

# **REPORT**

## **Services of general economic interest ('SGEI'):** **report to be submitted following the 2012 SGEI Decision and the 2012** **SGEI Framework<sup>1</sup>**

### **1. EXPENDITURE OVERVIEW**

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2020	2021
<i><b>Total compensation for Services of General Economic Interest (1+2)</b></i>	101.7	198.9
1) Total compensation granted on the basis of the SGEI Decision	101.7	198.9
2) Total compensation granted on the basis of the SGEI Framework	-	-

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

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

- 1) Hospitals providing medical care, including, where applicable, emergency services (Art. 2(1)(b))
- 2) Social services (Art. 2(1)(c))
  - a) Health and long term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
  - f) Other social services (if applicable)
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Art. 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Art. 2(1)(e)

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<sup>1</sup> The data in this report were obtained from the SHRIMP application on 25 May 2022.

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

- a) Postal services
- b) Energy
- c) Waste collection
- d) Water supply
- e) Culture
- f) Financial services
- g) Other sectors (please specify)

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>2d) social housing - Aid scheme implemented by Bank Gospodarstwa Krajowego</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State<sup>2</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>The service in question consists of creating and then providing rented or cooperative housing to persons of moderate (statutorily limited) incomes preventing them from addressing their housing needs on the market. Maximum rent rates for rented dwellings are defined by statute, whereas maintenance charges in cooperative dwellings are limited by virtue of the provisions of the Housing Cooperatives Act, which specifically defines the purposes for which they may be charged.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>The following national legislation lays down the principles governing the granting of compensation:</b> <ul style="list-style-type: none"><li>• <b>the Act of 26 October 1995 on certain forms of support for the residential construction (Journal of Law 2019, item 2195, as amended);</b></li></ul>

<sup>2</sup>If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. **If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate**, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

- **Cabinet Regulation of 20 October 2015 on the conditions of and arrangements for repayable financing in the context of the implementation by the Bank Gospodarstwa Krajowego of the Government programme for the support of residential construction and the minimum requirements for accommodation resulting from the grant of such financing (Journal of Laws 2015, item 1720, as amended).**

**In addition, each investor concludes a loan contract with Bank Gospodarstwa Krajowego ('BGK') specifying the subject-matter of the public service and the terms and conditions governing preferential funding.**

The **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 entrustment of the service is equal to the duration of the loan and is up to 30 years (which is the maximum duration of entrustment of the service under this scheme). At the same time, we would indicate that the use of the maximum period of funding by service providers results from the objective of minimising the amount of monthly repayments and hence the rent/maintenance charges paid by tenants/occupants. Moreover, the justification for applying an entrustment period exceeding 10 years is the need to carry out significant investments (amortised over a long period) in the area of social housing. The duration of entrustment may not exceed the depreciation period for buildings built under the respective investment and construction projects.**

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

**No exclusive or special rights have been granted to service providers.**

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

**Compensation is granted as low-interest debt funding at preferential rates in the form of loans.**

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

**Compensation is the difference between the cost of interest on preferential financing actually incurred by the borrower (service provider) and the interest cost which the borrower (service provider) would incur if borrowing on market terms. The level of compensation granted is calculated for the date on which the contract is signed in terms of the gross grant equivalent (gge) of the financing awarded.**

**As a general rule, SGEI providers under the aid scheme also engage in other activities not constituting an SGEI so that the net cost necessary to meet the public service obligations is determined according to a cost allocation method (as the difference between the service provider's costs and revenues). Use of the avoided cost method is not possible owing to the lack of reliable data on the revenues that could**

be obtained by entities providing commercial housing rental services (especially in smaller localities).

The method used to calculate the net costs and the reasonable profit linked to the provision of public services is laid down in the Cabinet Regulation on the conditions of and arrangements for repayable financing in the context of the implementation by Bank Gospodarstwa Krajowego of the Government programme for the support of residential construction and the minimum requirements for premises resulting from the grant of such financing.

The level of the net costs arising from the provision of public services is calculated using the following formula:

*For the graph please refer to the original PL document.*

**KN** – net costs arising from the provision of public SGEI

**KUOIG** – costs of public SGEI

**PUOIG** – borrower's revenues relating to public SGEI

**i** – ith year of the entrustment period

**n** – final year of the entrustment period

The reasonable profit linked to the provision of public services in the general economic interest is calculated using the following formula:

*For the graph please refer to the original PL document.*

**RZ** = reasonable profit of the borrower

**iIRS** – the 10-year swap rate for PLN, published by the European Commission and valid as of the date of the start of the call for applications in the given round

**KIUOIG** – the cost of the investment and construction project

**FZ** – the amount of repayable financing granted

**i** – ith year of the duration of the loan

**n** – the final year of the duration of the loan

**r<sub>b</sub>** – the base rate published by the European Commission applicable as of the date of the granting of repayable financing

Typical arrangements for avoiding and repaying any overcompensation.

The mechanism for repaying overcompensation is described in the Cabinet Regulation on the conditions of and arrangements for repayable financing in the context of the implementation by the Bank Gospodarstwa Krajowego (BKG) of the

**Government programme for the support of residential construction and the minimum requirements for premises resulting from the grant of such financing.**

**Every two accounting years, as well as at the end of the entrustment period, the BGK checks whether the compensation granted has not exceeded the permissible level (net costs plus a reasonable profit). If an overrun occurs, the Bank will check its level. If the surplus does not exceed 20% of the average annual compensation, it will be carried forward to the next period and will be deducted from the amount of compensation due in that period; otherwise the borrower will reimburse the surplus.**

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for aid above 15 million euro to enterprises that also have activities outside the scope of the SGEI are 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).

**Owing to the relatively low amount of loans granted under the programme the compensations granted do not exceed EUR 15 million.**

#### **Amount of aid granted**

**Total amount of aid granted (in EUR million)<sup>3</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>18.9</b>	<b>17.2</b>

**A: Total amount of aid granted (in EUR million) paid by national central authorities<sup>4</sup>**

<b>2020</b>	<b>2021</b>
<b>18.9</b>	<b>17.2</b>

**B: Total amount of aid granted (in EUR million) paid by regional authorities<sup>5</sup>**

<b>2020</b>	<b>2021</b>

**C: Total amount of aid granted (in EUR million) paid by regional authorities<sup>6</sup>**

<b>2020</b>	<b>2021</b>

<sup>3</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>4</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>5</sup> See footnote **Error! Bookmark not defined..**

<sup>6</sup> See footnote **Error! Bookmark not defined..**

<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
<b>Loan granted on preferential terms:</b> <b>EUR 18 867 868.94</b>	<b>Loan granted on preferential terms:</b> <b>EUR 17 200 097.52</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the enterprise) <sup>7</sup>	
<b>2020</b>	<b>2021</b>
<b>No of loans granted: 37</b>	<b>No of loans granted: 36</b>
<b>No of beneficiaries: 33</b>	<b>No of beneficiaries: 32</b>
<b>Average aid amount: EUR 571 753.60</b>	<b>Average aid amount: EUR 503,443,72</b>
<b>Micro-enterprises: 9 (EUR 3 101 198.06)</b>	<b>Micro-enterprises: 6 (EUR 1 306 262.48)</b>
<b>Small enterprises: 17 (EUR 7 528 907.05)</b>	<b>Small enterprises: 10 (EUR 3 472 840.14)</b>
<b>Medium-sized enterprises: 1 (EUR 302 464.19)</b>	<b>Medium-sized enterprises: 4 (EUR 3 175 163.62)</b>
<b>Large enterprises: 6 (EUR 7 935 299.64)</b>	<b>Large enterprises: 12 (EUR 9 245 831.28)</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>2d) social housing – services operated by Społecznie Inicjatywy Mieszkaniowe (Social Housing Initiatives, SIM)</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>Construction of residential premises by 2 entities (Social Housing Initiative KZN Północ and by Social Housing Initiative Śląsk Południe) in the form of limited liability companies, followed by renting out of these premises to persons whose earnings are low enough to preclude them from obtaining a mortgage to buy a home in the commercial market, but too high to make them eligible for municipal social housing.</b>

<sup>7</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 enterprises, 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.

Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<p><b>Pursuant to Article 33l(1) of the Act of 26 October 1995 on certain forms of support for the residential construction the Minister competent for construction, land-use planning and management and housing provides support to the municipality from the Government Fund to finance, wholly or in part, the measure consisting in the municipality acquiring shares or stocks in the SIM being established. Pursuant to Article 33p(1) of the aforementioned Act, the acquisition of SIM shares or stocks using the support referred to in Article 33l constitutes public service compensation granted to the SIM concerned within the meaning of the Union law applicable to public support for the provision of SGEI.</b></p> <p><b>The service is entrusted by means of an agreement concerning cooperation in the framework of implementing an investment in the general economic interest consisting in the implementation of social residential construction, concluded by the municipality and a Social Housing Initiative company. 20 municipalities participated in the programme.</b></p> <p><b>Pursuant to Article 33p(2) of the Act on certain forms of support for residential construction, when acquiring SIM shares or stocks using the support referred to in Article 33l, a municipality defines the type and duration of the implementation of the compensated public service in the agreement concluded with the SIM concerned.</b></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><b>The period of entrustment is 30 years for SIM-KZN Północ and 15 years for SIM Śląsk Południe.</b></p> <p><b>The scope of entrustment is linked to the implementation of substantial investments (the construction of apartment blocks to meet the needs for residential housing in the municipality). The 30-year period takes account of the depreciation period for these buildings.</b></p>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the enterprises.
<b>No exclusive or special rights are assigned. The company does not have a monopoly for the provision of this kind of service in the municipality. The municipality grants support only in the form of obtaining shares.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<p><b>The aid instrument is the obtaining of shares.</b></p> <p><b>The company was established on the basis of the assumptions in the Act on certain forms of support for the residential construction. The SIM-KZN Północ Company was formed by 19 municipalities and the National Real Estate Reserve [Krajowy Zasób Nieruchomości]. The SIM Śląsk Południe was formed by [the city of] Bielsko-</b></p>

**Biala. Pursuant to Article 33l(1), the municipalities received PLN 3 million to acquire shares in the company and used this amount for this purpose.**

**Pursuant to Article 33p(1) of the aforementioned Act, the acquisition of SIM shares or stocks using the support referred to in Article 33l constitutes public service compensation granted to the SIM concerned within the meaning of the Union law applicable to public support for the provision of services of general economic interest.**

**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 cost allocation method was applied.**

**The amount of compensation may not exceed what is necessary to cover the net cost incurred in discharging the public service obligations, including a reasonable profit.**

**Pursuant to the entrustment agreement, the net costs are the difference between the costs incurred due to the implementation of the investment by SIM and any revenues obtained from other sources in the context of the implementation of the investment.**

**The net cost is calculated using the following formula:**

***For the graph please refer to the original PL document.***

**where the meaning of each of the symbols is as follows:**

- a. KN – net cost arising from the implementation of the investment in the context of providing a public service of general economic interest**
- b. KUOIG – SIM’s costs arising from the implementation of the investment in the context of providing a service of general economic interest**
- c. PUOIG – SIM’s revenues relating to a service of general economic interest**

**i – ith year of the period of entrustment**

**n – final year of the period of entrustment**

**$r_b$  – base rate published by the European Commission, calculated on the basis of the Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C 14/02) and applicable as of the date of the conclusion of the agreement.**

**All reasonable expenses incurred by SIM relating to the investment count towards the SIM costs that count towards the calculation of the compensation.**

**The activity of the company (the beneficiary of support) is confined to providing services in the general economic interest; these services have been entrusted by 19 partners of the Company. Thus, in order to attribute expenditure to a specific entrusted service, the company breaks down the costs.**



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

**Under compensation, the company is entitled to reasonable profit for the implementation of the investment.**

**Reasonable profit should be determined as a rate of return on equity taking account of the level of the market risk.**

**Reasonable profit is calculated according to the following formula:**

*For the graph please refer to the original PL document.*

**where the meaning of each of the symbols is as follows:**

**RZ = Reasonable profit**

**i<sub>JRS</sub> – 10-year swap rate published by the European Commission for PLN, calculated on the basis of the Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C 14/02) and applicable as of the date of the conclusion of the agreement,**

**KIUOIG – the cost of implementing the investment referred to in the agreement**

**FW – the amount of financial support granted,**

**i – ith year of the period of entrustment**

**n – the final year of the period of entrustment**

**r<sub>b</sub> – the base rate published by the European Commission in force as of the date of the conclusion of the agreement**

**Reasonable profit may not exceed the rate of return on capital employed at the level of the swap rate on the investment increased by a bonus of 100 basis points. The appropriate swap rate published by the European Commission for a 10-year period applicable as of the date of the entrustment of the investment's implementation is considered the swap rate for the investment.**

**For the purpose of determining reasonable profit, the capital employed by an enterprise for implementing the investment in a given year is the sum of the initial value of fixed assets acquired by the enterprise on a progressive basis, i.e. in the given year and in the preceding years, and employed in the given year for implementing the investment. Where in a given year a fixed asset is acquired or liquidated, the calculation of the capital employed for the implementation of the entrusted investment should take account of the initial value of the fixed asset in proportion to the number of days on which the fixed asset was used to implement the investment/medium-average value of equity employed for the implementation of the investment.**

The municipality has scrutiny powers that include, in particular, verifying whether the amount of compensation is in line with the conditions indicated in the Agreement and in the Commission Decision, including determining the compensation amount according to the following formula:  $R \leq KN + RZ$  where the meaning of each of the symbols is as follows: R – compensation amount, KN – the net cost of the provision of the service, RZ – reasonable profit of the SIM.

Where a municipality finds that overcompensation has been granted it notifies the trader thereof, requesting them to repay the excess to the municipality immediately.

Having been notified by the municipality the trader undertakes to immediately repay the indicated amount in respect of the excess compensation in the manner and by the deadline stated in the notification. Irrespective of that, the municipality immediately takes all legally possible measures in order to immediately enforce the repayment of the excess.

The operator undertakes to include clauses in the articles of association whereby the shares of the municipality corresponding to the excess compensation amount will be automatically written-off in the situation referred to above.

The management board of the company (of the operator/the beneficiary of support) immediately adopts a resolution reducing the SIM's share capital, unless the write-off is on net profit.

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 relevant.

#### Amount of aid granted

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

2020	2021
	13
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
2020	2021
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
2020	2021

<b>C: Total amount of aid granted (in EUR million) paid by local authorities</b>	
<b>2020</b>	<b>2021</b>
	<b>13</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
-	<b>Capital injection: EUR 13 008 819.48</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the enterprise)	
<b>2020</b>	<b>2021</b>
	<b>No of beneficiaries: 2</b>  <b>Size of beneficiary large</b>  <b>amount of aid:</b>  <b>SIM-KZN Północ: EUR 12.4 million</b>  <b>SIM-Śląsk Południe: EUR 0.7 million</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>2d) social housing - housing estate rental services entrusted by the municipalities to TBSs</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>Local authorities entrust the provision of the SGEI on meeting social housing needs to TBSs [Towarzystwa Budownictwa Społecznego - Social Housing Associations] that operate as companies.</b>  <b>The service consists of the TBSs constructing and rental of dwellings which, thanks to the compensation received by the TBSs, are then made available for rental to limited income residents of the municipality at below-market rents. The aim is to ensure better availability of housing for those residents who do not have sufficient income to rent accommodation on the market and who have no other housing resources.</b>

Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>The provision of SGEI's is entrusted by the insertion of appropriate provisions in the articles of association and the agreements between the municipality and the TBS on participation in the costs of constructing residential premises for specific investments under Article 29(1) and (2) of the Act of 26 October 1995 on certain forms of support for residential construction (Journal of Laws 2019, item 2195). At the same time TBSs frequently obtain additional BGK support for these investments.</b>
<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?
<b>As a rule the entrustment period is more than 10 years and usually 15 years, in certain cases up to 30 years. In this context, it should be clarified that as a rule the TBSs have the status of companies specifically established to implement the municipality's own tasks relating to the creation of the conditions to meet the housing needs of the local community. In carrying out these tasks, the TBSs construct residential premises. The depreciation period for buildings and residential premises is very long — under the tax rules the annual depreciation rate is 1.5% (the basic depreciation period is 66 years and 8 months). In the entrustment the TBSs are obliged to conclude tenancy agreements for residential premises at preferential terms with persons indicated by the municipalities and who meet criteria relating to income etc. During the entrustment period the premises involved in the service may not be subdivided for ownership.</b>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>The TBSs do not enjoy any exclusive rights or special rights.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<b>As a rule, compensation is granted in the form of the municipality injecting capital into a TBS company. Subsidies are also applied.</b>
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>The service is provided on the basis of an agreement concluded between a municipality and a TBS, determining the amount of compensation, the conditions for entrusting the service and accounting for the support awarded, as well as by means of appropriate provisions in the TBS articles of association. The amount of the compensation is usually determined on the basis of the cost allocation method.</b>
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
<b>Compensation is paid in connection with the implementation of individual investments in residential premises (buildings). A detailed cost estimate is established for each investment. After completion of each investment, a financial</b>

<p><b>settlement is carried out between the TBSs and the municipality. Where an overcompensation is established as a result of the settlement, the TBS is requested to repay it. The municipality and BGK are authorised to verify the provision of the service.</b></p>	
<p>A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to enterprises that also have activities outside the scope of the SGEI are complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p><b>Not relevant. The compensation in question does not exceed EUR 15 million on a yearly average.</b></p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in EUR million).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
<b>2020</b>	<b>2021</b>
<b>2.3</b>	<b>35.8</b>
<p><b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b></p>	
<b>2020</b>	<b>2021</b>
<p><b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b></p>	
<b>2020</b>	<b>2021</b>
<p><b>C: Total amount of aid granted (in EUR million) paid by regional authorities</b></p>	
<b>2020</b>	<b>2021</b>
<b>2.3</b>	<b>35.8</b>
<p><b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b></p>	
<b>2020</b>	<b>2021</b>
<b>Subsidies: EUR 703 986.01</b>	<b>Subsidies: EUR 3 957 964.71</b>
<b>Capital injection: EUR 1 611 350.76</b>	<b>Capital injection: EUR 31 795 366.98</b>

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the enterprise)	
<b>2020</b>	<b>2021</b>
<b>Beneficiaries: 3 (EUR 2 315 336.77)</b>	<b>Beneficiaries: 16 (EUR 35 753 331.69)</b>
<b>Size of enterprise:</b>	<b>Size of enterprise:</b>
<b>Small enterprises: 2 (EUR 703 986.01)</b>	<b>Micro-companies: 2 (EUR 3 613 409.93)</b>
<b>Large enterprises: 1 (EUR 1 611 350.76)</b>	<b>Small enterprises: 8 (EUR 8 442 198.13)</b>
<b>Average aid amount: EUR 771 778.92</b>	<b>Medium-sized enterprises: 1 (EUR 390 258.17)</b>
	<b>Large enterprises: 6 (EUR 23 307 465.46)</b>
	<b>Average aid amount: EUR 2 234 583.23</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>2e) Care and social inclusion of vulnerable groups</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>Subsidies for meals sold in ‘milk bars’ form part of the State’s social policy. As part of this policy, individuals and families at risk of poverty, marginalisation and social exclusion receive support. In accordance with Article 7a of the Social Aid Act of 12 March 2004 (Journal of Laws 2021, item 2268), this aid is also awarded by way of subsidies for meals sold in ‘milk bars’; these subsidies are awarded after an application submitted by the operator, within the limits laid down in the Budget for the year in question.</b></p> <p><b>The conditions for providing assistance are defined in the Regulation of the Minister for Finance of 30 March 2015 on specific subsidies for meals sold in ‘milk bars’ (Journal of Laws 2020, item 1318).</b></p> <p><b>Conditions for assistance:</b></p> <p><b>a) any ‘milk bar’ operator may apply for a subsidy;</b></p> <p><b>b) subsidies are provided for meals produced from the raw materials listed in the Annex to the Regulation of the Minister for Finance;</b></p>

<p>c) the rate of subsidy is equal to 40% of the value of the raw materials purchased to prepare the subsidised meals plus a 56% surcharge:</p> <p>d )applying for subsidies is conditional on the operator applying a low catering margin (which ensures a low price for the subsidised meal; market margins are significantly higher);</p> <p>(e) obtaining a subsidy is conditional on keeping a record of the quantity and value of the raw materials used to make the meals in ‘milk bars’ so as to allow the value and quantity of raw materials used and the amount of subsidy payable to be determined; these records must be approved by the operator and the Director of the Revenue Administration Office (thereby ensuring transparency of subsidies and preventing excess compensation).</p> <p>Catering services provided by the operators of self-service, alcohol-free, bulk catering establishments selling all-day dairy/vegetarian meals which are accessible to all (Article 6(17) of the Social Assistance Act of 12 March 2004), i.e. in ‘milk bars’.</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardized templates for entrustments are used for a certain sector, please attach them.</p>
<p><b>Legal Act [ustawa]/decision of the Director of the Revenue Administration Office</b></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><b>Subsidies for meals sold in ‘milk bars’ may be granted within the limits laid down in the Budget for the relevant year.</b></p> <p>Pursuant to these provisions, each year the Sejm takes a decision to allocate funds from the Budget to subsidies for meals sold in ‘milk bars’. Earmarking funds for subsidies in a given year is tantamount to extending the subsidy by one year. Every year, the operator declares their intention to benefit from the subsidy in the following year and the decisions of the Director of the Tax Revenue Office concern individual months.</p>
<p>Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p><b>Operators of ‘milk bars’ enjoy no such rights.</b></p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p><b>Subsidy.</b></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><b>(in accordance with the Regulation of the Minister for Finance of 30 March 2015)</b></p>

**(a) by 30 November of the year preceding the year in which the operator intends to sell subsidised meals, the operator must notify the head of the revenue administration office of their intention to perform the subsidised activities and is required to agree with the head of the revenue administration office how to keep records of the quantity and value of the meals sold and to prepare and collect recipe cards for subsidised meals;**

**b) by the 10th day of the month preceding the month in which the subsidy is to be paid, the operator must submit information to the head of the revenue administration office on the projected grant amount for the following month, and the head must confirm the projected grant amount in the same month (data available in the Public Information Bulletin of the revenue administration office in question);**

**c) in the given month the operator sells subsidised meals;**

**d) at the end of the month the operator submits a request for payment of the grant for the preceding month, together with the accounts, to the head of the revenue office;**

**e) The head of the revenue office checks the correctness of the calculation of the grant and transmits the application to the head of the revenue administration office, and the head of the revenue administration office decides on the award of the grant.**

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

**Every month the head of the revenue office verifies the amount of the subsidy on the basis of the accounts presented by the operator. Each trader has to keep records of the quantity and value of the raw materials used to prepare subsidised meals and to prepare and collect recipe cards. Before the subsidised raw materials are sold, the trader must agree on the above-mentioned records with the head of the revenue administration office to ensure that the amount of the subsidy and the absence of any overcompensation are correctly established. Any adjustments to the quantity or value of raw materials used results in a subsidy correction, and any excess amount of subsidy collected or any misappropriated amount (discovered during inspections) must be repaid with interest.**

**Sales are registered using cash registers.**

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 EUR million).</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>2.7</b>	<b>2.4</b>
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
<b>2.7</b>	<b>2.4</b>
<b>C: Total amount of aid granted (in EUR million) paid by regional authorities</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>Subsidies: EUR 2 710 352.42</b>	<b>Subsidies: EUR 2 438 925.14</b>

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 57</b>	<b>No of beneficiaries: 50</b>
<b>Micro-enterprises: 38 (EUR 1 078 613.36)</b>	<b>Micro-enterprises: 28 (EUR 860 625.33)</b>
<b>Small enterprises: 14 (EUR 668 306.75)</b>	<b>Small enterprise: 12 (EUR 735 092.43)</b>
<b>Medium-sized enterprises: 11 (EUR 854 820.23)</b>	<b>Medium-sized enterprises: 9 (EUR 759 212.91)</b>
<b>Large enterprises: 1 (EUR 108 612.08)</b>	<b>Large enterprises: 1 (EUR 83 994.47)</b>
<b>Average subsidy/beneficiary: EUR 47 550.04</b>	<b>Average subsidy/beneficiary: EUR 48 778.50</b>

<p><b>Section (for instance 1, hospitals or 2b, childcare) 5a) postal services implemented by Poczta Polska S.A.</b></p>
<p><b>Clear and comprehensive description of how the respective services are organized in your Member State</b></p>
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.</p>
<p><b>1. Postal services consisting in the receipt, carriage and delivery by a designated operator of consignments of election packages and consignments of return envelopes exempted from postal charges pursuant to Article 53k(3) and Article 61i(3) of the Electoral Code of 5 January 2011 (Journal of Laws 2022, item 655) enabling authorised persons free of charge postal voting under uniform conditions throughout the country and which are services of general economic interest (pursuant to Article 53k(1) and Article 61i(1) of the aforementioned Act).</b></p> <p><b>2. Postal services implemented by an operator designated pursuant to the Act of 2 March 2020 on special arrangements for the prevention, combating and control of COVID-19, other communicable diseases and related emergency situations (Journal of Laws 2020, item 1842, as amended) using means of electronic communication at delivery.</b></p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardized templates for entrustments are used for a certain sector, please attach them.</p>

<p>Services are performed pursuant to:</p> <ol style="list-style-type: none"> <li>1. Article 27(6) of the Postal Act of 23 November 2012 (Journal of Laws 2020, item 1041, as amended)</li> <li>2. Article 15zzu8 (1) of the Act of 2 March 2020 on special arrangements for the prevention, combating and control of COVID-19, other communicable diseases and related emergency situations.</li> </ol>
<p>Average duration of the entrustment (in years) 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 entrustment period for the individual services is:</p> <ol style="list-style-type: none"> <li>1. From 2016 to 2025 – i.e. 10 years</li> <li>2. From 18 April to 30 September 2020 – i.e. less than 1 year</li> </ol>
<p>Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the enterprises.</p>
<p>As regards the above, Poczta Polska S.A. has been granted exclusive rights as the designated operator.</p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p><b>Direct subsidies were applied with regard to both services.</b></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><b>In point 1 and 2 -cost allocation method, taking account of reasonable profit in point 2 (decision ref. DRP-WAS-7112-1/14(13 of the President of the Office of Electronic Communications of 19 May 2014).</b></p> <ol style="list-style-type: none"> <li>1. The amount necessary to cover the net cost of the obligation consisting in free-of-charge receipt, carriage and delivery of consignments of election packages and consignments of return envelopes, defined as the postal charge revenue lost by the designated operator on account of providing these services and indicated on the subsidy clearance form, the template of which is set out in Annex No 3 to the Regulation of the Finance Minister of 13 December 2019 on the specific subsidy for the supply of postal services eligible for statutory exemption from postal charges (Journal of Laws 2019, item 2424), which replaces the Regulation of the Finance Minister of 17 September 2010 on the specific subsidy for the supply of postal services eligible for statutory exemption from postal charges (Journal of Laws 2016, item 618), issued pursuant to Section 3(2)(b) of the Regulation of the Minister for Infrastructure and Construction of 28 July 2017 on the specific subsidy to postal services exempt from the obligation to be notified to the European Commission (Journal of Laws item 1490).</li> </ol>

<p><b>2. The amount of the reasonable costs incurred in the period of providing the service, defined as the total actual hybrid mail unit cost, calculated in line with the Accounting Act of 29 September 1994 and the provisions issued pursuant to Article 104 of the Postal Act of 23 November 2012 and the cost allocation description approved by the President of the Office of Electronic Communications pursuant to Article 92(2) of this Act, increased by the rate of the return on capital employed for the designated operator - Article 15zzu8(2)(1) of the Act on special arrangements for the prevention, combating and control of COVID-19, other communicable diseases and related emergency situations. The detailed arrangements for granting compensation have been laid down in the Regulation of the Minister for Infrastructure of 2 September 2020 on the detailed arrangements for granting the designated operator the means relating to the functioning of the postal service using means of electronic communication at delivery and exempt from the obligation to be notified to the European Commission (Journal of Laws 2022, item 527).</b></p>	
<p><b>Typical arrangements for avoiding and repaying any overcompensation.</b></p>	
<p><b>The excess amount collected (defined following an examination and verification by a statutory auditor) is expected to be repaid.</b></p>	
<p>A short explanation of how the <b>transparency requirements</b> (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).</p>	
<p><b>Not relevant.</b></p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in EUR million).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
<b>2020</b>	<b>2021</b>
-	0.02
<p><b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b></p>	
<b>2020</b>	<b>2021</b>
	0.02
<p><b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b></p>	
<b>2020</b>	<b>2021</b>

<b>C: Total amount of aid granted (in EUR million) paid by regional authorities</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>Direct subsidies:</b> <b>1. EUR 1 090.28</b> <b>2. EUR 21 212.77</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the enterprise)	
<b>2020</b>	<b>2021</b>
	<b>No of beneficiaries: 1</b>  <b>Size of beneficiary Large enterprises</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5c) Waste management</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>The Local Government Act of 8 March 1990 (Journal of Laws 2022, item 559) imposes an obligation on municipalities to meet the collective needs of their residents in terms of, inter alia, maintaining cleanliness and order. The specific powers and responsibilities of municipalities in this respect are defined in:</b></p> <ul style="list-style-type: none"> <li>• <b>the Waste Act of 14 December 2012 (Journal of Law 2022, item 699);</b></li> <li>• <b>the Act of 13 September 1996 on the maintenance of cleanliness and order (Journal of Law 2021, item 888).</b></li> </ul> <p><b>Compliance with the obligations set out in these Acts is designed to meet the needs of the local community by inter alia: ensuring cleanliness and order on their territory and creating the necessary conditions for their maintenance, such as: establishing a waste management system, including waste collection from generators, transport, recovery and disposal. At the same time, under the Polish provisions, local</b></p>

government tasks also include the creation and management of municipal installations and municipal selective waste collection points (PSZOK).

In the light of the above, local authorities grant compensation for the provision of services relating to the management of municipal waste; in particular for organizing and operating a municipal waste collection system, including a system of municipal selective waste collection, and by maintaining and operating installations and equipment for recovering or disposing of municipal waste. Under the Act on the maintenance of cleanliness and order in municipalities, services to ensure the maintenance and operation of waste treatment facilities and services for the collection of municipal waste from property owners or for the collection and handling of this kind of waste are in principle entrusted separately (the entrustment of these services is regulated according to two separate legal bases).

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

Local government's waste management tasks are, for the most part, implemented by municipal companies in the form of internal entities (the sole owner being a local authority, i.e. a municipality). A municipal company can also be formed by more than one municipality, in which case each of the municipalities which are shareholders in that company is its parent municipality. The tasks of meeting the needs of residents of the parent municipality are entrusted and the rules on financing the company's activities are determined in a resolution of the municipal entrusting body, i.e. the municipal council (or municipal council resolutions, where the company is to manage the waste of several municipalities owning it jointly) and the company's constituent act (i.e. the articles of association or statutes of the municipal company).

In a few cases, an entity belonging to only one municipality is entrusted with managing waste from several municipalities. This is done on the basis of inter-municipality agreements, in which the municipality which owns the municipal company assumes the other municipalities' obligation to dispose of waste from their territory and obliges the company to dispose of the waste from its own area and the municipalities with which the agreement has been concluded.

All the detailed arrangements specifying the terms of service and compensation (the granting of it, its components and the rules for avoiding overcompensation) are most often specified in implementing agreements or the relevant internal company act (such as a plan or regulations) adopted by the shareholders' meeting. The above documents contain provisions consistent with the guidelines issued by the Minister for Infrastructure and Development on the rules on the co-financing of entities' operational programmes for the provision of services of general economic interest in the context of a Municipality's own municipal waste management tasks.

According to these Guidelines: 'an obligation to provide a service of general economic interest on a municipal company is imposed by means of a resolution of the municipal council on the establishment of or accession to a company, in which it must be stated that the purpose of the municipal company's activities will be to perform a task of the municipality relating to meeting the population's needs in respect of a specific own task of the municipality. In addition, the articles of

association (statutes) of the municipal company should indicate that the purpose of the company is to carry out a specific own task of the municipality. The purpose of the activities of the municipal company should be reflected in the detailed description of its business activities.'

Local government units may also entrust the implementation of waste management tasks to entities that are local-government budgetary institutions. A service in the general economic interest is also entrusted by means of a resolution of the municipal council.

The scope of the service of general economic interest imposed on a local-government budgetary institution may be defined in detail in the statutes or regulations adopted by the municipal council. Alternatively, the municipal council may entrust the mayor with defining in detail the scope of the provision of an SGEI by a local-government budgetary institution.

**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 in the waste management sector is more than 10 years. Entrustments exceeding 10 years These periods make up the majority of cases, because the performance of the entrusted services requires substantial investment (relating mainly to the construction of municipal waste treatment facilities) which need to be amortised over a longer period and for which the life cycle can be as long as 30 years.

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

A large number of municipalities conferred exclusive or special rights to companies, which were related to their performance of public interest tasks in the context of waste management and rehabilitation of closed landfills. The municipalities direct all waste to the companies to whom they entrusted the performance of the public task.

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

Given the need to incur significant financial outlays to cover the costs of building new infrastructure or expanding and adapting existing infrastructure at the beginning of an SGEI waste management period, local government entities require help to partially finance such investments. The main components of compensation are therefore: grants, capital injections and preferential loans covering investment costs.

In some cases, an additional component can occur in the form of a debt write-off or an annual subsidy to cover current losses, if any.

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

**In most cases, companies entrusted with an SGEI do not perform any other activity, and all their costs and revenues are therefore taken into account in calculating the amount necessary to cover the net cost incurred by them in providing the SGEI. In cases where the company performs activities in addition to the entrusted SGEI, separate accounting records must be kept for the SGEI.**

**In the bulk of cases, the cost-allocation method has been adopted to determine the amount of compensation not exceeding the amount necessary to cover the net cost of discharging the entrusted services, including a reasonable profit.**

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

**A typical arrangement to ensure that overcompensation is avoided is the provision (most often set out in implementing agreements) that the compensation granted cannot lead to the company being obliged to provide an SGEI at a profit exceeding a ‘reasonable profit’. In 2020-2021, the internal rate of return (IRR) was used as the measure of return on capital, and its value corresponding to ‘reasonable profit’ was determined as the appropriate average swap rate from the last quarter of the year preceding the year of the conclusion of the implementing agreement, increased by 100 basis points.**

**In order to avoid overcompensation, each year the local government unit entrusting the SGEI verifies the amount of compensation due by calculating the IRR indicator for the entire entrustment period. In order to verify the IRR at the beginning of the commitment period for the provision of the SGEI, data from the forecast for the entire period of entrustment are used. If the IRR for the entire period of the provision of services is below the ‘reasonable profit’ limit, then no adjustment is made. If the ‘reasonable profit’ is exceeded, the company providing the SGEI reimburses the excess, i.e. the amount giving rise to overcompensation.**

**Exceeding the compensation amount due for the year in question constitutes overcompensation and is refundable; where the overcompensation does not exceed 10% of the average contractual compensation, the excess may be transferred to the following period and deduced from the compensation amount due in that period.**

**When the annual verification is carried out, it is also established whether the total compensation granted to the beneficiary for performing the SGEI in question will not, on a yearly average, exceed EUR 15 million for the whole period of entrustment.**

**In order to avoid irregularities in calculating and verifying the amount of compensation, some local authorities outsource these tasks or have an interim audit carried out as part of the 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).	
<b>In 2020-2021, there was no need to publish information in order to meet the transparency requirement - in the vast majority of cases companies entrusted with SGEI in the field of waste management did not perform any other activity, and in any case the amount of compensation granted did not exceed EUR 15 million on a yearly average.</b>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in EUR million EUR).</b> 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>46.4</b>	<b>27.7</b>
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
<b>1.5</b>	
<b>C: Total amount of aid granted (in EUR million) paid by local authorities</b>	
<b>2020</b>	<b>2021</b>
<b>44.9</b>	<b>27.7</b>
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	
<b>2020</b>	<b>2021</b>
<b>Grant facilities –EUR 44 124 133.04</b>	<b>Grant facilities – EUR 26 822 409</b>
<b>Preferential loans – 0</b>	<b>Preferential loans – EUR 740941.76</b>
<b>Amounts due/loans written-off - 0</b>	<b>Amounts due/loans written-off- EUR 59 938.55</b>
<b>Guarantee – EUR 138 988.12</b>	<b>Guarantee- 0</b>
<b>Capital injection – EUR 2 115 262.64</b>	<b>Capital injection: – EUR 780 762.85</b>

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 16</b>	<b>No of beneficiaries: 11</b>
<b>Average aid amount/beneficiary: EUR 2 898 648.99</b>	<b>Average aid amount/beneficiary: EUR 2,521,641,11</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5d) water supply and rainwater runoff</b>
<b>services commissioned by: Kraków, Olsztyn, Łososina Dolna and Kuślin</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>The entrustment covers the performance of tasks relating to the maintenance and operation of municipal infrastructure such as: fountains, drinking water fountains, emergency water supply wells, water sources, paddling polls and water spray systems. The services also include stormwater runoff, as well as the maintenance and operation of storm sewer infrastructure.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>Services are entrusted pursuant to agreements concluded between the municipality and the individual enterprises operating water and sewage infrastructure, such as metropolitan waterworks and sewage authorities. As a rule, the companies are 100% owned by the municipalities entrusting the service. The agreements define the scope of the public utility services performed for the municipality.</b>
<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?
<b>In the sector concerned the entrustment period is less than 10 years (around 3 years on average).</b>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>No exclusive or special rights have been granted.</b>

Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
<b>Consideration for the provision of services on the basis of an agreement - subsidy.</b>	
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><b>As a rule, the entrusted services are cleared using the cost allocation method.</b></p> <p><b>The method of determining the compensation is specified in the implementing agreements. The amount of compensation may not exceed what is necessary to cover the net cost resulting from the performance of public services, taking account of reasonable profit.</b></p> <p><b>Since companies may also carry out other activities, separate accounting records are kept, as per the rules adopted by company management.</b></p>	
Typical arrangements for avoiding and repaying any overcompensation.	
<b>In order to avoid overcompensation, compensation checks are normally provided for and performed by an auditor who is independent of both parties and has experience in examining the amount of compensation paid under the 2012 SGEI Decision. If the analysis carried out shows that the company has obtained excess compensation, it will be obliged to return the surplus to the municipal budget.</b>	
A short explanation of how the <b>transparency requirements</b> (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 relevant. The amount of compensation granted in respect of the SGEI does not exceed EUR 15 million.</b>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in EUR million EUR).</b> 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>5.4</b>	<b>0.5</b>
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	

2020	2021
<b>C: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
2020	2021
<b>5.4</b>	<b>0.5</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2020	2021
<b>Grants : EUR 5 441 209.00</b>	<b>Grants : EUR 495 664.26</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2020	2021
<b>No of beneficiaries: 1</b>	<b>No of beneficiaries: 4</b>
<b>Size of beneficiary A large undertaking in which the municipality owns 100% of shares</b>	<b>Size of beneficiary 2 large undertakings (EUR 469 757.23)</b>
	<b>2 micro/small undertakings (EUR 25 907.03)</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5e) culture – services performed by the Experyment Science Centre [Centrum Nauki Ekspertyment] and the District Centre for Social Activation [Powiatowe Centrum Animacji Społecznej] in Tomaszów Mazowiecki</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>1. The SGEI are services implemented by <u>the EXPERYMENT Science Centre</u> pursuant to the implementing agreement concluded between the City of Gdynia municipality and the Experyment Science Centre (a cultural institution) in order to achieve the programme objectives specified in the Statute of the Experyment Science Centre in Gdynia laid down pursuant to a Resolution of the Gdynia City Council: '(...)Section 3. 1. The EXPERYMENT Science Centre is a cultural institution established to provide services of general economic interest in the field of culture and education'.</b></p> <p><b>The Centre's programme objectives are:</b></p>

- **Explaining natural phenomena and processes through interactive exhibitions and education activity;**
- **Inspiring curiosity about the world by promoting natural and technical sciences;**
- **Supporting curricula and extending the teaching base of educational institutions, including schools of various levels;**
- **Promoting active education, modern teaching methods and lifelong learning;**
- **Promoting science, technology and modern technologies in order to showcase the importance of science and technology in everyday life in the modern world;**
- **Supporting measures aimed at the development of a knowledge-based economy;**
- **Promoting the global cultural, scientific and technological heritage, with particular reference to Poland;**
- **Levelling the playing field as regards the personal development and fulfilment of young people;**
- **Creating a national and European knowledge exchange platform.**

**The EXPERYMENT Science Centre achieves its objectives in particular through:**

- **Setting up and making available interactive exhibitions allowing visitors to carry out their own observations and experiments;**
- **Setting up and making available interactive mobile exhibits to be used at events organised away from the premises of the EXPERYMENT Science Centre and aimed primarily at schools and educational institutions;**
- **Organising popular science shows, meetings, conferences, workshops, training and educational activities;**
- **Organising events, as well as scientific, cultural and artistic mass events and festivals;**
- **Compiling, publishing and disseminating printed matter relating to its activity;**
- **Initiating, supporting and implementing projects relating to its activity;**
- **Collaboration with institutions in Poland and abroad, central and local government, NGOs, the media, as well as other legal persons, organisational units without legal personality and natural persons engaging in activities relating to education, culture and popularisation of science;**

- Promoting the city of Gdynia;
- obtaining budgetary and non-budgetary means from national and foreign funds (including the EU) and using them to achieve the programme objectives;
- Performing other activities arising from the needs of local and regional community.

The EXPERYMENT Science Centre is involved in the implementation of tasks arising from central and local government strategies and programmes.

2. The following services were entrusted to the District Centre for Social Activation in Tomaszów Mazowiecki pursuant to the Implementing Agreement concerning the provision of SGEI by the district's internal entity of 18 December 2019:

- The maintenance of the Centre's infrastructure
- Ensuring that the Centre's infrastructure is used in a manner that is effective, efficient and in line with the Terms of the Project
- Performing activities for the benefit of the district's population, including activities:
  - aimed at activation of the local labour market and the prevention of unemployment, aimed at the employment activation of residents of the District by improving their qualifications and professional competences, in particular by organising conferences and information meetings, as well as trainings, courses, workshops, including in cooperation with the District Labour Office in Tomaszów Mazowiecki,
  - activities relating to Free Legal Aid and legal advice on consumer rights by providing a room alongside the requisite Centre infrastructure;
  - Education activities by organising training, workshops, conferences, contests, competitions and courses, in particular in the field of: foreign languages (including languages not commonly taught at schools), photography, art (in particular painting, model-building, ceramics, IT (in particular computer literacy for the digitally excluded, the use of software, computer programming, 3D printing), tailoring, and other activities in line with the statute of the Implementing Body.
  - culture, in particular by organising: concerts, vocal competitions, shows that are the outcome of the activity of workshops, temporary and permanent exhibitions;
  - sports and leisure activities, in particular by providing the residents of the District – including organised groups – with access to the sports and recreational infrastructure at the Centre and by organising sports activities and tournaments promoting sporting activities and healthy competition.

<ul style="list-style-type: none"> <li>• <b>carrying out activities aimed at supporting non-governmental organisations, including associations, foundations and other citizens' initiatives, in particular through:</b> <ul style="list-style-type: none"> <li>➤ <b>organising training, courses, workshops, conferences and information meetings for NGOs,</b></li> <li>➤ <b>cooperation with NGOs in the implementation of joint initiatives and projects for the benefit of the residents of the District;</b></li> <li>➤ <b>promotion of non-governmental sector activities at district level;</b></li> <li>➤ <b>helping non-governmental organisations establish local and regional contacts with organisations whose scope of activity is similar;</b></li> <li>➤ <b>making available (in return for payment or free of charge) premises to NGOs for their statutory activities, including office space, conference rooms, co-working spaces, storage facilities.</b></li> </ul> </li> </ul>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardized templates for entrustments are used for a certain sector, please attach them.</p>
<p><b>SGEI in the field of culture and education have been entrusted pursuant to the statutes of the Experyment Science Centre and pursuant to the implementing agreement for the performance of services of general economic interest in the field of culture and education concluded between the Municipality of the City of Gdynia and the EXPERYMENT Science Centre in Gdynia.</b></p> <p><b>The entrustment of services to the District Centre for Social Activation in Tomaszów Mazowiecki is based on the Implementing Agreement concerning the provision of SGEI by the district's internal entity of 18 December 2019.</b></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><b>The period of entrustment of SGEI to the EXPERYMENT Science Centre: from 4 September 2013 to 31 December 2022.</b></p> <p><b>The period of entrustment of SGEI to the District Centre for Social Activation in Tomaszów Mazowiecki is 7 years.</b></p>
<p>Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.</p>
<p><b>Not assigned.</b></p>
<p>Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?</p>
<p><b>Subsidy.</b></p>

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

**Methodology based on cost allocation.**

Typical arrangements for avoiding and repaying any overcompensation.

**In the case of the EXPERYMENT Science Centre the arrangements for avoiding and repaying overcompensation are laid down in the implementing agreement for the performance of SGEI in the field of culture and education:**

**1. On the basis of the report received from the EXPERYMENT Science Centre on the implementation of the plan of activity for the year concerned and the information added to the financial part of the Report, containing additional data concerning monetary and non-monetary compensation, the Municipality of the City of Gdynia determines whether in the closed accounting year the Centre received compensation for the performance of services at a level permissible according to Article 5 of the Commission's Decision.**

**2. If the compensation received by the EXPERYMENT Science Centre exceeds the permissible level specified by the municipality, the Centre is obliged to repay the overcompensation amount. If the overcompensation amount did not exceed 10% of the permissible compensation level it may be transferred to the subsequent accounting year and deducted from the amount due to the EXPERYMENT Science Centre in the following year.**

**3. The Municipality is authorised to perform routine and periodical checks of the activities performed by the Experymet Science Centre in the context of the proper implementation of the implementing agreement.**

**As far as the District Centre for Social Activation in Tomaszów Mazowiecki is concerned:**

**1. By 31 March each year the District contracts an independent external auditor to carry out an audit of the Compensation in order to ascertain whether the amount of the Compensation received by the Contractor from the Entrusting Authority in the preceding year of the Entrustment Period corresponds to the actual cost relating to the performance of services minus the income generated in the context of implementing the entrustment and to the revenues from other activities performed by the Contractor together with the Reasonable Profit and whether it is in line with the Agreement, in particular as regards the mechanism for Compensation calculation, the SGEI Decision and the generally binding State aid legislation.**

**2. If the audit of the Compensation reveals that the overcompensation paid to the Contractor in the preceding calendar year exceeded 10% of the average annual Compensation in the Entrustment Period, as determined on the basis of the SGEI Decision and the rules for calculating the compensation, the overpaid amount is refunded repaid to the Entrusting Authority by 30 June of the calendar year in which the Compensation is audited.**



**3. If the audit of the Compensation reveals that the overcompensation paid to the Contractor in the preceding calendar year did not exceed 10% of the average annual Compensation in the Entrustment Period determined on the basis of the SGEI Decision and the rules for calculating the Compensation, the overpaid Compensation will be settled in instalments by reducing the advance payments for the months following the date of the audit of the Compensation, with the overpayment to be finally settled by the end of October of the calendar year in which the Compensation audit was carried out. As soon as the Compensation audit indicating the need to settle the overpayment has been carried out, the Parties specify the number and amount of instalments, taking into account the interests of the parties, the need to preserve the Contractor's liquidity and to ensure that the Services covered by the Agreement are continuously and properly provided by the Contractor.**

**4. If the audit of the Compensation reveals that the total of advances paid towards the Compensation paid to the Contractor in the preceding calendar year does not cover the Compensation amount, the Contractor issues to the District a debit note within 14 days of the date of the acceptance of the audit. The note is to be settled within 30 days of the date of issue by the Contractor.**

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**

#### **Amount of aid granted**

**Total amount of aid granted (in EUR million EUR).** 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>1.5</b>	<b>0.9</b>
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
<b>C: Total amount of aid granted (in EUR million) paid by local authorities</b>	
<b>2020</b>	<b>2021</b>

<b>1.5</b>	<b>0.9</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
<b>Subsidy: EUR 1 535 769.08</b>	<b>Subsidy: EUR 858 526.51</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 2</b>	<b>No of beneficiaries: 1</b>
<b>Size of undertaking:</b>	<b>Size of undertaking:</b>
<b>Small undertaking: 1 (EUR 547 386.40)</b>	<b>Large undertaking: 1 (EUR 858 526.51)</b>
<b>Large undertaking: 1 (EUR 988 382.68)</b>	

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5 f) Financial services</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<p>The provinces entrusted to companies (i.e. regional development funds/regional development agencies), which are often internal entities, public interest tasks consisting in the management and re-use of funds from financial engineering instruments referred to in Article 98(1) of the Act of 11 July 2014 on the principles governing implementation of cohesion policy programmes funded under the 2014-20 financial perspective (Journal of Laws 2020, item 818). These are funds coming from the contributions made to financial engineering instruments in the framework of regional operational programmes after the obligations arising from the grant agreements with regard to their use are met, funds returned by the beneficiaries or uncommitted under the agreements, as well as revenues generated by these funds. Inter alia, they are intended to create conditions for economic development, to create a labour market, to support entrepreneurship, to support urban development, to improve energy efficiency and the use of renewable energy. Support is granted in particular to micro, small and medium-sized enterprises in the province concerned and to all local government units (in the future also to associations, cooperatives, housing communities and private persons - the list is non-exhaustive). The service is implemented by making it easier for these entities (predominantly the small and medium-sized enterprises and other recipients of aid whose projects contribute to the development of the region) to access external financing. The funds entrusted by</p>

SGEI providers to companies are therefore made available in the form of repayable or partially repayable instruments involving financial intermediaries or directly to objectives relating to the region's economic development. Due to the objective of the intervention the qualitative parameters of the products offered are more favourable than the parameters of the corresponding products on the open market. The entrustment agreement obliges the company to ensure equal treatment of end users to guarantee universal (i.e. broad) and continuous access to the service for various groups of recipients, which is not in line with normal market conditions. This is why companies receive compensation plus reasonable profit for the provision of a service characterised by these parameters.

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

The decision to entrust tasks to companies is made in the context of the measures taken by the provinces with regard to the broadly-defined needs of the regional community and reflects the implementation of the development policy of the province, which according to Article 11(2) of the Provincial-level Local Government Act includes creating the conditions for economic development, including labour market.

The entrustments took place pursuant to task entrustment agreements concluded between the individual provinces and the companies, as well as pursuant to the provisions in the articles of associations of those companies. Taken together these documents constitute the acts of entrustment of the services in question and contain the elements required by Commission Decision of 20 December 2011 on the application of Article 106(2) of the EC Treaty to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (OJ L 7, 29.11.2005, p. 3.)

- The articles of association indicate that, *inter alia*, the purpose of their activities is the management of financial means to stimulate the development of small and medium-sized enterprises and urban areas etc.;
- in the entrustment agreements concluded with the companies the provinces ensured full control over the activities (internal entities), including by means of obliging them to implement the investment strategies approved by the executive boards of the provinces defining the schedule for the performance of tasks, as well as ongoing and comprehensive monitoring of how the tasks are performed.

The task entrustment agreements define the quantitative and qualitative parameters of the service provided (e.g. types of financial products, performance indicators).

**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?

**In most cases the entrustment period is 10 years.**

Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>The acts of entrustment confer no exclusive or special rights to the companies.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<b>As a rule compensation takes the form of grants.</b>
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><b>Compensation is received by direct or indirect recipients of aid for the relevant products whose parameters are more favourable than market ones. The amount of compensation may not exceed what is necessary to cover the net cost incurred in discharging the public service obligations, including a reasonable profit.</b></p> <p><b>Depending on the Province compensation is paid on a quarterly or monthly basis. The method of projecting (in the form of a schedule of the expected compensation) followed by the determination of the compensation amount and the payment deadlines are laid down in the entrustment agreements concluded between the Provinces and the companies. The terms of performance of the entrusted service are subject to ongoing monitoring, as well as periodic factual and financial reporting, with the compensation amount verified annually.</b></p> <p><b>The cost allocation methodology is applied. In general, compensation is paid in the form of advances on the basis of the schedule of compensation payments to be made. Subsequently, the advances paid are cleared on the basis of an invoice indicating the costs incurred and the beneficiary's a reasonable profit.</b></p>
Typical arrangements for avoiding and repaying any overcompensation.
<p><b>The entrustment agreements lay down the rules for monitoring and repaying any overcompensation, in line with the Commission's decision.</b></p> <p><b>Each year the companies report the amount of total compensation received for the SGEI, their revenues, the level of costs incurred and the method for calculating reasonable profit. This is the basis for assessing whether the companies received compensation in line with the Commission's decision.</b></p> <p><b>If the compensation paid in the previous year for the SGEI exceeds the maximum level by more than 10%, the amount of overcompensation is reimbursed in full. If the overcompensation determined does not exceed 10% of the average value of annual compensation accepted, the excess is counted towards the payment for the next accounting period.</b></p>
A short explanation of how the <b>transparency requirements</b> (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 relevant. The amount of compensation granted in respect of the SGEI has not exceeded EUR 15 million as a yearly average.</b>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in EUR million).</b> 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>2.9</b>	<b>3.1</b>
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
<b>2.9</b>	<b>3.1</b>
<b>C: Total amount of aid granted (in EUR million) paid by regional authorities</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>Subsidies: EUR 2 922 640.25</b>	<b>Grants : EUR 3 125 284.72</b>

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 4</b>	<b>No of beneficiaries: 4</b>
<b>Size of undertaking: large</b>	<b>Size of undertaking: large</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5g) others – service consisting in maintaining cleanliness and order in the City of Częstochowa</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>The public service entrusted consists in the making available of public toilets to the residents of Częstochowa and persons visiting the city. The service covered the construction, maintenance and operation of public toilets in the municipality.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>Resolution of the Częstochowa City Council entrusting the task to Oczyszczalnia Ścieków 'WARTA' S.A., implementing agreements.</b>
<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?
<b>1 year. Implementing agreements for the performance of a task are concluded for 1 year.</b>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>Not assigned.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<b>Subsidy.</b>
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><b>Methodology based on cost allocation. The compensation covers the actual costs of performing the tasks. The expenditure incurred by Oczyszczalnia Ścieków 'WARTA' S.A. in Częstochowa is being verified (the obligation to attach to the invoice for the purpose of settlement a detailed statement of expenditure and costs, as well as a statement of revenue from the fees for the use of municipal public toilets).</b></p>	
<p><b>Typical arrangements for avoiding and repaying any overcompensation.</b></p>	
<p><b>Verifying (in the context of invoice settlement) the compensation amount on the basis of an analysis by the commissioning entity (the City Municipality of Częstochowa) of the costs and revenues relating to the provision of service by Oczyszczalnia Ścieków 'WARTA' S.A.</b></p>	
<p>A short explanation of how the <b>transparency requirements</b> (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).</p>	
<p><b>Not relevant.</b></p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in EUR million).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
<b>2020</b>	<b>2021</b>
<b>0.02</b>	<b>0.01</b>
<p><b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b></p>	
<b>2020</b>	<b>2021</b>
<p><b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b></p>	
<b>2020</b>	<b>2021</b>
<p><b>C: Total amount of aid granted (in EUR million) paid by local authorities</b></p>	
<b>2020</b>	<b>2021</b>
<b>0.02</b>	<b>0.01</b>
<p><b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b></p>	
<b>2020</b>	<b>2021</b>

Subsidy: EUR 17 076.49	Subsidy: EUR 12 039.31
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2020	2021
No of beneficiaries: 1 (medium-sized enterprises)	No of beneficiaries: 1 (medium-sized enterprise)

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5g) other – service related to physical culture and sport entrusted by the City of Ostrów Wielkopolski</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>Implementing the municipality's own tasks arising from the obligation to fulfil the collective needs of their residents in terms of physical culture and tourism, as well as relating to the management of urban facilities and public utilities. Pursuant to the act of establishment of the Company Ostrowskie Inwestycje Sportowe Sp. z o.o. of 5 May 2021 the purpose of the company's activities is to perform own public utility tasks of the Municipality of Ostrów Wielkopolski serving the ongoing and continuous fulfilment of the collective needs of the local community.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>By Resolution No XXXII/377/2021 of Ostrów Wielkopolski City Council of 31 March 2021 entrusting own tasks of the Municipality of Ostrów Wielkopolski to Ostrowskie Inwestycje Sportowe Sp. z o.o. the company was entrusted with carrying out the own task of the municipality of Ostrów Wielkopolski consisting in operating the 'Arena Ostrów' facility in order to enable the Municipality of Ostrów Wielkopolski to meet the collective needs of its residents in terms of culture, physical culture and tourism, as well as urban facilities and public utilities and the promotion of the municipality.</b>
<b>On 13 May 2021 an implementing agreement concerning the performance of a public task was concluded between the Municipality of the City of Gorzów Wielkopolski and the company Ostrowskie Inwestycje Sportowe Sp. z o.o.</b>
<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?



<b>Less than 10 years. Pursuant to the implementing agreement the public task will be performed from 13 May 2021 to 31 December 2030.</b>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>N/A.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<b>Increasing the company's share capital, subsidy.</b>
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>Methodology based on cost allocation.</b>
<b>The compensation amount will cover the reasonable cost of implementing the entrusted tasks and will not exceed the amount necessary to cover the next costs of the tasks, taking account of reasonable profit.</b>
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
<b>Throughout the period of entrustment of the public task the municipality is authorised to verify whether the operator has obtained (or is threatening to obtain) overcompensation. When verifying the performance of the public task the municipality is in particular obliged to monitor whether the maximum level of reasonable profit that the operator may obtain as a result of performing the public task has not exceeded or is not forecast to exceed the reasonable profit level and whether the average annual compensation does not exceed the amount calculated.</b>
<b>If the annual compensation amount is exceeded the operator is obliged to repay it by 30 June of the following calendar year. If the compensation amount is exceeded in the year concerned the excess may be transferred to the following period if it does not exceed 10% of the average annual compensation amount in the entrustment period. In such cases the excess is deducted from the compensation amount in the following period.</b>
A short explanation of how the <b>transparency requirements</b> (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 relevant.</b>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in EUR million).</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>2</b>
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
<b>C: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
	<b>2</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
	<b>Subsidy: EUR 80 794.93</b> <b>Capital injection: EUR 366 380.22</b>

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
	<b>No of beneficiaries: 1</b>
	<b>Size of undertaking: large</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5g) others – services relating to the regeneration of urban areas (buildings, tourist facilities, urban greenery) in Gdynia, Kraków and Łódź</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>1) Gdynia – Agencja Rozwoju Gdyni sp. z o.o. (Agency for the Development of Gdynia) – tasks relating to tourism, recreational areas and sports facilities; creation of urban greenery and copses, the maintenance of municipal facilities and public utilities, the protection and conservation of historical monuments, the maintenance of markets and covered markets, promoting the municipality. The implementation of the project Gdynia dla Firm Rodzinnych [Gdynia for Family Businesses].</b></p> <p><b>The services consist of the following:</b></p> <ul style="list-style-type: none"> <li><b>• Project: The construction and management of a Central Park with an underground car park for 270 cars, promotion and development of urban tourism products, organisation of open urban events of a socio-cultural nature, organisation and promotion of the Maritime Economy Forum, management of the promotion of urban areas on social media, promotion of the Gdynia Trading Hall as a cultural heritage site, implementation of the project Gdynia for Family Firms.</b></li> <li><b>•</b></li> </ul> <p><b>2) Kraków – Agencja Rozwoju Miasta Krakowa sp. z o.o. [Agency for the Development of the City of Kraków] – regeneration of areas relevant to the development of the city (creating the conditions for the functioning of areas for the cultural, social and economic development of the city and its residents)</b></p> <p><b>The service consists of the following: management of real estate, parking facilities, park areas, public utility infrastructure, management of regeneration and re-development of real estate, developing urban and regeneration designs and activities relating to their implementation.</b></p>

**3) Łódź – Rewitalizacja Obszarowa Centrum Łodzi [Area regeneration of Łódź City Centre] and Rewitalizacja Księżego Młyna [Regeneration of Księży Młyn]**

The service consists of carrying out comprehensive regeneration activities in the housing facilities covered by the area revitalisation, in order to create the conditions to meet the housing needs of the local government community (social renting, replacement housing, low-income households).

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

**1) Gdynia – Agencja Rozwoju Gdyni sp. z o.o. [Agency for the Development of Gdynia] – Resolution of Gdynia City Council of 22 November 2018 on the entrustment to Agencja Rozwoju Gdynia sp. z o.o. of the own tasks of the Municipality of Gdynia and the implementing agreement for the provision of public services by that entity; in the case of the project Gdynia dla Firm Rodzinnych entrustment was based on Article 67(1)(12) of the Public Procurement Law Act (Journal of Laws 2017.1579, as amended) and the implementing agreement for the performance of public services concluded with the Agency for the Development of Gdynia sp. z o.o.**

**2) Kraków – Resolution ref. XXIX/745/19 of Kraków City Council of 20 November 2019 on the accession of the Urban Municipality of Kraków to the Agencja Rozwoju Miasta Inwestycje sp. z o.o. and the implementing agreement concluded on 31 July 2020 on the provision of SGEI**

**3) Łódź – The basis for the provision of the service is the Act of 21 June 2001 on the protection of the rights of tenants, council housing and amending the Civil Code in conjunction with the Regeneration Act of 9 October 2015.**

The service is provided on the basis of Resolution ref. XL/1224/21 of Łódź City Council of 17 March 2021 adopting the multi-annual housing management programme of the City of Łódź for the period 2021-2025 (Official Gazette of Łódzkie Province 2021, item 1502) as amended by Resolution ref. L/1558/21 of 17 November 2021 (Official Gazette of Łódzkie Province 2021, item 5749) and Order No 7472/VIII/21 of the Mayor of Łódź of 10 June 2021 on the detailed rules for the implementation of the compensation mechanism and the definition of the indicators for calculating, checking and reviewing the amount of compensation for the performance by the City of Łódź of a service of general economic interest in the field of housing and the implementation of Area Regeneration projects at Łódź City Centre and the Regeneration of Księży Młyn, as defined in the Łódź multi-annual housing management programme for 2021-2025 (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?

**1) Gdynia – Agencja Rozwoju Gdyni sp. z o.o. - the entrustment period is less than 4 years.**

<p>2) <b>Kraków</b> – owing to the specific nature of the task the entrustment is for 20 years. A 10-year period is insufficient to plan and implement comprehensive changes to the urban fabric development strategy, and the implementation of the entrusted tasks entails investment expenditure in respect of real estate and an amortisation period of more than 10 years.</p> <p>3) <b>Łódź</b> – 12 years - As the implementation of the SGEI in question necessitates considerable investment, whose amortisation period is longer than 10 years it is reasonable for the SGEI to be provided for a longer period (i.e. at least 12 years) covering the period of the implementation of the investment and the amortisation period of the Area Regeneration projects of Łódź City Centre and the Regeneration of Księży Młyn.</p>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>No exclusive or special rights have been granted.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<p>1) <b>Gdynia</b> – subsidy</p> <p>2) <b>Kraków</b> – capital injection</p> <p>3) <b>Łódź</b> - subsidy</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>1) <b>Gdynia - Methodology based on cost allocation Detailed rules:</b></p> <p><b>In the case of services (apart from the project Gdynia dla Firm Rodzinnych) the maximum monetary compensation for the contractor is calculated according to the formulae below:</b></p> <p><b>Where the Contractor's additional business generates profit the Maximum Compensation without Reasonable Profit (RE) is equal to:</b></p> $\bigvee_{(P_{dod}-K_{dod})\geq 0} RE = K_{pow} - P_{pow} - (P_{dod} - K_{dod}) - POM$ <p><b>Where the Contractor's additional business generates losses the Maximum Compensation without Reasonable Profit (RE) is equal to:</b></p> $\bigvee_{(P_{dod}-K_{dod})< 0} RE = K_{pow} - P_{pow} - POM$ <p><b>The maximum reasonable profit amount (RZ) is the product of the Return rate specified by the Entrusting Authority and the capital invested by the Entrusting Authority:</b></p> $RE_{RZ} = \%RZ + RZ$

The Entrusting Authority would point out that the following assumptions have been made for the purpose of calculating Reasonable Profit:

1 The basis for determining Reasonable Profit will be the amount of the capital invested, defined as the Monetary Compensation amount without Reasonable Profit and other forms of Compensation in the active form ( $ZK = RE + POM$ ),

2 In line with the SGEI Decision, the maximum return rate to be applied (%RZ) is determined as the level of the swap rate applicable to Poland on the day of the conclusion of the Agreement for 4-year agreements plus 100 basis points. In the light of the above the return rate is 3.30%

The total maximum Monetary Compensation for the Contractor is defined in line with the formula below:

$$RE_{RZ} = RE + RZ$$

The total amount of State aid granted in the form of Compensation for the Contractor is the sum of the Monetary Compensation and other means meeting the definition of Compensation in the Agreement.

where:

RE	The Contractor's Monetary Compensation, without Reasonable Profit
RE <sub>RZ</sub>	The Contractor's Maximum Monetary Compensation, with Reasonable Profit
P <sub>pow</sub>	Sum of the revenue from the provision of the Services
P <sub>dod</sub>	Sum of the revenue from the Contractor's ancillary Activity attributed to the Agreement
K <sub>pow</sub>	Sum of the costs of the activity consisting in the provision of Services
K <sub>dod</sub>	Sum of the costs of the Contractor's ancillary Activity attributed to the Agreement
%RZ	Maximum rate of return on the invested capital defined by the Entrusting Authority
RZ	Reasonable Profit
POM	Other forms of State aid (excluding Monetary Compensation) not included as revenue and converted into aid equivalent in line with the provisions in force
ZK	Capital Invested – the basis for determining Reasonable Profit

2) Kraków – the cost allocation method was applied, with the rules governing calculation laid down in the implementing agreement.

3) Łódź - the net costs to be taken into account are calculated as the difference between the cost incurred in operating the service of general economic interest and the revenue earned from that service minus the revenue generated by the ancillary activity performed on the basis of the assets used to operate the service of general economic interest.

Article 5(7) of the SGEI Decision was applied in order to specify reasonable profit, with the maximum return on capital assumed to be 3.29% (the swap rate applicable from 1 July 2016 to 31 December 2016 plus 100 basis points).

Typical arrangements for avoiding and repaying any overcompensation.

**1) Gdynia – the compensation paid to the Contractor is subjected to annual verification in the context of compensation audit with regard to:**

- **the Compensation's compliance with the law, in particular State Aid provisions, including the SGEI Decision,**
- **the amount of the Compensation paid relative to the cost Contractor's cost of providing Services and the revenues generation by the provision thereof,**
- **revenues from the ancillary activity or other components arising from legislation, in particular State aid granted in other forms, and relating to the provision of Services while at the same time ensuring Reasonable Profit for the Contractor.**

**If the compensation received by the Agency for the Development of Gdynia exceeds the permissible level specified by the municipality, the Agency is obliged to repay the overcompensation amount. If the overcompensation amount did not exceed 10% of the permissible compensation level it may be carried forward to the subsequent accounting year and deducted from the amount due to the Agency in the following year.**

**The Municipality is authorised to perform routine and periodical checks of the activities performed by the Agency in the context of the proper implementation of the implementing agreement.**

**2) Kraków – the Urban Municipality of Kraków carries out annual monitoring on the basis of the clearance of the annual report involving an external expert. Where the level of compensation paid in the audited calendar year is found to result in the maximum annual average amount being exceeded or in the reasonable profit forecast for the Agreement's validity period showing that the maximum permissible reasonable profit is exceeded, the subsequent compensation is reduced by this amount. When overcompensation is in the context of settling the agreement in its entirety, the company is obliged to repay the excess amount.**

**3) Łódź – in order to monitor potential overcompensation routine checks are performed (annual Reports on the update of the maximum permissible compensation in respect of provision of SGEI by the Urban Municipality of Łódź), as well as periodical audits (at least once every three years in the entrustment period).**

**If the audit concludes that the compensation received so far by the City and planned until the end of the entrustment period will result in the City achieving a reasonable profit expressed by the IRR of more than 3.29%, the overcompensation will be offset by modifying the assumptions for the financial projections for the remaining years of entrustment (e.g. by reducing the level of planned rents from the tenants) or by refunding the excess to the entity providing aid in the form of compensation (where the verification is a follow-up verification, i.e. taking place after the end of the entrustment period). If the Compensation amount is exceeded in the year concerned the excess may be transferred to the following period if it does not exceed 10% of the maximum**

<b>average annual compensation amount in the entrustment period. In such cases the excess is deducted from the compensation amount in the following period.</b>	
A short explanation of how the <b>transparency requirements</b> (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 relevant.</b>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in EUR million EUR).</b> 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>
Gdynia: 0.02  Kraków: 0.6	Gdynia: 0.8  Kraków: 64.1  Łódź: 17.3
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
<b>2020</b>	<b>2021</b>
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
<b>2020</b>	<b>2021</b>
<b>C: Total amount of aid granted (in EUR million) paid by local authorities</b>	
<b>2020</b>	<b>2021</b>
Gdynia: 0.02  Kraków: 0.6	Gdynia: 0.8  Kraków: 64.1  Łódź: 17.3
<b>Share of expenditure per aid instrument (direct subsidy, guarantees etc.) (if available)</b>	
<b>2020</b>	<b>2021</b>
capital injection: EUR 572 842.62  Subsidy: EUR 209 994.25	Capital injection: EUR 64 058 861.29  Subsidy: EUR 18 085 669.34



<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 2</b>	<b>No of beneficiaries: 3</b>
<b>Medium-sized enterprises: 1 (EUR 209 994.25)</b>	<b>Small enterprise: 1 (EUR 791 978.09)</b>
<b>Large enterprises: 1 (EUR 572 842.62)</b>	<b>Large enterprise: 2 (EUR 81 352 552.54)</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5g) others – real estate property management services entrusted by the cities of Nowy Sącz, Wrocław, Poznań and Kraków</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>1) Nowy Sącz: The service consisting in the management of public property (including sports and parking facilities) is provided by Nowosądecka Infrastruktura Komunalna sp. z o.o.</b></p> <p>The service covers the management, administration and maintenance of facilities, in particular through the construction of facilities, making them available on a day-to-day basis, as well as the management, administration and maintenance of facilities.</p> <p><b>2) Wrocław – service provided by Wrocławskie Mieszkania Sp. z o.o. Tasks serving the ongoing and continuous fulfilment of the collective needs of the community relating to the governance and management of municipal housing resources and the maintenance of municipal facilities, public utilities and administrative buildings, entrusted to the Company by an Act of Establishment.</b></p> <p><b>3) Poznań: Service entrusted to Zarząd Komunalnych Zasobów Lokalowych Sp. z o.o. covering:</b></p> <ul style="list-style-type: none"> <li><b>a. the performance of own task of the Municipality of the City of Poznań concerning the fulfilment of the collective needs of the community relating to the creation of conditions for meeting the housing needs of the local government community and with regard to the municipal housing;</b></li> <li><b>b. Acting as the substitute investor in respect of the City of Poznań investments serving the implementation of the City of Poznań's own</b></li> </ul>

tasks relating to municipal housing, including in particular obligations relating to the conducting and supervising of construction projects consisting in the construction, conversion, modernisation or renovation of the following assets owned by the City of Poznań: buildings, structures and cubature structures [*translator's note: a technical PL term denoting a category of permanent structures characterised by a volume parameter*], implemented on real estate leased by the Company from the City of Poznań (residential premises and business premises) and the construction of road and technical infrastructure linked to municipal housing investment tasks implemented by the Company;

- c. management of the real estate of the budgetary unit Zarząd Transportu Miejskiego w Poznaniu [Poznań Urban Transport Authority], in particular its headquarters, bus stations and customer service desks with regard to day-to-day administration, maintenance and operation.

- 4) **Kraków** – service consisting in the management of municipal parking infrastructure (municipal P+R car parks) in the territory of the Urban Municipality of Kraków by the company Miejska Infrastruktura sp. z o.o.

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

- 1) **Nowy Sącz**: the entrustment took place on the basis of:

**Resolution ref. XXVII/271/2020 of Nowy Sącz City Council of 5 February 2020 consenting to the establishment of a capital company, amended by Resolution ref. XXXVIII/431/2021 of Nowy Sącz City Council of 4 January 2021;**

**The agreement entrusting the performance of own tasks concluded on 15 January 2021 between the City of Nowy Sącz (represented by the Mayor) and Nowosądecka Infrastruktura Komunalna Sp. z o. o. (represented by the Chairman of the Management Board). The City of Nowy Sącz is (and intends to remain while the entrustment agreement is in force) the company's sole shareholder.**

- 2) **Wrocław**: The basis for the entrustment is the articles of association of the company Wrocławskie Mieszkania Sp. z.o.o. of 2 October 2007 (notarial deed register A No 4798/2007) and Order No 2387/08 of the Mayor of Wrocław of 2 January 2012 on the rules on outsourcing and accounting for tasks to be carried out by Wrocławskie Inwestycje sp. z o.o. with its registered office in Wrocław, entrusted by an act of establishment.
- 3) **Poznań**: The entrustment took place pursuant to an executive act (resolution of Poznań City Council and the Company's act of establishment) - resolution of Poznań City Council ref. L/777/VI/2013 of 21 May 2013 on converting a local government financial institution through liquidation with a view to establishing a commercial company, amended by Poznań City Council resolutions ref.

**XXVIII/413/VII/2016 of 26 April 2016 and ref. LXVII/1233/VII/2018 of 22 May 2018. The details of the entrustment were defined in the agreement concluded on 31 July 2018 between the City of Poznań and the Zarząd Komunalnych Zasobów Lokalowych sp. z o.o. concerning the conditions for the fulfilment of the own tasks entrusted, as well as the granting and clearance of aid to the entrusted activity, together with the annexes to the agreement dated 31 July 2018 and 22 May 2019.**

**4) Kraków**

**the entrustment took place on the basis of:**

**resolution ref. XCIV/1392/13 of Kraków City Council of 18 December 2013 establishing a single member company Miejska Infrastruktura sp. z o.o. (as amended);**

**resolution ref. LIII/723/12 of Kraków City Council of 29 August 2012 adopting a parking programme for the City of Kraków;**

**agreement of 2 June 2014 on the provision of public services consisting of the management of a paid parking zone and parking programme implementation (as amended);**

**public service agreement concluded on 27 July 2016 (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?**

**1) Nowy Sącz: The agreement was concluded for a specified period, i.e. from the date of its conclusion on 15 January 2021 to 31 December 2038. This is due to the Company's commitment to implement considerable investments relating to the project, the amortisation period of which is longer than 10 years under the accepted accountability rules.**

**2) Wrocław: 10 years.**

**3) Poznań: The entrustment period is 60 years due to the amortisation period of fixed assets (i.e. housing stock constructed in the context of the implementation of the municipality's own task).**

**4) Kraków: The entrustment runs for a period of 10 years.**

**From 1 January 2020 Miejska Infrastruktura sp. z o. o. (in liquidation) performed, on a limited scale, services relating to the operation of a paid parking zone. From 1 January to 31 March 2020 it performed services relating to the management of P&R car parks. The company performed the entrusted services for a period of 7 years. The company's tasks are being transferred by the Urban Municipality of Kraków to the company Zarząd Transportu Publicznego.**

Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<p><b>Nowy Sącz, Wrocław, Kraków: no exclusive or special rights granted.</b></p> <p><b>Poznań: Zarząd Komunalnych Zasobów Lokalowych sp. z o.o. was granted special rights; pursuant to lease agreement ref. D/51/1031 of 9 October 2013, as amended, the City of Poznań leased to the Company land not built-on and built-on, shares in real estate, as well as cooperative ownership right to premises, which are owned or co-owned by it, together with all facilities located in these. The special rights granted consist in the use and deriving benefits from business premises in the context of ZKZL sp. z o.o. performing an own task of the Municipality of the City of Poznań concerning the fulfilment of the collective needs of the community relating to the creation of conditions for meeting the housing needs of the local community and with regard to municipal housing.</b></p>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<p><b>Wrocław, Kraków: subsidy.</b></p> <p><b>Nowy Sącz, Poznań: subsidy, capital injection, making property available for use on conditions more favourable than market conditions.</b></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.
<ol style="list-style-type: none"> <li><b>1) Nowy Sącz: during the period in which public services are provided the compensation amount may not exceed the amount necessary to cover the net costs incurred in this period, directly linked to the provision of public services that are related to the entrustment (including fixed costs in the proportion appropriate to public services, without taking account of the fixed costs in proportion to the Ancillary Activity) and taking account of the Company's revenues arising from the provision of public services (increased by other benefits obtained from public resources, such as subsidies or share capital increase) and Reasonable Profit. Compensation is paid in all forms permitted by generally applicable regulations in the amount ensuring the Company's liquidity (including the ability to meet its obligations) throughout validity period of the agreement.</b></li> <li><b>2) Wrocław: the remuneration for the provision of the entrusted activities is payable on the basis of monthly invoices.</b></li> <li><b>3) Poznań: the maximum public aid is calculated using of the model based on the difference between the reasonable costs and the revenues, taking account of reasonable profit.</b></li> <li><b>4) Kraków: the rules on granting Compensation to the Company were defined in the implementing agreements. The annual compensation could not exceed the amount necessary to cover the net costs arising from meeting the obligations relating to the provision of the entrusted services, taking account of reasonable</b></li> </ol>

<p><b>profit in accordance with Article 5 of the 2012 SGEI Decision. The entrusted services were settled using the cost allocation method.</b></p>
<p><b>Typical arrangements for avoiding and repaying any overcompensation.</b></p>
<p><b>1) Nowy Sącz: The town authorities are authorised to perform annual verifications of the Compensation amount or to have such verifications performed by authorised bodies, in particular with a view to ensuring that the company does not receive Compensations exceeding the required compensation amount. To this end the Company will submit relevant documents related to the provision of the Service. By 31 March of each financial year, the City authorities commission a specialised internal unit or an external entity to perform the yearly verification of the Compensation, including Reasonable Profit. The City authorities and the Company undertake to agree on the Compensation amount based on the Audit, following which the City authorities undertake to make any appropriate changes to the City's budget arising from insufficient Compensation revealed by the audit. In the event of Overcompensation the Company is obliged to immediately inform the City authorities, which will demand a refund. The Compensation indicators are to be updated for the future. Where the amount of overcompensation does not exceed 10% of the amount of the average annual compensation, such overcompensation may be carried forward to the next annual period and deducted from the amount of compensation payable in respect of that period. Where during the financial year the Company finds that its operating costs or financial costs have increased or that its revenues have decreased, the Company may - before the date of payment of the next monthly advance on compensation - correct the application by the amount of the current compensation. For the purpose of preventing Overcompensation and assessing the standard of the provision of public services, the Company submits to the City authorities, on a quarterly basis, up-to-date periodic reports drawn up with due care.</b></p> <p><b>2) Wrocław: Where the remuneration exceeds the permissible remuneration amount in the closed accounting year:</b></p> <p><b>a) by more than 10% then the whole excess is paid back to the city authorities;</b></p> <p><b>b) by less than 10% then the remuneration amount due in the following Accounting Year may be reduced by the overcompensation amount.</b></p> <p><b>3) Poznań: The city is entitled to perform an audit of the company's revenues and costs and of the reasonable profit level (compensation audit). The compensation audit should be performed at least once every three years, as well as at the end of the entrustment period. The company is obliged to repay overcompensation if the overcompensation amount paid exceeds 10% of the average annual public aid amount specified for the whole entrustment period. Overcompensation is to</b></p>

<p><b>be repaid within 180 days of the adoption of the Annual Report, but not later than by the end of February of the following calendar year.</b></p>	
<p><b>4) Kraków: To avoid overcompensation annual checks have been put in place with a view to verifying whether the compensation obtained in the entire entrustment period does not result in an exceedance of the permissible threshold within the meaning of the 2012 SGEI Decision.</b></p>	
<p>A short explanation of how the <b>transparency requirements</b> (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).</p>	
<p><b>Not relevant.</b></p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in EUR million EUR).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
<b>2020</b>	<b>2021</b>
14.3	9
<p><b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b></p>	
<b>2020</b>	<b>2021</b>
<p><b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b></p>	
<b>2020</b>	<b>2021</b>
<p><b>C: Total amount of aid granted (in EUR million) paid by regional authorities</b></p>	
<b>2020</b>	<b>2021</b>
14.3	9
<p><b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)</p>	
<b>2020</b>	<b>2021</b>
Subsidies: EUR 12 238 068.09	Subsidies: EUR 5 620 439.13
Capital injection: EUR 3 286 937.02	Capital injection: EUR 1 928 804.59

providing property for use on conditions more favourable than market conditions: EUR 1 540 385.38	providing property for use on conditions more favourable than market conditions: EUR 1 427 788.04
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 3</b>	<b>No of beneficiaries: 4</b>

<b>Section (for example 1, hospitals or 2b, childcare)</b>
<b>5g) others – construction works services entrusted by the cities of Poznań and Wrocław</b>
<b>Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please <b>list the contents of the services entrusted as SGEI</b> as clearly as possible.
<b>The services entrusted cover the management and implementation of investments relating to road infrastructure to the cities of Poznań and Wrocław by Poznańskie Inwestycje Miejskie sp. z o.o. and Wrocławskie Inwestycje sp. z o.o., including the implementation of ancillary tasks, such as traffic organisation design and real estate management.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>Services are entrusted by a resolution of the city council or an order of the mayor, with the tasks and rules governing the provision of services specified in the articles of association of companies, to which the provision of service is entrusted.</b>
<p><b>1) Poznań:</b> The entrustment of tasks to a single-member City company by means of an executive act pursuant to a resolution of the City Council and has been included in the company's act of establishment. The executive provisions have taken the form of an order of the Mayor of the City.</p> <p><b>2) Wrocław:</b> Order No 11321/14 of the Mayor of Wrocław of 9 July 2014 (as amended) – Rules on outsourcing and accounting for tasks to be carried out by Wrocławskie Inwestycje sp. z o.o. entrusted by an act of establishment are annexed to the Order of the President of Wrocław and were drawn up on the basis of the Decision of the European Commission of 20 December 2011 on the application of Article 106(1)(2) of the Treaty on the Functioning of the EU to State aid in the form of public service compensation granted to certain</p>

<b>undertakings entrusted with the operation of services of general economic interest.</b>
<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?
<b>10 years</b>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>Not assigned.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<b>Subsidy</b>
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>1) <b>Poznań: The cost allocation method is applied to determine the compensation amount.</b></p> <p>2) <b>Wrocław: The avoided cost method is applied to determine the compensation amount.</b></p>
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>
<p>1) <b>Poznań: As regards avoiding overcompensation the remuneration received for each task is verified after the completion of every investment task. The end of a given year is followed by clearance of the remuneration received for the year in question. Moreover, at least once every three years an entity that has the requisite competence and professional experience is commissioned to audit the remuneration paid to a company. Where the remuneration received by the company in the context of a completed task exceeds the maximum obtainable remuneration specified by more than 1%, the company repays the whole amount of the excess remuneration received. However, if the remuneration received exceeds the maximum obtainable remuneration specified 1% or less, then the decision concerning the repayment of extra remuneration is taken by the entity outsourcing the task on a case-by-case basis.</b></p> <p><b>Furthermore, where the compensation audit has found that the remuneration received by the company exceeds the maximum amount of compensation calculated in accordance with the 2012 SGEI Decision by more than 10% in a given year or on a compound basis over the period of entrustment, the company is required to repay the excess remuneration. If the remuneration is less than 10% higher than the maximum amount of compensation calculated in accordance with the 2012 SGEI Decision, the company is required to reduce the remuneration in the following year. If there is an excess in the last year of entrustment, the company is obliged to repay it in full.</b></p>



2) Wroclaw: The city is obliged to verify excess remuneration on the basis of the report for the preceding year, which shows:

- The amount of remuneration received by the company from the City for the performance of tasks entrusted to it by the City on the basis of the implementation outlines in the context of carrying out investment tasks or management tasks in the accounting year ended,
- The amount of revenues from activity other than activity linked to the performance of investment tasks or management tasks in line with the Company's remuneration policy;
- the amount and structure of costs, taking into account the costs associated with carrying out activities other than those linked to the performance of investment tasks or management tasks;
- the amount of expenditure incurred necessary for the proper performance of the activities entrusted as part of investment tasks or management tasks.

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**

#### **Amount of aid granted**

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

2020	2021
6.4	6.7
<b>A: Total amount of aid granted (in EUR million) paid by national central authorities</b>	
2020	2021
<b>B: Total amount of aid granted (in EUR million) paid by regional authorities</b>	
2020	2021
<b>C: Total amount of aid granted (in EUR million) paid by local authorities</b>	
2020	2021

<b>6.4</b>	<b>6.7</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2020</b>	<b>2021</b>
<b>Subsidy: EUR 6 428 540.23</b>	<b>Subsidy: EUR 6 667 891.94</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2020</b>	<b>2021</b>
<b>No of beneficiaries: 2</b>	<b>No of beneficiaries: 2</b>
<b>Medium-sized enterprises: 1 (EUR 3 705 699.73)</b>	<b>Medium-sized enterprise: 1 (EUR 3 899 596.35)</b>
<b>Large enterprise: 1 (EUR 2 722 840.50)</b>	<b>Large enterprise: 1 (EUR 2 768 295.59)</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**

**The Polish authorities have not provided aid under this framework in the period covered by the report.**

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

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

The Office for Competition and Consumer Protection has no information suggesting that legal proceedings were initiated in 2020-2021 in connection with third party complaints concerning the provision of an SGEI.

### **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.

Some entities implementing the aid have reported difficulties relating to:

- Drawing up entrustment acts as regards the rules relating to determining the appropriate form for the payment of undercompensation (VAT invoice/capital injection).
- Determining the moment of SGEI entrustment where a new entity is established/SGEI is entrusted to an already existing entity.
- Determining the basis for calculating reasonable profit where it is impossible to apply the internal rate of return.
- Where the entrustment period exceeds 10 years (due to the entity's obligation to make significant investments - e.g. in the municipal housing sector - which need to be amortised over a longer period of time), doubts have arisen as to the adoption of an appropriate rate of return on capital that cannot exceed the swap rate, the maturity of which corresponds to the validity of the entrustment act (increased by a premium of 100 basis points) – swap rates with a maximum maturity of 10 years are published, which raises doubts as to which rate should be applied to longer entrustment periods related to the amortisation period of fixed assets.
- Specifying the period for which a swap rate should be adopted to determine the level of reasonable profit taking account of Article 5(5) and (7) of the Decision in cases where the entrustment period is defined by a resolution of the City Council: the period linked to the date of the adoption of the resolution by the City Council/the period of the applicability of the swap rate for the first date of the entrustment period specified at this date.

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

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with para 19 of the SGEI Framework;
- determining the net avoided cost as required by paras 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;

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

The Polish authorities would inform you that no aid was granted under the SGEI Framework during the reporting period.

- c. If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions please feel free to provide them below.

The Polish authorities do not wish to comment.

SGEI Decision in your Member State		Total amount for whole Member State	
		2020	2021
<b>Article 2(1)(b)</b>	Hospitals providing medical care, including, where applicable, emergency services		
<b>Article 2(1), point (c)</b>	Health and long term care		
	Childcare		
	Access to and reintegration into the labour market		
	Access to and reintegration into the labour market		
	Social housing	€ 21.183.205,71	€ 65.962.248,69
	Care and social inclusion of vulnerable groups	€ 2.710.352,42	€ 2.438.925,14
	Other social services		
<b>Article 2(1), point (d)</b>	Air or maritime links		
<b>Article 2(1), point (e)</b>	Airports and ports		
<b>Article 2(1)(a), less than EUR 15 million per year</b>	Postal services		€ 22.303,05
	Energy		
	Waste collection	€ 46.378.383,80	€ 27.738.052,16
	Water supply	€ 5.441.209,00	€ 495.664,26
	Culture	€ 1.535.769,08	€ 858.526,51
	Financial services	€ 2.922.640,25	€ 3.125.284,72
	Others	€ 21.530.535,81	€ 98.248.668,79

SGEI Framework in your Member State	Total amount for whole Member State	
	2020	2021
Postal services		
Energy		
Waste collection		
Water supply		
Air or maritime links		
Airports and ports		
Culture		
Financial services		
Others		