

# EUROPEAN ECONOMIC AREA

## FORUM OF LOCAL AND REGIONAL AUTHORITIES

Ref. 1110097

### FOURTH MEETING OF THE EEA EFTA FORUM

*Brussels*

*14-15 November 2011*

### Opinion on Public Services in the EEA Context

**Rapporteur:** Ms *Eva Kristin Andersen*

The EEA EFTA Forum of Local and Regional Authorities:

- A. noting the reinforced subsidiarity principle set out in the Lisbon Treaty and its explicit reference to the local and regional dimension and self-government, and especially Article 14 and Protocol 26 on services of general economic interest,
  - B. noting the role of the Forum as a body in the EFTA structure,
  - C. acknowledging the impact of EU law on local and regional authorities in the EEA EFTA States through the EEA-agreement, with special reference to Article 59 on services of general economic interest,
  - D. welcoming the fact that the European Union consults stakeholders on its proposals for new texts regarding the application of state aid rules to services of general economic interest, but regrets the very short time given to react to a very complex set of important texts,
  - E. emphasizing that the local and regional authorities of the EEA EFTA countries Iceland and Norway face several challenges different to those of local authorities in the European Union.
- 
- 1. underlines the principle of local democracy and self-governance, hereunder the ability of local authorities to decide freely how their services are to be organized and delivered for the inhabitants;
  - 2. stresses that the local authorities are close to the people and are in the best position to define standards of quality based on local needs;
  - 3. is of the view that detailed legislation at European level which clearly defines what constitutes services of general interest on the one hand and services of general economic interest on the other is not desirable - this should be left to the Member States;
  - 4. welcomes the Commission's initiative to clarify and simplify the rules to facilitate the work of the public authorities and the service providers;

5. supports that less emphasis will be placed on local services that often involve small compensation amounts and that the state aid rules should rather focus on the services that have a cross-border impact;
6. questions the proposed *de minimis* regulation for municipalities of less than 10.000 inhabitants and suggests that the criteria should rather be the purely local impact of the aid but not the size of the awarding authority;
7. stresses the importance of public-public cooperation and is concerned that the proposed limit of less than 10.000 inhabitants for the application of revised *de minimis* rules can pose new challenges in this respect;
8. encourages central governments to facilitate training of local and regional authorities on issues related to the organization of services of general interest on the whole;
9. underlines the special topographic, geographic, climatic and demographic circumstances in Iceland and Norway that call for inter-municipal cooperation and cooperation between regions and, in some instances, complicate the application of internal market legislation because of lack of markets as defined in the EEA Agreement.