried out by Slovenská pošta, a.s. [Slovak Post] as the system operator. In addition to the statutory obligations, Slovak Post also fulfils other obligations under the contract concluded between it and the Slovak Ministry of Finance pursuant to the abovementioned legislative provisions, including providing the technical facilities for payment of fees or pre-purchased credit (known as eKoloK stamps) for the purpose of paying administrative fees or court fees for the amount specified in the schedule of administrative fees and the schedule of court fees annexed to that Act, recording fee payments, clearing payments to be credited to the state budget or to local authorities from parties liable, and collecting and protecting personal data. The objective is to decouple payment transactions at administrative bodies from the actual exercise of public authority itself.</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>The eKoloK service was entrusted to a 100% state-owned legal person because, pursuant to Section 19gb(2) of the Administrative Fees Act and Section 18cb(2) of the Court Fees Act the (eKoloK) system operator must be the 100% state-owned legal entity that had been carrying out the distribution, sale, exchange and purchase of stamps pursuant to Act No 264/2008 on stamp duty and amending certain acts, as amended. The activities carried out by the system operator comprise the operation of a comprehensive service that is not standardly available on the market because the organisation and technical design of the eKoloK service is unique. This method of entrustment was chosen because the payments</p>

made to the State budget and local authorities using the eKoloK payment system are payments which, if used incorrectly, would harm the financial interests of the State and also because the payment system includes cash transactions, which administrative authorities do not normally handle (for example, even tax offices handle tax and customs revenue exclusively on a cashless basis).
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
10 years – from 15 April 2014 to 14 April 2024
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Under the above-mentioned legislation and contract, exclusive rights were assigned to Slovak Post. No other undertaking has been entrusted to carry out the activities described above.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Financial remuneration for the provision and operation of financial and electronic services according to the defined cost model for the actual costs of achieving the defined qualitative and quantitative service parameters and a reasonable profit, the amount of which is laid down in a decision of the regulatory authority in a similar sector (universal postal services).
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The cost model recognises the following costs for the eKoloK service:</p> <ul style="list-style-type: none"> <li>– the system operator's costs relating to depreciation of investments purchased in software (work, licences) and hardware (technical equipment – kiosks, POS terminals and QR electronic stamp readers) + reasonable profit established on the basis of the WACC model, the amount of which varies at specified intervals depending on the decision of the regulatory authority on the level of reasonable profit in a similar (regulated) sector (universal postal services);</li> <li>– operating expenses of the system operator relating to investments purchased;</li> <li>– wage and tax and social security costs for service personnel involved in the management of the system, contact with authorities, technical problem solving, incident handling, manual matching of unprocessed payments, refunding of erroneous payments, reimbursement of payments on the basis of a decision of an authority or court, keeping accounts in the off-balance-sheet accounts of the eKoloK system operator;</li> <li>– financial transaction costs associated with cashless payments (bank charges and card company charges).</li> </ul>
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
The invoice for the services provided must always include a comprehensive statement of the details of the financial compensation on a monthly basis, the conformity of which is checked in advance before the invoice is approved. It is required to keep the collected financial charges in the system operator's off-balance-sheet accounts and it is prohibited

to use them for business purposes. There is a statutory obligation (Section 15(4) of the Administrative Fees Act and Section 15(2)(b) of the Court Fees Act) for the system operator to undergo a specific type of audit by the Government Audit Office for the purpose of auditing the recording, accounting, refund of fees and treatment of the funds entrusted (the audit of the system operator was carried out in 2015). The determination of the amount of the system operator's remuneration for the services rendered is linked to the qualitative parameters of the service (SLA parameters), the non-fulfilment of which has a direct financial impact on the level of remuneration for the services provided (reduction of remuneration for unavailability of service or unavailability of technical equipment). There is a direct contractual obligation for the eKoloK system operator to recover overpaid compensation, if the ex post checks reveal a financial difference. The total final remuneration for the duration of the contract is capped at EUR 103.3 million, including VAT, in the contract between the Ministry of Finance and the system operator.

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

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

### Amount of aid granted

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

**2020**

10.12

**2021**

9.43

**A: Total amount of aid granted (in millions EUR) paid by national central authorities**<sup>3</sup>

**2020**

10.12

**2021**

9.43

**B: Total amount of aid granted (in millions EUR) paid by regional authorities**<sup>4</sup>

**2020**

**2021**

**C: Total amount of aid granted (in millions EUR) paid by local authorities**<sup>5</sup>

**2020**

**2021**

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

**2020**

**2021**

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

<sup>3</sup> 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.

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

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



<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>6</sup>	
<b>20</b>	<b>20</b>
<b>20</b>	<b>21</b>
<b>One entity as beneficiary</b>	<b>One entity as beneficiary</b>

### **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 Article 2(1)(d)
- vi) Airports and ports with average annual traffic above the limit set in Article 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:**

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

<b>Section (for example iii. Waste collection or viii. Financial services)</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>

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

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)<sup>8</sup>. 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<sup>9</sup>**

**2020**

**2021**

**B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>10</sup>**

**2020**

**2021**

**C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>11</sup>**

**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)<sup>12</sup>

<sup>8</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>9</sup> 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.

<sup>10</sup> See footnote 9.

<sup>11</sup> See footnote 9.

20 20	20 21

#### 4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in the 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.

#### 5. OTHER ISSUES

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

This is not recorded.

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 paragraph 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.

This is not recorded.

- 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.

None.

## **II. Financial services – Tax stamp service**

### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2020	2021
<b><i>Total compensation for Services of General Economic Interest (1 + 2)</i></b>	1.55	1.58
1. Total compensation granted on the basis of the SGEI Decision	1.55	1.58
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:**

6. Hospitals providing medical care, including, where applicable, emergency services (Article 2(1)(b))
7. Social services (Article 2(1)(c))
  - a) Healthcare and long-term care
  - b) Childcare
  - c) Access and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (if applicable)
8. Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
9. Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
- 10. SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))**
  - a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services – Tax stamp service**
  - g) Other sectors (please specify)

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

<b>Section 5(f) Financial services - Tax stamps</b>
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(5f) — handling the printing and management of tax stamps intended to be affixed to the packaging of alcohol and tobacco products, while providing for a system of recording and tracing the movement of those products by means of an identification number on the tax stamp.
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>1</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
<p>The purpose is to handle the printing and management of tax stamps intended to be affixed to the packaging of alcohol and tobacco products, while providing for a system of recording and tracing the movement of those products by means of an identification number on the tax stamp.</p> <p>The general economic interest was delegated by law to the company Mincovňa Kremnica, š. p. [Kremnica Mint], which is authorised to print tax stamps under Act No 106/2004 on excise duty on tobacco products, as amended, and Act No 530/2011 on excise duty on alcoholic beverages, as amended. On behalf of the Slovak Ministry of Finance, Mincovňa Kremnica handles the correct printing and management of tax stamps to be affixed to the packaging of alcohol and tobacco products, with the security features required by the legislation in force. The Slovak Ministry of Finance pays Mincovňa Kremnica a financial remuneration in addition to the payment by purchasers of tax stamps, up to the amount of the costs incurred, having due regard to the conditions for granting State aid for public services.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<p>The general economic interest was delegated by law to the company Mincovňa Kremnica, š. p. [Kremnica Mint], which is authorised to print tax stamps under Act No 106/2004 on excise duty on tobacco products, as amended, and Act No 530/2011 on excise duty on alcoholic beverages, as amended. On behalf of the Slovak Ministry of Finance, Mincovňa Kremnica handles the correct printing and management of tax stamps to be affixed to the packaging of alcohol and tobacco products, with the security features required by the legislation in force. The Slovak Ministry of Finance pays Mincovňa Kremnica a financial remuneration in addition to the payment by purchasers of tax stamps, up to the amount of the costs incurred, having due regard to the conditions for granting State aid for public services.</p>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
10 years – from 18 October 2014 to 17 October 2024
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.



The general economic interest was delegated by law to the company Mincovňa Kremnica, š. p. [Kremnica Mint], which is authorised to print tax stamps under Act No 106/2004 on excise duty on tobacco products, as amended, and Act No 530/2011 on excise duty on alcoholic beverages, as amended.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Direct subsidies.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The cost model recognises the following costs for the tax stamp service:</p> <p><b>Direct costs</b></p> <ul style="list-style-type: none"> <li>Security paper</li> <li>Other paper</li> <li>Security inks</li> <li>Other inks</li> <li>Printing plates</li> <li>Consumables for production of plates</li> <li>Consumables for offset printing</li> <li>Consumables for intaglio printing</li> <li>Consumables for digital printing</li> <li>Consumables for post-press</li> <li>Packaging materials</li> <li>Other materials</li> <li>Energy</li> <li>Purchased services</li> <li>Travel</li> <li>Maintenance and repairs</li> <li>Salaries of printshop staff</li> <li>Social security costs for printshop staff</li> <li>Social costs for printshop staff</li> <li>Taxes and levies</li> <li>Depreciation and value adjustments for intangible fixed assets and tangible fixed assets of printshop</li> <li>Other costs for economic activity of printshop – insurance</li> <li>Other costs from financial activity – bank charges</li> </ul> <p><b>Indirect costs</b></p> <ul style="list-style-type: none"> <li>Other materials</li> <li>Energy</li> <li>Purchased services</li> <li>Travel</li> <li>Repairs and maintenance (overheads)</li> <li>Salaries of overhead staff</li> <li>Social security costs for overhead staff</li> <li>Social costs of overhead staff</li> <li>Taxes and levies</li> <li>Depreciation and value adjustments for intangible fixed assets and tangible fixed assets of the mint</li> <li>Other costs for economic activity – overheads</li> </ul>
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
<p>The invoice for the services provided must always include a comprehensive statement of the details of the financial compensation on a monthly basis, the conformity of which is checked in advance before the invoice is approved, as follows:</p> <p>On 15 October 2014 the ‘Contract on sales of tax stamps to purchasers of tax stamps’ (Ministry of Finance contract number 2014208202) was signed between the Ministry of Finance of the Slovak Republic and the Financial Directorate of the Slovak Republic.</p>

Under Article II.1(t) of the Contract, the Ministry of Finance is required to provide statistical data from the electronic tax stamp system in the form of a monthly statement of the number of tax stamps issued to purchasers of tax stamps (no later than five working days following the month for which the monthly statement is drawn up). These figures are compared and checked against the calculation of the financial compensation under the tax stamp production plan for the following year from Mincovňa Kremnica, š.p..

Direct contractual obligation of the tax stamp supplier to repay overpaid compensation if the ex post checks find a financial difference – settlement of the financial plan and the parameters actually achieved in respect of the public service compensation for each year of provision of the SGEI.

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

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

### Amount of aid granted

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

**2020**

**2021**

1.55

1.58

**A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>3</sup>**

**2020**

**2021**

1.55

1.58

**B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>4</sup>**

**2020**

**2021**

**C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>5</sup>**

**2020**

**2021**

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

**2020**

**2021**

Direct subsidy – 100%

Direct subsidy – 100%

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

<sup>3</sup> 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.

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

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

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>6</sup>	
<b>20</b>	<b>20</b>
<b>20</b>	<b>21</b>
<b>One entity as beneficiary</b>	<b>One entity as beneficiary</b>

**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):

- x) Postal services
- xi) Energy
- xii) Waste collection
- xiii) Water supply
- xiv) Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
- xv) Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
- xvi) Culture
- xvii) Financial services
- xviii) Other sectors (please specify)

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

<sup>6</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily

available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

<b>Section (for example iii. Waste collection or viii. Financial services)</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>

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

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)<sup>8</sup>. 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<sup>9</sup>**

**2020**

**2021**

**B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>10</sup>**

**2020**

**2021**

**C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>11</sup>**

**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)<sup>12</sup>

<sup>8</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>9</sup> 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.

<sup>10</sup> See footnote 9.

<sup>11</sup> See footnote 9.

<b>20</b> <b>20</b>	<b>20</b> <b>21</b>

#### 4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in the 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.

#### 5. OTHER ISSUES

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

This is not recorded.



e) 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 paragraph 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.

This is not recorded.

f) 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.

None.

# **Ministry of Health of the Slovak Republic**

## **Integrated Regional Operational Programme** **Specific objective 2.1.3 — Modernising the infrastructure of institutional facilities providing acute healthcare to improve their productivity and efficiency**

### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2020	2021
<b><i>Total compensation for Services of General Economic Interest (1 + 2)</i></b>	<b>88.99452542</b>	<b>72.77038101</b>
1. Total compensation granted on the basis of the SGEI Decision	88.99452542	72.77038101
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 (Article 2(1)(b))

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

<b>Section</b>
<b>1 hospitals</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>1</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.

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

<p>The provision of healthcare in a healthcare facility for out-patient care and in a healthcare facility for in-patient care is a service of general economic interest within the meaning of Section 4(1) of Act No 576/2004 on healthcare and healthcare-related services and amending certain acts.</p> <p>The State aid for upgrading the infrastructure of institutional facilities providing acute health care to increase their productivity and efficiency provides grant applicants with assistance in the form of public service compensation 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 (SGEI) in connection with the infrastructure investment required in order to provide those services.</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>
<p>The conditions for the provision of healthcare and healthcare-related services by natural persons and legal persons are governed by Act No 578/2004 on healthcare providers, health workers and professional organisations in the healthcare sector and amending certain acts. Under Article 7(2) of that Act, a healthcare facility may be operated only on the basis of a licence in the form of a decision authorising the beneficiary to operate the healthcare facility in question for a specific range of activities at a specific location.</p> <p>The entrustment within the meaning of Article 4 of the 2012 SGEI Decision is incorporated into the grant contract concluded with the beneficiary.</p>
<p><b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.</p>
<p>The duration of the obligation to provide a service of general economic interest at the level of infrastructure investment (implementation of the investment project and its sustainability) is set out in the grant contract (in Annex 1 'General Contractual Terms' and in Annex 2 'Subject of the Aid').</p> <p>Taking into account the duration of the implementation of the supported projects and the subsequent five-year maintenance period, none of the projects supported under Specific Objective 2.1.3 of the IROP are expected to last longer than 10 years.</p>
<p>Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p>The decision licensing the operation of a healthcare facility specifies the facility for which the licence is issued and its place of operation. All rights relating to the specified type of healthcare facility are laid down in the licensing decision, setting out the specific departments which the facility may operate under the terms of the licence.</p> <p>At the level of investment in infrastructure, all of the beneficiary's rights and obligations are set out in the grant contract. The territory is specified in Annex 2 to the grant contract 'Subject of the Aid' stating the place of implementation of the project.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>A grant from the structural funds and national budget from the Integrated Regional Operational Programme.</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>All the required particulars are included in the 'Methodology for establishing the amount of compensation provided from EU resources and the national budget of the Slovak Republic', which is one of the annexes to the grant contract as well as an annex to the associated State aid scheme.</p>

The Methodology contains the procedure for the applicant to establish the compensation and a template for calculating it and for the provider (Ministry of Health) to check the calculation.

The compensation mechanism is applied in accordance with paragraphs 1 and 2 of Article 5 of the Commission's SGEI Decision, whereby the net costs are calculated as the difference between the costs defined in paragraph 3 and the revenue defined in paragraph 4.

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

The process of checking the amount of compensation in accordance with the SGEI Decision is part of the process of approving and selecting the projects, in accordance with the Methodology for establishing the amount of compensation provided from EU resources and the national budget of the Slovak Republic that is annexed to the grant contract and to the State aid scheme (State aid scheme for upgrading the infrastructure of institutional facilities providing acute healthcare to increase their productivity and efficiency No SA SGEI 1/2017, as amended).

Ex-ante checks on the level of compensation set on the basis of the Methodology prevent over-compensation (the checks are laid down in the form annexed to the Methodology). If overcompensation is found, the provider reduces the amount of the grant before the grant contract is signed.

If overcompensation is found after signature of the grant contract (duplication of funding or misleading information provided by the beneficiary during verification of the amount of compensation in the assessment and selection process), the provider applies the mechanism for returning funds laid down in the grant contract (set out in detail in Annex 1 to the contract 'General Contractual Terms').

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

Lists of all the aid (grant) beneficiaries and the amounts they have been granted are published on the aid provider's website: <https://www.mirri.gov.sk/mpsr/irop-programove-obdobie-2014-2020/mz-sr-so-irop-2014-2020/riadiace-dokumenty/statna-pomoc/index.html>

The grant contracts with each beneficiary containing the details of the entrustment act are published in the Central Register of Contracts on the website [www.crz.gov.sk](http://www.crz.gov.sk).

In addition, in accordance with the State Aid Act the details of each beneficiary are recorded in the IT system for recording and monitoring aid (IS SEMP).

Projects are also published in the central register of projects at <https://www.crp.gov.sk/>, which contains a list of projects financed by repayable and non-repayable financial assistance from public funds established on the basis of Slovak Government Resolution No 689/2011.

#### Amount of aid granted

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

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

2020	2021
EUR 88.99452542 (EU source + Slovak source)	EUR 72.77038101 (EU source + Slovak source)
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>3</sup></b>	
2020	2021
EUR 88.99452542 (EU source + Slovak source)	EUR 72.77038101 (EU source + Slovak source)
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>4</sup></b>	
2020	2021
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>5</sup></b>	
2020	2021
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2020	2021
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>6</sup>	
2020	2021
<b>number of beneficiaries; 26</b>	<b>number of beneficiaries; 25</b>
<b>average amount of aid: EUR 3.42286636</b>	<b>average amount of aid: EUR 2.91081524</b>

**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).**

<sup>3</sup> 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.

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

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

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

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

N/A.

### 4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in the 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.

### 5. OTHER ISSUES

a) We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to 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 complaints have been identified.

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 paragraph 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.

N/A.

- 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.

N/A.

# **Ministry of Culture of the Slovak Republic**

## **Culture – public service in the field of news reporting**

### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	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	2.515028	2.2
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 (Article 2(1)(b))
2. Social services (Article 2(1)(c))
  - a) Healthcare and long-term care
  - b) Childcare
  - c) Access 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 not exceeding the limit set in Article 2(1)(d)
4. Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
5. SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))
  - a) Postal services
  - b) Energy



- c) Waste collection
- d) Water supply
- e) Culture – public service in the field of news reporting**
- 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:**

<b>Section (e) Culture – public service in the field of news reporting</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
<p>In Slovakia the public service in the field of news reporting is performed by the News Agency of the Slovak Republic ('TASR') on the basis of Act No 385/2008 on the News Agency of the Slovak Republic and amending certain acts, as amended ('the News Agency Act'). Under Section 3(2) of the News Agency Act, the public service in the field of news reporting comprises gathering up-to-date, timely, verified, undistorted and impartial information and processing it in the form of text files, sound recordings, audio-visual recordings, video recordings or multimedia recordings and conveying it in domestic and foreign agency reporting, as well as storing the information gathered and making it accessible.</p> <p>The services undertaken in the public interest that are specified in Section 3(5) of the News Agency Act are a special category of services provided as part of the main activity. In accordance with that provision, the News Agency carries out the following services in the public interest as part of the main activity:</p> <ul style="list-style-type: none"> <li>a) issuing in full announcements by the President of the Slovak Republic, the Slovak Government, the Slovak Constitutional Court, the Supreme Audit Office of the Slovak Republic, the President of the National Council of the Slovak Republic, the Prime Minister of the Slovak Republic, other constitutional officials, the Office of the President of the Slovak Republic, the Office of the Slovak Republic, the Office of the National Council of the Slovak Republic, the Office of the Judicial Council, the Office of the Public Defender of Rights, the Commissioner for Children, the Commissioner for Persons with Disabilities and central government bodies if they so request;</li> </ul>

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

- b) reporting on opinions and communications from the President of the Slovak Republic, the Slovak Government, the Slovak Constitutional Court, the Supreme Audit Office of the Slovak Republic, the President of the National Council of the Slovak Republic, the Prime Minister of the Slovak Republic, other constitutional officials, the Office of the President of the Slovak Republic, the Office of the Slovak Republic, the Office of the National Council of the Slovak Republic, the Office of the Judicial Council, the Office of the Public Defender of Rights, the Commissioner for Children, the Commissioner for Persons with Disabilities and central government bodies if they so request;
- c) reporting on opinions and communications from other public authorities, budgetary organisations and publicly funded organisations and legal persons established by law, if so requested by the relevant central government body or by a public authority that is not subordinate to a central government body;
- d) gathering and making available information about the operation, legislative processes, decisions and activities of European Union bodies;
- e) gathering and processing information on social, cultural, economic, political and sporting events in the territory of the Slovak Republic for other countries in at least two foreign languages;
- f) storing the information gathered and making it accessible;
- g) collecting and making available a database of images, sound recordings and video recordings in electronic form for academic and scientific purposes

For the provision of these services in the public interest, the News Agency is granted a contribution from the national budget by the Ministry of Culture in accordance with Section 6(1)(b) of the News Agency Act. The range of services in the public interest financed from this contribution is laid down in a public service contract in accordance with Section 6(2)(d) of the News Agency Act.

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

- News Agency Act,

**Year 2020:**

- Public service contract No MK - 2/2020/M,

- Addendum No 1, ref. No MK-14/2020/M to public service contract No MK - 2/2020/M,

- Addendum No 2, ref. No MK-27/2020/M to public service contract No MK - 2/2020/M as amended by Addendum No 1, No MK-14/2020/M,

- Addendum No 3, ref. No MK-78/2020/M to public service contract No MK - 2/2020/M as amended by Addendum No 1, No MK - 14/2020/M and Addendum No 2, No MK – 27/2020/M.

**Year 2021:**

- Public service contract No MK–85/2020/M

**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.

Under Section 6(2) of the News Agency Act, public service contracts can be concluded for a duration of one to three years. In practice, since the News Agency Act has been in effect (i.e. also in 2020 and 2021) the contract has always been concluded for one calendar year.
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
The News Agency has not been granted any exclusive or special rights.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The News Agency has been granted the contribution directly from the national budget on the basis of the public service contract for the year in question. The use of a contract as the instrument is laid down directly in the News Agency Act.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>Compensation is granted in the form of:</p> <ul style="list-style-type: none"> <li>- a contribution from the national budget for the respective financial year for the provision of public services on the basis of the public service contract concluded between the Ministry of Culture and the News Agency, and</li> <li>- a contribution to capital expenditure earmarked for carrying out special-purpose investment projects in the public interest (this is not granted annually and was not granted in 2020 or 2021).</li> </ul> <p>Public service contracts take effect on the day following their date of publication in the Central Register of Contracts managed by the Office of the Government of the Slovak Republic pursuant to the Civil Code, as amended, and Act No 211/2000 on freedom of access to information and amending certain acts (Freedom of Information Act), as amended. The contract is published on the website of both the Ministry of Culture and the Slovak News Agency.</p> <p>On the basis of the funds available in the national budget and the priorities of the Ministry of Culture for the financial year in question, the Ministry of Culture conducts negotiations with the New Agency on the public service contract for the following financial year and the range of services to be covered. The range of public services under Section 3(5)(a) to (g) of the News Agency Act is set so that the News Agency is able to provide all those services to an extent and to a standard satisfying the public's right to information. The total costs of those services and the precise breakdown and structure of the public service expenditure for the year in question is also laid down in accordance with the budget classification. The total costs of the services is based on the unit price, i.e. the cost per report, according to the internal methodology of the News Agency.</p> <p>The net cost calculation method is used to determine the amount in accordance with Article 5(2) of Decision 2012/21/EU. The compensation is provided as the difference between the News Agency's costs and income. Under Section 5(13) of the News Agency Act, the News Agency provides its services for a consideration, except for the services for which the contribution under Section 6(1)(b) is granted (i.e. the contribution for a public service under Section 3(5) on the basis of a public service contract). Under Section 4(1) of the News Agency Act, the News Agency is authorised to operate only business activities that are related to its core business and do not endanger the performance of its core business under that Act. The resources accruing from business activities are used by</p>

the News Agency to carry out its core business and to create a reserve fund. Under Section 5(6) of the News Agency Act, funds managed by the News Agency may be used only for purposes in accordance with that Act and to the extent necessary. In accordance with the first sentence of Section 5(7) of the News Agency Act, the News Agency is not allowed to use funds from the national budget for business purposes.

The compensation for the provision of public services is therefore granted to the News Agency for the costs actually incurred on those services. It does not include costs for the News Agency's other services or its business activities. The News Agency does not make any profit on the public services it provides on the basis of the contract with the State, since under the Act it provides those services free of charge. In practice it is not always entirely possible to separate certain costs incurred by the News Agency on public service obligations under Section 3(5) of the News Agency Act from other public services it provides. However, this is acknowledged by Decision 2012/21/EU itself, Article 5(3)(c) of which states that the costs allocated to the service of general economic interest may cover all the direct costs incurred in operating the service of general economic interest and an appropriate contribution to costs common to both the service of general economic interest and other activities. Similarly, costs relating to infrastructure investments may be included in the net cost, provided that these investments are necessary for the operation of the service of general economic interest (these costs are eligible in accordance with Article 5(3)(d) of Decision 2012/21/EU).

The specific amount of the contribution from the national budget is set in line with the binding budgetary indicators for the national budget for the financial year in question for the Ministry of Culture budget chapter.

In the public service contract, the News Agency undertakes to use the public service contribution from the State budget exclusively for expenditure to cover the costs laid down in Annex 1 and Annex 3 to that contract (Article VII(1)(a) of public service contract No. MK - 2/2020/M and public service contract No MK-85/2020/M).

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

Measures to prevent overcompensation are contained in both the News Agency Act and the actual public service contract for the year in question.

In accordance with the News Agency Act, the funds managed by the News Agency may be used only for purposes under that Act and to the extent necessary (Section 5(6)), and the News Agency's accounts are certified by an auditor and approved by its Management Board. The News Agency is also required by law to produce an annual report, which must contain, among other things, an overview and evaluation of the performance of its core business tasks and compliance with the obligations laid down in the News Agency Act and special legislation. The Management Board of the News Agency must issue an opinion on the annual report. The National Council of the Slovak Republic then discusses the report, which it must deposit, together with the auditor's report, in the public section of the Register of Financial Statements and publish on its website. In 2020 and 2021, checks on the running of the Slovak News Agency were also governed by Act No 39/1993 of the National Council of the Slovak Republic on the Supreme Audit Office of the Slovak Republic, as amended, and Act No 357/2015 on financial control and auditing and amending certain acts. The News Agency Act (Section 6(3)) also requires the Ministry of Culture to check that the public service contract is complied with.

Under the public service contract (for 2020 and 2021 and for other years), any revenue generated by the News Agency from using the contribution from the national budget granted under the contract is deemed to be revenue for the national budget (minus account management charges, except for charges for setting up and closing accounts) and the News Agency is required to pay it over to the Ministry of Culture's revenue account. If

the News Agency does not use the contribution from the national budget in full, it is also obliged to return the unused funds to the Ministry of Culture within the timeframe laid down in the contract. The same obligation applies if the News Agency fails to provide a public service for which it has received a contribution. The contract also stipulates by when the contribution granted must be used.

Within the prescribed period, the News Agency is required to settle accounts with the Ministry of Culture for the contribution from the national budget, including a factual account of the use made of that contribution, comprising in particular a list of the public services for which the contribution was granted and a financial statement for the contribution containing an overview of the expenditure incurred using the contribution, broken down by public service, including copies of bank statements proving use of the contribution.

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

#### Amount of aid granted

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

2020	2021
2.515028	2.200000
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b> <sup>9</sup>	
2020	2021
Aid granted to the Slovak News Agency — 2.515028	Aid granted to the Slovak News Agency — 2.200000
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b> <sup>10</sup>	
2020	2021
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b> <sup>11</sup>	
2020	2021

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

<sup>9</sup> 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.

<sup>10</sup> See footnote 9.

<sup>11</sup> See footnote 9.

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) <sup>12</sup>	
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):

- i) Postal services
- ii) Energy
- iii) Waste collection
- iv) Water supply
- v) Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
- vi) Airports and ports with average annual traffic above the limit set in Article 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:**

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

<b>Section (for example iii. Waste collection or viii. Financial services)</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>13</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
A short explanation of how the <b>transparency requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide

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

the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)<sup>14</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)</b>	
<b>2020</b>	<b>2021</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>15</sup></b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>16</sup></b>	
<b>2020</b>	<b>2021</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>17</sup></b>	
<b>2020</b>	<b>2021</b>
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	
<b>2020</b>	<b>2021</b>
<b>Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>18</sup></b>	
<b>2020</b>	<b>2021</b>

**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).**

<sup>14</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>15</sup> 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.

<sup>16</sup> See footnote 15.

<sup>17</sup> See footnote 15.

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



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

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in the 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. MISCELLANEOUS QUESTIONS**

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

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

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

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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with paragraph 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.

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## **Slovakia's State Nature Protection Authority**

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2020	2021
<i>Total compensation for Services of General Economic Interest (1+2)</i>		12.28717867
1. Total compensation granted on the basis of the SGEI Decision		12.28717867
2. Total compensation granted on the basis of the SGEI Framework		

### **1. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION**

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

6. Hospitals providing medical care, including, where applicable, emergency services (Article 2(1)(b))
7. Social services (Article 2(1)(c))

- a) Healthcare and long-term care
  - b) Childcare
  - c) Access and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (if applicable)
8. Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
9. Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
10. SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))
- a) Postal services
  - b) Energy
  - c) Waste collection
  - d) Water supply
  - e) Culture
  - f) Financial services
  - g) Other industries - **A.02 - Forestry and logging, A.01 Crop and animal production, hunting and related service activities**

Section
<b>5g Other industries: A.02 - Forestry and logging and A.01 Crop and animal production, hunting and related service activities</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>19</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.

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

## **A.02 - Forestry and logging**

Forestry and logging — Reimbursement of increased costs for the implementation of the required measures for forest ecosystems in NATURA 2000 areas:

### **Measure 1: Forest restoration — natural tree composition**

Forest restoration will be subject to the achievement of a natural tree composition or at least to the maximum possible approximation to the natural tree composition. The emphasis will be on natural restoration; where appropriate, target plants that are missing or underrepresented in natural rejuvenation will be brought in for artificial restoration. The retention of native pioneer trees or restoration using what is known as the 'preparatory forest' will also be encouraged.

Where protection of forest habitats is not involved, the natural tree composition may also be derived from the master units (forest type, group of forest types, economic group of forest types). Where protection of forest habitats is involved, this must be based primarily on the characteristics of the habitat.

There will be no deliberate restoration or other support for non-native trees. Introduced trees or interspecies hybrids of domestic trees and exotic species will not be used at all, even if listed in management models.

The natural tree composition also includes native pioneer trees.

Where justified, to ensure a higher success rate of the natural rejuvenation, local soil wounding on randomly distributed patches may also be supported.

The measure covers not only restoration following intentional logging, but also restoration of unstocked areas following random logging.

If the State aid beneficiary is able to calculate the increased costs in the requisite way, support may also be granted for restoration of larger unstocked areas (in particular following random logging) by means of the 'preparatory forest', subject to a commitment that, if there is further restoration of the subsequent stand, it will meet the conditions set out above.

In areas that are difficult to plant and overgrown with weeds, support can be granted for mechanical soil preparation (although not covering whole areas) and/or sowing of preparatory trees.

Where natural or artificial restoration is at threat from wild animals, support can be granted for (non-chemical) protection against animals, preferably by building enclosures or applying protective measures based on natural and/or naturally (bio)degradable materials (e.g. sheep's wool or other suitable alternatives). In renovated stands support can be granted for area fencing (and, where justified, for individual fencing); in the case of full-area fencing the size of the enclosure may be up to 0.2 ha for shade-loving trees and up to 1.0 ha for shade-intolerant trees and for windthrown areas over 1.5 ha. Larger areas can be granted support only exceptionally after appropriate justification and after

consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

The project can also support fencing maintenance if it takes place during the implementation of the project and can be planned and costed in advance by the State aid beneficiary.

In justified cases, non-chemical protection against weeds can also be supported.

Other area preparation can be supported only if it is strictly necessary to meet the above criteria (e.g. for artificial restoration of deficit trees), after appropriate justification and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

Once the fencing has served its purpose, the State aid beneficiary undertakes to remove all non-biodegradable components of the fence from the forest at its own expense.

## **Measure 2: Lighter restoration methods**

The restoration of forest stands will be carried out with the aim of progressively achieving a stable multilayer forest meeting the characteristics of permanent multi-layered stands or a forest with a selective structure (or to maintain/improve the structure in the case of stands already suitably structured). The way in which the restoration is carried out should be based primarily on the principles of close-to-nature forest management, with increased focus on working with individual trees or groups of trees and with even stricter criteria for maximum sizes of restoration elements, or taking into account other nature conservation requirements.

Restoration will be granted support in forest spatial distribution units where logging has been prescribed for restoration purposes under the current Forest Care Plan; in the case of protective forests this aid applies only in justified cases (see the 'Additional restrictions/rules' section). In all cases, support will be granted only for implementation of the lightest management methods applicable in the circumstances, subject to at least the following criteria:

For stands on 'tractor terrain': undergrowth management method with maximum area size of 0.2 ha; where shade-loving trees dominate, priority is given to individual or clump selection of trees; in the case of the special-purpose management method, wherever conditions do not allow, restoration is carried out on at least part of the area by means of individual or, at most, clump selection.

For stands on 'cableway sites': undergrowth management method up to one growth height, with area size up to 0.5 ha in the case of final felling. The first stages of restoration may be carried out on larger areas, but must comply at least with close-to-nature forest management limits. Where operating or natural conditions allow, here too priority is given to individual or, at most, clump selection or special-purpose management with similar objectives. In justified cases where genuinely necessary in order to improve the status of habitats, larger restoration areas can also be supported, but only if all close-to-nature forest management procedures and, where appropriate, other nature conservation conditions are complied with and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

Restoration must also be subject to achieving a tree composition in accordance with the terms of Measure 1.

Collection of harvested tree matter:

This will be carried out preferably in winter (if the conditions or other nature conservation interests allow) in the most efficient way possible given the field conditions and available technology. The lightest possible felling methods will be used (with the emphasis on directional felling), with preference given to the assortment method, cutting the trunk into at least two pieces and applying appropriate preventive measures to minimise damage to the remaining stand (directional pulleys, tree protection etc.) and prioritising protection of trees that are to be retained for their lifespan. In order to be counted as lifespan retention trees, any trees damaged in this process must be appropriately treated (with an environmentally safe and approved product).

All available, feasible and proportionate measures should be implemented to minimise erosion and/or excessive soil compaction from the movement of heavy machinery in the stand.

If conditions allow, support should be given for access by horse or 'forest horse' machinery, or at least a combination of access by horse and other technology.

Access to stands:

Stand access can be supported only to the extent necessary where, for objective reasons, it is not possible to implement the necessary light forms of management without providing such new access (objectively justified unavailability of the necessary technology for the operator, field restrictions on the deployment of other technology, etc.) or such access will be clearly more sensitive than the use of other technology (e.g. cableways).

Construction of access lines can be supported only where justified and necessary, provided that exemplary, environmentally sound and sensitive methods are used, with minimisation of land disturbance; routing should be mainly along the contour line.

Support may be granted only for levels of accessibility or types of access that go beyond normal management procedures.

Construction of new forest roads or reconstruction of existing ones can be supported only to the extent necessary, in exceptional and justified cases and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate. However, the road construction or reconstruction must apply exemplary cost-effective and environmentally sound approaches which – when compared with the alternative of not constructing/reconstructing the road – will unquestionably allow for more sensitive management leading to improvement of the status of species or habitats.

When assessing the possibility of supporting the construction or reconstruction of forest roads, account will also be taken of how site preparation and rehabilitation of affected areas will be carried out after the works have been completed, as well as of any commitment to implementing compensatory measures (e.g. revitalisation of unused roads or other measures compensating for the negative impact of the construction or reconstruction).

Any support for access to stands that involves landscaping alterations is subject to consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

### **Measure 3: Lifespan retention of trees**

In forest spatial distribution units where logging has been prescribed for restoration purposes, a certain quantity of living trees with no visible signs of significant damage that might lead to their premature death will be retained for their lifespan. The trees to be retained may be selected individually or in groups or – in justified instances – as whole sections of the stand. Lifespan retention of trees will be supported only if standard management envisages/allows for gradual restoration of the entire stock of the forest spatial distribution unit. The retained trees should be upper-tier trees the dimensions of which (height,  $d1/3$ ) have the minimum mean trunk dimensions for the tree in question in the forest spatial distribution unit being restored in the relevant tier, preferably of several different species in accordance with the natural tree composition. The selection should prioritise thick or valuable trees in accordance with the methodological guideline on forest habitat mapping (State Nature Protection Authority, 2013) or important habitat and nesting trees. Where there are valuable species or individual trees on lower tiers, they may also be selected (with the selection criteria applied *mutatis mutandis*).

Trees to be retained for their lifespan may be selected anywhere in the forest spatial distribution unit, with a minimum of 10 trees per hectare in the area being restored. Where the current tree composition allows, retention priority should be given to native trees. The support ceiling is 5% of the stock in the forest spatial distribution unit (in the case of multi-tier and tier stocks); in the case of protective forests, the retention of up to 10% of the stock in the forest spatial distribution unit can be supported, but only in justified cases (see the ‘Additional restrictions/rules’ section). The support ceiling does not apply to retention of trees left standing (tier 9) that would otherwise be felled.

In exceptional cases, after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate, support can be given for a larger quantity of trees to be retained, particularly where there is a need to maintain exceptional and complete sections of stands that would otherwise definitely be felled and the above ceilings are not sufficient for that purpose.

If 10 trees per hectare would exceed the upper limit (as a percentage of the stock), a smaller number of trees may be retained.

Lifespan retention of trees may also be supported in younger stands, but only if there are biologically and ecologically valuable outgrowths or offshoots or older trees left standing from the previous stand, if it is reasonable to assume that they would have definitely been removed as part of standard cultivation interventions. In such cases, the support ceiling is 10% of the stock of the original stand from which the leftover trees originate, if the stock is known or, if not, 10 trees per hectare. In either case, the calculation can be made for no more than the full surface area of the forest spatial distribution unit in which such trees are to be retained.

Such trees or groups of trees must be clearly identified (there is a free choice as to the means of identification: GPS coordinates or marking directly on the forest stand or by some other means, by agreement) and recorded (tree, dimensions: height, thickness,  $d1.3$

diameter, or trees in a group by degrees of thickness, surface area of group, location in the stand).

Lifetime retention trees will be left in the stand for good, even after the end of the project, and will not be deliberately felled, even if affected by detrimental factors or otherwise damaged. Any trees that die will be left in the stand to decompose naturally.

If a lifetime retention tree is significantly damaged as a result of felling, wood collection or other measures and that damage significantly increases the risk of that tree being weakened or dying prematurely, the tree may not be counted as a tree supported for lifetime retention.

The beneficiary of the State aid undertakes, at the time of the next renewal of the Forest Care Programme, to ask the drafter of the Programme to include information on the lifetime retention trees in the description of the forest spatial distribution unit, and to reduce the volume of prescribed felling for the species in question accordingly. The distribution must include, as a minimum, information on the number of individual trees per species, as well as a reference to any special written undertaking or contractual relationship whereby the State aid beneficiary undertakes to retain these trees in the stand.

#### **Measure 4: Retention of coarse dead wood**

Where economically recoverable coarse dead wood is present in the forest stand, the retention of part of it for natural decomposition can be supported. Dead wood qualifies under the following conditions and with the following parameters:

- Minimum average thickness of all dead wood mass more than 7 cm (without bark) meeting the following parameters, in the forest spatial distribution unit (ideally at least the mean trunk thickness in the forest spatial distribution unit). The minimum diameter permitted for support for retention in the stand is 7 cm not including the bark, but such thin matter is taken into account only in the case of young forest stands up to 50 years of age and where there is no thicker coarse dead wood in the stand.
- Rate of degradation: either fresh or, at most, in the initial stages of decomposition, in a technically usable state or if it meets other parameters that mean it can still feasibly be monetised.
- Both standing and lying trunks qualify. If conditions permit, the retained trunks should be intact without saw marks.
- Stumps, logs shorter than 2m or what are known as ‘štompy’ lower than 1.5m do not qualify as dead wood retained for this purpose.

The minimum amount of retained coarse dead wood is 3 m<sup>3</sup>/ha. If there is less than that present in the forest spatial distribution unit, support can be granted for retention of a smaller quantity. The support ceiling is 5% of the stock of the forest spatial distribution unit. In the case of multi-tier stands, the calculation is made from the stock on the top tier. In the case of protective forests, the retention of up to 10% of the stock in the forest spatial distribution unit can be supported, but only in justified cases (see the ‘Additional restrictions/rules’ section).

In addition to recording the volume of wood, such dead wood is also recorded in the form of a verbal description briefly characterising the quantity, the species or the area of the group of trees/trunks retained etc. (if identification is not possible, at least specifying



whether deciduous or coniferous) and, if justified for further retention checks, the location in the stand (either GPS coordinates or at least in the form of a description: concentrated, dispersed, in the middle of the stand, on a ridge, by a stream...) in such a way that, even with the passage of time, the retention can still be verified.

Such dead wood will be left in the stand for good, even after the end of the project, until it decomposes naturally.

### **Measure 5: Cultivation of young forest stands**

As part of the cultivation interventions, tree selection and intervention intensity will be subject to the aim of ensuring the best match between the tree composition of the stand and the natural tree composition in the area, including pioneer trees (same naturalness criteria as for Measure 1). The interventions will therefore focus primarily on removing non-native species and supporting underrepresented native species and on compliance with any additional conditions individually agreed on with the competent area office of the State Nature Protection Authority.

Where there are native pioneer trees, support can be granted for their retention and they can be included in the natural tree composition (if they do not account for more than 10% of the stand; this limit does not apply to cases of reforestation using a preparatory stand).

Support can be granted only for interventions that go beyond what is laid down in the current Forest Care Plan. If other conditions are met, the signposting of an intervention may also be supported for the volume planned in the Forest Care Plan in the case of stands up to 50 years old. However, if the forest manager's obligation to signpost the cultivation intervention is based on other rules, internal guidelines or commitments, support may not be granted under this project.

In justified cases, as part of the cultivation interventions, support can also be granted for pruning for the purpose of thinning-out and supporting the target or valuable trees that comply with the nativeness criteria in the stand. Similarly, where there is an increased risk of damage by animals, support under the cultivation intervention may also be granted for individual protection of such trees against bark shedding, using natural and/or naturally (bio)degradable materials (such as wrapping in brushwood).

Other documented additional expenditure can also be granted support if it can be clearly demonstrated that it is linked with compliance with the above conditions that go beyond the standard/planned management operations.

#### **Access to stands:**

Stand access can be supported only to the extent necessary where, for objective reasons, it is not possible to implement the necessary light forms of management without providing such new access (objectively justified unavailability of the necessary technology for the operator, field restrictions on the deployment of other technology, etc.) or such access will be clearly more sensitive than the use of other technology (e.g. cableways).

Construction of access lines can be supported only where justified and necessary, provided that exemplary, environmentally sound and sensitive methods are used, with minimisation of land disturbance; routing should be mainly along the contour line.

Support may be granted only for levels of accessibility or types of access that go beyond normal management procedures.

Construction of new forest roads or reconstruction of existing ones can be supported only to the extent necessary, in exceptional and justified cases and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate. However, the road construction or reconstruction must apply exemplary cost-effective and environmentally sound approaches which – when compared with the alternative of not constructing/reconstructing the road – will unquestionably allow for more sensitive management leading to improvement of the status of species or habitats.

When assessing the possibility of supporting the construction or reconstruction of forest roads, account will also be taken of how site preparation and rehabilitation of affected areas will be carried out after the works have been completed, as well as of any commitment to implementing compensatory measures (e.g. revitalisation of unused roads or other measures compensating for the negative impact of the construction or reconstruction).

Any support for access to stands that involves landscaping alterations is subject to consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

#### **Measure 6: Conversion of tree composition – pre-planting/pre-sowing and underplanting/undersowing**

In selected forest stands with a significantly altered tree composition, conversion of the tree composition will be initiated using natural rejuvenation and pre-planting/pre-sowing and underplanting/undersowing with native species. Support may be granted only for restoration of native species in order to rebuild the stand in line with its native composition and structure. The same nativeness criteria apply as for Measure 1, while the criteria for allowing use of preparatory trees are the same as for Measure 5.

Pre-planting/pre-sowing and underplanting/undersowing will be supported primarily on small areas (clumps), while larger unbroken connected areas will be supported only in essential and technically justified cases; for unbroken areas larger than 0.5 ha support is subject to consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

In justified cases, in order to ensure a higher natural rejuvenation success rate, support can be granted for use of localised soil wounding on randomly distributed patches; mechanised procedures are subject to consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

In areas that are difficult to plant and overgrown with weeds, support can be granted for mechanical soil preparation (although not covering whole areas) and/or sowing of preparatory trees.

Where natural or artificial restoration is at threat from wild animals, support can be granted for (non-chemical) protection against animals, preferably by building enclosures or applying protective measures based on natural and/or naturally (bio)degradable materials (e.g. sheep's wool or other suitable alternatives). In renovated stands support can be granted for area fencing (and, where justified, for individual fencing); in the case of full-area fencing the size of the enclosure may be up to 0.2 ha for shade-loving trees and up to 1.0 ha for shade-intolerant trees and for windthrown areas over 1.5 ha. Larger

areas can be granted support only exceptionally after appropriate justification and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

The project can also support fencing maintenance if it takes place during the implementation of the project and can be planned and costed in advance by the State aid beneficiary.

In justified cases, non-chemical protection against weeds can also be supported.

Other area preparation can be supported only if it is strictly necessary to meet the above criteria (e.g. for artificial restoration of deficit trees), after appropriate justification and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

Once the fencing has served its purpose, the State aid beneficiary undertakes to remove all non-biodegradable components of the fence from the forest at its own expense.

### **Measure 7: Replacement of chemical protection**

This measure covers replacing chemical conservation of trees with another non-chemical form of protection. This will primarily involve protection against weeds and wild animals. Support can be granted only for a genuine change in the protection procedure used, i.e. only if the operator generally uses or has to date been using chemical protection or, before it was incorporated into the project, had been clearly planning to use chemical protection on the project area in question. In the case of protection against wild animals, only procedures meeting the following criteria are eligible:

Non-chemical protection against animals – preferably by building enclosures or applying protective measures based on natural and/or naturally (bio)degradable materials (e.g. sheep's wool or other suitable alternatives). In renovated stands support can be granted for area fencing (and, where justified, for individual fencing); in the case of full-area fencing the size of the enclosure may be up to 0.2 ha for shade-loving trees and up to 1.0 ha for shade-intolerant trees and for windthrown areas over 1.5 ha. Larger areas can be granted support only exceptionally after appropriate justification and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

The project can also support fencing maintenance if it takes place during the implementation of the project and can be planned and costed in advance by the State aid beneficiary.

Once the fencing has served its purpose, the State aid beneficiary undertakes to remove all non-biodegradable components of the fence from the forest at its own expense.

This measure can support protection against weeds and wild animals only in forest spatial distribution units where other project measures under which protection against weeds and wild animals can be supported are not being implemented.

### **Measure 8: Change in the structure of forest stands in capercaillie areas**

This measure may support changes in the structure of young forest stands that go beyond the interventions provided for in the current Forest Care Plan and in line with the

principles set out in the current Capercaillie Protection Programme and in the capercaillie areas identified in the current Capercaillie Protection Programme.

The following applies to stand access for the purpose of carrying out cultivation interventions meeting the above criteria and *mutatis mutandis* also to support for access by horse or ‘forest horse’ machinery or by a combination of those and other technology:

Stand access can be supported only to the extent necessary where, for objective reasons, it is not possible to implement the necessary light forms of management without providing such new access (objectively justified unavailability of the necessary technology for the operator, field restrictions on the deployment of other technology, etc.) or such access will be clearly more sensitive than the use of other technology (e.g. cableways).

Construction of access lines can be supported only where justified and necessary, provided that exemplary, environmentally sound and sensitive methods are used, with minimisation of land disturbance; routing should be mainly along the contour line.

Support may be granted only for levels of accessibility or types of access that go beyond normal management procedures.

Construction of new forest roads or reconstruction of existing ones can be supported only to the extent necessary, in exceptional and justified cases and after consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate. However, the road construction or reconstruction must apply exemplary cost-effective and environmentally sound approaches which – when compared with the alternative of not constructing/reconstructing the road – will unquestionably allow for more sensitive management leading to improvement of the status of species or habitats.

When assessing the possibility of supporting the construction or reconstruction of forest roads, account will also be taken of how site preparation and rehabilitation of affected areas will be carried out after the works have been completed, as well as of any commitment to implementing compensatory measures (e.g. revitalisation of unused roads or other measures compensating for the negative impact of the construction or reconstruction).

Any support for access to stands that involves landscaping alterations is subject to consultation and agreement with the area office responsible and with the State Nature Protection Authority Directorate.

After consultation and agreement with the State Nature Protection Authority Directorate, other actions may also be supported if they can be shown to be essential to enable such measures to be carried out (for example, changing the forest category, amending the Forest Care Plan etc.).

**A.01 Crop and animal production, hunting and related service activities:**  
reimbursement of increased costs for the implementation of the required measures for forest ecosystems in NATURA 2000 areas:

### **Manual mowing and manual felling**

Mowing grass and reed communities as a tool for conservation management in protected areas to improve the unfavourable status or maintain the favourable status of the habitat

and of plant and animal species is needed as a one-off measure, i.e. when preparing a site for grazing by livestock. In areas where grazing is undesirable or not possible, mowing may be repeated. In addition to removing (multiannual) grasslands, machinery and equipment is also used to remove volunteer trees, non-native trees and other unwanted trees on the site. Scythes are used for mowing small, hard-to-access or water-saturated areas and areas with significant invertebrate species or dicotyledonous plants. The use of scythes is suitable for areas with flatter ground and not too many volunteer trees. Mowing of vegetation is carried out principally for the purpose of maintaining or improving favourable ecological conditions for the target species, communities and habitats. The quality of the grass/hay produced is secondary. Manual felling is carried out in water-saturated areas and on inaccessible terrain. Manual felling is generally carried out for small trees.

Selective felling of unwanted trees and removal of successive volunteer trees using chainsaws. Sawing the wood into small pieces, piling it up and transporting it from the site. Milling tree stumps using machine tools. Clearing the area of unwanted wood residues after milling and removing them from the site. Retaining the oldest stand-alone trees and a group of shrubs covering a maximum of 5%. Purchase and installation of electric fencing, including the necessary accessories, as preparation for cattle grazing. In order to clear the area of unwanted trees, there will then be grazing by cattle using an enclosure which will be moved around in order to regulate the grazing intensity at the site. Cutting of trunk suckers using brush-cutters. Maintenance management of the site.

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

Conservation contract within the meaning of Section 61 of Act No 543/2002 on nature and landscape protection, as amended

Financial contribution contract within the meaning of Section 60 of Act No 543/2002 on nature and landscape protection, as amended

**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.

8 years from the effective date of the contract (2020) until 31 December 2028

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

Undertakings granted State aid under the scheme in question are given exclusive rights and property-law arrangements: ownership or rental, prior to the granting of state aid.

No additional exclusive or special rights are granted along with the State aid.

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

**grant**

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

The mechanism for allocating contributions to users is as follows:

The calculation of the increased costs was carried out as the likely quantification when the measures are implemented at a specific time and applied to the specific location (the user's stand). The mechanism for granting state aid will be implemented under the State aid scheme for the provision of services of general economic interest in the field of biodiversity conservation, as amended by Addendum No 1, as follows (the light mechanism under point N of that scheme):

- reaching out to potential beneficiaries with a proposal for implementation of selected measures on the land they own or rent, including the conditions for them to implement the measures (with the conditions for the aid to be granted).
- submission of data (supported by relevant documentation) together with a proposal for calculation of the aid to cover the net cost of implementing the measures and demonstrating compliance with the conditions for the aid to be granted
- checking of compliance with the conditions for the aid to be granted and transmission of draft contract to be signed; ensuring effectiveness of the contract
- the aid is deemed to have been granted when the conservation contract takes effect, which is when the user (the beneficiary of the State aid) will be granted an advance prior to implementation of the measures
- implementation of the contractually agreed measures will be checked while they are being implemented, and once the measures have been implemented, an administrative financial check of the increased costs actually incurred will be carried out in order to avoid overcompensation.

It follows from the above that the result of the calculation is the expected amount of increased costs in EUR, which will be made available to users in the form of an advance payment. The amount of the advance granted will subsequently be checked against the actual situation by carrying out an administrative financial check of the accounting documents for the measures implemented by the users. The result of the administrative financial check will be included in the draft administrative financial check report/administrative financial check report and the difference between the advance paid and the expenditure actually incurred, representing the increased costs/revenue foregone, will be:

- (a) returned by users to the account of the State aid provider (grant applicant) if the advance is not fully used, or
- (b) charged to the user's account if the advance is overdrawn.

The subsidies/contributions were therefore allocated to users on the basis of individual calculations of projected increased costs, taking into account the specificities of the user, the measures and the specific forest stand in order to improve the status of species and habitats of EU importance.

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

The following checks have been selected as measures to prevent overcompensation: administrative financial checks and on-the-spot financial checks

The administrative financial checks and on-the-spot financial checks are carried out in accordance with Act No 357/2015 on financial control and audits and amending certain acts (the Financial Control Act) by staff of the State Nature Protection Authority.

Checks are carried out on compliance with the conditions for the subsidies and contributions to be granted in respect of third parties, i.e. users of forest land, in accordance with the conservation contract/financial contribution contract. The checking aims to verify that the declared increased costs and expenditure and other data and associated documentation submitted by the user comply with EU and Slovak legislation and that the subsidy granted has been used effectively, efficiently and for the correct purpose, as well as thoroughly verifying the progress achieved in the implementation of the actions and outputs from the measures implemented as laid down for the user in the contract.

In accordance with the Financial Control Act, the purpose of the checking will be, in particular, to ensure that subsidies are granted in a cost-effective, efficient, effective and targeted manner in accordance with EU and Slovak legislation, to prevent and detect fraud, irregularities and corruption, to check that action is taken to address any deficiencies identified by administrative financial checks or on-the-spot financial checks, as well as addressing adequate management of risks relating to the legality, eligibility and regularity of the financial operations, the reliability of the accounts, and protection of assets and information. The checks provide the State Nature Protection Authority with appropriate information on the objective status and progress of the measures implemented and on facts that have or could have a major impact on implementation of the project.

In terms of timing, the State Nature Protection Authority carries out the administrative financial checks and on-the-spot financial checks on the implementation of the measures as follows:

- (a) Performance of checks from conclusion of the contract with the user until the end of the implementation of the measures (the implementation period).
- (b) Performance of checks after completion of implementation of the measures, i.e. from submission of the documentation for the subsidy to be settled (annually or twice a year) up until June 2023 – completion of implementation of the measures under the contract.
- (c) Performance of checks during the period over which the project has to be maintained, i.e. from January 2024 to December 2028, i.e. until the contract expires.

The State Nature Protection Authority will carry out at least one on-the-spot financial check both during and after completion of the measures.

The output from each administrative financial check and on-the-spot financial check is a draft partial report/draft check report (in the case of detected deficiencies) and the partial report/control report, except where the administrative financial check and on-the-spot financial check is suspended, in which case the output is the record of the suspension of the financial check.

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

publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Not applicable</b>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)<sup>20</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A + B + C)</b>	
<b>2020</b>	<b>2021</b>
	<b>12.28717867</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>21</sup></b>	
<b>2020</b>	<b>2021</b>
	<b>12.28717867</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>22</sup></b>	
<b>2020</b>	<b>2021</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>23</sup></b>	
<b>2020</b>	<b>2021</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>24</sup>	
<b>2020</b>	<b>2021</b>

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

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

<sup>22</sup> See footnote 9.

<sup>23</sup> See footnote 9.

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



## 6. 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):

- x) Postal services
- xi) Energy
- xii) Waste collection
- xiii) Water supply
- xiv) Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
- xv) Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
- xvi) Culture
- xvii) Financial services
- xviii) 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 <sup>25</sup>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.

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

<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.	
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .	
A short explanation of how the <b>transparency requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)<sup>26</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)</b>	
<b>2020</b>	<b>2021</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>27</sup></b>	
<b>2020</b>	<b>2021</b>

<sup>26</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>27</sup> 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.

<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>28</sup></b>	
<b>2020</b>	<b>2021</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>29</sup></b>	
<b>2020</b>	<b>2021</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>30</sup>	
<b>2020</b>	<b>2021</b>

## 7. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in the 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.

Not applicable

## 8. MISCELLANEOUS QUESTIONS

d) 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;

<sup>28</sup> See footnote 15.

<sup>29</sup> See footnote 15.

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

- 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.

e) 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 paragraph 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.

f) 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.

**Ministry of Labour, Social Affairs and the Family of the  
Slovak Republic**

In accordance with 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, we have the following to report regarding the State aid granted by the Ministry of Labour, Social Affairs and the Family for services of general economic interest in 2020 and 2021:

- State aid granted for an SGEI in 2020-2021 under **State aid scheme No SA 2/2021** applicable to home care services (State aid in the form of compensation for services of general economic interest) by an intermediary body, which is the Ministry of Labour, Social Affairs and the Family as the implementing agency for the scheme.
- State aid granted for an SGEI in 2020-2021 under **State aid scheme No SA 3/2018 for the improvement of housing conditions with transitional housing features for disadvantaged groups and socially vulnerable groups, with an emphasis on members of marginalised Roma communities** (State aid in the form of compensation for services of general economic interest) by an intermediary body, which is the Ministry of Labour, Social Affairs and the Family as the implementing agency for the scheme.

The State aid granted falls under the Human Resources Operational Programme, priority axis 4 — Social inclusion and priority axis 6 — Technical facilities in municipalities with a presence of marginalised Roma communities.

Under Section 5(1) of Act No 358/2015 governing certain relations in the field of State aid and *de minimis* aid and amending certain acts (State Aid Act) and in accordance with the relevant article of the aid schemes referred to, the aid is deemed to have been granted on the day on which the beneficiary acquires legal entitlement to be granted aid, regardless of the date on which the aid is paid to the undertaking. For the purpose of granting State aid under the aid schemes referred to, the aid is deemed to be granted on the day/date on which the grant contract takes effect. Grant contracts take effect on the day following the day on which they are published in the central register of contracts.

The report on the State aid granted by the Ministry of Labour, Social Affairs and the Family for 2020-2021 shows expenditure in accordance with the preceding sentence and in accordance with the above-mentioned condition, i.e. the granted aid amount is the total aid granted to the beneficiary under the grant contract concluded and published.

## 1. EXPENDITURE OVERVIEW

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)		
	2020	2021

<b>Total compensation for Services of General Economic Interest (SGEI Decision)</b>	10.87	68.65
Total compensation granted on the basis of the SGEI Decision for support for home care services (SGEI SA Scheme — 2/2021)	0.00	58.92
Total compensation granted on the basis of the SGEI Decision for support for transitional housing (SGEI SA Scheme — 3/2018)	10.87	9.73

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

### 2. Social services (Article 2(1)(c))

#### a) Health and long-term care (SGEI SA scheme — 2/2021)

<b>Section 2. Social services</b>
<b>(a) Health and long-term care</b> (home care service)
State aid granted for an SGEI under the current <b>State aid scheme No 2/2021 for home care services</b> (State aid in the form of compensation for services of general economic interest)
<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>31</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list <b>the contents of the services entrusted as SGEI</b> as clearly as possible.
<p>The Slovak Ministry of Labour, Social Affairs and Family designated as a service of general economic interest social care services provided in the form of home care as laid down in Section 12(1)(c)(2), Section 13(3) and Section 41 of Act No 448/2008 on social services and amending Trade Licensing Act No 445/1991.</p> <p>Home care services are an outreach form of social service provided for natural persons who, because of their age or a severe disability or medical condition, are dependent on the assistance of another person in their day-to-day activities; the aim is to help clients remain living in their own home and to reduce the demand for institutional care. Any citizen who meets the conditions and has a final decision by the municipality on dependence on a home care service, i.e. stating that they are dependent on assistance from another natural person at least at level II., has the right to apply to the competent municipality in which they reside asking it to provide the home care services or arrange for those services to be provided through a public or non-public service provider, based on that citizen's informed choice of provider.</p> <p>Public providers of home care services at local level determine the amount of the payment for that social service and how it is to be calculated and paid in a social service contract concluded with the customer ('the social service recipient'), in accordance with a</p>

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

municipal decree of general application (setting the specific rates of payment for a home care service in accordance with the applicable social policy in the territory).

Non-public providers of home care services determine the amount of the payment for that social service and how it is to be calculated and paid in a social service contract concluded with the social service recipient in accordance with the current social service price list that they publish on their website or in another publicly available place, up to the economically justifiable costs reduced by the revenue defined in the Social Services Act received in support of the social service from public funds (in the case of non-public social service providers that do not provide the social service for profit).

The Social Services Act requires recipients of home care services to pay for the social service on the basis of their income and wealth and lays down the means-testing method. The Social Services Act protects recipients of home care services from having to pay a disproportionate share of their income or wealth for the service, if the natural person dependent on that service applied to the municipality concerned in writing asking it to provide the service or arrange to have the service provided by the chosen service provider. The Act requires that after paying for the service the person must be left with at least a certain minimum amount of their income ('guaranteed remainder'), defined in terms of the living wage. After paying for the home care service, a social service recipient must be left with a monthly income of at least 1.4 times the living wage for an adult (after the entry into effect of the amendment to the Social Services Act as of 1 January 2018 the amount will be 1.65 times the living wage for an adult, which is EUR 329.14). When paying for the home care service, the recipient is required to pay no more than an amount that still leaves them with the guaranteed remainder.

The service is governed by the Social Services Act, which is a piece of legislation forming part of social security law, thus making it part of the statutory social security system. The purpose of home care services is to protect against social exclusion and to promote social inclusion and ensure basic human rights (protecting the life and health and ensuring the dignity and integrity of the individual). Home care services are personalised and cover a range of activities (personal care, housework, basic social activities, supervision of personal care, housework and basic social activities under Section 2, Section 41 and Annex 4 of the Social Services Act).

The areas and the list of individual actions that may be provided as home care services are laid down in Annex 4 to the Social Services Act (personal care, housework, basic social activities). In a given case, the range of actions is based on the conclusions of the social service dependence assessment (which is the basis for taking the home care dependence decision) and is agreed in a written home care service contract between the recipient and the service provider.

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

Provision of home care services is entrusted to providers under the grant contract concluded under Section 269(2) of Act No 513/1991 (Commercial Code), as amended, Section 25 of Act No 292/2014 on contributions granted from European structural and investment fund and amending certain acts, as amended, and Section 20(2) of Act No 523/2004 on public administration budget rules and amending certain acts, as amended.

The entrustment conditions are part of the grant contract (Article 5 of the contract 'Specific arrangements'), detailing the conditions for:

- a) the nature of the service of general economic interest
- b) the content of the service of general economic interest

- c) the duration of the obligation for the service of general economic interest
- d) a description of the compensation mechanism and the parameters for calculating, checking and reviewing the compensation;
- e) the arrangements for avoiding and recovering any overcompensation.

At the same time, the content of the obligation for the service in the general economic interest is defined by the relevant decision of the municipality on home care service dependence. The client of the social service provider (the beneficiary of the aid) must have a home care service contract concluded with the home care service provider (beneficiary of the aid) for no more than the number of hours specified in the social service dependence decision.

The beneficiary undertakes to provide the service of general economic interest in accordance with the grant contract, as set out in the municipality's home care service dependence decision, i.e. a social service in accordance with Act No 448/1991 and applicable conditions in the form of home care.

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

The average duration of the entrustment is 1 year and 1 month (13 months).

The definition of the duration of the obligation to provide the service of general economic interest is included in the entrustment terms of the contract in Article 5 'Specific arrangements', where the obligation period is fixed for the period of implementation of the activities under the project, which are specified in Part 5 'Main activities of the project' in Annex No 2 'Subject of the Aid'. The time frame for implementing the project's main activities is set out in Article 1 'General obligations', point 4 and Article 3 'Obligation to provide information and submit monitoring reports', point 4 of the General Contractual Terms for the grant.

Taking into account the defined duration of the implementation of the supported projects and the period of implementation of the Human Resources Operational Programme for the 2014-2020 programming period, none of the projects will exceed a duration of 10 years.

The period for which the beneficiary is entrusted with the provisions of the SGEI will, therefore, not exceed 10 years, in accordance with Article 2(2) of Commission Decision 2012/21/EU.

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

The aid beneficiaries are home care service providers authorised to provide social services under the Social Services Act. The home care service is operated on the basis of society-wide solidarity between taxpayers, which enables the service to be co-financed from public funds under the tax redistribution system (Sections 71 and 75-78 of the Social Services Act).

The Social Services Act contains legal mechanisms to ensure the accessibility of home care services. Natural persons dependent on a home care service receive information on the specific home care providers in their municipality, including information on the payment required for the home care service provided, so that they can make an informed choice of provider, also taking into account the information on how much it costs.



<p>The provider is chosen by the client, who is provided with all the necessary information by the municipality in order to be able to make that choice. In cases where an individual meets the conditions for the municipality to provide or arrange for the provision of a home care service immediately because the individual's life or health is seriously jeopardised, for example because they have no person close to them and no personal care arranged or it is not possible to arrange for a close person to take care of them, the municipality is obliged to provide or arrange for the provision of the home care service without delay.</p> <p>As regards funding from structural funds, all rights and obligations of the beneficiary are set out in the grant contract, including the right to receive funding for the implementation of the approved project providing social care services in the form of home care.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p>A grant from the structural funds and national budget from the Operational Programme 'Human Resources'.</p>
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>
<p>Only economically justified costs for social services within the meaning of Section 72(5) of Social Services Act 448/2008 are eligible for SGEIs.</p> <p>Since the provisions of Article 4(d) and (e) of the decision are not part of the social service dependence decision, they have been laid down in the context of aid granted from structural funds; the mechanism, calculation and checks on overcompensation and the measures to prevent overcompensation have been defined in the relevant State aid scheme and in the call for grant applications and are subsequently incorporated into the grant contract.</p> <p>The method and parameters for calculating and assessing the payment for the provision of home care services are included in the call for grant applications in the form of a separate annex, which is the applicable State aid scheme and includes ANNEX II: Methodology for establishing the amount of compensation provided from EU resources and the national budget of the Slovak Republic further to Commission Decision 2012/21/EU of 20 December 2011 and ANNEX III: Calculation of the compensation provided from EU resources and the national budget of the Slovak Republic further to Commission Decision 2012/21/EU of 20 December 2011.</p> <p>The methodology applied for granting the aid is based on Article 5(1) and (2) of the Commission Decision 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 – net costs are calculated as the difference between costs, as defined in paragraph 3 (a) and (b), and revenue, as defined in paragraph 4.</p> <p>The total eligible expenditure of the project must not exceed the net costs for the SGEI needed to provide the services of general economic interest and must be calculated in accordance with the net cost calculation methodology included in the State aid scheme and the call for grant applications.</p> <p>The costs allocated to the service of general economic interest cover only costs incurred in providing the service of general economic interest, up to the amount set by the aid scheme, that are proven to be related to the service of general economic interest, and</p>

recognised as eligible expenditure for the items and amounts set out in the call for applications.

The party implementing the scheme is required to grant the compensation in accordance with Article 5 of the decision, according to which the eligible amount for the service of general economic interest must not exceed what is necessary to cover the net costs of the service of general economic interest incurred in discharging the public service obligations.

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

Overcompensation is avoided by the mandatory conditions defined in a separate section of the Methodology for establishing the amount of compensation provided from EU resources and the national budget of the Slovak Republic (point 3: Checks on overcompensation — Eligible amount of grant), which require multi-stage checks on overcompensation and the eligible amount of a grant.

In order to ensure that the compensation granted for services of general economic interest complies with the requirements laid down in the decision and in particular that grant applicants do not receive compensation higher than provided for in the decision, a control calculation of overcompensation in accordance with ANNEX III of the aid scheme is submitted every year and at the end of the period of entrustment, i.e. after the end of the project implementation period (under the separate ANNEX III to the aid scheme).

If the end of the implementation of the project precedes the end of the 2014-2020 programming period, the submission of the control calculation of overcompensation under ANNEX III of the aid scheme is carried out for each aid beneficiary after the end of the project implementation period. Where the period of entrustment is less than a year, the implementing party verifies the setting of the amount of the compensation and checks overcompensation at the end of the period of entrustment.

Where the aid beneficiary has been overcompensated, the implementing party (grant provider) asks the beneficiary to pay back the full amount of the overcompensation paid, which the beneficiary is obliged to do.

Furthermore, during project implementation, administrative and on-the-spot checks are carried out to verify that the expenditure is eligible and complies with the approved project in accordance with the terms of the grant contract. This is carried out by means of administrative checks (of output from the accounts) and on-the-spot checks.

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

Not applicable for Ministry of Labour, Social Affairs and the Family.

#### Amount of aid granted

**Total amount of aid granted (in millions EUR)**<sup>32</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)

2020	2021
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<sup>32</sup> As stipulated in Article 9 b) of the 2012 SGEI Decision.

<b>0.00</b>	<b>58.92</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>33</sup></b>	
<b>2020</b>	<b>2021</b>
0.00	58.92
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>34</sup></b>	
<b>2020</b>	<b>2021</b>
-	-
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>35</sup></b>	
<b>2020</b>	<b>2021</b>
-	-
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	
<b>2020</b>	<b>2021</b>
100% of the expenditure reported was provided through a grant.	100% of the expenditure reported was provided through a grant.
<b>Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>36</sup></b>	
<b>2020</b>	<b>2021</b>
<ul style="list-style-type: none"> <li>▪ number of beneficiaries; 0</li> <li>▪ average amount of aid: EUR 0.00</li> <li>▪ maximum annual total aid for services of general economic interest: EUR 0 per beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>▪ number of beneficiaries; 324</li> <li>▪ average amount of aid: EUR 181 838.679</li> <li>▪ maximum annual total aid for services of general economic interest: EUR 488 900 per beneficiary</li> </ul>

## 2. Social services (Article 2(1)(c))

### (d) Social housing (SGEI SA Scheme — 3/2018)

<b>Section 2. Social services</b>
<b>(d) Social housing (transitional housing)</b>  State aid granted for an SGEI in 2020-2021 under <b>State aid scheme No SA 3/2018 for the improvement of housing conditions with transitional housing features for disadvantaged groups and socially vulnerable groups, with an emphasis on members of marginalised Roma communities</b> (State aid in the form of compensation for services of general economic interest)

<sup>33</sup> 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.

<sup>34</sup> See footnote 3.

<sup>35</sup> See footnote 3.

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

**Clear and comprehensive description of how the respective services are organised in your Member State<sup>37</sup>**

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 Slovak Ministry of Labour, Social Affairs and Family (as the aid-granting body) and the Slovak Ministry of the Interior (as the body implementing the scheme) designated as a service of general economic interest a social housing service comprising two interlinked subservices, namely: rental housing with transitional housing features; performance of housing assistant social work.

This social housing system means a vertical multi-level system of social housing in the form of rental housing, from the lowest level of housing, to higher levels of housing, the output of which is own independent housing, where the individual levels are supported by social workers in order to “teach” members of the household to live independently. The social housing system includes features of transitional housing, based on the principle of individual transition of households between levels of housing, supported by the social work of a housing assistant (the individual households are provided with the housing assistant’s activities free of charge). The social housing system is two-way and comprises at least two levels.

The output is appropriate decent housing with transitional housing features that will improve the living conditions of disadvantaged groups and socially vulnerable groups and in particular marginalised Roma communities.

Projects eligible for support in municipalities with marginalised Roma communities are projects designed to provide support for the physical, economic and social regeneration of neglected communities in towns and villages and to increase the number of Roma households with access to improved housing.

Activities of the following type are eligible to receive support under the scheme pursuant to Sections 21 and 22 of the Subsidies and Social Housing Act: support for transitional housing programmes as part of social mobility and integration of residents of marginalised Roma communities

Support will be granted for eligible residential building projects for the purpose of refurbishing and/or building housing units at the lower level, constituting a vertical multi-level system of social housing with

<sup>37</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we would appreciate a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

features of transitional housing, where the individual levels of the system must be supported by social workers.

The support is intended for: construction of new residential buildings, including connecting buildings to civil engineering networks; extending, altering and refurbishing buildings, including connecting buildings to civil engineering works; barrier-free alterations to buildings; improving energy efficiency of buildings; implementing measures to improve the thermal insulation properties of constructions; procuring equipment for the buildings, which must be linked to residential use; installing equipment, including telecommunications equipment; expenditure connected with the work of the housing assistant; expenditure connected with drawing up the 'Housing system with features of transitional housing' document; expenditure connected with drawing up preparatory and project documentation and with performing construction supervision in accordance with the relevant call, etc.

Basic requirements for residential buildings: the maximum number of housing units supported in a residential building is 18, while the minimum is 2. The applicant must carry out at least one level of housing construction, while maintaining the possibility of transition between the different levels of housing. The output of the project must be a social housing system comprising at least two levels with features of transitional housing.

The residential buildings must comply with the minimum technical and spatial requirements for the different levels of housing defined by the support provider.

The housing assistant service must be provided by a social worker as defined in Act No 448/2008 on social services and amending Trade Licensing Act No 445/1991, as amended, who is already an employee of the applicant or a housing assistant who will be employed or contracted in by the applicant/beneficiary.

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

Provision of the service is entrusted to providers under the grant contract concluded under Section 269(2) of Act No 513/1991 (Commercial Code), as amended, Section 25 of Act No 292/2014 on contributions granted from European structural and investment fund and amending certain acts, as amended, and Section 20(2) of Act No 523/2004 on public administration budget rules and amending certain acts, as amended.

The entrustment conditions are part of the grant contract (Article 5 of the contract 'Specific arrangements'), detailing the conditions for:

- the nature of the service of general economic interest
- the content of the service of general economic interest
- the duration of the obligation for the service of general economic interest
- a description of the compensation mechanism and the parameters for calculating, checking and reviewing the compensation;
- the arrangements for avoiding and recovering any overcompensation.

The SGEI obligation is the provision of social housing in accordance with Part III of Act No 443/2010 on subsidies for housing development and social housing, as amended ('Subsidies and Social Housing Act').
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified.
The average duration of the entrustment is 8 years and 0 months.
Explain whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
As regards funding from structural funds, all rights and obligations of the beneficiary are set out in the grant contract, including the right to receive funding for the implementation of the approved project providing social care services in the form of home care.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
A grant from the structural funds and national budget from the Operational Programme 'Human Resources'.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>For the purposes of granting the aid for SGEIs and complying with the conditions 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, the compensation mechanism, the calculation, the overcompensation checks and the measures to avoid overcompensation were defined in the relevant State aid scheme and in the call for grant applications and subsequently incorporated into the grant contract.</p> <p>The method and parameters for calculating and assessing the payment for the provision of home care services are included in the call for grant applications in the form of a separate annex, which is the applicable State aid scheme and includes <i>Annex 1: Methodology for establishing the amount of compensation provided from EU resources and the national budget of the Slovak Republic further to Commission Decision 2012/21/EU of 20 December 2011, with its own annex: Calculation of the overcompensation</i></p> <p>The methodology applied for granting the aid is based on Article 5(1) and (2) of the Commission Decision 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 – net costs are calculated as the difference between costs, as defined in paragraph 3(a) and (b), and revenue, as defined in paragraph 4.</p> <p>The total eligible expenditure of the project must not exceed the net costs for the SGEI needed to provide the services of general economic interest and must be calculated in accordance with the methodology for calculating net costs and a reasonable profit included in the State aid scheme and the call for grant applications.</p> <p>The costs allocated to the service of general economic interest cover only costs incurred in providing the service of general economic interest, up to the amount set by the aid</p>

scheme, that are proven to be related to the service of general economic interest, and recognised as eligible expenditure for the items and amounts set out in the call for applications.

The costs to be taken into account for the rental housing sub-service with elements of transitional housing include the costs associated with investments relating to the infrastructure necessary for the provision of the SGEI. The costs for the social work sub-service of a housing assistant include all costs incurred during the provision of the SGEI. They are calculated on the basis of generally accepted cost accounting principles.

The party implementing the scheme is required to grant the compensation in accordance with Article 5 of the decision, according to which the eligible amount for the service of general economic interest must not exceed what is necessary to cover the net costs of the service of general economic interest incurred in discharging the public service obligations.

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

Overcompensation is avoided by the mandatory conditions defined in a separate section of the Methodology for establishing the amount of compensation provided from EU resources and the national budget of the Slovak Republic (point 4: Checks on overcompensation — Eligible amount of grant), which require multi-stage checks on overcompensation and the eligible amount of a grant.

In order to ensure that the compensation granted for services of general economic interest complies with the requirements laid down in the decision and in particular that grant applicants do not receive compensation higher than provided for in the decision, a control calculation of overcompensation is submitted:

- as part of the grant application documentation;
- before signature of the grant contract;
- at least every three years during the period of entrustment and as part of the final monitoring report;
- at the end of the period of entrustment.

At the same time, the party implementing the scheme has reserved the right to check the eligible amount of the grant at any time during the entrustment period and at least 10 years after the end of the entrustment period.

Where the aid beneficiary has been overcompensated, the implementing party (grant provider) asks the beneficiary to pay back the full amount of the overcompensation paid, which the beneficiary is obliged to do.

Furthermore, during project implementation, administrative and on-the-spot checks are carried out to verify that the expenditure is eligible and complies with the approved project in accordance with the terms of the grant contract. This is carried out by means of administrative checks (of output from the accounts) and on-the-spot checks.

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

Not applicable for Ministry of Labour, Social Affairs and the Family.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)</b> <sup>38</sup> . This includes all aid granted in your territory, including aid granted by regional and local authorities. (A + B + C)	
<b>2020</b>	<b>2021</b>
<b>10.87</b>	<b>9.73</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b> <sup>39</sup>	
<b>2020</b>	<b>2021</b>
10.87	9.73
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b> <sup>40</sup>	
<b>2020</b>	<b>2021</b>
-	-
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b> <sup>41</sup>	
<b>2020</b>	<b>2021</b>
-	-
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
100% of the expenditure reported was provided through a grant.	100% of the expenditure reported was provided through a grant.
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>42</sup>	
<b>2020</b>	<b>2021</b>
<ul style="list-style-type: none"> <li>▪ number of beneficiaries; 12</li> <li>▪ average amount of aid: EUR 906 067.65</li> <li>▪ maximum annual total aid for services of general economic interest: EUR 2 296 768.41 per beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>▪ number of beneficiaries; 10</li> <li>▪ average amount of aid: EUR 973 134.50</li> <li>▪ maximum annual total aid for services of general economic interest: EUR 2 147 373.01 per beneficiary</li> </ul>

<sup>38</sup> As stipulated in Article 9 b) of the 2012 SGEI Decision.

<sup>39</sup> 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.

<sup>40</sup> See footnote 9.

<sup>41</sup> See footnote 3.

<sup>42</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.



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

Not applicable for Ministry of Labour, Social Affairs and the Family.

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

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in the 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.

The Ministry of Labour, Social Affairs and the Family is not aware of any complaints having been received.

### **5. MISCELLANEOUS QUESTIONS**

b) 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 difficulties have been identified.

c) 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 paragraph 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.

Not applicable for Ministry of Labour, Social Affairs and the Family.

d) 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.

We have no comments.



SGEI Decision in your Member State		Total for the Member State (in EUR million)	
		2020	2021
<b>Article 2(1)(b)</b>	Hospitals providing medical care, including, where applicable emergency services	88.99452542	72.77038101
<b>Article 2(1)(c)</b>	<b>Healthcare and long-term care</b>		58.915732
	Childcare		
	Access and reintegration into the labour market		
	Access and reintegration into the labour market		
	<b>Social housing</b>	10.87281174	9.73134504
	Care and social inclusion of vulnerable groups		
	Other social services		
<b>Article 2(1)(d)</b>	Air or maritime links		
<b>Article 2(1)(e)</b>	Airports and ports		
<b>Article 2(1)(a), less than EUR 15 million a year (million EUR)</b>	Postal services		
	<b>Energy</b>	113.332239	126.145672
	Waste collection		
	Water supply		
	<b>Culture</b>	2.515028	2.2
	Financial services – the ‘eKolok’ [eStamp] service	10.12	9.43
	Financial services – Tax stamp service	1.55	1.58
	<b>Financial services - Ministry of Finance - total</b>	<b>11.67</b>	<b>11.01</b>
	Other - Forestry and logging (A.02) Crop and animal production, hunting and related service activities (A.01)		12.28717867

