

**Consultation on a draft General Block Exemption Regulation (the GBER) on state aid measures**

**EASPD RESPONSE**

EASPD is the European Association of Service providers for Persons with Disabilities. We are a European not-for-profit organisation and represent over 10.000 social service provider organisations across Europe and disability. The main objective of EASPD is to promote equal opportunities for people with disabilities through effective and high-quality service systems.

One third of EASPD members is composed of employment-related service providers, most of which are sheltered workshops and supported employment settings.

EASPD is registered at the Transparency Register under the following number: **120906010805-50**

Here is our reaction to the 'Draft General block exemption Regulation', commenting on the articles which are relevant for our sector.

Given the important role played by EASPD in terms of representation of employment services for persons with disabilities, we are available for further support to the draft GBER.

## CHAPTER 1 – Article 1.2 Scope

The Draft Regulation states:

1. *This Regulation shall not apply to:*

*schemes for which the planned or effective yearly public expenditure exceeds 0,01% of national gross domestic product (GDP) for the Member State concerned for the previous calendar year<sup>1</sup> and in so far as the planned or effective annual budget of the scheme in question exceeds EUR 100 million*

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EASPD challenges the relevance of excluding schemes which yearly expenditure exceeds 0.01% of GDP/100 million euro. In our opinion, the annual expenditure is not a key factor when the action of the scheme is effective in terms of quality and outcomes. When the other requirements of the GBER regulation are met, this is an unnecessary additional barrier. Moreover, this might be an excessive interference in the competence of Member States. We would suggest, therefore, deleting this paragraph.

## Article 4 Notification thresholds

The Draft Regulation states:

*This Regulation shall not apply to any individual aid, whether granted ad hoc or on the basis of a scheme, the gross grant equivalent of which exceeds the following thresholds: (..)*

- (i) aid for the recruitment of disadvantaged workers: EUR 5 million per undertaking per year;*
- (j) aid for the employment of disabled workers in the form of wage costs: EUR 10 million per undertaking per year;*
- (k) aid compensating for additional costs of employing disabled workers: EUR 10 million per undertaking per year;*

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Again, EASPD challenges the relevance of having monetary notification thresholds (*5 million/year for the recruitment of disadvantaged workers, 10million/year for the employment of disabled workers, 10million/year aid compensating for additional costs for employing disabled workers*). What should be relevant instead is whether the support is delivered efficiently and effectively, contributing to quality employment for persons with disabilities, in line with the UN Convention on the Rights of Persons with Disabilities.

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<sup>1</sup> Using Eurostat annual data on national GDP in purchasing power standards (PPS).

### **Article 9.5 Cumulation**

The Draft Regulation states:

*5. By way of derogation from paragraph 1(b), aid in favour of disabled workers, as provided for in Articles 28 and 29, may be cumulated with aid exempted under this Regulation in relation to the same eligible costs above the highest applicable threshold under this Regulation, provided that such cumulation does not result in an aid intensity exceeding 100% of the relevant costs over any period for which the workers concerned are employed.*

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EASPD supports this concept and its formulation.

## **CHAPTER 3 - SECTION 4 - TRAINING AID**

### **Article 27.4 Training aid**

The Draft Regulation states:

*4. The aid intensity shall not exceed [50%] of the eligible costs. It may be increased, up to a maximum aid intensity of 70% of the eligible costs, as follows:*  
*(a) by 10 percentage points if the training is given to disabled or disadvantaged workers;*

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EASPD suggests the following:

*4. The aid intensity shall not exceed [50%] of the eligible costs. It may be increased, up to a maximum aid intensity of **80%** of the eligible costs, as follows:*  
*(a) by **30** percentage points if the training is given to/by disabled or disadvantaged workers;*

**Article 28.2 Aid for the recruitment of disadvantaged workers or for the employment of disabled workers in the form of wage subsidies**

The Draft Regulation states:

2. *The aid must lead to a net increase in the number of disadvantaged or disabled employees in the undertaking concerned, compared with the average over the previous twelve months.*

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EASPD considers that requiring an increase in the number of disadvantaged or disabled employees might lead to counterproductive results, in particular in the current economic context, leading to the loss of aid for undertakings that cannot meet this requirement and, thus, to less employment opportunities for persons with disabilities.

We would suggest, thus, to delete this paragraph.

**Article 29 Aid for compensating the additional costs of employing disabled workers**

The Draft Regulation states:

1. *Aid for compensating the additional costs of employing disabled workers shall be compatible with the internal market within the meaning of Article 107(3) of the Treaty and shall be exempt from the notification requirement of Article 108(3) of the Treaty, provided the conditions laid down in this Article and in Chapter I are fulfilled.*

2. *The eligible costs shall be the following:*

(a) *costs of adapting the premises;*

(b) *costs of employing staff solely for time spent on the assistance of the disabled workers;*

(c) *costs of adapting or acquiring equipment, or acquiring and validating software for use by disabled workers, including adapted or assistive technology facilities, which are additional to those which the beneficiary would have incurred had it employed workers who are not disabled;*

(d) *where the beneficiary provides sheltered employment, the costs of constructing, installing or expanding the establishment concerned, and any costs of administration and transport which result directly from the employment of disabled workers.*

3. *The aid intensity shall not exceed 100% of the eligible costs.*

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EASPD supports this concept and its formulation.

## Annex 1.22

The Draft Regulation states:

22. *'sheltered employment' means employment in an undertaking where at least 50% of workers are disabled;*

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EASPD suggests changing the definition to:

22. *'sheltered employment' means employment in an undertaking where a significant number of workers are disabled and where the workplace is adapted to their specific needs, respective of any definition under national law*

Member states have different definitions of what sheltered employment is, including different percentages of disabled workers needed to qualify an undertaking as a sheltered workshop. In our view, the definition should stay at national level. Moreover, it should not limit itself to appointing the percentage of persons with disabilities employed, but should also make reference to the accommodation and support provided to the persons with disabilities employed. Finally, we believe that a more flexible solution, as the one proposed, is more suitable to this economic context.

*Done in Brussels,*

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The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.