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JOBS AND SOCIAL RIGHTS

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Ares (2020) 2412338

Dear Mrs Dalamaga and Haerlin,
Dear Messrs Quintelier, Gafiuc and Degimbe,

Thank you for sending President von der Leyen and myself your important call for specific support measures to be adopted to support inclusive and integrated forms of employment during the Coronavirus crisis. President von der Leyen asked me to reply on her behalf.

We are all facing great challenges both directly from Covid-19 and indirectly from the effects of the quarantine needed to fight it. The present circumstances show more than ever how important and essential is the daily work that you carry out in the social economy. The current situation confirms again that local services, which are at the heart of your activities, are absolutely essential to our societies.

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Mr Hubert Quintelier
ENSIE President

Mrs Antigone Dalamaga
RREUSE President

Mrs Christiane Haerlin
SFE-CEFEC President

Mr Petru Vasile Gafiuc
SFE CEFEC General Secretary

Mr Eric Degimbe
CEC Director



Besides the measures that had already been adopted by the EU when you published your appeal, let me draw your attention to the SURE¹ initiative, through which EUR 100 billion will go towards financing short-time work schemes of Member States. These programmes need to be as broad as possible, so that workers active in the social economy can also benefit from them. The initiative also covers self-employed people.

Moreover, on 27 May 2020, the Commission presented its recovery plan "Next Generation EU" and an amended proposal for the next Multiannual Financial Framework to bring the EU economy back to a path of sustainable and inclusive growth. The proposals, notably REACT-EU², allow Member States to continue supporting the self-employed.

As regards State aid control, the Commission recently adopted a Temporary Framework for State aid measures³ which offers a high degree of flexibility. Public authorities, including regional authorities, may contact the Commission⁴ and notify aid schemes for rapid approval. Under the new Temporary Framework, aid may, for instance, be granted in the form of direct grants, tax and payment advantages or other forms such as repayable advances, guarantees, loans and equity, provided that the total nominal value of such measures remains below the overall cap of EUR 800 000 per undertaking. This aid can be cumulated with the so-called *de minimis* aid. The Framework also sets out simple compatibility rules for schemes designed to allow deferrals of tax and/or of social security contributions.

Furthermore, I would like to emphasise that the Fund for European Aid to the Most Deprived (FEAD) has been adapted to the present circumstances. The financing rules have been simplified and new categories of expenditure, such as for personal protective equipment, are now eligible. The use of electronic vouchers for access to food and basic goods will also be eligible⁵.

Finally, let me turn to the EaSI⁶ instruments. My services are currently exploring with the European Investment Fund (EIF) whether additional flexibility can be introduced into the existing financial instruments for microfinance and social enterprises as well as for grants.

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¹ European instrument for temporary support to mitigate unemployment risks in an emergency (SURE). See website https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_572

² COM(2020) 451 final

³ Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, adopted on 19 March 2020, amended and enriched on 3 April 2020 and on 8 May 2020. The Framework and its amendments are available in all official languages of the EU under https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html.

⁴ See general contacts for State aid cases under https://ec.europa.eu/competition/contacts/stateaid_mail.html

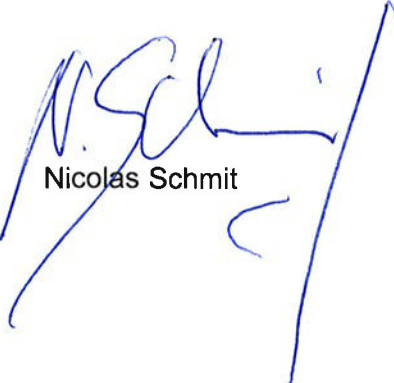
⁵ See presentation of changes brought to the FEAD under <https://ec.europa.eu/social/main.jsp?langId=en&catId=1089&furtherNews=yes&newsId=9638>

⁶ Employment and Social Innovation programme.

In a recent letter that I sent to the relevant Ministers of each EU Member State, I underlined that social economy operators must have access to economic relief measures established by the European Union and by the Member States to respond to the Coronavirus pandemic in the same way as other companies.

Moreover, on 29 April, during the last meeting of the Expert group on social economy and social enterprises (GECES), I had the opportunity to have a fruitful exchange with some of your members. I am looking forward to our continued cooperation in these important matters.

Yours sincerely,



Nicolas Schmit