

Feedback on the Call for Evidence on the De Minimis Aid Regulation

July 2022



FINAL FEEDBACK:

RREUSE, in accordance with ENSIE, proposes adding another exception to Article 1 of the De Minimis Regulation 1407/2013/EU:

“aid granted to work integration social enterprises (defined as sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons or may provide for such contracts to be performed in the context of sheltered employment programmes, provided that at least 30 % of the employees of those workshops, economic operators or programmes are people with disabilities or disadvantaged workers according to the articles 2 and 20 of the EU Public Procurement Directive 2014/24). In this framework, the total amount of de minimis aid granted by a Member State must be proportional to the size of the social enterprise: a percentage in relation to the number of workers in the enterprise with a minimum ceiling of EUR 200 000 and a maximum ceiling of EUR 1 million over a period of three fiscal years.”

With this proposal, RREUSE joins partner organizations' call to advocate for the development of the job creation potential brought by work integration social enterprises. In fact, the more jobs are created by social enterprises, the higher the amount of de minimis aid that should be allowed in order to increase their social impact (and consequently, to increase the environmental and circular impact of social enterprises involved in reuse, repair, and recycling such as those that form the RREUSE network).

RREUSE believes that “the imposition” of the same ceiling scheme as the one applicable to mainstream businesses is a discouraging approach that does not take into consideration the nature of limited profitability of the non-profit entities and the distribution of the created surplus towards actors other than shareholders that characterize the scope of economic activity of work integration social enterprises. In addition, the current ceiling scheme does not take into account the local/national dimension of their economic activities which does not provide the same risks of distorting the functioning of the internal market. Knowing that their economic activities remain at a national if not at a local level, the potential competitive advantage caused by the suggested new de minimis aid scheme would not have a significant impact at the EU level and on other businesses operating a comparable economic activity. For instance, some members estimate that creating a new refurbishing workshop alone can have a current cost much higher than EUR 200 000, while typically representing a local activity.



Thus, the EU must not penalise medium and large work integration social enterprises whose true nature is to fulfill inclusive and fair objectives with their activities, for instance, by creating green jobs for vulnerable categories of people for the sake of an inclusive circular transition. A different and proportional approach, as advanced by RREUSE and partner organizations such as ENSIE, would appear more fit for the reality of non-mainstream European undertakings such as social enterprises.

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