



30.8.2019

NOTICE TO MEMBERS

Subject: Petition No 0111/2019 by Sotirios Giannakakis (Greek) on the exclusion of franchisees and franchising as a model of doing business from the Greek operational programme competitiveness, entrepreneurship and innovation 2014-2020

1. Summary of petition

The petitioner questions the legality, under EU competition rules, of the exclusion of franchisees and franchising as a model of doing business from the Greek Operational Programme “Competitiveness, Entrepreneurship and Innovation” 2014-2020.

He claims that franchisee enterprises, unlike non-franchisee enterprises, are not eligible to get funding for upgrading their equipment

2. Admissibility

Declared admissible on 8 May 2019. Information requested from Commission under Rule 227(6).

3. Commission reply, received on 30 August 2019

As indicated in a previous communication by the Commission to the complainant for a similar request (letter addressed to the complainant under *reference ARES (2013) 3304231 of 21/10/2013* in reply to his letter addressed to *Commissioner Almunia, under reference ARES(2013)2843083 of 25/07/2013*), assistance under the European Structural and Investment Funds is provided on a basis of complementarity and partnership between the Commission and the Member States, with due regard to their respective powers. In this context, and on the basis of the principle of subsidiarity, the implementation of co-financed operations is the responsibility of the Member State. This means that i) unless not defined at EU level, eligibility rules shall be laid down at national level and ii) the selection criteria of the operations are set by the national authorities, and examined and approved by the

monitoring committee of the programme.

In defining the eligibility rules and the selection criteria applicable for individual operations, national authorities can restrict the scope of the assistance to certain types of activities or to certain categories of beneficiaries if they consider that, in this way, the objectives of the programme can be better attained. The decision of the authority responsible for the selection of the operations should be duly motivated in that respect.

Conclusion

In light of the above, the Commission does not intend to pursue this case any further.

The exclusion of the franchisee enterprises from funding for upgrading their equipment could be raised with the national authorities.