

23 April 2026

**CECOP's contribution to the European Commission's public consultation on the draft
for a new General Block Exemption Regulation (GBER)**

CECOP, the European Confederation of Industrial and Service Cooperatives, welcomes the opportunity to provide feedback to the European Commission on the draft for a new General Block Exemption Regulation (GBER). CECOP represents approximately 43,000 cooperatives across Europe, being mainly worker cooperatives, social cooperatives and cooperatives of autonomous workers. In turn they employ over 1.3 million people. The great majority of them are SMEs. These are democratically owned and managed enterprises that contribute to sustainable and inclusive growth by combining economic performance with social progress.

The industrial and service cooperatives represented by CECOP belong to the wider social economy family. As the [Council Recommendation on developing social economy framework conditions](#) states, social economy enterprises “share the common principles of reinvesting all or most of their profits to pursue their social or environmental purposes and practicing democratic of participatory governance”. Cooperatives are collectively owned and democratically managed by their members, and the profits generated are reinvested in the cooperative. Social cooperatives in particular promote social inclusion and work integration of persons with disabilities and other disadvantaged persons into the labour market.

Despite the contribution of cooperatives to social progress and sustainable and inclusive growth, access to finance remains the greatest challenge they face. While the GBER is well-positioned to support cooperatives, its uptake is modest, particularly compared to other state aid measures, such as the *de minimis* threshold.¹ As public authorities often cite the lack of knowledge of the EU rules on State aid, the complexity of the GBER and other administrative difficulties as reasons for not applying the GBER, it is imperative that these key issues are addressed by the European Commission. In fact, as Enrico Letta pointed out in his report, “[Much more than a market](#)”, adapting the GBER is a key step for facilitating access to finance for social economy actors, including cooperatives.

CECOP welcomes the draft Regulation, as many updates would be a step in the right direction. For instance:

- **The possibility to increase training aid intensity from 50% up to 100% if certain conditions are met (Art. 44).** In particular, the possibility to grant 10 additional

¹ Council Recommendation on developing social economy framework conditions. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202301344

percentage points in training aid intensity when training is given to workers with disabilities or disadvantaged workers, and if the aid is granted to medium-sized enterprises (by 10 percentage points) and by 20 percentage points if the aid is granted to small enterprises.

- **Increasing the aid intensity in the form of wage subsidies for workers with disabilities from 75% to 85% (Art. 47) and for the recruitment of disadvantaged workers from 50% to 65% (Art. 45).** This change will foster opportunities to increase the employment rates of persons with disabilities and disadvantaged workers.
- **Options for the cumulation (Art. 9) of financial support from different sources must be further improved,** as in the current situation it is difficult to use multiple funding. CECOP warns that public authorities prefer to avoid combining state aid with ESF+ is due to overly complicated rules. However, we welcome the possibility to cumulate State aid with financing provided with support from the InvestEU Fund, as per Section 10 – Aid involved in financial instruments and budgetary guarantees supported by the InvestEU Fund [and the InvestEU instrument of the European Competitiveness Fund].

However, certain elements of the proposal require modifications in order to ensure better uptake. CECOP recommends making the following amendments:

Article 2

Definitions

Draft Regulation	Proposed amendment
<p>(92) ‘social enterprise’ means an undertaking, regardless of its legal form which in accordance with its articles of association, statutes or with any other legal document that may result in liability under the rules of the Member State where a social enterprise is located, has the achievement of measurable, positive social impacts, as its primary objective, uses at least half of its profits to achieve its primary social objective, and has predefined procedures and rules that ensure that the distribution of profits does not undermine the primary social objective;</p>	<p>(92) ‘social enterprise’ means an undertaking, regardless of its legal form which in accordance with its articles of association, statutes or with any other legal document that may result in liability under the rules of the Member State where a social enterprise is located, has the achievement of measurable, positive social impacts, as its primary objective, uses at least half of its profits to achieve its primary social objective, and has predefined procedures and rules that ensure that</p>

	<p>the distribution of profits does not undermine the primary social objective;</p> <p>(92) while taking into account the existing legal frameworks of Member States ‘social economy entity’ means an undertaking from a set of private law entities providing goods and services to their members or to society, encompassing organisational forms such as cooperatives, mutual societies, associations (including charities), foundations or social enterprises, as well as other legal forms, that operate in accordance with the following key principles and features: (i) the primacy of people as well as social or environmental purpose over profit; (ii) the reinvestment of all or most of the profits and surpluses to further pursue their social or environmental purposes and carry out activities in the interest of their members/users (‘collective interest’) or society at large (‘general interest’); and (iii) democratic or participatory governance.</p>
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Justification:

The definition provided for ‘social enterprise’ in the draft Regulation does not adequately capture the full range of entities that form part of the social economy, and in particular many cooperatives that do not fall within the definition of ‘social enterprise’ but are recognised as social economy entities under EU and national law. Replacing ‘social enterprise’ with ‘social economy entity’ would better reflect the current EU legal and policy framework. The term ‘social economy entity’ is used in the 2023 Council Recommendation on developing social economy framework conditions and the Social Economy Action Plan, which was adopted by Member States and represents an agreed common understanding of the concept at EU level. Moreover, it would avoid confusion and legal uncertainty thereby boosting the uptake of the GBER.

This update would also align with the EESC Opinion on [How to support social economy entities in line with State aid rules: thoughts following the suggestions in Enrico Letta’s report](#) as well as [the mid-term review of the Social Economy Action Plan](#), which calls for reviewing the GBER to make it “simpler and easier for public authorities to finance the social economy”.

The references to ‘social enterprise’ should be replaced with ‘social economy entity’ throughout the Regulation.

Article 2

Definitions

Draft Regulation	Proposed amendment
<p>(3) ‘undertaking’ or ‘single undertaking’ means any entity engaged in an economic activity. Several separate legal entities may be considered to form one economic unit, and therefore one undertaking, because of controlling shares and other functional, economic and organic links. The mere fact of holding shares, even controlling shareholdings, is insufficient to characterise such a link;</p>	<p>(3) ‘undertaking’ or ‘single undertaking’ means any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed. Several separate legal entities may be considered to form one economic unit, and therefore one undertaking, because of controlling shares and other functional, economic and organic links. The mere fact of holding shares, even controlling shareholdings, is insufficient to characterise such a link;</p>

Justification:

The amendment reinforces the concept of “undertaking” in line with established Court of Justice of the European Union (CJEU) case law.

As explained by the European Commission on its notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union, “the Court of Justice has consistently defined undertakings as entities engaged in an economic activity, regardless of their legal status and the way in which they are financed. The classification of a particular entity as an undertaking thus depends entirely on the nature of its activities.

The proposed amendment aims to avoid restrictive interpretations that could exclude entities under different legal forms or financing models such as cooperatives. It also

guarantees consistency with the EU acquis and with the broad understanding of economic operators within the Internal Market, such as social economy.

Article 2

Definitions

Draft Regulation	Proposed amendment
<p>(57) ‘initial investment that creates a new economic activity’ means: (b) an acquisition of assets belonging to an establishment that has closed or would have closed had it not been purchased, if the new activity to be carried out using the acquired assets is not the same or a similar activity than the one carried out in the establishment before the acquisition. Sole acquisition of the shares of an undertaking does not qualify as initial investment that creates a new economic activity;</p>	<p>(57) ‘initial investment that creates a new economic activity’ means: (b) an acquisition of assets belonging to an establishment that has closed or would have closed had it not been purchased, if the new activity to be carried out using the acquired assets is not the same or a similar activity than the one carried out in the establishment before the acquisition, unless the assets are acquired by or on behalf of the employees, in which case the new activity to be carried out may be the same or a similar activity as before. Sole acquisition of the shares of an undertaking does not qualify as initial investment that creates a new economic activity;</p>

Justification:

The current definition of "initial investment that creates a new economic activity" under point (b) creates a significant obstacle for business transfers to employees and should not apply when the assets are acquired by or on behalf of the employees, including through a cooperative.

In the vast majority of business transfers to employees operations, employees take over a business that have closed or would have closed precisely because they have the skills and experience acquired in that business. The activity they resume is therefore, by nature, the same or similar to the one previously carried out. Applying the condition in point (b) to business transfers to employees would effectively exclude most such operations from benefiting from State aid under the GBER.

This is confirmed by experience in several Members States, where the business transfers to employees leads to the establishment of a new legal entity, usually a

worker cooperative, through the acquisition of assets of a business that has closed or would have closed. In such cases, the activity resumed by the new entity is the same or similar to that of the previous undertaking.

The proposed amendment therefore introduces a targeted exception: where the acquisition constitutes a transfer of business to the employees, the new activity may be the same or similar to the one previously carried out. This exception is narrow and does not create a risk of abuse, since the definition already requires that the establishment has closed or would have closed had it not been purchased.

Article 2

Definitions

Draft Regulation	Proposed amendment
(59) ‘intangible assets’ means assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property;	59) ‘intangible assets’ means assets that do not have a physical or financial embodiment such as patents, licences, know-how, or other intellectual property, or goodwill;

Justification:

The current definition of intangible assets does not include goodwill. This creates a gap in the GBER framework, particularly in the context of business transfers to employees.

In such transactions, goodwill frequently represents a significant portion of the acquisition price. It reflects the value of the existing customer base, reputation, supplier relationships of the business being transferred. Excluding goodwill from eligible costs therefore significantly reduces the portion of the investment that can benefit from State aid, making it harder to finance business transfers to employees.

Including goodwill in the definition of intangible assets would align the GBER with established accounting practice across EU Member States. Goodwill is widely recognised as an asset arising from business acquisitions, both under national accounting frameworks in EU Member States and under EU accounting law, in particular IFRS 3 Business Combinations, which establishes the principles for how goodwill is measured and recorded.

Article 2

Definitions

Draft Regulation	Proposed amendment
<p>(108) ‘sheltered employment’ means employment in an undertaking where the work arrangements are designed specifically for workers with disabilities, in an environment that engages predominantly with workers with disabilities and that has as its primary objective to offer employment, protection and support to such workers, which are typically not available to them in the open labour market;</p>	<p>(108) ‘sheltered employment’ means employment in an undertaking where the work arrangements are designed specifically for workers with disabilities, in an environment that engages predominantly with workers with disabilities where at least 30% of workers are workers with disabilities, and that has as its primary objective to offer employment, protection and support to such workers, which are typically not available to them in the open labour market;</p>

Justification:

Replacing the reference to “predominantly” with a clear quantitative threshold enhances legal certainty and consistency in the application of the GBER. The 30% threshold is already established in the current regulation, ensuring continuity and avoiding unnecessary reinterpretation. It is also aligned with the Public Procurement Directive and with national-level definitions, thereby reinforcing coherence across EU legal frameworks.

By contrast, the notion of “predominantly” is less precise and less operational, leaving room for divergent interpretations and increasing legal uncertainty. This may lead to inconsistent application across Member States and could inadvertently exclude relevant actors — including certain social cooperatives — that play a key role in labour market integration.

Article 2

Definitions

Draft Regulation	Proposed Amendment
<p>(109) ‘operating profit’ means the difference between the discounted revenues and the discounted operating costs over the economic lifetime of the investment, where this difference is positive;</p>	<p>(109) ‘operating profit’ means the difference between the discounted revenues and the discounted operating costs over the economic lifetime of the investment, where this difference is positive;</p> <p>Where the undertaking is subject to statutory or legal obligations requiring an asset lock or the reinvestment of all or the majority of its surpluses or profits in the interest of their members/users or the society at large (‘general interest’) to achieve a social or environmental objectives, this shall be taken into account in the calculation of operating profit, ensuring that surpluses which cannot be distributed or otherwise appropriated are not treated as profit for that purpose.</p>

Justification:

The calculation of operating profit under the Regulation is intended to prevent overcompensation by ensuring that aid does not exceed the net financial benefit generated by an investment. However, in certain cases – such as in the case of cooperatives – undertakings are subject to statutory or legal obligations requiring an asset lock or the reinvestment of all or the majority of their surpluses or profits in pursuit of social or environmental objectives in the interest of their members/users (‘collective interest’) or society at large (‘general interest’).

In such situations, those surpluses cannot be distributed or otherwise appropriated and therefore do not constitute a financial return comparable to that of profit-maximising undertakings. Treating them in the same manner as distributable profit may lead to an inaccurate assessment of operating profit and an unintended reduction of eligible aid.

The proposed clarification ensures that the calculation of operating profit reflects the specific constraints affecting such undertakings, while preserving the objective of avoiding overcompensation.

Chapter I Common Provisions

Article 2 Definitions

Draft Regulation	Proposed amendment
<p>(11) ‘disadvantaged worker’ means any person who:</p> <p>(...)</p> <p>(b) is between 15 and 29 years of age; or</p> <p>(...)</p>	<p>(11) ‘disadvantaged worker’ means any person who:</p> <p>(...)</p> <p>(b) is between 15 and 29 30 years of age; or</p> <p>(...)</p> <p>(h) in the preceding 48 months has been granted refugee status or subsidiary protection status within the meaning of the Directive 2011/95 or is applicant for international protection within the meaning of the same directive, or is a family member within the meaning of the Directive 2003/86;</p> <p>(i) in the preceding 24 months has been recognised by the relevant public services as a victim of domestic violence;</p> <p>(j) person in or exiting homelessness</p>

Justification:

While the draft GBER already introduces important improvements in the definition of “disadvantaged workers” compared to the current regulation, it still does not fully reflect certain real and evolving situations of vulnerability. As a result, it may limit the effectiveness of the exemption for labour market integration policies. In practical terms, the current definition excludes groups that are, in reality, at the core of labour inclusion pathways managed by specialised actors, including social cooperatives.

The proposed amendment aims to better capture these realities by extending the scope of the definition to additional vulnerable groups, thereby improving the targeting and effectiveness of employment support measures. Importantly, this adjustment does not alter the overall architecture of the GBER, but rather enhances its practical applicability. It also helps avoid the need for artificial administrative interpretations or “forced fits”, which can undermine the legal certainty and coherence of the State aid framework.

Section 5

Aid with Social Objective

Article 45 Aid for the recruitment of disadvantaged workers in the form of wage subsidies

Draft Regulation	Proposed amendment
<p>3. Eligible costs shall be the wage costs over a maximum period of 24 months following recruitment of a disadvantaged worker. Where the worker concerned is a severely disadvantaged worker, eligible costs shall be the wage costs over a maximum period of 36 months following recruitment.</p>	<p>3. Eligible costs shall be the wage costs over a maximum period of 24 months throughout the whole period of employment or until the disadvantaged or severely disadvantaged persons are considered as being fully rehabilitated following the recruitment of a disadvantaged or a severely disadvantaged worker. Where the worker concerned is a severely disadvantaged worker, eligible costs shall be the wage costs over a maximum period of 36 months following recruitment.</p>

Justification:

The eligible wage costs for the recruitment of disadvantaged and severely disadvantaged workers should only expire once and if these workers are no longer deemed to be disadvantaged or severely disadvantaged. Very often, it takes longer to rehabilitate or intergrade disadvantaged and severely disadvantaged workers than the proposed 24 months and 36 months, respectively, and limiting the available aid could be to the detriment of these workers' long-term prospects.

Article 46 Aid for compensating the costs of assistance provided to disadvantaged workers

Draft Regulation	Proposed amendment
<p>3. The eligible costs shall be the costs of:</p> <p>(a) employing staff solely for time spent on the assistance of the disadvantaged workers over a maximum period of 12 months following recruitment of a disadvantaged worker or over a maximum period of 24 months following recruitment of a severely disadvantaged worker;</p>	<p>3. The eligible costs shall be the costs of:</p> <p>(a) employing staff solely for time spent on the assistance of the disadvantaged workers over a maximum period of 12 months throughout the whole period of employment or until the disadvantaged or severely disadvantaged persons are considered as being fully rehabilitated following the recruitment of a disadvantaged or a severely disadvantaged worker;</p>

Justification: the duration of aid should align with that in Article 45 on aid for the recruitment of disadvantaged workers. Therefore if the duration of aid for the recruitment of disadvantaged workers in the form of wage subsidies (Article 45) is increased, the duration of aid for compensating the costs of assistance provided to disadvantaged workers (Article 46) should be increased accordingly and in alignment with Article 45.

Section 6

Article 65 Investment aid for resource efficiency and for supporting the transition towards a circular economy

Draft Regulation	Proposed amendment
<p>11. The aid intensity shall not exceed:</p> <p>(a) 15% of the total investment costs for investments referred to in paragraph 5, points (b), (c), and (d). The aid intensity may be increased by:</p> <p>(i) 5 percentage points for aid granted to medium-sized undertakings and by 10 percentage points for aid granted to small undertakings or, alternatively, where the total aid amount does not exceed EUR 1.5 million per undertaking, per project, 10 percentage points for aid to any undertaking, regardless of its size;</p> <p>(ii) 7.5 percentage points for investments located in assisted areas under Article 107(3), point (a) of the Treaty and by 2.5 percentage points for investments located in assisted areas under Article 107(3), point (c) of the Treaty.</p> <p>(b) 40% of the eligible costs for investments referred to in paragraph 5, point (a). The aid intensity may be increased by:</p> <p>(i) 10 percentage points for aid granted to medium-sized undertakings and by 20 percentage points for aid granted to small undertakings or, alternatively, where the total aid amount does not exceed EUR 1.5 million per undertaking,</p>	<p>11. The aid intensity shall not exceed:</p> <p>(a) 15% 40% of the total investment costs for investments referred to in paragraph 5, points (b), (c), and (d). The aid intensity may be increased by:</p> <p>(i) 5 percentage points for aid granted to medium-sized undertakings, and by 10 percentage points for aid granted to small undertakings, and by 10 additional percentage points for aid granted to social economy entities, or, alternatively, where the total aid amount does not exceed EUR 1.5 million per undertaking, per project, 10 percentage points for aid to any undertaking, regardless of its size, and 10 additional percentage points if the undertaking is a social economy entities;</p> <p>(ii) 7.5 percentage points for investments located in assisted areas under Article 107(3), point (a) of the Treaty and by 2.5 percentage points for investments located in assisted areas under Article 107(3), point (c) of the Treaty.</p> <p>(b) 40% of the eligible costs for investments referred to in paragraph 5, point (a). The aid intensity may be increased by:</p> <p>(i) 10 percentage points for aid granted to medium-sized undertakings, and by 20 percentage points for aid granted to small undertakings, and by 10 additional percentage points for aid granted to</p>

<p>per project, 20 percentage points for aid to any undertaking, regardless of its size;</p> <p>(ii) 15 percentage points for investments located in assisted areas under Article 107(3), point (a) of the Treaty and by 5 percentage points for investments located in assisted areas under Article 107(3), point (c) of the Treaty.</p>	<p>social economy entities, or, alternatively, where the total aid amount does not exceed EUR 1.5 million per undertaking, per project, 20 percentage points for aid to any undertaking, regardless of its size, and 10 additional percentage points if the undertaking is a social economy entity;</p> <p>(ii) 15 percentage points for investments located in assisted areas under Article 107(3), point (a) of the Treaty and by 5 percentage points for investments located in assisted areas under Article 107(3), point (c) of the Treaty.</p>
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Justification:

Social economy entities, including cooperatives, are significant contributors to Europe's transition to a circular economy, as recognised by the EU Commission's 2026 midterm review of the EU Social Economy Action Plan. They have a pioneering role in historically advancing reuse and repair, well before current market trends and renewed strategic importance which they often combine with work integration of disadvantaged or disabled workers. However, they struggle to access investment that recognises the social-added value of their circular activities, and without special provisions, social economy entities are economically disadvantaged compared to for-profit undertakings, due to their upfront social inclusion costs.

Furthermore, the amendment proposes increasing the baseline aid intensity to 40% for activities in paragraph 5 (b), (c), (d) to the same extent as activities under (a). The former paragraphs concern additional vital cross-sectoral reuse and preparation for reuse or recycling activities which are largely underinvested areas despite bringing great (social) employment potential.

ANNEX I - SME DEFINITION

Article 1 Enterprise

Draft Regulation	Proposed amendment
<p>An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.</p> <p>This Annex provides an exhaustive list of criteria for determining if an undertaking qualifies as an SME. (...)</p>	<p>An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons, social economy entities and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.</p> <p>This Annex provides an exhaustive list of criteria for determining if an undertaking qualifies as an SME.</p>

Justification:

The amendment clarifies that entities belonging to the social economy, such as cooperatives, are fully covered by the notion of enterprise according to the Regulation. This clarification ensures that social economy entities are explicitly recognised and not discriminated within the SME framework.

The amendment also aligns the understanding of “social economy” with the definition set out in the Council Recommendation of 27 November 2023 on developing social economy framework conditions, ensuring consistency with the European Action Plan for the Social Economy and with the broader EU policy framework in this field.

By doing so, the amendment strengthens legal clarity and policy coherence across EU legislation while fully respecting the existing legal frameworks of the Member States.

CECOP is the European Confederation of Industrial and Service Cooperatives, representing approximately 43,000 cooperative enterprises, employing over 1.3 million workers, across 15 EU countries and the UK. The majority of cooperatives affiliated to CECOP's members are worker cooperatives (72%), which are democratically managed and owned by the workers, and social cooperatives (27%), whose core mission is the provision of social services and work integration of disadvantaged groups.