



Dear Member of the European Parliament

Object: Position of ELISAN on the reform of the EU State Aid Rules - COM(2011) 146 final

Dear member of the European Parliament,

On 23rd March, the European Commission published its Communication on the reform on European Union rules on State aids services of general economic interest. Welcomed as a whole by many organizations, this paper is currently under consultation with stakeholders, particularly through the various consultations carried out by Mr. Joachim Almunia, vice president of the European Commission and commissioner for competition

The European local inclusion and social action network ELISAN was created in 2008 at the committee of the regions and is aimed to speak up for local and territorial elected representatives who are responsible for social action in Europe, to raise awareness about local social action in Europe, to disseminate good practices and promote social innovation of European territorial authorities. ELISAN organizes European events, expresses position papers, contributes to the European Union consultations, and informs its members on the European challenges in the social area. ELISAN represents today 2 200 cities in 12 European countries

ELISAN's members can manage services to the population such as childcare or early childhood, home care services (meals on wheels, accompanied transportation and so on). They can also choose to delegate the management of these services to others operators which are usually associations.

The application of the EU regulation on state aid to social services is at the heart of the ELISAN's concerns which aim is to defend the interest of its members so they are able to ensure the implementation of *social services of general interest of quality and accessible to all*.

These rules generate a certain number of difficulties regarding the management or the delegation of services implemented by territorial authorities, especially with home care services, which are considered as economical services and consequently, they are impacted by the rules on competition.

The current revision is in line with the demand, formulated by many local stakeholders, on the simplification of the regulation, the clarification of concepts and different approaches with regards to the nature of the concerned services, and the territorial context. It tends to adapt the European regulation to local situations and to recognize the specificity of social services of general interest.

ELISAN supports entirely the prospect of this reform and the direction it seems to take. However, the will for clarification expressed through new concepts such as "efficiency", notions of "small services on small territories" or "small social services", which lack of definition should reinforce the lack of visibility regarding the application of the new reform, reform which is qualified by ELISAN as necessary;

Moreover, the principle of subsidiarity must absolutely gives to the member states leeway to implement this reform according to their history and culture of services of general interest implemented on their territories.



The recent consultations conducted by the Vice-President of the European Commission responsible for competition, Mr. Almunia, including the Committee of the Regions, tend to confirm that the local dimension to public services require special attention and specific measures. It is also a motivation that emerged from discussions of the parliamentary intergroup on SGI, chaired by Françoise Castex. ELISAN is a member of this, by the presence of its French partner, the National Union of Social Action Community Centers in the person Daniel Zielinski, Executive manager of UNCCAS and member of the ELISAN steering committee.

Under the current reflections, **ELISAN wishes to inform you of its expectations regarding the evolution of the EU state aid rules :**

ELISAN wishes to preserve the quality and accessibility of social services of general interest as they participate and they guarantee to territorial cohesion

Local members of ELISAN, wish to precise that they frequently intervene (eg in the field of home help or other social services) on areas where markets are nonexistent, as the only providers of services are usually local authorities, and where the European rules on competition does not enter into account. **ELISAN is in favor of** limiting the control of the European commission on situations where there is a real impact on the single market by excluding those services where the market is nonexistent and where the only initiative expressed is the non-profit one (public or associative).

ELISAN requests that the differences between "Services of General Economic Interest and non-economic services of general interest are specified as the concept of entrustment.

ELISAN also calls for a possibility to think about the introduction of a derogation (or exemption) from the requirement of an act of entrustment for the partnerships established between public and associations actors - even when they operate on an open field to competition - since the amounts involved are extremely low. For example, French legislation does make compulsory the development of a target agreement between the local community and the association sponsored if the global amount does not exceed € 23 000 and nowadays, a multitude of grants is less than this threshold. The grant has a logic to support the association initiatives, it stimulates the local social development, in the interest of its inhabitants, without interfering at any time with the legislation of the market.

ELISAN is in favor of the of the minimis threshold increase to 500 000 €.

For further information you may need, please contact Daniel Zielinski, member of the ELISAN steering committee and executive manager of UNCCAS - dzielinski@unccas.org.

We count on you to support the specificities of local social action and also to preserve a flexible and responsive framework.

Looking forward to hearing from you,
Sincerely yours

For the Administrative Board of ELISAN
gathered in klagenfurt on the 7th June 2011

Remo Sernagiotto
President of ELISAN

A handwritten signature in black ink, appearing to read 'Remo Sernagiotto', is written over the typed name and title.