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Answer given by Executive Vice-President Ribera
on behalf of the European Commission
(11.8.2025)

1. The financing of childcare providers organised within the national educational system falls outside the scope of EU State aid rules when the national educational system is financed entirely or mainly by public funds and not by pupils or their parents, so that public education may be considered a non-economic activity. In such cases, the Commission has no competence to investigate a potential distortion of competition with private providers offering comparable childcare services.

2. Private childcare providers can be financed by Member States if they are entrusted with the provision of a service of general economic interest ('SGEI'). Article 2(1)(c) of the SGEI Decision¹ provides that it is possible to compensate childcare providers regardless of the amount. In such case, the compensation is exempted from notification.

3. A childcare service is non-economic when it is organised within the national educational system, which is financed entirely or mainly by public funds and not by pupils or their parents. The non-economic nature of public education is in principle not affected by the fact that pupils or their parents sometimes have to pay tuition or enrolment fees which contribute to the operating expenses of the system, if this fee only covers a fraction of the true costs of the service².

¹ Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, OJ L 7, 11.1.2012, p. 3.

² Commission Notice C/2016/2946 on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union, OJ C 262, 19.7.2016, p. 1, paragraph 29.