

CALL FOR EVIDENCE - State Aid: Review of SGEI de minimis Regulation

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RREUSE, the International network representing social enterprises active in re-use, repair and recycling, welcomes the call for evidence on reviewing rules on the Services of general economic interest (SGEI) de minimis Regulation.

RREUSE and its members call on the European Commission to increase the amount of the SGEI de minimis ceiling, among other things, in light of the current inflation period since the regulation's entry into force more than 10 years prior. Thus, RREUSE joins partners' organisations' call for the increase of the threshold further to EUR 800.000 over any period of three fiscal years.

Services of general economic interest (SGEI) are often offered by undertakings such as social circular enterprises that act as resilient actors and frontline responders to the different health and socio-economic crises affecting the Union, including the current challenges brought by the cost-of-living crisis and the COVID 19 pandemic. In line with the overarching objectives of the EU Action Plan on the Social Economy (SEAP), a higher and more appropriate ceiling would allow Member States to enjoy better room for manoeuvre to tackle these challenges by supporting the ecosystem.

Furthermore, as highlighted by RREUSE during the related call for evidence in July 2022, RREUSE also proposes increasing the de minimis ceiling for up to EUR 1 Million over a period of three fiscal years for those undertakings which, according to their limited profitability nature, reinvest most of their profits and created surplus to carry out their activities for the collective and general interest. At the same time, RREUSE believes that the effective implementation of the (SGEI) de minimis rules must be guaranteed by accompanying capacity-building measures provided to local and regional authorities to navigate such rules characterised by a high level of complexity, and, notably, on raising awareness on their application to support social enterprises and other social economy actors in their activities for social inclusion, inclusive circular transition, and so forth.

In line with the initiatives under the EU Social Economy Action Plan, such measures would guarantee a more coherent financial framework adapted to the needs of social economy actors, recognising their vital contributions in responding to the needs of vulnerable citizens and ensuring their upscaling.

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