

**Question for written answer E-000404/2016
to the Commission**

Rule 130

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Subject: Local public enterprises and economic and territorial development

Local public enterprises (LPEs) are playing a key role in achieving the 2020 objectives thanks to their abilities in the field of innovation, their role in territorial and social cohesion (physical and social infrastructure at local level) and the impact they have on the local economy (the nature of LPEs means that they cannot be moved elsewhere).

There is currently a need to use new methods of financing, in particular institutional financing, to guarantee the investment and innovation that is needed for the years to come, given the particularly difficult and uncertain financial climate that is affecting local authorities.

LPEs are encountering eligibility problems with EU funding (in particular as regards the Horizon 2020 programme for research, development and innovation) for two reasons:

- budget lines for SMEs are not available to them;
- they do not have the staff or financial resources to compete with research centres or large companies, and cannot therefore respond to calls for proposals involving other budget lines.

Given that LPEs are experiencing financial difficulties, what can the Commission propose in order to take account of their specific circumstances and thereby support local development?