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PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

Accompanying the Communication on "A single market for 21st century Europe"

**Services of general interest, including social services of general interest:
a new European commitment**

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TABLE OF CONTENTS

1.	Introduction	3
2.	The role of the EU: ensuring common rules while respecting diversity	3
2.1.	The scope of EU action	4
2.2.	The approach: meeting public interest objectives in a single market	6
2.3.	The particular situation of social services	7
2.4.	The particular situation of health services	8
3.	The Protocol: a coherent framework for EU action	9
4.	Moving forward	11
4.1.	Providing legal guidance on cross-cutting issues	11
4.2.	Modernising and developing sector-specific policies	12
4.3.	Monitoring and evaluation	13
5.	Conclusion	14

1. INTRODUCTION

The agreement by Heads of State and Government of a Protocol on services of general interest to be annexed to the Treaty of Lisbon is a decisive step towards establishing a transparent and reliable EU framework. The new Treaty on the Functioning of the European Union will also include a new Article 14¹ stressing the joint responsibility of the Union and the Member States and establishing a legal basis for the EU to take action.

These new provisions build on a decade of debate about the responsibilities of the EU and about whether or not the EU should adopt an overarching framework for services of general interest. This debate has helped to generate converging views on the role and approach of the EU with regard to services of general interest, in particular following the 2004 Commission's White Paper² and the 2006 opinion of the Parliament³. A broad agreement has emerged on the need to ensure legal certainty and consistency across EU policies, while respecting the diversity of sectors and situations. There is also broad recognition of the need to improve general awareness and understanding of EU rules. By spelling out the role of the Union, the Protocol brings the necessary clarity and certainty to EU rules.

This Communication presents the Commission's views on this debate, in particular in the light of the Parliament's resolution and the Treaty of Lisbon. It also draws on the public consultation on social services of general interest initiated in 2006.

2. THE ROLE OF THE EU: ENSURING COMMON RULES WHILE RESPECTING DIVERSITY

Services of general interest cover a broad range of activities, from the large network industries such as energy, telecommunications, transport, audiovisual broadcasting and postal services, to education, water supply, waste management, health and social services. These services are essential for the daily life of citizens and enterprises, and reflect Europe's model of society. They play a major role in ensuring social, economic and territorial cohesion throughout the Union and are vital for the sustainable development of the EU in terms of higher levels of employment, social inclusion, economic growth and environmental quality.

Although their scope and organisation vary significantly according to histories and cultures of state intervention, they can be defined as the services, both economic and non-economic,

¹ An amendment to Article 16 TEC.

² The 2004 White Paper - COM(2004) 374, 12.5.2004 - was built on previous consultations and Communications, in particular the Commission's 2003 Green Paper - COM(2003) 270, 21.5.2003 -, two Communications in 2001 - COM(2001) 598, 17.10.2001 and "Services of general interest in Europe" (OJ C 17, 19.1.2001) - and the first Communication on this subject of 1996 ("Services of general interest in Europe" - OJ C 281, 26.9.1996).

³ The resolution of the European Parliament (A6-0275/2006 of 26 September 2006) completed the large round of consultation of EU institutions and stakeholders initiated by the 2004 White Paper. The resolution supports the underlying principles and priority actions set out in the White Paper. It states that it is not possible to define services of general interest uniformly and does not call for a single horizontal legislative framework, but calls on the EU and the Commission in particular to continue acting in various domains and sectors so as to achieve greater clarity and consistency of EU rules, while fully respecting the principle of subsidiarity. The European Economic and Social Committee and the Committee of the Regions have also given their opinions (CESE/2005/121 of 9 February 2005, CESE/2006/223 of 6 July 2006 and CDR/2004/327 of 23 February 2005).

which the public authorities classify as being of general interest and subject to specific public service obligations. This means that it is essentially the responsibility of public authorities, at the relevant level, to decide on the nature and scope of a service of general interest. Public authorities can decide to carry out the services themselves or they can decide to entrust them to other entities, which can be public or private, and can act either for-profit or not for-profit.

At the same time, providers of these services must respect the rules laid down in the EC Treaty and in secondary EU law where these are applicable. Moreover, given their EU dimension, a number of network industries which perform services of general economic interest are now subject to sector-specific EU directives. In partnership with national, regional and local authorities, the EU therefore has a role to play in framing the principles and conditions for the operation of a wide range of services. This shared responsibility is reflected in the Treaty and will be underlined in the Protocol on services of general interest to be annexed to the Treaty of Lisbon.

2.1. The scope of EU action

In accordance with the principles of subsidiarity and proportionality, the EU intervenes within the competences entrusted to it by the Treaty and to the extent necessary. Its action respects the diversity of situations in the Member States and the roles of national, regional and local authorities in ensuring the well-being of their citizens and in promoting social cohesion, while guaranteeing democratic choices regarding, among other things, the level of service quality.

For the first time, the Protocol introduces the notion of services of general interest in primary EU law whereas the current EC Treaty only refers to services of general *economic* interest. As things stand, two sets of services of general interest can be distinguished for illustrative purposes, in terms of how they are governed by EU rules:

- *Services of general economic interest*: the provision and organisation of these services are subject to internal market and competition rules of the EC Treaty since their activities are economic in nature. In the case of large network industries having a clear European-wide dimension, such as telecommunications, electricity, gas, transport and postal services, the services are regulated by a specific EU legislative framework. Similarly, certain aspects of public service broadcasting are covered by specific EU legislation, such as the "television without frontier" directive. Other services of general economic interest, such as those in the area of waste management, water supply or waste water treatment, are not subject to a self-standing regulatory regime at EU level. However, specific Community rules such as public procurement, environmental and consumer protection legislation apply to certain aspects of the service. In addition, a number of services of general economic interest are also subject to the regulatory framework established by the Services Directive⁴.
- *Non-economic services*: these services, for instance traditional state prerogatives such as police, justice and statutory social security schemes are not subject to specific EU legislation, nor are they covered by the internal market and competition rules of the Treaty. Some aspects of the organisation of these services may be subject to other rules of the Treaty, such as the principle of non-discrimination.

⁴ More information can be found in the staff working paper on progress since the 2004 White Paper on services of general paper SEC(2007) 1515, which is published alongside this Communication.

The question of how to distinguish between economic and non-economic services has often been raised. The answer cannot be given *a priori* and requires a case-by-case analysis: the reality of these services is often specific and differs widely from one Member State to another, and indeed from one local authority to another; the ways in which they are provided are constantly evolving as a response to new economic, social and institutional developments, such as shift in consumer demands, technological change, the modernisation of public administrations and the devolution of responsibilities to the local level.

In the area of competition law, according to the Court of Justice, it is not the sector or the status of an entity carrying out a service (e.g. whether the body is a public undertaking, private undertaking, association of undertakings or part of the administration of the State), nor the way in which it is funded, which determines whether its activities are deemed economic or non-economic; it is the nature of the activity itself. To make the distinction, the Court relies on a set of criteria related to the conditions of functioning of the service under consideration, such as the existence of a market, state prerogatives or obligations of solidarity. In practice, this means that a single entity may well be engaged in both economic and non-economic activities and therefore be subject to competition rules for parts of its activities but not for others. For example, the Court has ruled that a given entity may be engaged on the one hand in administrative activities which are not economic, such as police tasks, and on the other hand in purely commercial activities⁵. An entity can also be engaged in non-economic activities where it behaves like a charity fund and at the same time compete with other operators for another part of its activity by performing financial or real estate operations, even on a not-for-profit basis⁶. According to this functional approach, each activity has therefore to be analysed separately⁷.

For a given service to qualify as an economic activity under the internal market rules (free movement of services and freedom of establishment), the essential characteristic of a service is that it must be provided for remuneration. The service does not, however, necessarily have to be paid by those benefiting from it. The economic nature of a service does not depend on the legal status of the service provider (such as a non-profit making body) or on the nature of service, but rather on the way a given activity is actually provided, organised and financed. In practice, apart from activities in relation to the exercise of public authority, to which internal market rules do not apply by virtue of Article 45 of the EC Treaty, it follows that the vast majority of services can be considered as "economic activities" within the meaning of EC Treaty rules on the internal market (Articles 43 and 49).

Against this background, the situation of social services has been the subject of discussion in recent years. Social services can be of an economic or non-economic nature depending on the activity under consideration. Although they are not defined, the 2006 Communication identified two broad types of social services: firstly, statutory and complementary social security schemes, organised in various ways (mutual or occupational organisations), covering the main risks of life, such as those linked to health, ageing, occupational accidents, unemployment, retirement and disability; secondly, other services provided directly to the person such as social assistance services, employment and training services, social housing or

⁵ Case C-82/01 *Aéroports de Paris* [2002].

⁶ Case C-222/04 *Cassa di Risparmio di Firenze* [2006].

⁷ Case C-118/85 *Commission v Italy* [1987]. Compare also Cases C-205/03 *P. Fenin* [2006] and T-155/04- *Selex* [2006] for a situation where different activities could not be analysed separately.

long-term care. These services are typically organised at a local level and are heavily dependent on public funding.

2.2. The approach: meeting public interest objectives in a single market

If a service of general interest is regarded as economic, it is subject to internal market and competition rules. This may lead to questions as to whether the full application of these rules is compatible with the pursuit of the specific missions of general interest assigned to the service. At the level of the Treaty, these situations are addressed by Article 86(2) as interpreted by the case law of the Court of Justice⁸. This provides that services of general economic interest are in principle subject to the application of Treaty rules. However, where the application of these rules obstructs the performance, in law or in fact, of the particular tasks of general interest assigned to them, these services may benefit from a derogation from the provisions of the Treaty, provided certain conditions are satisfied, notably as regards the proportionality of the compensation provided to undertakings entrusted with the operation of those services.

As highlighted in its 2004 White Paper, the Commission considers that the objectives of developing high-quality, accessible and affordable services of general economic interest and of an open and competitive internal market are compatible and should be mutually supportive. Experience, for instance in the telecommunications and transport sectors, or at a local level (e.g awarding public service contracts), shows that markets which are open to competition contribute to improving the efficiency, affordability and choice of services on offer. At the same time, specific provisions can be maintained to ensure that a balance is struck. For instance, the Court accepts the grant of exclusive or special rights for some services, as well as measures intended to regulate markets, such as authorisation requirements, to the extent they are justified by public interest objectives and proportionate to the objectives pursued⁹. In secondary law, the pursuit of public interest objectives by services of general economic interest is also taken into account in the Services Directive¹⁰.

The capacity to combine the provision of services of general interest with the development of a European single market is particularly well illustrated by the series of sector-specific policies developed since the early 1990s for network industries such as telecommunications, energy, transport and postal services, which today represent more than 7% of the GDP and 5% of total employment in the EU. The gradual opening up of these sectors to competition went hand in hand with the definition of a number of public service obligations for each sector, covering aspects such as universal service, consumer and user rights and health and safety concerns. These sectoral frameworks also specify the scope of public policy intervention in regulating these networks, with particular reference to the role of national regulatory authorities. These sector-specific frameworks are in the process of being modernised in the light of technological developments or global challenges, such as climate change, and because of successive enlargements which have created more diversity in the Member States' approach to services of general interest.

⁸ Case C-320/91, Corbeau, [1993], ECR I-2533, case C-393/92, Almelo [1994] ECR I-1477, joined cases C-157/94 - C-160/94, Commission v. Netherlands, [1997], ECR I-5699, Commission v. Italy [1997], ECR I-5789, Commission v. France [1997], ECR I-5815, Commission v. Spain [1997], ECR I-5851.

⁹ For instance case C-70/95, Sodemare [1997] ECR I-3395, Joined cases C-282/04 and C-283/04, Commission v. Netherlands [2006].

¹⁰ More information can be found in the document SEC(2007) 1515.

2.3. The particular situation of social services

The Commission initiated in April 2006 a broad consultation with the Member States, service providers and users to better understand the nature of these services across the EU and assess stakeholders' experience with the application of Community rules¹¹.

Although the functions and organisation of social services vary a great deal, the consultation highlighted their importance for the fulfilment of basic EU objectives such as the achievement of social, economic and territorial cohesion, a high level of employment, social inclusion and economic growth, as well as their close interconnection with local realities.

Objectives and principles of organisation of social services

Social services are often meant to achieve a number of specific aims:

- they are person-oriented services, designed to respond to vital human needs, in particular the needs of users in vulnerable position; they provide protection from general as well as specific risks of life and assist in personal challenges or crises; they are also provided to families in a context of changing family patterns, support their role in caring for both young and old family members, as well as for people with disabilities, and compensate possible failings within the families; they are key instruments for the safeguard of fundamental human rights and human dignity;*
- they play a preventive and socially cohesive role, which is addressed to the whole population, independently of wealth or income;*
- they contribute to non-discrimination, to gender equality, to human health protection, to improving living standards and quality of life and to ensuring the creation of equal opportunities for all, therefore enhancing the capacity of individuals to fully participate in the society.*

These aims are reflected in the ways in which these services are organised, delivered and financed:

- in order to address the multiple needs of people as individuals, social services must be comprehensive and personalised, conceived and delivered in an integrated manner; they often involve a personal relationship between the recipient and the service provider;*
- the definition and delivery of a service must take into account the diversity of users;*
- when responding to the needs of vulnerable users, social services are often characterised by an asymmetric relationship between providers and beneficiaries which is different from a commercial supplier / consumer relationship;*
- as these services are often rooted in (local) cultural traditions, tailor-made solutions taking into account the particularities of the local situation are chosen, guaranteeing proximity between the service provider and the user while ensuring equal access to services across the territory;*

¹¹ COM(2006) 177, 26.4.2006. The consultation process included the launch of a questionnaire by the Social Protection Committee, the preparation of a consultant study on social services of general interest and a report by a group of legal experts.

- *service providers often need a large autonomy to address the variety and the evolving nature of social needs;*
- *these services are generally driven by the principle of solidarity and are highly dependent on public financing, so as to ensure equality of access, independent of wealth or income;*
- *non-profit providers as well as voluntary workers often play an important role in the delivery of social services,, thereby expressing citizenship capacity and contributing to social inclusion, the social cohesion of local communities and to intergenerational solidarity.*

The consultation has also highlighted the fact that these services are all engaged in an important modernisation process to better respond to new challenges such as changing needs of European citizens and the impact of ageing, while at the same time facing financial constraints. This process has often resulted in profound changes in the way in which these services are organised, provided and financed, including the emergence of new areas of action, the recourse to outsourcing of services previously provided directly by public authorities and an increasing devolution of competences to the local level.

The combined effect of these changes is that an increasing number of activities performed daily by social services are now falling under the scope of EC law to the extent they are considered as economic in nature. This new situation has raised a number of practical questions, with the consultation showing that a number of stakeholders from the sector have difficulty in understanding and applying the rules, in particular state aid and public procurement rules. Local authorities and small providers in particular may lack awareness and information about EU rules, which can lead to misunderstandings and misapplication of rules on the ground. In particular, public authorities and service providers in the social field are sometimes less aware than in other sectors of the specific provisions of Article 86(2) presented above. The application of Article 86(2) requires from Member States the respect of certain basic conditions which have been developed in the case law of the Court and described by the Commission, notably in the texts on state aid adopted following the Altmark ruling which in practice exempt the vast majority of services performed at the local level from notification. Among these conditions, a clear mandate must be assigned by the competent public authority to the service provider regarding the operation of the service at stake. It is therefore important that Member States ensure that such adoption of acts of entrustment is effectively made for all services of general economic interest, including the provision of social services, in order to provide adequate legal certainty and transparency towards citizens.

As outlined below, the Commission is committed to providing explanations about the rules applicable and to assisting the modernisation process in which social services are engaged, whilst fully respecting the principle of subsidiarity and the responsibilities of national, regional and local authorities.

2.4. The particular situation of health services

Health services are also part of the wider framework on services of general interest. Article 152 of the Treaty makes clear that Community action in the field of health services must respect the responsibilities of the Member States for the organisation, financing and delivery of health services and medical care. In parallel to the work on social services, the Commission

has recently held an open consultation regarding Community action and possible difficulties with the application of EC law¹². It plans to bring forward proposals setting out a framework for safe, high-quality, and efficient cross-border healthcare services, also taking due account of the Council conclusions on "Common values and principles in European Union Health Systems" adopted in June 2006.

3. THE PROTOCOL: A COHERENT FRAMEWORK FOR EU ACTION

The Protocol annexed to the Treaty of Lisbon provides a coherent framework that will guide EU action and serves as a reference for all levels of governance. By clarifying the principles and setting out the common values underpinning EU policies, it gives visibility, transparency and clarity to the EU approach applicable to services of general interest.

Protocol on services of general interest

The Inter-governmental conference meeting in Lisbon in October 2007 agreed to annex the following Protocol to the Treaty of Lisbon¹³:

"The High Contracting Parties,

Wishing to emphasise the importance of services of general interest,

Have agreed upon the following interpretative provisions, which shall be annexed to the Treaty on European Union and to the Treaty on the Functioning of the Union:

Article 1

The shared values of the Union in respect of services of general economic interest within the meaning of Article 14 Treaty on the Functioning of the European Union include in particular:

- the essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users;*
- the diversity between various services of general economic interest and the differences in the needs and preferences of users that may result from different geographical, social or cultural situations;*
- a high level of quality, safety and affordability, equal treatment and the promotion of universal access and of user rights.*

Article 2

The provisions of the Treaties do not affect in any way the competence of Member States to provide, commission and organise non-economic services of general interest".

The Protocol builds on, and re-asserts, a number of more operational principles guiding the work of EU institutions, and in particular that of the Commission, such as:

- *The role and the wide discretion of national, regional and local authorities in operating services of general economic interest as closely as possible to the needs of the users:* Services of general economic interest should be responsive and delivered as closely as possible to citizens and businesses. The action of the EU should respect the principles of subsidiarity and proportionality. The competent authorities of the Member States are free

¹² SEC(2006) 1195, 26.9.2006.

¹³ The following quotation is without prejudice to the final version of the Treaty about to be signed and to its translation into the official languages of the EU.

to define what they consider to be services of general economic interest and have broad discretion to decide how to organise, regulate and finance these services, in accordance with EU law and within the limits of manifest error. In particular, the competition rules and the internal market rules do not apply to non-economic activities.

- *Respecting the diversity of services, situations, and needs and preferences of users:* Differences between various services of general economic interest and the different needs and preferences of citizens, users and consumers resulting from different economic, social, geographical, cultural and physical situations should be respected. Due account should be taken of the diversity that characterises such services, the situations in which they are provided, the characteristics of service providers and the need for flexibility to adapt services to various needs: this is particularly relevant in the case of social services. Relevant regulation should be regularly updated to cover new developments over time, such as technological innovation.
- *Achieving a high level of quality, safety and affordability:* Promoting the development of high-quality, safe and affordable services of general economic interest is an essential objective of the action of the EU. This encompasses access to services, including cross-border services; the value for money and financial affordability of services, including special schemes for people on low incomes and with special needs, which is particularly important in the case of social services; physical safety, reliability and continuity; high quality and choice; transparency and access to information from providers and regulators. Where it is appropriate for the EU to act, EU sector-specific instruments should establish rules ensuring the quality, security and safety of products and services for consumers and users in general, as well as all persons involved in their production.
- *Ensuring equal treatment and promoting universal access:* Access to services of general economic interest is recognised as a right in the EU Charter on Fundamental Rights. This includes ensuring equal treatment between women and men and combating all forms of discrimination in accessing services of general economic interest. Where an EU sector-specific rule is based on the concept of universal service, it should establish the right of everyone to access certain services considered as essential and impose obligations on service providers to offer defined services according to specified conditions, including complete territorial coverage and at an affordable price. Universal service provides for a minimum set of rights and obligations, which as a general rule can be further developed at national level. It is a dynamic concept, which needs to be updated regularly sector by sector. Promoting access throughout the territory of the Union is essential for the promotion of territorial cohesion in the EU, as mentioned above in the case of social services. Territories with a geographical or natural handicap such as outermost regions, islands, mountains, sparsely populated areas and external borders, often face challenges in terms of access to services of general interest, due to the remoteness from major markets or the increased cost for connection. These specific needs must be taken into account.
- *Upholding user rights:* Citizens, consumer and user rights should be specified, promoted and upheld. The capacity of consumers and users, including vulnerable or disabled persons; to take up their rights, especially their right of access, often requires the existence of independent regulators with appropriate staff and clearly defined powers and duties. These include powers of sanction, in particular the ability to monitor the transposition and enforcement of universal service provisions. These also require provisions for the representation and active participation of consumers and users in the definition and

evaluation of services, the availability of appropriate redress and compensation mechanisms, and the existence of a review clause allowing requirements to be adapted over time to reflect new social, technological and economic developments. Regulators should also monitor market developments and provide data for evaluation purposes.

- *Non-economic services*: As mentioned above, these services are not subject to a specific EU legislation, nor are they covered by the internal market and competition rules of the Treaty.

Pending the entry into force of the new Treaty, which will give legal effect to the new provisions, the Commission intends to use the Protocol and principles as a benchmark to check the consistency and proportionality of EU policies and initiatives.

4. MOVING FORWARD

On the basis of the Protocol, and in line with Parliament's approach, the Commission will continue to consolidate the EU framework applicable to services of general interest, including for social and health services, providing concrete solutions for concrete problems where they exist. With progress made, attention should increasingly concentrate on the good transposition and application of EU rules, with greater emphasis on monitoring outcomes for the users and consumers, dissemination of information and exchange of practices, monitoring of enforcement and evaluation of performance. The Commission envisages a mix of sector-specific and issue-specific actions along the following three axes:

4.1. Providing legal guidance on cross-cutting issues

The Commission is aware that the application of Community law to services of general economic interest may raise questions and that a number of legal clarifications or explanations about EU rules are regularly sought in the various areas. In this context, the Commission is committed to enable users and practitioners to obtain quickly answers to practical questions, explanations and interpretations. Answers to questions raised will be published and appropriate update reflecting the position of the Commission will be provided on a regular basis through a dedicated website. As a first illustration, a set of answers is published alongside this Communication to address questions concerning the application of public procurement and state aid rules, notably on social services of general interest¹⁴.

An interactive information service

A dedicated and interactive on-line service will be shortly put in place at the disposal of citizens, service providers, public authorities and all stakeholders to provide information and allow them to raise questions concerning the application of EU law. Answers to frequently asked questions, starting with questions raised in the context of the consultation on social services, will be placed on the Commission's website. The Commission expects that this tool could assist actors at local and regional levels, in particular in the field of social services, to develop a good understanding of the position of the Commission on the relevant EU provisions and that over time all relevant questions arising in practice will be covered in a hands-on, user-friendly way.

¹⁴ See SEC(2007) 1514 and SEC(2007) 1516 respectively.

In the field of state aid, the decision and the framework on state aid in the form of public service compensation adopted in 2005 (often referred to as the "Altmark package"¹⁵) has already made a significant contribution to the simplification of rules applicable, in accordance with better regulation principles. These texts fully respect the wide freedom of Member States to define tasks of services of general economic interest. They enable Member States to secure these missions through an act of entrustment, and to compensate all net costs incurred by the companies charged with such services. In this context, separation of accounts enables to achieve transparency and avoid any overcompensation. Moreover, compensations for services that fulfil these conditions are fully exempted from notification, as long as their amount is lower than EUR 30 million per year, or even without limits in the field of social housing and hospitals. This in practice exempt from notification the vast majority of services performed at the local level. The Commission will evaluate and report on the application of the package on state aid by the end of 2009 and consider whether to update it in this context.

In the field of public-private partnerships and concessions, a number of issues are pending and/or emerging. The Commission will present shortly an interpretative Communication on institutionalised public-private partnerships with a view to clarifying the rules applicable. Based on the results of an impact assessment, the Commission is also considering further steps to clarify the rules applicable to concessions. Requests have also been made to better explain the rules applicable to public procurement following the entry into force of the new directives in January 2006. The toolbox presented above should provide greater clarity.

These efforts will complement the wider on-going initiatives to improve access to information and develop communication tools following the review of the single market, such as the creation of a EU "single market assistance service".

4.2. Modernising and developing sector-specific policies

The Commission is committed to pursuing and developing its sectoral approach by proposing, where appropriate, sector-specific initiatives which take account of the specific requirements and situations of each sector, and reflect the principles set out in the envisaged Protocol. A number of sector-specific frameworks applicable to network industries are already in place at EU level. However, in a dynamic and constantly evolving single market, they may require updating in the years to come.

In particular, the Commission will:

- *in the field of energy*: follow up on the measures to ensure the completion of the internal energy market proposed in September 2007, as well as on the draft European Charter on the rights of energy consumers;
- *in the field of transport*: follow up its proposal of July 2006 to modernise the single market legislation for aviation; monitor the implementation of the "third railway package" and the revised regulation on public passenger transport services now agreement has been reached;
- *in the field of e-communications*: follow up its proposals on the review of the regulatory framework for electronic communications (including fixed phones, mobile and broadband

¹⁵ More information on the "Altmark package" can be found in SEC(2007) 1515.

access and transmission of broadcast content) and publish a Communication on long term issues in the field of universal service in electronic communications;

- *in the field of postal services*: assist Member States in the transposition of the directive for the completion of the EU postal internal market;
- *in the field of health services*: plans to bring forward proposals setting out a framework for safe, high-quality, and efficient healthcare services;
- *in the field of social services*: develop the actions outlined in the box.

A strategy for supporting the quality of social services across the EU

The consultation on social services has highlighted the need to support the promotion of the quality of social services in a more systematic manner. The European Social Fund and the ERDF already provide direct financial support to a number of services. The open method of coordination for social protection and social inclusion sets a policy framework for the pursuit of reforms and the exchange of good practices. Based on this experience, the Commission will support the development, within the Social Protection Committee, of a voluntary EU quality framework providing guidelines on the methodology to set, monitor and evaluate quality standard. Moreover, via the PROGRESS programme, the Commission will support cross-European bottom-up initiatives aimed at developing voluntary quality standards and exchange of experience and will promote training of public authorities in the field of public procurement.

4.3. Monitoring and evaluation

The Commission considers it important, for the quality and transparency of the decision-making process, to regularly conduct in-depth evaluation and to disclose its methodology and results, so that they are open to scrutiny. This is usually done on a sector-by-sector basis.

The new market monitoring tools presented in the final report on the single market review, such as the establishment of a consumer scoreboard, are a step forward in the evaluation of performances. Since the publication of the 2004 White Paper, progress has been made in developing a cross-sectoral evaluation of network industries at EU level. This methodology is being reviewed and the Commission will present its proposals for improvement in 2008.

A specific request has been made to the Commission to present to Parliament a comprehensive analysis of the effects of "liberalisation" to date. The Commission will take this request into account in the revision of its methodology and perform this analysis in the context of its regular evaluation report of network services.

The Commission will also review progress with the application of the Protocol, once the new Treaty has entered into force. In addition, it will issue a dedicated report on social services every two years to serve as an exchange tool with stakeholders.

5. CONCLUSION

At this important stage in the development of the EU, pending the entry into force of the Treaty of Lisbon, it is crucial to ensure that there is a shared vision of the initiatives to be pursued to achieve concrete results for Europeans. This is the approach underpinning the Citizens' Agenda¹⁶ put forward by the Commission.

The approach of the EU with regard to services of general interest, including social and health services, is essentially pragmatic. It reflects the division of competences between the different levels of governance in the EU. It respects the diversity and specificities of these services. Where sector-specific frameworks are established, it is because there is a clear European added value. These frameworks are regularly revised to reflect new economic, social and technological developments. The application of EU law is monitored in accordance with the EC Treaty and regularly reviewed to take account of new realities. In areas which could be perceived as problematic, active consultation has taken place or is ongoing to identify and solve pending or emerging issues.

The discussions triggered by the 2004 White Paper have been particularly helpful in bringing about a clearer understanding of the role and approach of the EU with regard to services of general interest. The debate which followed and the views of the other European institutions have shown that, despite differences of opinion, there is a broad agreement on a number of principles guiding EU action. The experience of sector-specific frameworks has also provided a practical basis for identifying key principles that can be applied to services of general interest throughout Europe.

The Protocol and revised provisions in the new the Treaty build on this discussion and experience, and mark a new European commitment. Ten years after the first Communication at EU level, three years after the White Paper, they reflect the broad consensus across the EU about the role and responsibilities of the EU. Now that the EU framework has been consolidated by the Protocol, it is time to focus on implementation. On this basis, together with action at national, regional and local level, the Commission is determined to help ensure clarity, coherence and publicity of EU rules, so that services of general interest can fulfil their missions and contribute to a better quality of life for European citizens.

¹⁶ COM(2006) 211, 10.5.2006.