



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR EMPLOYMENT, SOCIAL
AFFAIRS AND INCLUSION

Funds: Programming and Implementation
Social and Inclusive Entrepreneurship

EX-ANTE PUBLICITY FOR MIDDLE VALUE NEGOTIATED PROCEDURE (EMPL/2022/MVP/0028 - VT-2022-053)

Subject: Study on the need and conditions for State aid for access to finance for social enterprises and for the recruitment of disadvantaged workers in the form of wage subsidies

This publication is made pursuant to Annex I.14 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, to award a middle value contract as a result of a negotiated procedure.

Interested economic operators, with a proven relevant experience in the field of social policies and EU competition law, may express their interest.

Only the candidates invited by the contracting authority to participate in the second phase of the present procedure for awarding this middle value contract will be admissible.

1. PURPOSE OF THE REQUEST FOR SERVICE

The EU Social Economy Action Plan (SEAP), adopted in December 2021, entails several Commission announcements regarding State aid control. In the legislative field, it spells out that the Commission, when the revision of the General Block Exemption Regulation (GBER) ⁽¹⁾ will take place, will consider whether the available evidence “justifies easing the rules in relation to aid for social enterprises’ access to finance and as regards aid for hiring disadvantaged and severely disadvantaged workers”. The General Block Exemption Regulation exempts specific categories of State aid from prior notification to, and approval by the Commission, if they fulfil certain conditions.

⁽¹⁾ General Block Exemption Regulation (GBER) or Commission Regulation 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market, as amended, consolidated text available under <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20210801>.

Business finance markets may fail to provide sufficient financing for social enterprises. This market failure is well evidenced ⁽²⁾. DG EMPL would like to enquire if the sector-neutral conditions enshrined in the GBER or other State aid rules effectively help to alleviate the aforementioned market failure or other relevant obstacles in access to finance for social enterprises, and to leverage private resources. In particular, the contractor will have to study the way Member States support social enterprises using the possibilities under the GBER, in particular Articles 17 (SME investment aid), 21 (risk-finance aid), 22 (start-up aid), as well as under State aid rules applicable to compensation granted for the provision of services of general economic interest ⁽³⁾. In particular, the contractor will have to examine if the maximum aid amounts or the eligible age of the beneficiary enterprises, as set out in these Articles, allow proportionate support. The contractors will collect concrete examples, and analyse the existing finance market for social enterprises as well as the support measures already in place. In particular, the contractor will collect evidence as regards the funding gap at the level of enterprises and if it exceeds the EUR 15-million cap fixed in the GBER. The contractor will also assess the worth of possible notifications to the Commission, of aid measures in favour of social enterprises, which exceed the GBER provisions and thus would have to be assessed under applicable State aid rules such as the Risk Finance Guidelines ⁽⁴⁾; for example, the worth of notifications may consist in gaining insight into specific market failures or amounts of financing needed, and in establishing case practice.

The GBER also allows (Articles 32 and 35) aid for the recruitment of “disadvantaged workers” ⁽⁵⁾ and “severely disadvantaged workers” ⁽⁶⁾. The aid consists namely in a

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- ⁽²⁾ See for instance European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2019): *Social Enterprise Finance Market Analysis and Recommendations for Delivery Options*. Authors: Wolfgang Spiess-Knafl and Barbara Scheck, available under <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8285&furtherPubs=yes>; European Commission (2019), Social enterprises and their ecosystems in Europe, https://ec.europa.eu/social/main.jsp?advSearchKey=socentercountryreports&mode=advancedSubmit&catId=1307&doc_submit=&policyArea=0&policyAreaSub=0&country=0&year=0 ; see also Aide d’État SA. 55869 (2019/N) France - Dispositif IR-PME pour les investissements dans les FCPI et FIP.
- ⁽³⁾ A package of legislation consisting of Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest, OJ C8, 11.1.2012, p. 4; Commission Decision of 20.12.2012, 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 L7, 11.1.2012, p. 3; Communication from the Commission, European Union framework for State aid in the form of public service compensation (2011), OJ C8, 11.1.2012, p. 15; Commission Regulation (EU) No 360/2012 of 25.4.2012, on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest, OJ L 114, 26.4.2012, p. 8. https://competition-policy.ec.europa.eu/state-aid/legislation/sgei_en
- ⁽⁴⁾ Communication from the Commission of 6.12.2021, Guidelines on State aid to promote risk finance investments, OJ C 508, 16.12.2021, p. 1, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C.2021.508.01.0001.01.ENG&toc=OJ%3AC%3A2021%3A508%3ATOC> .
- ⁽⁵⁾ The Regulation defines “disadvantaged worker” as “any person who:
- (a) has not been in regular paid employment for the previous 6 months; or
 - (b) is between 15 and 24 years of age; or
 - (c) has not attained an upper secondary educational or vocational qualification (International Standard Classification of Education 3) or is within two years after completing full-time education and who has not previously obtained his or her first regular paid employment; or
 - (d) is over the age of 50 years; or
 - (e) lives as a single adult with one or more dependents; or

wage subsidy of 50% during 1 year for the first category and 2 years for the second. Furthermore, 50% of the costs related to staff assisting the (severely) disadvantaged workers can be allowed during 1 or 2 years. DG EMPL would like to enquire if the respective durations of 1 and 2 years indicated above are long enough for allowing a sustainable entry or re-entry on the labour market ⁽⁷⁾ of (severely) disadvantaged workers, sometimes implying reconversion or upskilling/reskilling. The contractor will have to study the way Member States use the possibilities under Articles 32 and 35 of the GBER, within and outside the social economy, and develop meaningful indicators on the duration of aid provided for recruitment. The contractor will investigate whether the currently allowed 1 or 2-years eligibility periods demonstrably were sufficient or too short to allow the beneficiary undertaking to offer the disadvantaged worker(s) continuous employment. Moreover, the contractors will examine the solutions aid granting authorities implemented in order to resolve any such issue.

As regards the methodology, it is expected that the contractor will use, among others, a mix of literature review, desk research and interviews with the most relevant stakeholders. The geographical coverage of the Study should be the widest possible among the EU Member States. A deeper analysis, for instance with the drafting of case studies, should be brought on at least 6 EU Member States.

2. PRICE

The maximum amount for this contract is EUR 139 999,99.

3. INDICATIVE TIME SCHEDULE AND CONTACT POINT

The indicative time schedule for launching the negotiated procedure is January 2023. Interested economic operators can express their interest to participate in this negotiated procedure until 15/12/2022, 17:00 Brussels time, on the following link:

<https://etendering.ted.europa.eu/cft/cft-display.html?cftId=12779>

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- (f) works in a sector or profession in a Member State where the gender imbalance is at least 25 % higher than the average gender imbalance across all economic sectors in that Member State, and belongs to that underrepresented gender group; or
- (g) is a member of an ethnic minority within a Member State and who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining access to stable employment.”
- (⁶) The Regulation defines “*severely disadvantaged worker*” as “any person who:
- (a) has not been in regular paid employment for at least 24 months; or
- (b) has not been in regular paid employment for at least 12 months and belongs to one of the categories (b) to (g) mentioned under the definition of ‘disadvantaged worker’.
- (⁷) See Recital n°54 of the Regulation: “Certain categories of disadvantaged workers and workers with disabilities still experience particular difficulties in entering and remaining in the labour market. For this reason, public authorities may apply measures providing incentives to undertakings to increase the levels of employment of these categories of workers, in particular of young people. As employment costs form part of the normal operating costs of any undertaking aid for the employment of disadvantaged workers and of workers with disabilities should have a positive effect on employment levels of those categories of workers and should not merely enable undertakings to reduce costs which they would otherwise have to bear. Consequently, such aid should be exempted from the notification requirement when it is likely to assist those categories of workers in entering or re-entering and remaining in the job market”.

The indicative date to sign the contract is March 2023. The estimated performance period of the resulting contract is 6 months after the start of the contract.

4. PROTECTION OF PERSONAL DATA

If processing a tender involves the recording and processing of personal data (such as name, address and CV), this data will be processed pursuant to Regulation (EC) No 2018/1725.

Unless indicated otherwise, any personal data will be processed solely for evaluation purposes under the negotiated procedure by the Head of Unit of Unit of G.3 – Social and inclusive entrepreneurship, DG Employment, Social Affairs and Inclusion.

Details concerning the processing of personal data are available in the privacy statement at:

https://ec.europa.eu/info/funding-tenders/procedures-guidelines-tenders/data-protection-public-procurement-procedures_en

The tenderer's personal data may be registered in the Early Detection and Exclusion System (EDES) if the tenderer is in one of the situations mentioned in Article 136 of the Financial Regulation.

For more information, see the privacy statement for the EDES Database: https://ec.europa.eu/info/strategy/eu-budget/how-it-works/annual-lifecycle/implementation/anti-fraud-measures/edes_en