

**Services of General Economic Interest (SGEI) - Reports to be submitted under Article 9  
of the Commission Decision of 20 December 2011 on State aid in the form of public  
service compensation**

**Walloon Region**



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**SERVICES OF GENERAL ECONOMIC INTEREST**

**Report to be submitted to the European Commission**

**CONTRIBUTION OF THE SOCIETE WALLONNE DU LOGEMENT**

**March 2018**

**ANNEX**  
**Service of General Economic Interest: guidance for report to be submitted following the**  
**2012 SGEI Decision and the 2012 SGEI framework**

This report comes under section 2(d) of the above Annex ('social housing').

<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
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Explanation of <b>what kind of services</b> in the respective sector <b>have been defined as SGEI</b> in your Member State. Please list the contents of the services entrusted as SGEI as clearly as possible.
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Under the Belgian institutional framework, social housing is a regional matter.

In Wallonia, the relevant rules are laid down in the Walloon Housing and Sustainable Homes Code (*Code wallon du Logement et de l'Habitat durable* – CWLHD), adopted through the Decree (*décret*) of 29 October 1998<sup>1</sup>, and in the orders (*arrêts*) implementing that Code.

The Code uses the term '**public utility housing**' for **social housing**. This term is defined in Article 1(9°) of the CWLHD as 'housing managed or leased by a property operator or over which it has rights *in rem* and intended as housing under the social policy applied by the Region'.

The concept of '**public utility housing**' particularly includes the concepts of '**integration housing**' and '**temporary housing**' as defined in Article 1(7°) and (8°) of the CWLHD:

**'Article 1. 7°. Integration housing:** public utility housing aimed at integration and intended exclusively for the accommodation of category 1 households. The provision of integration housing is accompanied by social support.

**8°. Temporary housing:** public utility housing intended exclusively for the temporary accommodation of category 1 households or households deprived of housing for reasons beyond their control. The provision of temporary housing is accompanied by social support.'

The **property operators** referred to in Article 1(9°) are defined as a local authority, an independent public authority, the **Société wallonne du logement**, a **public service housing association**, the Fonds du logement des familles nombreuses de Wallonie, a social housing agency, a housing promotion association, or the Société wallonne du Crédit social (Article 1(23°) of the CWLHD).

It should be noted that Article 209 of the CWLHD states as follows:

**'Article 209.** This Code partly implements the provisions of Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market and provides that said Directive shall not apply to the social services of general economic interest referred to in Article 1(7°) to (11°) or to property operators providing those services. Under this Code, the tasks entrusted to

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<sup>1</sup> <https://wallex.wallonie.be/index.php?doc=6086&rev=5365-20807>

the property operators defined in Article 1(23°) shall be general interest service tasks that guarantee people's right of universal and equal access to those services under defined conditions ensuring quality and transparency.'

The Société wallonne du Logement (SWL) (Walloon Housing Association) was therefore created by the CWLHD. It is a legal person governed by public law taking the form of a limited liability company (*société anonyme*). The SWL approves, advises and monitors the public service housing associations (*sociétés de logement de service public* – SLSP) acting at local level. The SWL ensures, through this approval, that the activities of the SLSPs cover the entire territory of the Walloon Region.

The **tasks of the SLSPs** are defined in Article 131 of the CWLHD and particularly include:

- the management and rental of public utility housing;
- the reception of tenants when they move into public utility housing;
- the purchase, construction, renovation, maintenance, improvement and adaptation of housing and the restructuring of buildings owned by the association, or over which it has rights *in rem*, so that these buildings can be used mainly as housing;
- any property operation, including design, preparation and monitoring of property projects, and any building management or leasing operation so that these buildings can be used partly as housing;
- the sale of property owned by the association, under certain conditions;
- the examination of applications from households wishing to purchase housing and the monitoring of contracts;
- the leasing or management of housing or buildings for use as housing;
- participation in the creation, management and operation of public or private legal persons involved in implementing regional housing policy objectives;
- the reservation of land needed for the harmonious development of housing;
- the assistance of local authorities with implementing local housing policy.

In accordance with the Commission Decision, all the SLSP tasks are therefore aimed at providing social housing for **disadvantaged citizens or socially less advantaged groups** who, due to solvency constraints, are unable to obtain housing at market conditions, while ensuring a certain social mix where this is appropriate. Under the regional policy, the SLSPs therefore help to ensure the **right to decent housing** as a place for individuals and families to live, be free and grow, as provided for by Article 2 of the CWLHD.

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

The **SGEI is entrusted** to the SLSPs through various Walloon legislative texts, particularly the CWLHD and its implementing orders. More specifically, the **act of approval** of the SLSPs by the SWL forms the act of entrustment.

To cover the entire Walloon territory, 64 SLSPs have therefore been approved by the SWL, based on the Walloon Government Order of 8 June 2001 laying down the conditions of approval of public service housing associations.

Article 2 of this Order states that the object of the SLSP must **exclusively** consist of all the tasks laid down by the CWLHD. As noted above, it is Article 131 of the CWLHD that defines the tasks of each SLSP.

Under Article 162 of the CWLHD, each approved SLSP must also conclude a contract of objectives with the SWL for a period of five years.

**Public housing** for rental must be allocated in accordance with the Walloon Government Order of 6 September 2007 organising the rental of housing managed by the Société wallonne du Logement or by public service housing associations. This Order determines in particular:

- the qualifying income ceilings to obtain housing;
- the priority points awarded to potential tenants (based on aspects of their social and economic situation and their housing situation);
- the rent calculation, based on the household's income and the purchase price of the property.

The SWL's Commissioners take part in the meetings of the Housing Allocation Committees (*Comités d'attribution des logements*) to ensure that, within each public service housing association, the housing is allocated in strict compliance with the rules imposed by the Walloon Region.

**Average duration of the entrustment (in years)** and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

The entrustment – i.e. the approval given to the SLSPs – has **an unlimited duration** because the period of depreciation of property operations is much longer than 10 years.

However, if the SLSPs fail to observe the applicable laws and regulations, they can incur various penalties laid down in Article 174 of the CWLHD, namely:

- a reprimand;
- an injunction to cease the unlawful acts within a time-limit set by the SWL (maximum of three months);
- the annulment, by the SWL's Commissioner, of one or more decisions taken by the association (within each SLSP, there is an SWL Commissioner who takes part in each meeting of the board of directors and management body);
- a financial penalty set by the Walloon Government on a proposal from the SWL;
- supervision of the association's management, on a proposal from the SWL;
- supervision of the association by the Walloon Government, which involves a special commissioner being appointed to the SLSP;
- adoption of a management plan for the association;
- and finally, withdrawal of approval.

The SLSPs therefore remain approved only while they comply with all the legal and regulatory conditions governing the performance of their public service tasks.

Explanation whether <b>(typically) exclusive or special rights</b> are assigned to the undertakings.
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The SLSPs **do not have any exclusive rights** over social housing/public utility housing. As a result, local authorities can develop social housing if they wish. In absolute terms, there is nothing to prevent the private sector from also developing social housing.

For an approved SLSP, the act of obtaining its approval from the SWL requires compliance with a series of strict rules, in return for which they can benefit from various regional public funding sources.

Article 29 of the CWLHD also provides for various types of aid that can be granted, under a range of conditions, to other legal persons for operations aimed at providing certain households with public utility housing meeting the health and safety conditions laid down by the CWLHD or allowing them to improve its energy performance. The households in question are the same as those eligible to obtain public utility housing from an SLSP.

This aid can be granted in the form of incentives, repayable advances, subsidies or allowances towards the rent of managed or leased housing or in any other form determined by the government.

Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
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### **1) Property investment subsidies**

The 64 SLSPs supervised by the SWL can receive subsidies covering much of the cost of work to develop new housing and renovate their stock.

#### Development of housing

Since 2012 the subsidy has been a fixed amount per dwelling created, calculated based on the number of bedrooms.

The main subsidies are EUR 65 000 for a one-bedroom dwelling, EUR 84 500 for a two- or three-bedroom dwelling and EUR 104 000 for a four-bedroom dwelling. Supplements are granted for housing adaptable for disabled people.

Infrastructure works such as surroundings, pavements and adjacent roads are subsidised in full where the work carried out falls under the various types of work identified by a 1999 Walloon Government Order.

#### Renovation of stock

Work carried out under a EUR 400 million energy renovation programme launched in 2012 is 75 % subsidised.

### **2) Advances to SLSPs**

To fully or partly fund their property investments, the SLSPs can receive advances granted by the SWL at a preferential rate. These loans are repayable over 20 years. The subsidy top-up

can also be provided through the ordinary current account held by each association with the Société wallonne du Logement.

### 3) **Solidarity fund**

To help struggling SLSPs each year, a fund known as the ‘regional solidarity fund’ is financed by the SLSPs and the Region. The Region’s contribution was EUR 3 789 000 for 2016, with the same amount for 2017.

Typical **compensation mechanism** as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

Almost all the income of the SLSPs consists of rent received for the rental of social housing. Most of this rent comes from tenants on low or insecure incomes. The amount of their rent depends on the discounted cost of the housing and their income, but cannot exceed 20 % of this income.

The method of calculating the rent results in a significant differential between the rent actually received and the theoretical ‘cost’ rent (the rent needed to cover the cost of developing and maintaining the housing over a long period). A calculation made a few years ago put this differential at EUR 40 million per year for all the SLSPs.

The **compensation** mainly involves **two mechanisms**:

- **Granting of subsidies for the development of housing and associated infrastructure:** the cost of the housing actually borne by the SLSPs is reduced by 65-75 % depending on the size of the dwelling. The above differential is reduced as a result.

Likewise, **some of the renovation work is 75 % subsidised**, which also reduces the actual cost of the work and therefore a large part of the above differential.

The **solidarity allowance** distributed between the SLSPs via the SWL also helps to compensate for a lack of income for those associations in financial difficulty.

- **Central management by the SWL of a large part of the SLSP cash flow.**

The SLSPs are required to pay the proceeds from the rent received, after deducting their management costs, into a specific current account held in the name of each SLSP with the SWL. These current accounts fund the repayment of advances granted by the SWL, some work authorised by the SWL, property taxes, and so on. All withdrawals made by an SLSP from its current account must be authorised by the SWL.

As at 31 December 2017, the total balance of these current accounts was EUR 13.4 million. However, this overall amount for the 64 SLSPs consisted of current accounts with positive or negative balances. The highest positive balance was EUR 17.2 million and the highest negative balance was -EUR 24.3 million.

This central management by the SWL therefore forms a **very effective method of compensation**. Although the SLSPs do receive overcompensation, they must pay these

excesses into their ordinary current account. As withdrawals from their account must be authorised by the SWL, positive balances are formed for some of the SLSPs.

The SWL must ensure that the total balance of these current accounts remains positive, i.e. that the total of the positive balances is higher than the total of the negative balances. Subject to this constraint, the SWL can allow all SLSPs, including those with a negative balance, to borrow in order to finance renovation work for example.

<b>Typical arrangements for avoiding and repaying any overcompensation.</b>
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As explained above, the central management by the SWL of all the SLSP current accounts regulates the compensation mechanism.

By their very nature, the compensation mechanisms do not result in accurate compensation, which would be the difference between the rent for the dwelling developed or renovated and the cost of the work excluding subsidies.

The subsidies are in fact fixed amounts determined solely on the basis of the dwelling size or a fixed percentage of the cost of the work, with a ceiling set at the amount proposed by the government. This therefore means that each operation results in under-compensation or overcompensation as a matter of fact.

However, a balance is achieved by consolidating the current accounts in the SWL balance sheet, firstly through the compulsory monthly payments made by the SLSPs into their current accounts, and secondly through the SWL controlling the options for withdrawal from these accounts.



<b>Amount of aid granted</b>
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<b>B. Total amount of aid granted (in millions EUR) paid by regional authorities</b>	
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2016	2017
€96 634 326	€91 846 632

### Some statistics

The population of the Walloon Region is 3 498 384 (of which 75 222 in the German-speaking Community), which represents 349 inhabitants per km<sup>2</sup>. There are 1 330 000 dwellings, of which 103 996 (as at 31 December 2016) are managed by public service property associations.

The housing stock managed by the SLSPs approved by the SWL represents around 8 % of the total stock in the Walloon Region, which is well below the average for the Member States of the European Union as a whole.

Access to this housing is dependent upon the income and social situation of applicants. The average monthly rent for this housing is around EUR 260.

Figures for the number of subsidised houses:

<u>Summary of the housing development activity in 2017</u>	<u>dwellings for rental</u>	<u>dwellings for purchase</u>	<u>Total</u>
Completed dwellings	286	47	333
Housing sites under development	357	20	377
Housing planned in 2014 - 2015 - 2016 (annual average)	580	55	635

The following table indicates the payments made to SLSPs in 2015, 2016 and 2017 by type of financing.

Type of financing	2015	2016	2017
Advances for housing intended for sale	€11 052 455	€4 367 843	€5 616 355
Advances for housing development	€58 946	-	-
Advances supplementing the housing development subsidy	€15 954 253	€9 598 697	€4 954 841
Advances for the renovation of stock	€9 474 473	€14 091 009	€13 074 917
SWL advances	€28 931 130	€32 867 583	€40 365 451
<b>TOTAL Repayable advances</b>	<b>€65 471 256</b>	<b>€60 925 132</b>	<b>€64 011 564</b>

<b>TOTAL Resources of the SLSPs</b>	<b>€18 961 304</b>	<b>€20 968 219</b>	<b>€30 077 711</b>
Housing development subsidies	€34 261 635	€34 248 501	€39 287 161
Infrastructure subsidies (surroundings and roads)	€10 409 340	€7 269 755	€6 595 323
Subsidies for the renovation of stock	€60 374 045	€55 116 069	€45 964 147
<b>TOTAL Subsidies</b>	<b>€105 477 020</b>	<b>€96 634 326</b>	<b>€91 846 632</b>
<b>Grand Total</b>	<b>€189 609 580</b>	<b>€178 527 676</b>	<b>€185 935 907</b>



## Services of General Economic Interest: 2016-2017 Report

### Contribution of the Société wallonne du Crédit social

#### 1. DESCRIPTION AND TASKS OF THE SWCS

The Société wallonne du crédit social (SWCS) (Walloon Social Credit Association) is a public interest body that, with the help of its partners (social credit offices and local entities), offers alternative financing enabling people to own a property and renovate it in terms of energy efficiency.

The SWCS grants two types of loan:

- **‘Accesspack’ social mortgages** allowing the purchase, construction or renovation of a first home in Wallonia to be financed. The interest rate is set according to the household’s income. Social mortgages are granted under strict conditions in terms of household income and property value. The mortgage amount can be up to 110 % of the market value of the property in order to cover notary costs and registration fees. Work and compulsory life assurance can also be funded.

The main aim of the social mortgage is to allow as many people as possible to access property ownership, including those categories less favoured by the traditional system (households on insecure and low incomes, single people, young people, etc.).

- **‘Écopack’ and ‘Rénopack’ instalment loans** at 0 %: these loans are intended to finance work to improve the property’s energy performance and also renovation work. Écopack and Rénopack are instalment loans with a rate (APR) of 0 %.

Mortgage applications are made exclusively through social credit offices.

Social credit offices and local entities are the local contacts for potential borrowers. Their task is in particular to inform potential borrowers and help them with their loan application. The Walloon Government determines the approval criteria and the management and operating rules of the social credit offices.

Social credit offices can act either as broker for the SWCS or as lender for the potential borrowers.

Local entities act exclusively as brokers for the instalment loans.

In their role as broker, social credit offices act as intermediaries between the SWCS and potential borrowers. In their role as lender, social credit offices themselves grant the loans,

from their own cash flow or with full or partial funding from the SWCS, in the form of repayable advances.

The Decree of 15 May 2003 amending the Walloon Housing and Sustainable Homes Code gives the SWCS the following public service tasks:

- financially and administratively manage the social mortgage;
- promote the social mortgage;
- assist applicants for social mortgages;
- carry out the property operator tasks (Decree of 9 February 2012);
- promote experimentation and research with regard to social mortgages;
- ensure the efficient functioning and sound management of the social credit offices, and the quality of the services provided by them;
- support access to property ownership or maintenance of a first home.

Pursuant to this provision of the Walloon Housing and Sustainable Homes Code, the government has adopted a series of orders:

- the Walloon Government Order of 31 May 2017 adopting the general regulation defining the general principles for the granting of loans by the Société wallonne du Crédit social and social credit offices;
- the Ministerial Order of 22 January 2016 adopting the specific regulation on loans granted by the Société wallonne du Crédit social and social credit offices;
- the Walloon Government Order of 17 December 2015 adopting the general regulation on the approval of social credit offices and laying down the penalty procedures pursuant to Article 178.1 of the Walloon Housing and Sustainable Homes Code;
- the Walloon Government Order of 17 December 2015 adopting the management and operating rules for social credit offices.

Furthermore, Article 175.2(2) of the Walloon Housing and Sustainable Homes Code provides that: ‘The Association may carry out any other task connected with those listed in this article, with authorisation from the government’. Among these delegated tasks, the Société wallonne du Crédit social has been given the task – through Article 5 of the Walloon Government Order of 26 March 2015 establishing an incentive scheme for private individuals to encourage energy savings and property renovation and Article 13 of the 2013-2018 management contract concluded on 1 October 2013 between the Walloon Region and the Société wallonne du Crédit social – of granting energy-saving loans that can give entitlement to an incentive to encourage energy savings and property renovation.

## **2. ENTRUSTMENT**

The SWCS has been granted a permanent entrustment by decree in the social housing sector, social mortgage section, through the Decree of 15 May 2003 amending the Walloon Housing and Sustainable Homes Code.

The tasks connected with energy-saving loans and renovation work (Écopack/Rénopack) are delegated tasks – with authorisation from the government – based on Article 175.2(2) of the Walloon Housing and Sustainable Homes Code.

The 2013-2018 management contract concluded on 1 October 2013 between the Walloon Region and the Société wallonne du Crédit social sets out and details the tasks and activities of the SWCS, its governance, management practices and financing, and the arrangements for implementing, monitoring, evaluating, reviewing, amending and ending the contract.

### 3. EXCLUSIVE OR SPECIAL RIGHTS

Only the Société wallonne du Crédit social (with the Fonds du Logement des Familles nombreuses de Wallonie (Walloon Housing Fund for Large Families)) has the right to grant (possibly also through the social credit offices) social mortgages in the Walloon Region.

### 4. AID INSTRUMENTS USED (DIRECT SUBSIDIES, GUARANTEES, ETC.)

The activity of the SWCS is funded through two types of instrument:

- An **annual grant**. This subsidy is intended to cover the discounted interest rate differential between the weighted average real financing rate of the SWCS and the weighted gross average return on new loans and advances granted during the programme year. It also takes into account the cost of covering sectoral operating costs.
- A **subsidy** covering the operating costs of the instalment loans.

The SWCS also benefits from guarantees granted by the Walloon Region:

- **Senior security**. The SWCS can be authorised by the Walloon Government to finance itself through loans contracted on the capital market. These loans are secured by the Walloon Region (see Article 175.3 of the CWLHD).
- **Subordinated secured debt** (performance guarantee). Performance guarantees are granted by the Walloon Region for the social mortgages. The SWCS adopted this mechanism in 2010. In order to benefit from this guarantee, it must levy a solidarity contribution of 0.20 % on the amount loaned to the customer (excluding life assurance). This contribution is paid into a solidarity fund held in a bank account in the Walloon Region's name. If a series of conditions are met, the Walloon Region undertakes to pay part of the loss incurred by the SWCS in the event of the forced sale of a mortgaged property.

### 5. COMPENSATION MECHANISM

#### Social mortgages

#### **Compensation mechanism**

Since 2008 the new mortgage activity programmes have been the subject of funding calculated to cover the interest rate differential during the programme year (outcome for a calendar year, corresponding to the financial year). A rate to cover the sectoral operating costs (commission of broker offices, set at 0.80 % of the amount loaned) is also taken into account. The full arrangements are set out in the Walloon Government Order of

13 November 2008 laying down the financing rules of the Société wallonne du Crédit social (this Order was amended by the Walloon Government Order of 15 July 2010).

The method of calculating the capital allocation was changed in 2017:

The Region's involvement takes the form of a capital allocation that is intended to ensure that the total discounted cash flows balance each other out by the end of the period concerned.

It is therefore equal to the differential between all the capital and interest flows generated by the loans, on the one hand, and by the financing, on the other.

These cash flows are 'projected' over the entire period covered by the programme, i.e. over the contractual term of the loans and financing. They are discounted based on a benchmark rate curve. The parties have agreed to use the IRS curve.

In addition to the differential calculated above, which includes the cost of the 'advances' to the social credit offices when they act as lenders, the allocation also covers the commission granted to these offices when they act as brokers and a fixed amount to cover the risks of losses on the loans granted.

As its source of financing, the SWCS mainly uses the funds resulting from early repayments of loans and advances granted in the past. The associated cash flows are based on the theoretical capital and interest amounts indicated in their respective contractual amortisation tables.

Any capital allocation amount that is overpaid by the Region is carried forward as an additional allocation to that proposed for the year following the programme year.

### **Energy-saving loans**

#### **Compensation mechanism**

These loans are financed through repayable advances from the Walloon Region. The repayments received from borrowers are paid in full to the Walloon Region.

The Fund's operating costs to carry out this energy-saving loan task are subsidised by the Walloon Region.

## **6. TYPICAL ARRANGEMENTS FOR AVOIDING AND REPAYING ANY OVERCOMPENSATION**

### **Social mortgages**

#### **Overcompensation**

There is no overcompensation because the capital allocation corresponds to the amount allowing all the incoming and outgoing flows to be balanced out.

## **Energy-saving loans**

### **Overcompensation**

The subsidy is a fixed amount calculated based on historical data of the true operating cost of the Écopack measure.

## **7. AMOUNT OF AID GRANTED**

<b>B: Total amount of aid granted (allocation and subsidy) paid by regional authorities</b>	
<b>2016</b>	<b>2017</b>
EUR 24 500 000 Of which: <ul style="list-style-type: none"><li>– EUR 22 000 000 for the allocation intended to cover the cost of mortgages</li><li>– EUR 2 500 000 for the subsidy to cover the operating costs of the instalment loans</li></ul>	EUR 44 000 000  for the allocation intended to cover the cost of mortgages  In 2017 no subsidy was received to cover the operating costs of the instalment loans. The payment – of an identical amount to that in 2016 – was made in 2018.

<b>Share of expenditure per aid instrument (direct subsidy, guarantees, etc.)</b>	
<b>2016</b>	<b>2017</b>
<u>Federal:</u>  Senior secured debt: EUR 47 750 000  <u>Walloon Region:</u>  Senior secured debt: EUR 2 437 251 849.41  Subordinated secured debt - Performance guarantee for 'SWCS loans': EUR 132 347 280 (as at 31/12/16)	<u>Federal:</u>  Senior secured debt: EUR 50 839 088.00  <u>Walloon Region:</u>  Senior secured debt: EUR 2 334 144 637.36  Subordinated secured debt - Performance guarantee for 'SWCS loans': EUR 197 766 118.63 (as at 31/12/2017)

## **8. COMPLAINTS BY THIRD PARTIES**

None.

## **9. MISCELLANEOUS QUESTIONS**

None.





## **FONDS DU LOGEMENT DE WALLONIE**

### **1. Description of the services regarded as SGEI**

The Walloon Housing Code was adopted through the Decree of 29 October 1998, which was published in the Belgian Gazette on 4 December 1998 and entered into force on 1 March 1999. Following the sixth state reform and due to the Walloon Government's desire to bring the rules on public and private housing together within one code, the Walloon Housing and Sustainable Homes Code was amended by the Decree of 1 June 2017, which was published in the Belgian Gazette and entered into force on 28 July 2017.

One of the operators is the Fonds du Logement des Familles Nombreuses de Wallonie (Walloon Housing Fund for Large Families). Its tasks and resources are defined by the Walloon Housing and Sustainable Homes Code and are implemented through the management contract concluded between itself and the Walloon Government.

Article 179 of the CWLHD recognises the public interest nature of the Fund's four tasks. These are key to implementing the right to housing, the principle of which is defined in Article 2 of the CWLHD and in the Constitution of the Federal State.

#### **Tasks of the Fonds du Logement de Wallonie (Walloon Housing Fund)**

*Article 179. In order to implement the right to housing, the cooperative society 'Fonds du Logement des familles nombreuses de Wallonie', hereinafter referred to as the Fund, shall have the following public interest tasks:*

*1° provide large families on middle or low incomes or in poverty with the means to construct, purchase, renovate, restructure, adapt, maintain, improve or preserve ownership of their first home in the Walloon Region intended for their personal use, by granting social mortgages or energy-saving loans;*

*2° mainly provide large families on low incomes or in poverty with the means to rent housing;*

*3° propose to the government approval of the social bodies referred to in Chapter VI of this Title, advise them, monitor them and ensure their coordination and financing;*

*4° encourage experimentation and discussion in these areas and propose new policies to the government.*

#### **Tasks of social housing bodies**

For their tasks as social bodies, reference should be made to Article 191 et seq. of the CWLHD. These are bodies approved by the government, on the Fund's proposal, whose tasks are clearly defined by the same Code and whose operation is regulated by government order, namely:

*Article 193. 1. The social housing agency (agence immobilière sociale) shall act as intermediary between property owners-landlords and households in poverty or on low or middle incomes that are searching for housing.*

*The social housing agency shall in the main conclude housing management contracts with property owners and make this housing available to these households. It may alternatively rent housing with a view to sub-renting this.*

*In this context, the social housing agency shall monitor compliance with the obligations of the parties concerned and shall act as mediator in the event of disputes.*

*2. The social housing agency shall guarantee social support for occupants.*

*Article 195. The neighbourhood board (régie des quartiers) shall aim to improve the living conditions of inhabitants in one or more districts situated in zones identified by the government. To that end, it shall take action to improve quality of life, local activities, social interaction and exercise of citizenship. It shall assist with the social and occupational integration of jobseekers or recipients of social assistance by offering them pre-training managed by a professional team.*

*Article 198. The housing promotion association (association de promotion du logement) shall assist with implementing the right to decent housing, in particular by carrying out one of the following tasks:*

*1° encourage social integration in housing by providing decent housing;*

*2° obtain administrative, technical or legal assistance with regard to housing, mainly for households in poverty;*

*3° conduct experimental projects allowing the objectives set by the government to be developed.*

All the above bodies – the Fund and the social housing bodies – therefore form social services of general economic interest.

Their activities ensuring social access and connected with rental assistance operations (purchase, renovation, rental of housing) are regulated by the Walloon Government Order of 25 February 1999 and its subsequent amendments.

*Since 1 January 2016, the Fonds du Logement des Familles Nombreuses de Wallonie has been entrusted by the Walloon Government with granting 0 % loans for energy savings, namely ECOPACKS, and 0 % loans for renovation, namely RENOPACKS. The Fund is responsible for the administrative monitoring of incentives.*

The housing and loan amount values are capped.

Interest rates are set according to income caps and the number of dependent children.

Rents are set according to income.

The income of beneficiaries is capped according to the type of service provided.

<b>Income caps for beneficiaries of the services of the Fonds du Logement des familles nombreuses de Wallonie and social housing bodies</b>	
<b>Activities</b>	<b>Income cap</b>
Mortgages *	Middle income
ECOPACKS/RENOPACKS *	EUR 93 000
Rental assistance *	Low income
Social housing agencies	Middle income (5 %) Low income (95 %)
Housing promotion association	Mainly insecure income
Neighbourhood boards	Insecure income

\* The activities marked with an \* are aimed at households with three dependent children

#### Tasks of the Fonds du Logement de Wallonie: some statistics

*In 2017 the Fund granted 995 loans (ACCESSPACKS) enabling households to construct, purchase, renovate, restructure, adapt, maintain, improve or preserve ownership of their first home in the Walloon Region intended for their personal use, compared with 846 in 2016.*

<b>Loan</b>	<b>2016</b>		<b>2017</b>	
	<b>Number</b>	<b>Amount (EUR)</b>	<b>Number</b>	<b>Amount (EUR)</b>
ACCESSPACK	846	109 916 745	995	135 291 640
ECOPACKS	443	3 347 014	467	3 371 115
RENOPACKS	477	5 074 662	593	6 505 666
<b>TOTAL</b>	<b>2 055</b>	<b>118 338 421</b>	<b>1 766</b>	<b>145 168 421</b>

The following table shows that both the number of loans and the sums loaned are increasing.

<b>Variation</b>	
<b>Number</b>	<b>Amount (EUR)</b>
+149	+25 746 095
+24	+10 600
+116	+1 437 286
<b>+289</b>	<b>+27 193 981</b>

Rental assistance involved a rental stock of 1 187 dwellings as at 31 December 2016 and 1 203 dwellings as at 31 December 2017. Although the rental stock of the Fund is increasing (+20 dwellings in 2017), this cannot meet demand from large families for this type of housing. In 2017, 313 households contacted the Fund to obtain housing, mainly in vain.

There are currently 33 social housing agencies, 32 neighbourhood boards (grouped into citizen activity services, each responsible for one district), and 23 housing promotion associations, i.e. a total of 88 bodies as at 31 December 2017.

## **2. ENTRUSTMENT AND DURATION OF THE ENTRUSTMENT**

The objectives, commitments and resources binding the Region and the Fund are defined in the management contract, which has a five-year term.

The current contract covers the 2013-2018 period.

## **3. EXCLUSIVE OR SPECIAL RIGHTS**

The Fonds du Logement des familles nombreuses de Wallonie benefits from the same rights as the SWCS and its social credit offices with regard to mortgage and energy-saving loan activities, and as the SWL and its public service housing associations with regard to rental activities.

The social housing bodies are managed solely by the Fonds du Logement des familles nombreuses de Wallonie.

## **4. COMPENSATION MECHANISM AND OVERCOMPENSATION**

### **‘Loan’ task**

### **Compensation mechanism**

#### **Social mortgages**

Social mortgages are financed through loans guaranteed by Wallonia and through the capital allocation.

Under Article 183(1) of the CWLHD:

*‘The Fund can be authorised by the government to take out loans guaranteed by the Region. The guarantee shall also cover the financial management operations associated with these loans.*

*The amount, conditions and arrangements of these loans and operations must be approved by the government.’*

The amount borrowed corresponds to the annual mortgage programme, after deducting the capital allocation.

This capital allocation is the discounted sum, over the entire period, of the cash flow differential between the mortgages granted and the loans taken out to finance those mortgages. The ‘balancing allocation’ is the amount allowing all the cash flows to be balanced out.

The method used is based on cost allocation.

### Energy-saving and renovation loans (ECOPACK/RENOPACK)

These loans are financed through repayable advances from Wallonia. The repayments received from borrowers are paid in full to Wallonia.

The Fund's operating costs to carry out this energy-saving loan task are subsidised by Wallonia based on cost allocation.

### **Overcompensation**

#### Social mortgages

There is no overcompensation because the capital allocation corresponds to the amount allowing all the incoming and outgoing flows to be balanced out.

#### Energy-saving and renovation loans

There is no overcompensation as the subsidy corresponds to the actual operating costs of the staff involved in this activity.

### **Information on the actual payment of aid**

#### Social mortgages

The allocation is paid on submission of quarterly mortgage statements.

#### Energy-saving and renovation loans

The repayable advances are paid on submission of debt statements and the operating subsidy is paid on submission of six-monthly debt statements. In all cases, the statements are accompanied by evidence.

### **'Rental assistance' task**

#### **Mechanism**

Rents are set based on the income of occupants in the category of persons with insecure income. These rents cannot exceed 15 % of occupants' available resources. As compensation for these low rents, Wallonia pays, in the form of a capital subsidy, 75 % of the investment cost, capped at EUR 140 000 for a three-bedroom dwelling and at EUR 160 000 for a dwelling with a minimum of four bedrooms.

This subsidy depreciates at the same rate as the property that it finances. No subsidy is granted by the Region to cover the operating costs of the activity.

In order to carry out this 'rental assistance' task, the Fund must have access to housing meeting the applicable standards. In addition to the above subsidy and under the 2013-2018 management contract, the Walloon Government is authorised to pay one-third of the annual repayment on an annual loan of EUR 1 500 000 intended to allow renovation of the old

housing stock of the Fonds du Logement des familles nombreuses de Wallonie. This aid allows housing intended for rental to be maintained within our housing stock.

### **Overcompensation**

Subsidies must be substantiated by supporting documents. Amounts not used are repaid to Wallonia.

### **Information on the actual payment of aid**

There is no specific aid payment method as this is negotiated during preparation of the budget. As a result, the aid for 2016 was paid in two parts, the first part (50 %) in 2016 and the second part (50 %) after use of the first part was proven. The aid for 2017 was paid in six equal instalments (1/6) over the year. In all cases, amounts not spent are not reclaimed.

The aid granted for renovating the old housing stock is being paid over 15 years on submission of an annual debt statement.

### **'Management of social housing bodies' task**

#### **Mechanism**

The Fund's operating costs to carry out this task are subsidised by Wallonia based on cost allocation.

### **Overcompensation**

There is no overcompensation as the subsidy corresponds to the operating costs of the task, determined based on cost accounting.

### **Information on the actual payment of aid**

The resources committed by the government are paid in two instalments, the first (80 %) in the first year and the balance (20 %) in the following year, after use of all the aid has been proven.

## **5. TOTAL AMOUNT OF AID GRANTED (IN EUR) BY REGIONAL AUTHORITIES**

To the Fonds du Logement		2016 (EUR)	2017 (EUR)
<b><u>Tasks</u></b>	<b><u>Aid</u></b>		
Social mortgages	Capital allocation	13 551 962	17 675 686
Energy-saving loans	Operating grant	800 000	800 000
Rental assistance	Capital subsidy	5 070 000	9 462 500
Rental assistance	Capital subsidy - involvement in a loan	78 636	113 311
Social housing bodies	Operating grant	1 432 080	1 460 720

## **1. Implementation of the Commission Decision**

### **1.1. Entrustment**

#### **1.1.1. Contractual and/or legal form**

The Walloon autonomous ports have been established by law or decree:

- Law of 21 June 1937 on the Autonomous Port of Liège;
- Law of 12 February 1971 on the Autonomous Port of Charleroi;
- Law of 20 June 1978 on the Autonomous Port of Namur;
- Decree of 24 March 1999 on the Autonomous Port of the Centre and West.

As part of the Walloon budgetary reform ‘WBFIN’, these bodies became Type 2 Public Administration Units under the Decree of 15 December 2011 organising the budget and accounting of the Walloon Government Services.

Through the Decree of 17 December 2015, the scope of the WBFIN Decree was then extended to Public Administration Units.

Prior to this legislative amendment, the autonomous ports were treated as Category B Public Interest Bodies (*Organismes d’Intérêt Public – OIP*) by Article 1 of the Law of 16 March 1954 on the monitoring of certain public interest bodies.

This update was not intended to change the nature of the relationship between the government and the ports.

The ports remain autonomously managed bodies, without this affecting the monitoring and supervisory powers of the Walloon Government, which have been maintained.

#### **1.1.2. Elements of the entrustment**

##### **1.1.2.1. Content and duration of the public service obligations**

Under the laws and decree that established them, the public service tasks of the autonomous ports are as follows:

- development, equipment and promotion of the regional public land for port use conceded to them;
- maintenance of this land;
- development of traffic on the waterways;
- management of the appropriate infrastructure, tools and services needed to promote waterway transport.

These public service tasks are detailed in the port management contracts that entered into force on 1 January 2015.

### **1.1.2.2. Undertaking and territory concerned**

The four Walloon autonomous ports (*ports autonomes* – PA) exercise their powers throughout the Walloon Region, and each one controls the public land that it is responsible for managing. Their respective geographical areas can be described as follows:

- Autonomous Port of Liège (PAL): Province of Liège
- Autonomous Port of Namur (PAN): Province of Namur
- Autonomous Port of Charleroi (PAC): district of Charleroi and Province of Walloon Brabant
- Autonomous Port of the Centre and West (PACO): Province of Hainaut between Seneffe and Comines.

### **1.1.2.3. Nature of any exclusive or special rights assigned to the undertakings**

The autonomous ports are responsible for managing the land, which remains the property of the Region. However, the ports are able to develop the land entrusted to them, through concessions and authorisations granted to undertakings. The ports receive fees for the use and occupation of this land.

### **1.1.2.4. Parameters for calculating, auditing and reviewing the compensation**

The compensation granted to the ports by the Region is set according to the nature of the investments, in accordance with the applicable management contracts: 100 % for hydraulic developments (quays, docking facilities, etc.), 80 % for the development of port areas connected to the waterways, and 50 % for the development of port areas not connected to the waterways.

It takes the form of a subsidy for port investments, following presentation of a duly justified claim declaration.

These infrastructure investments are made in land that remains the property of the Region, and therefore ultimately become the property of the Region.

For those contracts subject to subsidies, the Region's technical services audit the subsidy procedure. In addition, the Region has representatives on the Boards of Directors of the ports.

### **1.1.2.5. Arrangements for avoiding and repaying any overcompensation**

The port management contracts determine the arrangements for the release of subsidies. These are released in instalments as the contract progresses. The final instalment of 10 % is released, where applicable, only after the work has been provisionally accepted and in an amount not exceeding the final amount eligible for subsidy. There cannot therefore be any overcompensation.

Specific projects of the autonomous ports that benefit from special subsidies (and more particularly those resulting from European programmes under the ERDF or Plan Marshall 2.vert [Marshall 2.Green Plan]) are the subject of subsidy orders and ad hoc control procedures that rule out any overcompensation (internal, external, European and other audits).



### ***1.2. Amount of compensation***

The compensation granted to the ports by the Region is set according to the nature of the investments, in accordance with the applicable management contracts: 100 % for hydraulic developments (quays, docking facilities, etc.), 80 % for the development of port areas connected to the waterways, and 50 % for the development of port areas not connected to the waterways.

### ***1.3. Amount of overcompensation***

None, see point 1.1.2.5 above.

### ***1.4. Supervision and annual reports***

Each autonomous port prepares an annual budget containing all the revenue and expenditure, whatever its origin or cause, in the form and manner prescribed by the Walloon Government.

The draft budget of each autonomous port is prepared by the Board of Directors, approved by the relevant minister and sent to Regional Minister for the Budget.

The draft budget is appended to the Region's General Expenditure Budget.

Within two months of its approval, the final budget is submitted to the Walloon Parliament.

The autonomous ports are supervised by the relevant minister. This supervision is carried out through one or more government commissioners appointed by the government on a proposal from the relevant minister. This work involves:

- commissioners attending meetings of the Boards of Directors in an advisory capacity;
- being able to appeal to the government against any decision that they consider contrary to the regulations, articles of association or general interest;
- inspecting books, correspondence, reports and any documents and records of the company;
- having full authority to request any explanations or information.

The ports' accounts are prepared and approved by the Boards of Directors based on checks made by an auditor. They must be approved by the relevant minister, who then sends the accounts to the Regional Minister for the Budget. The latter then submits these for auditing by the Court of Auditors.

The ports produce an annual activity report that is also submitted by the relevant minister for approval by the Walloon Government and Parliament.

The Region's technical services monitor all the ports' subsidised contracts, which are subject in full to public procurement rules, including supervision by the Finance Inspectorate and a budgetary commitment procedure prior to granting of the subsidy.

The Court of Auditors has a general power to audit the autonomous ports with regard to:

- budgetary and general accounting;
- absence of cost overruns;
- lawful and proper nature of revenue and expenditure;
- sound use of public funds.

## **2. Scope and use of statistical information on the SGEI**

In terms of general statistical information on the amount of aid granted to the ports, highly accurate information is available within the Region's services, based on the budget consumption in the article on the *Region's intervention in the cost of work to be carried out at ports managed by subordinated public authorities*. On this basis, it is clear that the amounts spent on compensation to all the ports (excluding projects cofinanced by the ERDF and Plan Marshall 2.vert) have been:

- 2016: EUR 2.4 million
- 2017: EUR 4 million

## **3. Miscellaneous**

The autonomous ports are an important policy tool for the Region as they contribute towards both economic recovery and compliance with sustainable development principles by encouraging multimodal transport and a modal shift from road to less polluting waterway transport. They also help to reduce road congestion.

Clear and comprehensive description of how the respective services are organised in your Member State	<u>Nursing homes</u>	<u>Integrated health associations</u>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.	Social services: health and long-term care => category 2(a). This is an establishment that, regardless of its name, is intended to accommodate older people who make this their habitual residence and who benefit, depending on their level of dependency, from family, domestic, daily living assistance and nursing or paramedical care community services (Article 334(2)(a) of the Walloon Social Work and Health Code).	Social services: health and long-term care => category 2(a). This is an association that, through a multidisciplinary primary care team covering medical, psychological and social matters, hereinafter referred to as ‘the team’, provides: care through a holistic approach, both organic and also psychological and social care, in which the patient is regarded as a subject with a personal history who is integrated in a family, professional and socio-economic environment; integrated care by including prevention, which can be carried out either through individual contacts or through measures conducted among a defined population; and continuous care by summarising, managing and monitoring the information on all the health problems experienced by the patient throughout his or her care, at whatever level (Article 419(1°) of the Decree Part of the Walloon Social Work and Health Code).
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	Ministerial order (standardised operating permit attached in Annex 1 <a href="https://www.dropbox.com/s/par97ly386tomkk/Annexe%201.pdf?dl=0">https://www.dropbox.com/s/par97ly386tomkk/Annexe%201.pdf?dl=0</a> ). All plans to open, extend or reopen a nursing home must be agreed in principle (except for changes of manager within the same sector where operation continues at the same site, temporary transfer to another site or establishment as a result of urgent work or circumstances, or transfer between sites in the same district, covered by the same manager). After obtaining this agreement in principle, the establishment must then submit an operating permit application, which must, in principle, be obtained within three years (Article 351 of the Walloon Social Work and Health Code. It is the minister who decides whether to grant or refuse the operating permit.	Ministerial order for the quasi-regulated part and internal payment forms for the regulated part (Annex 2 <a href="https://www.dropbox.com/s/qildvkty8jls60m/Annexe%202.pdf?dl=0">https://www.dropbox.com/s/qildvkty8jls60m/Annexe%202.pdf?dl=0</a> )

Explanation of the (typical) <b>duration of the entrustment</b> and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	The operating permit is granted for an <u>unlimited duration</u> , but the Agence pour une Vie de Qualité (Quality Life Agency) ensures that standards continue to be met by checking and inspecting the establishments concerned on a regular and impromptu basis.	Approvals are granted for an <u>unlimited duration</u> . As an exception, where the general practitioners in the association do not work mainly for the association and where this is a new integrated health association, provisional approval for up to three years is granted, provided that the integrated health association meets the other conditions for approval. At the end of the provisional approval period, unless otherwise decided, the integrated health association is regarded as approved.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	Exclusive rights. An operating permit must be obtained in order to operate a nursing home. Where it is found that an establishment for older people is being operated without an operating permit, a closure procedure is initiated (Article 1450 et seq. of the Regulatory Part of the Walloon Social Work and Health Code).	No. Approval may be withdrawn from associations that no longer meet the required conditions or do not fulfil their obligations. The government determines the procedure for withdrawing approval (Article 432 of the Decree Part of the Walloon Code).
Explanation of the (typical) <b>compensation mechanism</b> as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	<u>Investment subsidy</u> + the government can grant a <u>guarantee</u> for loans taken out to finance these operations (Articles 1504 to 1513 of the Regulatory Part of the Walloon Social Work and Health Code). <u>Legal reference</u> : Articles 1458 to 1503 of the Regulatory Part of the Walloon Social Work and Health Code.	<u>Subsidy</u> . The subsidy is automatically linked to obtaining approval. It covers expenditure on: - employees; - independent professionals; - operation. A form is used to gather the information needed to calculate the subsidy. This form is sent to the administration no later than 1 March of each year. <u>Legal references</u> : - Decree Part of the Walloon Social Work and Health Code, Articles 419 to 433; - Walloon Government Order of 27 May 2009 implementing the Decree of 29 March 1993 on the approval and subsidy of integrated health associations.

Explanation of the (typical) <b>arrangements for avoiding and repaying any overcompensation.</b>	<p>For works contracts, the subsidy is made available in instalments:</p> <ul style="list-style-type: none"> <li>- a first instalment of 30 % of the subsidy amount as soon as the order has been placed for the work and this has been effectively started, which is proven by the first progress report accompanied by the corresponding invoice;</li> <li>- the second instalment of 30 % is made available as soon as the total of the progress reports and invoices submitted equals the total of the first instalment;</li> <li>- the third instalment of 30 % is made available as soon as the total of the progress reports and invoices submitted equals the total of the first two instalments;</li> <li>- the balance of the subsidy is made available to the applicant on approval of the final account.</li> </ul> <p>For equipment and furniture contracts, the subsidy is paid on submission of the invoices.</p>	The subsidy is paid as follows: an advance of 85 % no later than 31 March of the current year; a second advance of 90 % of the last checked and proven subsidy can be paid no later than 1 September of the current year; the balance is paid after the supporting dossier for the next year has been checked. If the advances paid are higher than the amount of expenditure proven by the operator, the latter must reimburse part of the advances. Some integrated health associations work on a fee-for-service basis, while others use flat-rate payments.
<b>Amount of aid granted</b>		
<b>Total amount of aid granted.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities.	<p><u>Commitment appropriations</u></p> <p><u>For 2016:</u></p> <p>=&gt; Private nursing homes: EUR 6 100.00;</p> <p>=&gt; Public nursing homes: EUR 1 034 000.00.</p> <p><u>For 2017:</u></p> <p>=&gt; Private nursing homes: EUR 227 925.00;</p> <p>=&gt; Public nursing homes: EUR 284 275.00.</p> <p><u>CRAC (Regional Centre for the Assistance of Municipalities) loans for 2016:</u></p> <p>=&gt; Private nursing homes: EUR 11 756 050.00 (4 beneficiaries);</p> <p>=&gt; Public nursing homes: EUR 1 458 350.00 (1 beneficiary).</p> <p><u>CRAC loans for 2017:</u></p> <p>=&gt; Private nursing homes: EUR 1 053 575.00 (2 beneficiaries);</p> <p>=&gt; Public nursing homes: EUR 17 326 500.00 (4 beneficiaries).</p>	<p><u>For 2016:</u></p> <p>For private: EUR 3 539 000</p> <p>For public: EUR 37 755</p> <p><u>For 2017:</u></p> <p>For private: EUR 3 978 310</p> <p>For public: EUR 50 535</p>
<b>Additional quantitative information</b>	On 1 May 2018, there were 618 nursing home and care home establishments.	There were 78 approved integrated health associations in the Walloon Region on 1 January 2018.

Clear and comprehensive description of how the respective services are organised in your Member State	<u>Mental health services</u>	<u>Specialised addiction support and care services</u>
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.</p>	<p>Social services: care and social inclusion of vulnerable groups =&gt; category 2(e). A mental health service is an outpatient structure that, through a multidisciplinary approach, responds to the mental or psychological difficulties of the population in the area that it serves.</p> <p>It performs the following tasks:</p> <ul style="list-style-type: none"> <li>- receipt of the request with regard to mental or psychological difficulties;</li> <li>- organisation of a response, according to the available resources and specific aspects of the request, by providing a diagnosis and instigating treatment, depending on the psychiatric, psychotherapeutic or psychosocial situations;</li> <li>- as a secondary role, organisation of activities for other professionals in order to improve the quality of their services, in the form of information, supervision or training, and conduct of expert assessments associated with their care provision activities.</li> </ul> <p>The approved mental health service may also conduct one or more specific initiatives aimed at a given population or intended to develop a particular methodological approach.</p> <p>It may also set up a therapeutic club based in a reception and activities centre, aimed at enabling users suffering from severe or chronic psychiatric or psychological disorders to stabilise over time or access care (Article 540 of the Decree Part of the Walloon Social Work and Health Code).</p>	<p>Social services: care and social inclusion of vulnerable groups =&gt; category 2(e).</p> <p>In addition to reception and information tasks, the service specifically performs at least one of the following tasks for the benefit of beneficiaries:</p> <ul style="list-style-type: none"> <li>1° psychosocial support;</li> <li>2° psychotherapeutic and medical care;</li> <li>3° care involving at least alternative care, detox programmes and residential or hospital care;</li> <li>4° risk reduction.</li> </ul> <p>These tasks are performed through a multidisciplinary approach.</p> <p>The multidisciplinary approach aims to assess the beneficiary's needs, their development and the resources available within or outside the service or network in order to provide the most appropriate response.</p> <p>It is conducted both within the service and through relations within the network.</p> <p>It is set out in an agreement with the beneficiary, preferably in writing and revocable at any time.</p> <p>As a secondary task and on request, the service supervises and peer reviews staff from institutions belonging to the network, where this exists (Article 641(1) of the Decree Part of the Walloon Social Work and Health Code).</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>	<p>Ministerial order (attached in Annex 3 <a href="https://www.dropbox.com/s/1thffmhyusldjf2/Annexe%203.pdf?dl=0">https://www.dropbox.com/s/1thffmhyusldjf2/Annexe%203.pdf?dl=0</a>).</p>	<p>Ministerial order (attached in Annex 4 <a href="https://www.dropbox.com/s/mp97i3uzf5giub5/Annexe%204.pdf?dl=0">https://www.dropbox.com/s/mp97i3uzf5giub5/Annexe%204.pdf?dl=0</a>).</p>
<p>Explanation of the (typical) <b>duration of the entrustment</b> and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.</p>	<p>Approvals are granted for an <u>unlimited duration</u>.</p>	<p>Approval granted for an unlimited duration.</p>

Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	No. The government determines the procedures for suspending and withdrawing approval (Article 615 of the Decree Part of the Code).	No. However, in the event of a negative assessment, the government can suspend or withdraw approval. Suspension of approval results in suspension of the payment of subsidies. The assessment is regarded as negative where the governing body has deliberately not implemented the action plan to which it has committed or where, in applying the action plan, it has not met the standards laid down by or under this chapter (Article 669 of the Decree Part of the Walloon Social Work and Health Code). Approval for some or all of the activities conducted by a service can be suspended or withdrawn at any time if the provisions of this chapter or the provisions adopted under this chapter are not observed (Article 670 of the Decree Part of the Walloon Social Work and Health Code).
Explanation of the (typical) <b>compensation mechanism</b> as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	<u>Subsidy.</u> The subsidy is automatically linked to obtaining approval. It covers expenditure on: - staff costs; - operating costs; - allowance for the administrative management; - flat rate for the liaison function. <u>Legal references:</u> - Articles 1809 to 1820 of the Regulatory Part of the Walloon Social Work and Health Code; - Decree Part of the Walloon Social Work and Health Code, Articles 539 to 617; - Walloon Government Order of 27 May 2010 implementing the Decree of 30 April 2009 on approval with a view to the granting of subsidies and on the granting of subsidies to specialised addiction support and care services and networks, and also on recognition with a view to the granting of subsidies and on the granting of subsidies to their federations.	A <u>subsidy</u> is granted within the limits of the available budget. The subsidy is automatically linked to obtaining approval. It covers expenditure on: - employees; - independent professionals; - operation. The approved service benefits from subsidies granted for the care area in which it mainly works. <u>Legal references:</u> - Articles 1880 to 1885 of the Regulatory Part of the Walloon Social Work and Health Code; - Articles 641 to 674 of the Decree Part of the Code; - Walloon Government Order of 27 May 2010 implementing the Decree of 30 April 2009 on approval with a view to the granting of subsidies and on the granting of subsidies to specialised addiction support and care services and networks, and also on recognition with a view to the granting of subsidies and on the granting of subsidies to their federations.

Explanation of the (typical) <b>arrangements for avoiding and repaying any overcompensation.</b>	<p>Quarterly advances intended to cover staff costs and operating costs. Payment of the balance on submission of the activity reports and supporting documents for the year in question. The approved mental health service that has not provided the government services with accounting information for the previous year by 31 March at the latest will not receive any more advances for the current year until the information has been provided (Article 610(3) of the Decree Part of the Code).</p> <p>An index-linked maximum contribution of EUR 10 (now EUR 10.82) is requested from individuals who have recourse to the mental health services for non-medical services. Services can be provided free of charge depending on the income of the individuals concerned. With regard to medical services (use of a psychiatrist, for example), nothing is stipulated in the regulations.</p>	<p>The subsidies are paid as follows:  1° an advance of 80 % no later than 1 March of the year for which the subsidies are granted;  2° the balance, at the end of the subsidy audit, during the next year.  Examination of the justification for the subsidy does not suspend payment of the next advance, except where the network or service has not submitted the relevant documents according to the procedures or within the time-limits set by the government (Article 664 of the Decree Part of the Code).</p>
<b>Amount of aid granted</b>		
<b>Total amount of aid granted.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities.	<u>Commitment appropriations</u> For 2016: EUR 21 453 000 (private) EUR 11 110 000 (public) For 2017: EUR 21 376 000 (private) EUR 11 379 000 (public)	<u>Commitment appropriations</u> For 2016: EUR 1 326 000 For 2017: EUR 1 294 000
<b>Additional quantitative information</b>	65 mental health approved in the Walloon Region.	
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>	<u><b>Family and older people support services</b></u>	<u><b>Family and couple planning and counselling centres</b></u>



<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.</p>	<p>Social services: care and social inclusion of vulnerable groups =&gt; category 2(e). Services are provided in the home in order to encourage people to stay in and return to their homes and to support and assist the daily life of isolated, older, disabled and sick people, and families in difficulty, in conjunction with the family and local environment. They are particularly intended to encourage the supported individual to remain as independent as possible (Article 220(1) of the Decree Part of the Code).</p>	<p>Social services: care and social inclusion of vulnerable groups =&gt; category 2(e). Family planning centres have the following tasks (Articles 183 à 218/22 of the Walloon Social Work and Health Code and Articles 292 to 319 of the Regulatory Part of the Walloon Social Work and Health Code): 1° information, awareness-raising and education on emotional and sexual life and relationships; 2° promotion of contraception and improvement of its accessibility; 3° prevention of unwanted pregnancies and access to abortion as referred to in Article 350 of the Criminal Code. Access to abortion means that any planning centre can carry out abortions or direct or accompany women wanting an abortion to a planning centre that will carry out the abortion if its staff or doctors do not want to perform the procedure. No request or distress can be left unanswered by a planning centre; 4° prevention of and screening for sexually transmitted diseases; 5° support and assistance for people with their emotional and sexual lives and relationships; 6° prevention of violence between couples and, where applicable, provision of care without prejudice to the responsibilities of bodies working in this area; 7° public information on family law concepts; 8° organisation of events connected with the above tasks; 9° information and awareness-raising of professionals on emotional and sexual life and relationships.</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>	<p>Ministerial order (attached in Annex 5 <a href="https://www.dropbox.com/s/cax1tgixkbi59dx/Annexe%205.pdf?dl=0">https://www.dropbox.com/s/cax1tgixkbi59dx/Annexe%205.pdf?dl=0</a>).</p>	<p>Ministerial order (attached in Annex 6 <a href="https://www.dropbox.com/s/97461kf2zzsxn96/Annexe%206.pdf?dl=0">https://www.dropbox.com/s/97461kf2zzsxn96/Annexe%206.pdf?dl=0</a>).</p>

Explanation of the (typical) <b>duration of the entrustment</b> and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	Unlimited duration.	Unlimited duration.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	No, 'naming' decree. Anyone who uses the terms 'approved family and older people support service', 'support with daily living' or 'family support' without being approved under this Title shall be punished by a fine of EUR 1 000 to EUR 10 000. The same shall apply to anyone claiming family support status or capacity without holding a certificate proving compliance with the conditions laid down by or under this Title. (Article 260 of the Decree Part of the Walloon Social Work and Health Code).	<u>Exclusive right.</u> Anyone who organises or manages a centre or service bearing the name 'family planning and family and couple counselling centre approved and subsidised by the Walloon Region' without being approved shall be punishable by a prison sentence of eight days to one month and a fine of EUR 25 to EUR 75, or one of these penalties only (Article 218/8 of the Walloon Social Work and Health Code).
Explanation of the (typical) <b>compensation mechanism</b> as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	Within the limits of the budget appropriations, the government grants the service <u>subsidies</u> covering all or part of the following: 1° staff costs; 2° operating costs; 3° training and meeting time; 4° transport costs. An order is adopted by the Walloon Government to pay the advance and the government subsequently decides whether or not to apply the entire budget. The subsidy is granted every year. <u>Legal reference:</u> Articles 320 to 364 of the Regulatory Part of the Walloon Social Work and Health Code.	Approval automatically results in <u>subsidies</u> being granted, under certain conditions, for expenditure on: <ul style="list-style-type: none"> <li>• employees;</li> <li>• independent professionals;</li> <li>• operation.</li> </ul> <u>Legal reference:</u> Articles 292 to 319 of the Regulatory Part of the Walloon Social Work and Health Code and articles.

Explanation of the (typical) <b>arrangements for avoiding and repaying any overcompensation.</b>	This is a flat-rate subsidy. Family and older people support services use all the monies granted to them, and there is therefore no repayment.	Subsidies are paid as two advances and the balance: - 1st advance by 1 March; - 2nd advance by 1 September; - balance. Centres electronically submit the activity report to the administration no later than 1 March of the year following the financial year in question. Every year, by 1 March of the year following the financial year in question, the family planning centre provides the government with the summary breakdown of expenditure on its tasks. The contents of this breakdown are determined by the minister. The use of subsidies is monitored and audited in accordance with the Law of 16 May 2003 laying down the general provisions applicable to the budgets, to the audit of subsidies and to the accounts of the Communities and Regions, as well as to the organisation of audits by the Court of Auditors.
<b>Amount of aid granted</b>		
<b>Total amount of aid granted.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities.	For 2016: => Public: EUR 41 778 000; => Private: EUR 138 468 000. For 2017: => Public: EUR 42 855 000; => Private: EUR 143 353 000.	<u>Commitment appropriations</u> For 2016: EUR 13 200 645.57 For 2017: EUR 13 465 929.96
<b>Additional quantitative information</b>	33 private services and 55 public services approved in the Walloon Region. Size of services for all areas combined: between 4.5 full-time equivalents for the smallest service and 1 172 for the largest service.	<u>Number of planning centres in 2016:</u> 71 planning centres and 7 branches.
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>	<u>Social care homes, communal homes and family-type shelters</u>	<u>Social interpreting service</u>

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.	<p>Social services: social inclusion of vulnerable groups =&gt; category 2(e).</p> <p>Tasks: reception and time-limited accommodation of individuals in social difficulty, with appropriate support to help them gain or recover their independence (Articles 67, 68 and 70 of the Decree Part of the Walloon Social Work and Health Code).</p>	<p>Social services: social inclusion of vulnerable groups =&gt; category 2(e).</p> <p>Tasks: At the request of a user service, the social interpreting service enables any foreign persons or persons of foreign descent who cannot speak the French language to be assisted by an interpreter in all their communications with a public or private legal person organising a social service to which they have recourse, particularly as part of the integration pathway. The service is responsible for providing information on social interpreting to the user services (Article 155 of the Walloon Social Work and Health Code).</p> <p>(Regulated subsidy granted under the approval provided for in Article 155/6)</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	<p>Ministerial order granting approval (attached in Annex 7 <a href="https://www.dropbox.com/s/p56o323o9nycnvp/Annexe%207.pdf?dl=0">https://www.dropbox.com/s/p56o323o9nycnvp/Annexe%207.pdf?dl=0</a> and Annex 8 <a href="https://www.dropbox.com/s/va7440gy3ipnn5p/Annexe%208.pdf?dl=0">https://www.dropbox.com/s/va7440gy3ipnn5p/Annexe%208.pdf?dl=0</a>)</p>	<p>Ministerial order granting approval (attached in Annex 9 <a href="https://www.dropbox.com/s/rlxrt2p8pbphii/annexe%209.pdf?dl=0">https://www.dropbox.com/s/rlxrt2p8pbphii/annexe%209.pdf?dl=0</a> and Annex 10 <a href="https://www.dropbox.com/s/tucz0xnagg88nz/annexe%2010.pdf?dl=0">https://www.dropbox.com/s/tucz0xnagg88nz/annexe%2010.pdf?dl=0</a>)</p>
Explanation of the (typical) <b>duration of the entrustment</b> and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	Unlimited duration.	Unlimited duration.

Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	<u>Exclusive right.</u> The following may not be operated without approval or provisional operating authorisation issued by the government: 1° any social care home; 2° any communal home; 3° any family-type shelter with the capacity to accommodate more than three people in social difficulty. Operators of family-type shelters with the capacity to accommodate at least four people in social difficulty may apply for approval or provisional operating authorisation (Article 71 of the Decree Part of the Code).	No, the government determines the procedure for withdrawing approval (Article 155/4 of the Walloon Social Work and Health Code) and other services can offer interpreting without being approved.
Explanation of the (typical) <b>compensation mechanism</b> as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	Subsidies mainly intended to cover staff costs. Operating costs (Article 109 of the Regulatory Part of the Code).	Subsidies covering the association's operating and staff costs.

<p>Explanation of the (typical) <b>arrangements for avoiding and repaying any overcompensation.</b></p>	<p>The subsidy application is made at the same time as the application for approval (Article 113 of the Regulatory Part of the Walloon Social Work and Health Code).</p> <p>Article 12/1 of the Regulatory Part of the Walloon Social Work and Health Code states that annual subsidies granted to social care homes shall be paid by the minister as a maximum of two advances and the balance.</p> <p>The first advance, representing 85 % of the index-linked amount of the last audited subsidy, is paid no later than 1 March of the subsidy year.</p> <p>The second advance, which represents the difference between the first advance and the amount corresponding to 90 % of the index-linked subsidy audited during the subsidy year, can be paid no later than 1 September of the subsidy year.</p> <p>The beneficiary's financial contribution covers the board and lodging.</p> <p>The financial contribution towards the board cannot be less than EUR 6 per person per day and cannot exceed four-tenths of the person's resources.</p> <p>The financial contribution towards the board and lodging cannot be less than EUR 10 per person per day (Articles 125 to 128 of the Regulatory Part of the Code).</p> <p>The balance for the previous year is paid once the supporting documents have been checked (Article 114 of the Regulatory Part of the Code).</p> <p>Recovery mechanism if the expenditure is not justified.</p>	<p>See Article 12/1 of the Regulatory Part of the Walloon Social Work and Health Code.</p> <p>Contribution of beneficiaries:</p> <p>On-site interpreting: EUR 12/hour (any hour started is payable)</p> <p>Telephone interpreting: EUR 6 for the first quarter of an hour and EUR 9 for any additional quarter of an hour started.</p> <p>Written translation: EUR 13/page.</p> <p>Group information session: EUR 18/hour (any hour started is payable).</p>
<p><b>Amount of aid granted</b></p>		

<b>Total amount of aid granted.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities.	EUR 20 710 000 (2011) EUR 23 185 000 (2012) EUR 23 830 000 (2013) EUR 24 022 000 (2014) EUR 24 165 000 (2015) EUR 24 834 000 (2016) EUR 28 050 000 (2017)	EUR 220 000 (2011) EUR 220 000 (2012) EUR 230 809.58 (2013) 2014: EUR 250 000 2015: EUR 300 000 + EUR 250 000 (pathway subsidy) (2015) 2016: EUR 300 000 + EUR 250 000 (regulated subsidies) + EUR 126 672 (optional subsidies) 2017: EUR 306 000 + EUR 255 000 (regulated subsidies) + EUR 221 130 (optional subsidies)
<b>Additional quantitative information</b>	9 717 beneficiaries and 633 699 overnight stays per year. 56 social care homes. 14 communal homes. 1 family-type shelter. 10 night shelters.	1 approved and subsidised interpreting service.
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>	<b>Nurseries</b>	
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.	Social services: childcare => category 2(b)	
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.	The DGO5 (Operational Directorate-General for Local Authorities and Social Work) does not manage the approval of nurseries, but only subsidy applications submitted by an entity managing a nursery (attached in Annex 11 <a href="https://www.dropbox.com/s/9p25lvd1bs562mq/Annexe%2011.pdf?dl=0">https://www.dropbox.com/s/9p25lvd1bs562mq/Annexe%2011.pdf?dl=0</a> )	
Explanation of the (typical) <b>duration of the entrustment</b> and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	Authorisations are granted for an unlimited duration by the ONE (Birth and Childhood Agency) of the FWB (Wallonia-Brussels Federation).	

Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	Operating authorisations are granted by the ONE of the FWB.	
Explanation of the (typical) <b>compensation mechanism</b> as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	<p><u>Investment subsidies.</u></p> <p><u>Legal reference:</u> Order of 8 July 1983 of the Executive of the French Community regulating, for the French Community, the granting of subsidies for the purchase or construction of buildings in order to set up nurseries, and for the extension, conversion, major repair, equipment and initial furnishing of these buildings.</p>	
Explanation of the (typical) <b>arrangements for avoiding and repaying any overcompensation.</b>	<p>For ordinary appropriations, the subsidy is released in line with progress reports.</p> <p>For successful projects in a call for projects, 70 % of the subsidy is released when 30 % of the work has been carried out (based on progress reports). The balance of the subsidy is released when the final statement is submitted.</p>	
<b>Amount of aid granted</b>		



<p><b>Total amount of aid granted.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities.</p>	<p><u>Commitment appropriations</u></p> <p><u>For 2011:</u> =&gt; Private nurseries: EUR 171 050 00; =&gt; Public nurseries: EUR 1 112 650.00.</p> <p><u>For 2012:</u> =&gt; Private nurseries: EUR 166 275.00; =&gt; Public nurseries: EUR 976 475.00.</p> <p><u>For 2013:</u> =&gt; Private nurseries: EUR 409 600.00 (3 beneficiaries); =&gt; Public nurseries: EUR 21 175.00 (2 beneficiaries). No CRAC loans for 2013.</p> <p><u>For 2014:</u> =&gt; Private nurseries: EUR 0 (0 beneficiaries); =&gt; Public nurseries: EUR 128 050.00 (4 beneficiaries). No CRAC loans for 2014.</p> <p><u>For 2015:</u> =&gt; Private nurseries: EUR 467 500.00 (2 beneficiaries); =&gt; Public nurseries: EUR 1 065 750.00 (3 beneficiaries). CRAC loans for 2015: EUR 56 000.00 (115 beneficiaries).</p> <p><u>For 2016:</u> =&gt; Private nurseries: EUR 422 000.00 (3 beneficiaries); =&gt; Public nurseries: EUR 724 875 (4 beneficiaries).</p> <p><u>For 2017:</u> =&gt; Private nurseries: EUR 1 026 800 (1 beneficiary); =&gt; Public nurseries: EUR 0 (0 beneficiaries).</p>	
<p><b>Additional quantitative information</b></p>	<p>////</p>	

## Wallonia – SGEI Report 2018 – Support for the restoration and management of natural environments

<b>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State.</b> Please list the contents of the services entrusted as SGEI as clearly as possible.	<ol style="list-style-type: none"> <li>1. Walloon Rural Development Programme 2014-2020 (PWDR 2014-2020) Measure 7.6 ‘Support for the restoration and management of natural environments’. This measure involves restoring and managing the typical habitats of certain areas situated within the main ecological structure encompassing the Natura 2000 sites.</li> <li>2. Additional non-agricultural subsidies granted for additional conservation island and border areas (going beyond the legal requirements).</li> </ol>
<b>Explanation of the (typical) forms of entrustment.</b> If standardised templates for entrustments are used for a certain sector, please attach them.	<p>‘Birds’ and ‘Habitats’ Directives. Regulation (EU) No 1305/2013 and its implementing regulations. 2008 Forest Code. Orders on Natura 2000 allowances and subsidies. For the measure resulting from the PWDR 2014-2020, all the orders granting subsidies and designating Natura 2000 sites adopted under Measure 7.6.</p>
<b>Average duration of the entrustment</b> (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?	<p>* For Measure 7.6, the duration is six years. The subsidy is paid in one go and covers the restoration costs (subsidy paid on submission of a paid invoice or claim declaration). * The additional non-agricultural subsidy is an annual subsidy.</p>
<b>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</b>	/
<b>Which aid instruments have been used (direct subsidies, guarantees, etc.)?</b>	Subsidies.
<b>Typical compensation mechanism as regards the respective services</b> and whether a methodology based on cost allocation or the net avoided cost methodology is used.	<p>* Net compensation is granted in proportion to the services provided. Direct subsidies are limited to the expenditure submitted and eligible for this subsidy. * A scientific and technical evaluation of the maintenance, restoration or protection of the target environment determines the net cost and the subsidy to be granted in this respect.</p>
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	See Articles 12 and 13 of the Walloon Government Order on ‘allowances’.
<b>Description of the tools used to guarantee transparency.</b>	<p>Calls for projects. A call for projects is conducted every three months in order to select projects meeting the criteria defined in the PWDR. Information on the calls for projects is available in particular from the various portals of the Walloon Region.</p>

**Amount of aid granted (in thousands EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities.**

	<b>2016</b>	<b>2017</b>
<b>Total amount of aid granted (in thousands EUR) paid by national central authorities.</b>	/	/
<b>Total amount of aid granted (in thousands EUR) paid by regional central authorities.</b>	€177 531.42	€523 376.04
<b>Total amount of aid granted (in thousands EUR) paid by local central authorities.</b>	/	/
<b>Share of expenditure per aid instrument (direct subsidy, guarantees, etc.) (if available).</b>	/	/

# Wallonia – SGEI Report 2018 – CITW+

<b>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State.</b> Please list the contents of the services entrusted as SGEI as clearly as possible.	The Centre d'Ingénierie Touristique de Wallonie (CITW+) (Wallonia Tourism Engineering Centre) is responsible for tourism engineering, which involves providing technical assistance and advice aimed at showcasing a heritage, area, town, place or tourist facility in order to increase its attractiveness and competitiveness to the benefit of regional development.
<b>Explanation of the (typical) forms of entrustment.</b> If standardised templates for entrustments are used for a certain sector, please attach them.	Individual subsidy instruments. The terms for granting and maintaining aid are set out in the following provisions: * Walloon Government Order granting a subsidy to the EIG CITW+ for the implementation of the 'CITW+ – Cross-cutting tourism engineering – Wallonia' project in the 'Wallonia tourism engineering' portfolio of the 2014-2020 ERDF Operational Programme for Wallonia. * Subsidy to the CITW+ for tourism engineering work in addition to that carried out under the 2014-2020 Structural and Investment Funds.
<b>Average duration of the entrustment</b> (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?	Six years.
<b>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</b>	/
<b>Which aid instruments have been used (direct subsidies, guarantees, etc.)</b>	Direct subsidies.
<b>Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</b>	The public support rate (European and regional) is set at 90 %.
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	Article 13 of the Walloon Government Order granting a subsidy to the EIG CITW+ for the implementation of the 'CITW+ – Cross-cutting tourism engineering – Wallonia' project in the 'Wallonia tourism engineering' portfolio of the 2014-2020 ERDF Operational Programme for Wallonia.
<b>Description of the tools used to guarantee transparency.</b>	Publicity regarding the services is guaranteed via various information channels.

**Amount of aid granted (in thousands EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities.**

	<b>2016</b>	<b>2017</b>
<b>Total amount of aid granted (in thousands EUR) paid by national central authorities.</b>	/	/
<b>Total amount of aid granted (in thousands EUR) paid by regional central authorities.</b>	€75 000	€243 490
<b>Total amount of aid granted (in thousands EUR) paid by local central authorities.</b>	/	/
<b>Share of expenditure per aid instrument (direct subsidy, guarantees, etc.) (if available).</b>	/	/
<b>Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)</b>	/	/

**Services of General Economic Interest: guidance for report to be submitted following the 2012 SGEI Decision and the 2012 SGEI framework in the context of the Walloon Government Order of 3 April 2014 on the approval of, and the granting of subsidies to, non-profit associations and social enterprises active in the re-use and preparation for re-use sector**

## **1. Expenditure overview**

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
Compensation for Services of General Economic Interest (1+2)	€0.212760 m	€0.268002 m
(1) Compensation granted on the basis of the SGEI Decision		
(2) Compensation granted on the basis of the SGEI Framework		

## **2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION**

The Walloon Government Order of 3 April 2014 on the approval of, and the granting of subsidies to, non-profit associations and social enterprises active in the re-use and preparation for re-use sector comes under the following category:

- social services [Article 2(1)(c)]: access to and reintegration into the labour market.

Clear and comprehensive description of how the respective services are organised in your Member State <sup>1</sup>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<p>The aid granted consists of an annual subsidy intended to compensate for the public service obligations inherent in the re-use and preparation for re-use activity.</p> <p>The annual subsidy is linked to the number of tonnes re-used each year in the Walloon Region by type of waste, product or product component, for which the re-use enterprise is approved, and to the human resources exclusively assigned to the re-use activities.</p> <p>The annual subsidy granted by the Minister for Economic Affairs aims to compensate for the loss of productivity caused by employing staff from among the target public. These are workers who do not have a certificate of advanced secondary education or similar and who are employed by the re-use enterprise.</p>

<sup>1</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<p>The SGEI entrustment is linked to the approval that the re-use enterprise must obtain. The SGEI entrustment involves the following public service obligations:</p> <ul style="list-style-type: none"> <li>- define and implement a project aimed at meeting social and societal needs that are insufficiently satisfied;</li> <li>- ensure the development of the re-use enterprise in terms of its specific activities and aims connected with the social economy sector by having recourse to low skilled workers and encouraging staff to become involved in the management of the re-use enterprise;</li> <li>- ensure the environmental benefit of re-using waste, products or product components;</li> <li>- ensure the development of re-use and preparation for re-use;</li> <li>- ensure compliance with the obligations resulting from the conditions to be met in order to be approved as a re-use enterprise.</li> </ul>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
<p>The SGEI entrustment is linked to the approval that the re-use enterprise must obtain. This is granted by the Minister for Economic Affairs and the Minister for the Environment for a duration of two years in the case of the first application. This duration is increased to five years if the re-use enterprise was approved as a recycling centre under the previous regulations. This approval can be renewed for a period of five years.</p> <p>The Walloon Government Order of 3 April 2014 on the approval of, and the granting of subsidies to, non-profit associations and social enterprises active in the re-use and preparation for re-use sector entered into force on 1 January 2015. Since then, no entrustment has been longer than 10 years.</p>
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.
None.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
The aid granted consists of an annual subsidy intended to compensate for the public service obligations inherent in the re-use and preparation for re-use activity.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The annual subsidy is calculated based on two variables:</p> <ul style="list-style-type: none"> <li>- The first variable calculates the amount of subsidy allocated based on the number of tonnes re-used each year in the Walloon Region by type of waste, product or product component.</li> <li>- The second variable aims to compensate for the loss of productivity caused by employing workers who do not have a certificate of advanced secondary education. The subsidy is therefore calculated based on the wage bill for the target workers.</li> </ul>
Typical arrangements for avoiding and repaying any overcompensation.
Every year, no earlier than the anniversary of the approval decision being notified, the approved recycling centre sends the administration the supporting documents needed to

justify the annual subsidy granted.

The enterprise's annual wage bill to be calculated for the annual subsidy concerns those human resources exclusively assigned to the re-use activities and must serve to compensate for the enterprise's loss of productivity.

As a result, only those workers who do not have a certificate of advanced secondary education (or similar) are included in the calculation of this wage bill. Any exemptions, reductions in contributions or aid granted by any other type of public authority must be deducted from this wage bill.

The following formula must be used to define the annual subsidy amount:

$$(\text{wage bill} / 30\,000) * E$$

Where E represents the amount of the coefficient compensating for the loss of productivity. This is currently set at EUR 2 000.00.

Once the amount of the basic annual subsidy to be allocated by the DES (Directorate for the Social Economy) (part of the DGO6 (Operational Directorate-General for the Economy, Employment and Research)) has been defined, the administration calculates:

the amount of the annual subsidy balance (basic foundation) to be paid, i.e. 25 % of the amount;

the provisional amount corresponding to 75 % of the amount for year N that has been calculated, so that the advance to be paid for year N+1 can be defined.

With regard to the annual subsidy balance, if the supporting documents do not justify payment of 100 % of the annual subsidy provisionally defined, the balance is reduced pro rata.

If the amount to be paid is negative, the subsidy amount unduly paid (i.e. too much advance in the previous year) can be recovered from the amount of the advance defined for the following year. If this is not possible, it is then recovered by other legal means.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

The total amount of aid granted to all the structures entrusted under the Walloon Government Order of 3 April 2014 on the approval of, and the granting of subsidies to, non-profit associations and social enterprises active in the re-use and preparation for re-use sector has never exceeded EUR 0.25 million per year.



Amount of aid granted	
<b>Total amount of aid granted (in millions EUR). This includes all aid</b> granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2016</b>	<b>2017</b>
[illegible]	[illegible]
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities.</b>	
<b>2016</b>	<b>2017</b>
[illegible]	[illegible]
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b>	
<b>2016</b>	<b>2017</b>
€0.212760 m	€0.268002 m
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities.</b>	
<b>2016</b>	<b>2017</b>
[illegible]	[illegible]
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees, etc.) (if available).	
<b>2016</b>	<b>2017</b>
[illegible]	[illegible]

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>
In 2016, 11 structures were entrusted with SGEI.	In 2017, 16 structures were entrusted with SGEI.

### **3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK**

The total amount of aid granted to all the structures entrusted under the Walloon Government Order of 3 April 2014 on the approval of, and the granting of subsidies to, non-profit associations and social enterprises active in the re-use and preparation for re-use sector is EUR 0.25 million per year.

As a result, the table requested in this template has not been completed.

# **Service of General Economic Interest**

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## **Report 2018**

Contributions of the authorities and public interest bodies of  
the Brussels Capital Region

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<b>1. Bruxelles Economie Emploi - ‘Social economy’ section</b>
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# 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

## SPRB (Brussels Regional Public Service) – BEE (Brussels Economy and Employment) – Aid for social economy organisations (years 2016 and 2017)

- 1) Hospitals: not applicable
- 2) Social services: not applicable
- 3) Air links: not applicable
- 4) Airports and ports: not applicable
- 5) Other SGEI compensation not exceeding EUR 15 million:
  - Support social economy enterprises with their establishment, particularly within and beyond the area of socio-professional integration, by encouraging the development of activities that meet a whole series of socio-economic needs of Brussels residents and also job-creating economic opportunities.
  - Support social entrepreneurship through improved access to financing.
  - Support and assist social enterprises.
  - Advise, assist, coach and train job-seekers registered with Actiris (Brussels Employment Office), unemployed people receiving benefits and CPAS (Public Social Assistance Centre) beneficiaries in their activities to create an enterprise.
- 6) SGEI compensation under the Framework: not applicable

Clear and comprehensive description of how the respective services are organised in the Brussels Capital Region (Aid to Undertakings)	
Explanation of what kind of services in the respective sector have been defined as SGEI in the Brussels Capital Region. Please list the contents of the services entrusted as SGEI as clearly as possible.	<p>Support social economy enterprises with their establishment, particularly within and beyond the area of socio-professional integration, by encouraging the development of activities that meet a whole series of socio-economic needs of Brussels residents and also job-creating economic opportunities.</p> <ul style="list-style-type: none"> <li>- Support innovative projects allowing social enterprises to access innovative markets and/or testing innovative economic models.</li> <li>- Encourage the strengthening of existing social enterprises, particularly by exploiting synergies or pooling resources, and the development of new activities to exploit economies of scale.</li> <li>- Build bridges between the social economy and the collaborative economy.</li> </ul> <p>Support social entrepreneurship through improved access to financing: financing of social enterprises by granting loans and through equity participation.</p> <p>Support and assist social enterprises: social economy advisory agencies.</p> <p>Advise, assist, coach and train job-seekers registered with Actiris (Brussels Employment Office), unemployed people receiving benefits and CPAS (Public Social Assistance Centre) beneficiaries in their activities to create an enterprise: activity cooperatives.</p>
Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used for a certain sector, please attach them.	<ul style="list-style-type: none"> <li>○ Subsidy order (<i>arrêté</i>) with an agreement for enterprises.</li> </ul>

Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	<ul style="list-style-type: none"> <li>○ Subsidy order and agreement: one year.</li> </ul>
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	No exclusive or special right is assigned under the subsidy orders for enterprises.
Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	The subsidy order, with or without an agreement, contains a detailed description of the subsidised action (generally operating costs), a provisional expenditure budget, an implementation deadline, a time-limit for the submission of supporting documents for the expenditure made, an activity report, and an income and expenditure statement.
Explanation of the typical arrangements for avoiding and repaying any overcompensation.	<p>Subsidies are governed by the Framework Order (<i>ordonnance</i>) of 23 February 2006 laying down the provisions applicable to the budget, accounting and auditing.</p> <p>The subsidy is paid in two or more instalments. To avoid overcompensation, the final instalment is paid on the basis of the supporting documents submitted for all the expenditure made.</p> <p>If any part of the expenditure is not eligible (expenditure not consistent with the purpose of the subsidy or that cannot be covered by the subsidy due to its nature), the subsidy amount will be reviewed as a result.</p> <p>Moreover, as the subsidy cannot constitute a source of enrichment for the beneficiary, the subsidy amount is capped at the amount ensuring a financial balance between the revenue and expenditure of the enterprise or action subsidised.</p> <p>Finally, if overcompensation could not be avoided, the economic inspectorate will record the infringement and inform the authorising officer, who will recognise the right of recovery and duly inform the subsidy beneficiary.</p>
<b>Total amount of aid granted</b>	
Total amount of aid granted. This includes all aid paid by the Social Economy Unit of the Directorate for Employment Policy in the territory of the Brussels Capital Region under the SGEI Decision.	<p>2016: EUR 2 042 755</p> <p>2017: EUR 2 492 289.07</p>
Other quantitative information (number of beneficiaries per sector, average aid amount, amount per aid instrument)	<p>2016: 13 beneficiaries with an average aid amount of EUR 2 042 755</p> <p>2017: 21 beneficiaries with an average aid amount of EUR 2 492 289.07</p>

## **2. DIFFICULTIES ENCOUNTERED IN THE APPLICATION OF THE SGEI DECISION**

None.

## **3. COMPLAINTS BY THIRD PARTIES**

None.

## **4. MISCELLANEOUS QUESTIONS**

None.

<b>2. Bruxelles Economie Emploi - 'Economy' section</b>
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## **5. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED**

### **SPRB (Brussels Regional Public Service) – BEE (Brussels Economy and Employment) – Aid to Undertakings (years 2016 and 2017)**

- 7) Hospitals: not applicable
- 8) Social services: not applicable
- 9) Air links: not applicable
- 10) Airports and ports: not applicable
- 11) Other SGEI compensation not exceeding EUR 15 million:
  - a. Fostering of entrepreneurship
  - b. Encouragement of SME support programmes
  - c. Aid for the creation and operation of micro-enterprise support structures
  - d. Support for commercial activities
  - e. Support for tourism activities

12) SGEI compensation under the Framework: not applicable

<b>Clear and comprehensive description of how the respective services are organised in the Brussels Capital Region (Aid to Undertakings)</b>

Explanation of what kind of services in the respective sector have been defined as SGEI in the Brussels Capital Region. Please list the contents of the services entrusted as SGEI as clearly as possible.	<ul style="list-style-type: none"> <li>○ Fostering of entrepreneurship: <ul style="list-style-type: none"> <li>▪ promotion and encouragement of entrepreneurship;</li> <li>▪ continuing management training for executives, managers and young graduates through post-university programmes;</li> <li>▪ granting of guarantees to credit institutions so that SMEs and self-employed persons can more easily access professional loans;</li> <li>▪ support for entrepreneurial innovation.</li> </ul> </li> <li>○ Encouragement of SME support programmes: <ul style="list-style-type: none"> <li>▪ general support in the areas of business management, technological validation and search for capital or financial partners;</li> <li>▪ specialised support for entrepreneurial projects in areas regarded as threats or opportunities for Brussels entrepreneurs;</li> <li>▪ provision of legal, tax and accounting advice;</li> <li>▪ administrative facilitation;</li> <li>▪ internationalisation of businesses;</li> <li>▪ digitalisation;</li> <li>▪ support for the transition to the circular economy.</li> </ul> </li> <li>○ Aid for the creation and operation of micro-enterprise support structures, such as: <ul style="list-style-type: none"> <li>▪ business centres that provide young businesses with an accommodation package including numerous shared facilities and support from management experts;</li> <li>▪ local economy offices that support future entrepreneurs and that work closely with business centres and local actors involved in promoting employment;</li> <li>▪ incubators that are associated with a university or college and that accommodate university spin-offs or other innovative start-ups involved in scientific research, by offering them shared facilities and support.</li> </ul> </li> <li>○ Support for tourism activities: <ul style="list-style-type: none"> <li>▪ promotion of Brussels as a business and conference tourism destination.</li> </ul> </li> <li>○ Support for commercial activities: foster commercial development, reinforce the identity of shopping districts by improving their environment, and implement an urban marketing strategy.</li> </ul>
Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used for a certain sector, please attach them.	<ul style="list-style-type: none"> <li>○ Subsidy order with or without an agreement for enterprises carrying out SGEI. It should be noted that these enterprises are selected based on a range of themed calls for projects (guarantee of quality).</li> <li>○ Management contract for regional public interest organisations.</li> </ul>
Explanation of the (typical) duration of the entrustment and the range of durations of the entrustments. Please also specify the proportion of entrustments that are longer than 10 years.	<ul style="list-style-type: none"> <li>○ Subsidy order: one year.</li> <li>○ Management contract: five years.</li> </ul>
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	<p>No exclusive or special right is assigned under the subsidy order for enterprises.</p> <p>With regard to the regional public interest organisations, some have been created through an order setting out their rights and obligations. These organisations benefit from exclusive rights within the meaning of Directive 2006/111/EC of 18 November 2006.</p>

Explanation of the (typical) compensation mechanism as regards the respective services, including the aid instrument (direct subsidy, guarantee, etc.) used and whether a methodology based on cost allocation or the net avoided cost methodology is used.	<ul style="list-style-type: none"> <li>○ Subsidy order: <ul style="list-style-type: none"> <li>▪ The subsidy order, with or without an agreement, contains a detailed description of the subsidised action (generally operating costs), a provisional expenditure budget, an implementation deadline, a time-limit for the submission of supporting documents for the expenditure made, an activity report, and an income and expenditure statement.</li> </ul> </li> <li>○ Management contract (subsidy): <ul style="list-style-type: none"> <li>▪ This expressly states, in detail, that the activities undertaken by the regional public interest organisation are subject to and must comply with the Community rules on SGEI. It also indicates the compensation calculation method, as set out in the Decision.</li> </ul> </li> </ul>
Explanation of the typical arrangements for avoiding and repaying any overcompensation.	<ul style="list-style-type: none"> <li>○ Subsidy order: <ul style="list-style-type: none"> <li>▪ Subsidies are governed by the Framework Order of 23 February 2006 laying down the provisions applicable to the budget, accounting and auditing.</li> </ul> <p>The subsidy is paid in two or more instalments. To avoid overcompensation, the final instalment is paid on the basis of the supporting documents submitted for all the expenditure made.</p> <p>If any part of the expenditure is not eligible (expenditure not consistent with the purpose of the subsidy or that cannot be covered by the subsidy due to its nature), the subsidy amount will be reviewed as a result.</p> <p>Moreover, as the subsidy cannot constitute a source of enrichment for the beneficiary, the subsidy amount is capped at the amount ensuring a financial balance between the revenue and expenditure of the enterprise or action subsidised.</p> <p>Finally, if overcompensation could not be avoided, the economic inspectorate will record the infringement and inform the authorising officer, who will recognise the right of recovery and duly inform the subsidy beneficiary.</p> </li> <li>○ Management contract: <ul style="list-style-type: none"> <li>▪ This sets out evaluation methods (external evaluation, evaluation of annual actions as part of organic tasks and delegated tasks) and audit methods (report to the government containing in particular a cash flow, an annual report on performance of the contract, a provisional budget and the annual operating accounts).</li> <li>▪ The contract also includes a chapter on breach of contract.</li> </ul> </li> </ul>
<b>Total amount of aid granted</b>	
Total amount of aid granted. This includes all aid paid by the Directorate for Aid to Undertakings in the territory of the Brussels Capital Region under the SGEI Decision.	2016: EUR 31 314 468 2017: EUR 37 016 112
Other quantitative information (number of beneficiaries per sector, average aid amount, amount per aid instrument)	2016: 27 beneficiaries with an average aid amount of EUR 1 159 795 2017: 50 beneficiaries with an average aid amount of EUR 740 322

**6. DIFFICULTIES ENCOUNTERED IN THE APPLICATION OF THE SGEI  
DECISION**

**7. COMPLAINTS BY THIRD PARTIES**

**8. MISCELLANEOUS QUESTIONS**

### 3. ERDF

## 1. EXPENDITURE OVERVIEW

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
Compensation for Services of General Economic Interest (1+2)		
(1) Compensation granted on the basis of the SGEI Decision	€9 477 450.48	€1 348 475.14
(2) Compensation granted on the basis of the SGEI Framework		

## 2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

Clear and comprehensive description of how the respective services are organised in your Member State
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>Article 2(1)(a) - viii</b></p> <ul style="list-style-type: none"> <li>a. Management of a garden for vocational training purposes and for teaching purposes as a demonstration area for the general public.</li> <li>b. Sustainable renovation of the 25 m swimming pool and teaching pool. The university population (students and staff), schools and clubs in the district, as well as local residents can use the pool for a reasonable price. The teaching pool will be used to teach a range of target groups to swim (including schoolchildren, children from the district and vulnerable groups). This entrustment runs until the end of 2020 and can be renewed for a period of 10 years.</li> <li>c. Creation of front-line social centres promoting general health (physical and mental).</li> <li>d. Support for the creation and development of social, cooperative and collaborative enterprises.</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Subsidy order with subsidy agreement for each project selected.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Subsidy order 2014-2020.
Explanation whether ( <b>typically</b> ) <b>exclusive or special rights</b> are assigned to the undertakings.
No exclusive or special right is assigned under the subsidy orders for enterprises.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Direct subsidy.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<p>The compensation for carrying out these services is set at the eligible expenditure defined in Article 4 of the agreement and cannot exceed the costs incurred in fulfilling the public service obligations. The compensation for the service is checked during the checks described in Article 6 of the agreement.</p> <p>The agreement contains a detailed description of the subsidised action, a provisional expenditure budget, an implementation deadline, a time-limit for the submission of supporting documents for the expenditure made, an activity report, an income and expenditure statement, and the required checks of the payment of costs. The subsidy is paid in several instalments. Once the agreement has been signed, the beneficiary receives an advance (15 % of the projected amount). Subsequent instalments are paid, up to 80 % of the total projected amount, once the supporting documents have been analysed. Once this threshold has been reached, the amount corresponding to the 15 % advance must be justified.</p> <p>The final instalment, i.e. 5 % of the total amount of the subsidy, is paid on the basis of the supporting documents submitted for all the expenditure made.</p> <p>In addition, on-the-spot checks are required. These particularly concern the reality of the expenditure, accounting system, public procurement documents, compliance with the SGEI rules, archiving of documents, and publicity and information obligations.</p>
Typical arrangements for avoiding and repaying any overcompensation.
<p>Subsidy agreement:</p> <p>If any part of the expenditure is not eligible (expenditure not consistent with the purpose of the subsidy or that cannot be covered by the subsidy due to its nature), the subsidy amount will be reviewed as a result. Moreover, as the subsidy cannot constitute a source of enrichment for the beneficiary, the subsidy amount is capped at the amount ensuring a financial balance between the revenue and expenditure of the enterprise or action subsidised.</p>

#### **4. Bruxelles-Environnement**



## 1. EXPENDITURE OVERVIEW (MILLIONS EUR - COMMITMENT)

	2016	2017
SGEI Decision	8.91	12.53
SGEI Framework	0.00	0.00
<b>Total</b>	<b>8.91</b>	<b>12.53</b>

## 2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

<b>Type of service</b>	
	1) Hospitals: not applicable 2) Social services: not applicable 3) Air/maritime links: not applicable 4) Airports and ports: not applicable 5) <b>Other compensation:</b> <ul style="list-style-type: none"> <li>o advisory/training/education activities involving undertakings, individuals, teachers and students in the area of energy/climate;</li> <li>o financing of the Brussels green loan;</li> <li>o Solarclick (installation of solar panels on public buildings);</li> <li>o environmental education activities;</li> <li>o waste collection in the context of the social economy.</li> </ul>
<b>Forms of entrustment</b>	
	Subsidy order, supplemented by an annexed agreement/management contract for subsidies over EUR 15 000. Please find attached a standardised template of the order and agreement. A template of the management contract is also attached.
<b>Duration of the entrustment</b>	
	One year, although this may be renewed four times under a management contract, i.e. between one year and a maximum of five years. As a result, no entrustment has a duration exceeding 10 years.
<b>Exclusive or special rights</b>	
	-
<b>Aid instruments</b>	
	Direct subsidies.
<b>Compensation mechanism</b>	
	The annex (agreement/management contract) contains a detailed description of the subsidised action (generally operating costs), the duration of this action, a provisional expenditure budget, the list of documents needed to justify the expenditure, and a time-limit for the submission of these documents and also for the submission of an activity report and an inventory of expenditure.
<b>Repayment arrangements</b>	
	Subsidies are governed by the Framework Order of 23 February 2006 laying down the provisions applicable to the budget, accounting and auditing. Subsidies are paid in several instalments. To avoid overcompensation, the final instalment is paid on the basis of the supporting documents submitted for all the expenditure. If, under the order/agreement/management contract, expenditure is regarded as not eligible, the subsidy amount is subsequently reviewed. Moreover, under the principle of non-enrichment, the subsidy amount is capped at the amount ensuring a financial balance between the revenue and expenditure of the subsidised action. Finally, if overcompensation could not be avoided, a repayment request is sent to the beneficiary of the subsidy.

**Total amount of aid granted (in millions EUR)**

	2016	2017
ENERGY/CLIMATE advice/training/education	4 520 373.00	10 224 075.50
Financing of the Brussels green loan	296 326.00	233 600.00
Installation of photovoltaic panels	238 705.00	1 588 471.00
ENVIRONMENT education*	3 314 405.00	-
Social economy (waste collection)*	207 187.23	172 701.78
<b>OVERALL TOTAL</b>	<b>8 910 996.23</b>	<b>12 532 848.28</b>

\* Beneficiaries must be approved

**Additional quantitative information:**

2016: 15 beneficiaries with an average aid amount of EUR 594 066

2017: 13 beneficiaries with an average aid amount of EUR 964 065

<b>5. Commission Communautaire Commune</b>
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## DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

### 1) Hospitals (Art. 2(1)(b))

<b>A. Clear and comprehensive description of how the respective services are organized in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<p>The Joint Commission for the Communities (<i>Gemeenschappelijke Gemeenschapscommissie/Commission communautaire commune</i>) ('the Joint Commission') regulates and manages community competences in the Brussels Region that are common to both communities (French-speaking and Dutch-speaking).</p> <p>In the Brussels Capital Region institutions authorised for 'person-related matters' (health and social welfare) choose which community they belong to, or may opt out of making that choice. If they choose not to identify with either community, these institutions fall under the Joint Commission and are called 'bi-community institutions' or 'bi-person-related institutions.'</p> <p>The Joint Commission entrusts an SGEI task to hospitals and psychiatric care homes. A hospital is an institution as referred to in Articles 2 to 4 of the Consolidated Act of 10 July 2008 on hospitals and other care institutions ('the Hospitals Act'). A psychiatric care home is a halfway house for psychiatric patients within the meaning of Article 6 of the Hospitals Act.</p>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
An SGEI task is entrusted to hospitals and psychiatric care homes by accreditation.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
<p>A procedure is carried out to determine whether the standards have been met and whether the institution is integrated in the programming, at the end of which the institution receives:</p> <ul style="list-style-type: none"> <li>• a 'provisional accreditation' for a limited period of six months, which can be extended; or</li> <li>• an 'accreditation' for a maximum of six years, which can be extended; or</li> <li>• a 'refusal of accreditation'.</li> </ul> <p>If it is established during the period of provisional accreditation or accreditation that the standards are no longer being met, then a procedure to 'withdraw accreditation' can be launched.</p>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<p>The Joint Commission grants subsidies, enacted by law, for the operating costs of hospitals' accredited coordination structures.</p> <p>The Joint Commission can provide financial compensation to cover the costs of new building projects, extensions and reconditioning work, equipment and appliances of hospitals or psychiatric care homes. It can also issue a guarantee for the balance of the eligible amount that is not covered by its financial compensation. The combination of the Joint Commission's financial compensation for investment costs and the guarantee may not lead to interventions that exceed the maximum cost price.</p>
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based

on cost allocation or the net avoided cost methodology is used.	
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
<p>The subsidies for the operating costs of hospitals' accredited coordination structures consist of annual flat-rate financial contributions according to the number of accredited beds. Subsidy awards can be checked by inspecting records and documents on site. In addition, the coordination structures have to submit supporting documents quarterly as evidence of the general operating costs and staff salary costs. They also have to produce an annual financial and activity report on their operations and a financial and activity summary of their members. Subsidies can be immediately recovered or suspended if the conditions are not met.</p> <p>As regards the financial compensation for investment costs, the competent departments of the Joint Commission carry out on-site checks or checks based on supporting documents to ensure correct compliance with the physical, engineering and qualitative standards, as well as the utilisation of the buildings.</p> <p>The purpose and utilisation of the property that has received compensation may not change during a period that is at least equal to the duration of the financial write-off of the investment, unless the property or the proceeds from the sale corresponding to the balance that still remains to be written off continues/continue to be utilised for providing hospital services or for activities in the public interest, subject to express prior consent. In the case of infringements, the allocated compensation will be recovered proportionally.</p> <p>The allocated compensation will also be recovered if the project is not carried out or not put into operation within a reasonable implementation period.</p> <p>A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<b>B. Amount of aid granted</b>	
- Subsidies to hospitals' accredited coordination structures	
<b>2016</b>	<b>2017</b>
€1 030 791.66	€1 030 791.66
- Investment subsidies to hospitals/psychiatric care homes	
<b>2016</b>	<b>2017</b>
€35 585 948.80	€37 536 081.35
- Guarantees provided to hospitals/psychiatric care homes	
<b>2016</b>	<b>2017</b>
€82 742 932.56	Not awarded

<b>6. Société du Logement de la Région de Bruxelles-Capitale</b>
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## DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.</p>	<p>Under the Belgian institutional framework, housing is a regional matter.</p> <p>Each of the three Belgian Regions has adopted its own Housing Code, which sets out all the legal provisions defined by the regional authorities and applicable to housing.</p> <p>The Brussels Housing Code (<i>Code bruxellois du Logement</i>) was adopted through the Orders of 17 July 2003 and 1 April 2004 and was last amended by an Order of 8 May 2014<sup>1</sup>. It particularly defines the role of operators of the Brussels social housing policy, which are respectively the regional supervisory association, the <b>Société du Logement de la Région de Bruxelles-Capitale (SLRB)</b> (Brussels Capital Region Housing Association), and the <b>public service property associations (<i>sociétés immobilières de service public</i> – SISPs)</b><sup>2</sup>, which manage the assets of the Brussels social housing sector. As at 31 December 2016, there was a stock of 39 763 housing units.</p> <p>Since the creation of the Brussels Capital Region, the property activity of the Brussels social housing sector has been focused on the provision of rental properties to clearly targeted households. It is mainly <b>income conditions</b> that determine whether households are eligible to rent social housing<sup>3</sup>. These conditions are <b>adapted to the family situation</b> of households. Since 31 December 2013, the rental agreement in the social housing sector has been in principle a <b>fixed-term rental agreement for nine years</b> (renewable for three-year periods) and the rent is calculated according to the ability of eligible households to pay. It should be noted that certain tenants still benefit from an open-ended rental agreement. These three elements form the essential differences between the social housing sector and the private rental market as regards renter households and rental management principles in the sector.</p> <p><b>The SLRB</b></p> <p>The SLRB is a legal person governed by public law taking the form of a limited liability company. Its capital is subscribed by the Brussels Capital Region and by the company ‘Bruxelles Infrastructures Finances’<sup>4</sup>.</p> <p>Its tasks are defined in the <b>Brussels Housing Code</b> and carried out in accordance with the priorities and guidelines defined in that Code and in the management contract concluded between itself and the Brussels Government.</p> <p><b>The SLRB approves and monitors the public service property associations (SISPs)</b> that operate in the Brussels Region. It also advises them and provides them with various services.</p> <p>In formal terms, it is Article 41 of the Brussels Housing Code that defines</p>
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<sup>1</sup> Respectively published in the Belgian Gazette on 9 September 2003, 29 April 2004 and 18 July 2014.

<sup>2</sup> The sector has been through a period of large-scale change. The merger process that officially began on 9 September 2013 came to a conclusion on 1 January 2018 and reduced the number of SISPs from 32 to 16.

<sup>3</sup> Since 31 December 2015, the income ceiling for eligibility has been EUR 22 196.11 for a single person, EUR 24 662.36 for a household with more than one person but only one income, and EUR 28 185.59 for a household with at least two incomes. These amounts are increased by EUR 2 113.91 per dependent child and by EUR 4 227.83 per disabled adult who is a member of the household.

<sup>4</sup> See the Order of 8 March 2008 of the Government of the Brussels Capital Region adopting the amendment to the articles of association of the Société du Logement de la Région de Bruxelles-Capitale (Belgian Gazette of 28 March 2008).

	<p>the current <b>object</b> of the SLRB.</p> <p>This constitutes the general legal framework for its actions in the Brussels social housing sector.</p> <p>In the context of its supervisory role, the SLRB has the following tasks<sup>5</sup>:</p> <p><i>‘1° promote social housing in each of the 19 municipalities of the Brussels Capital Region and assist the SISP;</i></p> <p><i>2° approve, under the conditions laid down in Article 54, advise and monitor the SISP;</i></p> <p><i>3° establish, with regard to the SISP, the technical guidelines for organising its monitoring tasks;</i></p> <p><i>4° monitor and administratively supervise the activities and management of the SISP and, more specifically, ensure compliance with the laws and regulations applicable to them and conformity of the activities undertaken by the SISP, monitor the validity of the composition and operation of the SISP bodies, monitor compliance by the SISP with the administrative, accounting, financial and social management rules governing their operation and activities (to this end, the SISP shall inform the SLRB of the allowances granted to their directors and officers), ensure compliance by the SISP with the provisions governing investment programmes laid down by this Code or any other regulation, and ensure the effective allocation of housing to persons with the priorities laid down by this Code or any other regulation.</i></p> <p><i>Without prejudice to the penalties laid down by Articles 78 and 80 of this Code and in the event of non-compliance by an SISP with its obligations under this Code, the SLRB may, after two consecutive warnings sent by registered letter with a form for acknowledgement of receipt and after having heard the SISP, replace the latter;</i></p> <p><i>5° within the limits of the budget appropriations, provide the SISP with the financial resources needed to achieve their object, and in particular grant a solidarity allowance to those SISP suffering a loss due to a lack of or limited income from tenants. This regional solidarity allowance shall cover 75 % of any social deficit incurred by each SISP in the previous year. In terms of property investments, the granting of financial resources shall be subject to the condition that a proportion of the housing, determined by the Government based on regional demographic data, without being less than 15 %, is adapted for families with at least five members and by giving preference, among such families, to those with at least three children. The SLRB shall also ensure that a proportion of the housing is adapted for disabled people. The SLRB shall also ensure that architectural or planning criteria appropriate for guaranteeing a harmonious life in the housing, communal areas and surroundings are applied in order to improve the well-being of tenants, in particular by integrating cultural-type architectural innovations. Through these budget resources, the SLRB shall encourage sustainable development and construction of sustainable housing;</i></p> <p><i>6° in the event of construction and whenever this is possible, require a significant proportion, which may not be less than 30 %, of housing with three bedrooms or more, distributed within a new housing complex;</i></p> <p><i>7° at the government’s request or on its own initiative, make proposals regarding the accounting and financial management of the SISP;</i></p> <p><i>8° at the government’s request or on its own initiative, give opinions on</i></p>
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<sup>5</sup> The articles referenced in the various subparagraphs setting out the object of the SLRB are from the Brussels Housing Code.



	<p><i>the operation of the SISP;</i></p> <p>9° <i>annually produce a report on the operation and activities of the SISP in the Region. This report shall be submitted to the Parliament of the Brussels Capital Region;</i></p> <p>10° <i>examine any complaint about the operation and activities of the SISP, in accordance with Article 76;</i></p> <p>11° <i>promote the organisation of social relations between tenants and the SISP, within each SISP. To this end, it shall in particular promote the organisation of a social service providing assistance, encouragement and advice to tenants. In this context, it shall lay down general rules on informing tenants and also rules likely to foster the personal and collective responsibility of tenants and, in particular, on participation, social support, appropriate use of housing, prevention of fire or carbon monoxide poisoning risks, and provision of the necessary infrastructure;</i></p> <p>12° <i>organise or encourage collaboration between the SISP; [in particular, this may take the form of pooling resources, cooperation and joint public procurement. Within the limit of the available budgets, the SLRB shall grant subsidies aimed at encouraging this collaboration;]</i></p> <p><i>[12°bis provide the SISP with centralised regional tools and services and require the SISP to use these where the SLRB so decides, in order to provide them with expert support in the performance of their specific tasks or make economies of scale by harmonising sectoral tools and practices;]</i></p> <p>13° <i>create a unit for the development and preservation of the cultural heritage of the SISP, which, under the conditions laid down by the government, shall be responsible for managing regional investments with a view to developing and preserving the cultural heritage of the SISP;</i></p> <p>14° <i>establish mechanisms for consultation with officials delegated by the Town Planning Service and with officials delegated by the Monuments and Sites Service, and also the Royal Commission for Monuments and Sites where work to be carried out by SISP requires the opinion of this Commission;</i></p> <p>15° <i>organise consultation with the SISP within a select committee chaired by the chair of its Board of Directors and composed of representatives of the SLRB, the Minister and the SISP, who shall be designated by the federations referred to in Article 2(22°). The government shall determine the practical arrangements for this consultation through the management contract referred to in Article 43;</i></p> <p>16° <i>authorise and supervise the temporary use of housing that is scheduled for renovation and whose occupants are therefore the subject of social support provided by an agent outside the SISP;</i></p> <p>17° <i>establish or check the validity of statistical data entered in the technical and energy register of the assets, according to the arrangements determined by the management contract, and ensure their communication to the government.'</i></p> <p><i>[12° supplemented by Article 2 of the Order of 18 July 2013, published in the Belgian Gazette of 26 July 2013]</i></p> <p><i>[12°bis supplemented by Article 3 of the Order of 18 July 2013, published in the Belgian Gazette of 26 July 2013]</i></p> <p><b>Public service property associations (SISP)</b></p> <p><b>The object of the SISP is basically to construct and provide social housing.</b> They carry out the actions of the sector in the Region's various districts.</p> <p>They take the form of limited liability companies or cooperatives.</p>
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	<p>They are governed by the Companies Code, subject to the provisions of the Brussels Housing Code.</p> <p>They are approved by the SLRB based on the conditions laid down by said Code and the SISP approval criteria determined by the Brussels Housing Code and by the government. The terms for the surrender or withdrawal of this approval<sup>6</sup> are also determined by the Brussels Housing Code and by the government. <b>Article 67</b> of the Housing Code defines the public service tasks of the SISPs and in particular:</p> <ul style="list-style-type: none"> <li>1° <i>provide persons meeting the social housing eligibility criteria with housing intended as their main residence under the conditions laid down by this Code and by the government;</i></li> <li>2° <i>purchase, convert, clean, renovate and maintain properties with a view to renting them to persons meeting the social housing eligibility criteria, in particular by ensuring that communal areas and surroundings of social housing are arranged and developed in such a way as to improve the well-being of tenants, in particular by integrating cultural-type architectural innovations;</i></li> <li>3° <i>encourage consideration for the social difficulties faced by tenants, in particular through partnerships, and ensure a rental management that takes account of tenants' needs;</i></li> <li>4° <i>those tasks entrusted to them under the management contract referred to in Section 5 of Chapter 1 or, failing that, the rules laid down by the SLRB;</i></li> <li>5° <i>annually produce a report on their operation and activities, which shall be submitted to the SLRB;</i></li> <li>6° <i>with the SLRB's prior agreement, carry out any operations connected with those tasks listed by this Code;</i></li> <li>7° <i>exercise their public management right in accordance with Articles 15 to 19;</i></li> <li>8° <i>conclude, with the SLRB's agreement, temporary occupation agreements for housing that is scheduled for renovation and whose occupants are therefore the subject of social support provided by an agent outside the SISP;</i></li> <li>9° <i>rent out, with the SLRB's agreement, low-cost and affordable housing (within the meaning of Article 2(2) of this Code) as part of construction and comprehensive renovation projects (resulting in an increased number of homes).</i>  <i>The number of these low-cost and affordable homes may not exceed a double threshold: 20 % of the housing constructed (or, in the event of renovation, of the number of additional homes compared with the previous situation) and 10 % of all the housing managed by the SISP. Under reasoned circumstances, the government may increase the first threshold (to 40 %).</i>  <i>Within the proportion thus authorised, the SISP may use as low-cost or affordable housing any homes situated outside the new development.</i>  <i>Further conditions may be laid down by the government, linked to the size of the SISP's property stock or the level of social housing already available within the municipality;</i>  <i>(Note: This subparagraph 9° shall enter into force on 1 January 2014: see transitional provisions)</i></li> <li>10° <i>develop a property strategy for the SISP.'</i></li> </ul>
Explanation of the (typical) forms of <b>entrustment</b> . If standardised templates for entrustments are used for a	<p>The SGEI are entrusted by the <b>Brussels Housing Code</b>.</p> <p>Article 43 stipulates that <i>the SLRB shall carry out its tasks in accordance with the priorities and guidelines defined in the <b>management contract</b></i></p>

<sup>6</sup> Article 54 of the Brussels Housing Code.

<p>certain sector, please attach them.</p>	<p><b><i>concluded between itself and the government.</i></b> <i>The management contract shall be concluded for a period of five years and may be renewed for successive periods of five years. During the term of the contract, it may be adapted by mutual agreement. At the end of the third year, a joint assessment shall be made, which may result in adaptations.</i></p> <p><i>The management contract shall be submitted, for information purposes, to the Parliament of the Brussels Capital Region once it has been concluded by the parties. It shall be published in the Belgian Gazette.</i></p> <p>The 2015-2020 management contract, signed on 2 September 2015, is the current contract.</p> <p>Article 47 stipulates that <i>the SLRB may conclude a management contract with the SISP</i>s in order to translate the objectives and terms of the management contract signed between the SLRB and the Region. This contract shall be adopted under the existing orders (ordonnances and arrêtés) and under the management contract between the SLRB and the Region.</p> <p><i>The management contract shall be concluded for a period of five years and may be renewed for the same period. It shall specify the frequency with which its performance shall be assessed.</i></p> <p>In addition, Article 48 of the Brussels Housing Code provides that <i>the SLRB shall lay down rules applicable to those SISP</i>s that have not concluded a management contract with the SLRB. These rules shall be adopted under the existing orders (ordonnances and arrêtés) and under the management contract between the SLRB and the Region.</p> <p>The system of optional management contracts and mandatory rules between the SLRB and the SISPs has been in existence since 1994. The current management contract, which entered into force on 21 March 2017, covers 2017 to 2022. All the SISPs have opted for the contract system.</p>
<p><b>Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?</b></p>	<p>The management contracts are concluded for a <b>period of five years</b> and may be renewed for successive periods of five years. As regards the management contracts concluded between the SLRB and the SISPs, the sector is currently on its fourth generation of management contracts and rules:</p> <ul style="list-style-type: none"> <li>- The first generation covered the period from 1994 to 2001<sup>7</sup>: at the time, 27 SISPs opted for a management contract, with 6 preferring the rules.</li> <li>- The second generation applied from 2001 to 2011<sup>8</sup>: only 2 SISPs did not sign a management contract and remained on the rules option.</li> <li>- The third generation applied from 2011 to 2016: all the SISPs opted for the contract system.</li> <li>- The fourth generation covers 2017 to 2022: all the SISPs have again opted for the contract system.</li> </ul>
<p><b>Explanation whether (typically) exclusive or special rights are assigned to the undertakings.</b></p>	<p>Under the Belgian institutional framework, housing is a regional matter.</p> <p>Each of the three Belgian Regions has adopted its own Housing Code, which sets out all the legal provisions defined by the regional authorities and applicable to housing.</p> <p>The Brussels Housing Code (<i>Code bruxellois du Logement</i>) was adopted</p>

<sup>7</sup> The contracts and rules for the 1994-1999 period were extended for two years.

<sup>8</sup> The contracts and rules for the 2001-2006 period were extended until 2011.

	<p>through the Orders of 17 July 2003 and 1 April 2004 and was last amended by an Order of 8 May 2014<sup>9</sup>. It particularly defines the role of operators of the Brussels social housing policy, which are respectively the regional supervisory association, the <b>Société du Logement de la Région de Bruxelles-Capitale (SLRB)</b> (Brussels Capital Region Housing Association), and the <b>public service property associations (<i>sociétés immobilières de service public – SISPs</i>)</b><sup>10</sup>, which manage the assets of the Brussels social housing sector. As at 31 December 2016, there was a stock of 39 763 housing units.</p> <p>Since the creation of the Brussels Capital Region, the property activity of the Brussels social housing sector has been focused on the provision of houses for rental to clearly targeted households.</p>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	<p>The social housing sector is financed through regional appropriations made available annually from the expenditure budget of the Brussels Capital Region. Their level is set by the Regional Parliament based on a Regional Government draft produced on a proposal from the SLRB.</p> <p>The regional financing for the sector currently has three main aims:</p> <ul style="list-style-type: none"> <li>▪ financing of the property activities (or investment policy) that form the sector's historical activity;</li> <li>▪ social policy of the sector, which has been diversified and developed over the years;</li> <li>▪ operating costs of the supervisory association, the SLRB.</li> </ul> <p>The <b>investment policy</b> involves two types of complementary financing:</p> <ul style="list-style-type: none"> <li>- appropriations repayable over variable periods depending on the work concerned;</li> <li>- subsidies (non-repayable appropriations): variable rate depending on the investment programme (from 25 % to 50 % of the amounts granted).</li> </ul> <p>The social housing stock is extended, refurbished and renovated through the implementation of investment programmes proposed by the SLRB for approval by the Regional Government and produced in collaboration with the SISPs. The provisions of the last two generations of management contract define investments as follows:</p> <ul style="list-style-type: none"> <li>▪ The stock can be extended through: <ul style="list-style-type: none"> <li>- the Regional Housing Plan (<i>Plan Régional du Logement</i>), which is subsidised to the tune of 50 % for social housing and 33 % for affordable housing;</li> <li>- the Housing Alliance programme (<i>programme Alliance Habitat</i>), which is subsidised to the tune of 50 % for social housing and 33 % for affordable housing;</li> <li>- the purchase of land and buildings.</li> </ul> </li> <li>▪ The investment programmes involve: <ul style="list-style-type: none"> <li>- a programme of regional investments in renovation over four years (determination of the precise projects of the SISPs), which accounts for 80 % of the annual investments;</li> <li>- urgent work not foreseen when the four-year programme was adopted (4 %);</li> <li>- integration of works of art, in consultation with inhabitants (1 %);</li> <li>- work selected by the SISPs according to a system of drawing rights (15 %), which are shared between those</li> </ul> </li> </ul>

<sup>9</sup> Respectively published in the Belgian Gazette on 9 September 2003, 29 April 2004 and 18 July 2014.

<sup>10</sup> The sector has been through a period of large-scale change. The merger process that officially began on 9 September 2013 came to a conclusion on 1 January 2018 and reduced the number of SISPs from 32 to 16.

	<p>SISPs having signed a management contract according to the extent of their assets, with various framework conditions.</p> <p>The subsidy percentage is in the order of 50 % for renovation work.</p> <p>The <b>social policy</b> of the Brussels social housing sector has three main aims:</p> <ul style="list-style-type: none"> <li>- Regional financial coverage of the cost to the SISPs of applying the sector's social policy through two different systems: <ul style="list-style-type: none"> <li>o System of <b>social reduction for dependent children or disabled people</b>: this involves a reduction in the actual rent linked to the number of dependent children in the renter household or the number of disabled people forming part of the household. This reduction is calculated as a percentage of the base rent<sup>11</sup> and increases in proportion to the number of children or disabled people concerned. It is, however, capped.</li> <li>o <b>Solidarity allowance</b> system: through this system, the Region grants the SISPs an allowance covering 75 % of their rental income deficit in the previous year due to the social policy that they must apply. In formal terms, the purpose of this system is to financially compensate those SISPs that experience a lack of rental income due to the level of income of the renter households accommodated in their housing: these SISPs experience what is termed a 'social deficit', which is annually compensated by the granting of this solidarity allowance. The amount granted to the SISPs can be used for: <ul style="list-style-type: none"> <li>▪ the annual repayments of their previous investments, or</li> <li>▪ management work on their assets, or</li> <li>▪ the social support of tenants. Given the increasing impoverishment of the population accommodated in the social housing sector, the amounts allocated under this system have risen significantly in recent years.</li> </ul> <p>This solidarity allowance system is laid down in Article 41(5°) of the Brussels Housing Code.</p> </li> </ul> </li> <li>- <b>Provision of social workers to the SISPs</b> by the Social support service for social housing tenants (<i>Service d'accompagnement social aux locataires sociaux</i> – SASLS).</li> <li>- <b>Development of social cohesion projects</b> that are also funded by the Region. There are currently 32 social cohesion projects in the Brussels Region.</li> </ul>
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost	The general principles for the financing of property activities in the social housing sector are set out in Articles 70 to 75 of the Brussels Housing Code:

<sup>11</sup> The calculation of the annual actual rent involves two basic concepts: the **base rent**, which is the property part of the formula, is calculated using a defined percentage of the discounted value of the initial investment represented by the housing, possibly increased by the value, also discounted, of the work on this housing; the **household income**, which is the social part of the formula, weights the rent value upwards or downwards according to the level of income of the household concerned.

<sup>12</sup> In its coordinated version of 1 March 2018.

<p>allocation or the net avoided cost methodology is used.</p>	<p><b>Article 70.</b> <i>Without authorisation from the SLRB, the SISPs may not borrow from third parties, mortgage properties or assign the mortgage guarantees that they hold to third parties, or agree any transaction that may adversely affect their financial situation.</i>  <i>The SLRB shall decide within 90 days of receiving the request. The absence of a response within this time-limit shall constitute refusal.</i>  <i>An appeal may be lodged with the government within 10 working days of the time-limit expiring or refusal being notified. The government shall decide within 30 days.</i>  <i>On the expiry of this time-limit, the decision made by the SLRB shall be confirmed. In the absence of a response from both the SLRB and the government, authorisation shall be refused.</i></p> <p><b>Article 71.</b> <i>The granting of an investment appropriation or a subsidy to an SISP may be subject by the SLRB to a commitment to use part of this to:</i></p> <ul style="list-style-type: none"> <li><i>1° purchase land;</i></li> <li><i>2° purchase buildings;</i></li> <li><i>3° construct buildings;</i></li> <li><i>4° renovate houses or flats;</i></li> <li><i>5° cover the cost of developing roadways, sewage systems, public lighting and the water supply, as well as the cost of developing the communal surroundings of housing, including pavements;</i></li> <li><i>6° install community-type infrastructure;</i></li> <li><i>7° exercise the public management right;</i></li> <li><i>8° improve and reinforce the organisation and/or the internal management services of the SISPs so that they can more effectively carry out their tasks;</i></li> <li><i>9° mobilise internal resources while respecting the long-term financial balance of the SISPs.</i></li> </ul> <p><b>Article 72.</b> <i>The SISPs can receive gifts and bequests and purchase the property, even immovable property, needed for their administration.</i></p> <p><b>Article 73.</b> <i>The SISPs may, with the approval and possible financial assistance of the SLRB, purchase residential or non-residential properties or become holders of other principal rights in rem in immovable property in order to demolish, clean, improve or adapt such property.</i></p> <p><b>Article 74.</b> <i>With the SLRB's prior authorisation, the SISPs may dispose of their immovable property and all principal rights in rem established over such property, in accordance with the objectives of the sector and property policy defined by the government.</i></p> <p><i>However, an SISP can dispose of a property asset at a price less than the market value only if one of the following conditions is met:</i></p> <ul style="list-style-type: none"> <li><i>1° if that asset does not allow it to carry out its public service task;</i></li> <li><i>2° if the disposal of that asset allows it to fulfil its obligations under the management contract or rules;</i></li> <li><i>3° if that asset, in the case of an exchange, is replaced by an asset with a value, surface area or situation allowing one of the objectives determined by the management contract or rules to be achieved.</i> <p><i>The proceeds of the disposal shall be fully allocated to its investment policy in accordance with the objectives of the social housing sector and the budget policy determined in the management contract. The publicity measures referred to in Article 4 of the Order of 12 November 1992 on the disposal of public property shall apply to these transactions.</i></p> <p><b>Article 75.</b> <i>With a view to cleaning, improving or adapting residential properties, the SISPs may, with the approval and financial assistance of the SLRB and in accordance with the standard rental agreement for</i></p> </li></ul>
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	<p><i>renovation, rent housing for more than nine years or acquire rights other than ownership rights over that housing.'</i></p> <p><i>1.1.1 Types of financing</i></p> <p>The investment policy involves two types of complementary financing:</p> <ul style="list-style-type: none"> <li>- appropriations repayable over variable periods depending on the work concerned;</li> <li>- subsidies (non-repayable appropriations): variable rate depending on the investment programme (from 25 % to 50 % of the amounts granted).</li> </ul> <p>The investment programme in the sector consists of three main components:</p> <ul style="list-style-type: none"> <li>- extension of the rental stock by constructing new housing;</li> <li>- renovation of the stock and bringing this into compliance with quality, safety and comfort standards (legal provisions);</li> <li>- purchase of land and buildings<sup>13</sup>.</li> </ul> <p>In addition, since 2010 any new construction must be passive and any new renovation must be low energy.</p> <p><i>1.1.2 Reference price</i></p> <p>The <b>reference price</b> for the construction of new housing in the Brussels Capital Region is as follows<sup>14</sup>:</p> <ul style="list-style-type: none"> <li>- the price per m<sup>2</sup> of gross floor area is EUR 1 250/m<sup>2</sup>;</li> <li>- the price per m<sup>2</sup> of housing area is EUR 1 500/m<sup>2</sup>.</li> </ul> <p>Renovation operations involve too wide a variety of situations to be able to set costs in the same way as for new housing.</p> <p><i>1.1.3 Investment programme mechanisms</i></p> <p>The social housing stock is extended, refurbished and renovated through the implementation of investment programmes proposed by the SLRB for approval by the Regional Government and produced in collaboration with the SISPs.</p> <p>The provisions of the last two generations of management contract define investments as follows:</p> <ul style="list-style-type: none"> <li>▪ The stock can be extended through: <ul style="list-style-type: none"> <li>– the Regional Housing Plan (<i>Plan Régional du Logement</i>), which is subsidised to the tune of 50 % for social housing and 33 % for affordable housing;</li> <li>– the Housing Alliance programme (<i>programme Alliance Habitat</i>), which is subsidised to the tune of 50 % for social housing and 33 % for affordable housing;</li> <li>– the purchase of land and buildings.</li> </ul> </li> <li>▪ The investment programmes involve: <ul style="list-style-type: none"> <li>– a programme of regional investments in renovation over four years (determination of the precise projects of the SISPs), which accounts for 80 % of the annual investments;</li> <li>– urgent work not foreseen when the four-year programme</li> </ul> </li> </ul>
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<sup>13</sup> The Order of the Government of the Brussels Capital Region laying down the grant conditions and rules of procedure applicable to the SLRB, SISPs, municipalities and CPAS and specific to the financing of property purchase, compulsory purchase, renovation, demolition and reconstruction projects of 4 February 2016 was published in the Belgian Gazette on 3 March 2016.

<sup>14</sup> The reference price set on 23 March 2010 will be amended in 2018.

	<p>was adopted (4 %);</p> <ul style="list-style-type: none"> <li>– integration of works of art, in consultation with inhabitants (1 %);</li> <li>– work selected by the SISP according to a system of drawing rights (15 %), which are shared between those SISP having signed a management contract according to the extent of their assets, with various framework conditions.</li> </ul> <p>We note that the subsidy percentage is in the order of 50 % for renovation work.</p> <p>The multiannual investment programmes are mainly four-year programmes.</p> <p>A four-year programme consists of a series of operations or work, which must in principle be started at different times over the four years and the total amount for which is reserved – or committed – by the Region through its budget decisions on expenditure. The four-year programmes are submitted for approval to the Brussels Regional Government and implemented by the SLRB.</p> <p>Each year the SLRB can propose to the Region an <b>adjustment</b> of the four-year investment programme or of the distribution of the annually allocated envelopes.</p> <p>As an addition to the regional investment programme, the SLRB can grant long-term loans to the SISP in order to finance unexpected work that cannot be included in the investment programme.</p> <p>The SLRB's '<b>operational</b>' structure for tasks connected with both investments and financial transparency mainly involves the following priority elements<sup>15</sup>: '<b>Article 52: Investment procedure to ensure the accountability of stakeholders and exercise of supervision</b></p> <p><i>For every project, the SISP shall ensure that the criteria defined in the updated standard schedule of conditions agreed with the Federations are met within six months of this contract being signed.</i></p> <p><i>The following eight stages shall be carried out for investment work:</i></p> <ol style="list-style-type: none"> <li>1. competitive procedure for the designs;</li> <li>2. selection of design offices (main design office and other participants);</li> <li>3. additions to the main task of the design offices;</li> <li>4. preliminary design and work procurement method;</li> <li>5. competitive procedure for the work;</li> <li>6. selection of contractor;</li> <li>7. work statements/modifications;</li> <li>8. final statement.</li> </ol> <p><i>The types of supervision that can be carried out shall be determined by the cost of renovation projects, equivalent to 100 % of the net value.</i></p> <p><i>The type of supervision shall be determined when the method of financing is approved. It may be changed, particularly if the ceiling is exceeded by 10 % or more.</i></p>
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<sup>15</sup> Extract from the SLRB-SISP third-generation management contract, which entered into force on 21 March 2017, in its coordinated version of 21 March 2018, and which is available on the following website: <http://www.slrbsirisnet.be/fr/professionnel/qui-somme-nous/nos-contrats-de-gestion/niveau-2>



	<p>There are four types of supervision, which are listed below and detailed in Annex 7 to this contract.</p> <p><b>1. Ex post supervision</b></p> <p>Projects where the cost of the work is EUR 200 000 or less shall be subject to <u>ex post supervision</u>. However, the SISP must provide the SLRB with the project documents when payment is requested for the first invoice. Spot checks may be carried out to ensure that projects are being correctly implemented.</p> <p><b>2. Simplified supervision</b></p> <p>Renovation projects where the cost of the work is more than EUR 200 000 but less than or equal to EUR 2 000 000 shall be subject to <u>simplified approval supervision</u>.</p> <p>Only the preliminary design stage shall be supervised by the SLRB.</p> <p>For the other stages, the SISP must, however, provide the SLRB, for information purposes, with the documents for the stage in question as soon as this has been carried out.</p> <p><u>Corrective mechanisms are also proposed:</u></p> <ul style="list-style-type: none"> <li>▪ If the initial budget is exceeded, the project dossier shall be submitted to the SLRB's Board of Directors so that charging of the debit balance can be approved. Detailed reasoning must be given for the overrun by the designer and the SISP, and must be accompanied by a financing proposal, particularly through drawing rights. The SLRB's Board of Directors may decide whether or not the project can be continued, possibly with financing from the SISP's own funds.</li> <li>▪ If the nature or object of the project is altered, the project dossier shall be submitted for approval by the SLRB's Board of Directors, accompanied by a financing proposal, particularly through drawing rights.</li> </ul> <p><b>3. Comprehensive supervision</b></p> <p>Renovation projects where the cost of the work is more than EUR 2 000 000 shall be subject to <u>comprehensive supervision</u>. As a result, all stages must be approved by the SLRB.</p> <p><b>4. Adapted comprehensive supervision</b></p> <p>If the objective criteria set out below are met, the SISP can request that adapted comprehensive supervision be carried out. This type of supervision allows the SISP, after submitting the preliminary design, to be exempted from obtaining the SLRB's approval for the stages of the competitive procedure for the work, selection of contractor and performance of the work for all projects under EUR 5 000 000 that are subject to comprehensive supervision.</p> <p>Criteria for applying the adapted comprehensive supervision:</p> <ul style="list-style-type: none"> <li>- The SISP must not have received a negative acknowledgement of receipt for stages 1 to 4 of the project concerned.</li> <li>- The preliminary design must have been approved without</li> </ul>
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	<p>reservation by the SLRB's Board of Directors.</p> <ul style="list-style-type: none"> <li>- The ratio between the number of projects with sufficient financing not requiring long-term loans and the total number of active projects, i.e. projects that have not yet been provisionally accepted, must be 80 % or higher. This ratio shall be calculated for projects from the 2010-2013 four-year programme.</li> </ul> <p>In the event of adapted comprehensive supervision, the SISP must, however, provide the SLRB, for information purposes, with the documents for those stages for which an exemption from approval has been obtained.</p> <p><b><u>Time-limits</u></b></p> <p>The time-limits for SLRB approval are set out in Annex 7.</p> <p>These time-limits shall be suspended between 15 July and 15 August and during the Winter and Spring school holidays.</p> <p>These time-limits shall be calculated from a complete and analysable project dossier being received. An acknowledgement of receipt shall be sent to the SISP within 15 calendar days of the SLRB receiving the project dossier.</p> <p>Check-lists for ensuring that project dossiers are complete shall be available to the SISP on the SLRB's website.</p> <p>If the SLRB does not respond within the time-limits, the SISP shall have a right of appeal to the SLRB's Board of Directors.</p> <p><b><u>Principles applicable to simplified, comprehensive and adapted comprehensive supervision</u></b></p> <p>If the information on the various stages as indicated in Annex 7 is not provided in the required format, the SISP shall be subject to comprehensive supervision for the rest of the project stages.</p> <p>Work statements or modifications must be approved by the SLRB if the order value is exceeded by more than 6 %.</p> <p>If 25 % of the SISP's projects are changed to comprehensive supervision, the SISP shall be subject to comprehensive supervision for all its projects.</p> <p>The supervision regime described in the second-level management contract for 2011-2016 shall continue to apply to stages that are still being assessed by the SLRB when this management contract is signed. The new supervision principles set out in Article 7 shall apply to new stages submitted to the SLRB after this management contract is signed.</p> <p>Training on the new supervision principles shall be organised by the SLRB.'</p> <p>The process of implementing the investment policy involves the following operations:</p> <p><i>1.1.4 Notification of programmes</i></p> <p>Following approval by the government, the four-year programme is notified to the SISPs, which are informed by letter of the contents of the relevant programme elements.</p>
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	<p><i>1.1.5 Programme progress reports</i></p> <p>Reports on the progress of the programme commitments are submitted several times a year to the decision-makers: Minister, Board of Directors, Directorate-General.</p> <p>These progress reports indicate the extent to which programmes have been implemented and allow the necessary resources to be assessed or special application measures to be justified.</p> <p>In addition to these progress reports, the fourth-generation <b>management contracts</b> formally provide for the use of various mechanisms (investment monitoring committee, strategic plans, updated strategic plans, annual evaluation session between the partners, etc.) allowing the state of progress, particularly of the investments, to be assessed. Where applicable, contractual requirements are also imposed if obligations are not fulfilled (remediation mechanisms, possible change to ex ante supervision, penalties, etc.).</p> <p>The <b>investment programme progress reporting</b> is set out in Article 20 of the second-level management contract:</p> <p>So that the Region can monitor the progress of investments, the parties undertake to maintain the committee for monitoring investment projects funded by the Region. The aim of this committee is to encourage the exchange of information between the SLRB and the SISP's and identify possible solutions to any problems encountered in the conduct of the SISP's projects. The SLRB also undertakes to regularly inform the Region about the state of progress of investment projects.</p> <p><i>'Article 20: The comprehensive initial schedule (planning initial global – PIG) is the main common tool for strategically monitoring the progress of investment projects and shall be discussed during monitoring committee meetings. It shall allow the SLRB and the SISP to have an overview of all the projects managed by the SISP and the latter's capacity to absorb and manage projects. The PIG shall be updated to ensure that all new projects are at the preliminary design stage within 24 months of the SISP being informed that appropriations have been granted. The actual work must start within a maximum of 48 months from the appropriations being granted. In addition, the PIG can be updated based on external factors and conclusions of the monitoring committee provided for in this article.</i></p> <p><i>Once the new PIG provided for in Article 19 has been concluded, transitional measures shall be defined so that all projects can be integrated within this schedule.</i></p> <p><i>Once the appropriations have been granted, the SISP shall determine whether it is acting as designer. In this context and based on the analysis of its PIG, the SLRB reserves the right not to authorise the SISP to act as designer.</i></p> <p><b><u>Measures in the event of the delayed progress of investment projects funded by the SLRB</u></b></p> <p><i>The parties undertake to adopt proactive measures (presentation of designs, regular meetings with the same contacts, etc.) to prevent any delays in the implementation of projects.</i></p> <p><i>However, once the SLRB determines that 20 % of the projects in terms of their financial amount are delayed according to the comprehensive initial</i></p>
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	<p><i>schedules for the various investment programmes approved by the SLRB's Board of Directors or that the conditions for the granting of renovation appropriations are not being met, it shall send a report to its Board of Directors, which shall have 60 days to make its decision, after hearing the SISP. Any evidence, including information on exceptional situations, produced by the SISP shall be annexed to the Board of Directors' report.</i></p> <p><i>The SLRB's Board of Directors shall be able to impose one or more of the following measures, taking into account the gravity of the situation, according to the terms defined by the SLRB and by reasoning its decision:</i></p> <ul style="list-style-type: none"> <li>- <i>note the situation and explanations given and accept a revised investment schedule proposed by the SISP;</i></li> <li>- <i>ask the SISP to provide a revised schedule, possibly based on markers set by the SLRB;</i></li> <li>- <i>send the SISP formal notice to comply;</i></li> <li>- <i>impose on the SISP new conditions for maintaining and using the appropriations granted, for example with regard to using the support services provided by the SLRB or other regional institutions (facilitators, BMa [chief architect], etc.);</i></li> <li>- <i>remove overall control of one or more projects from the SISP (Articles 41(4°) and 42(1°) of the Brussels Housing Code);</i></li> <li>- <i>withdraw the appropriations granted for one or more projects in order to propose their reallocation to another SISP, according to the terms defined by the SLRB's Board of Directors.'</i></li> </ul> <p><i>1.1.6 Budget monitoring of the investment policy</i></p> <p>Implementation of the programmes involves the SLRB receiving the appropriations made in the regional budget.</p> <p>The principles defined in the first-level management contract concluded in October 2010 between the SLRB and the Brussels Capital Region were retained in the contract concluded in September 2015.</p> <p>We note that Article 20 of the first-level management contract stipulates that the SLRB shall regularly inform the Region about the state of progress of investment projects.</p> <p><b>'Article 20: Reducing delays in renovation work</b></p> <p><i>Maintain the investment monitoring committee allowing the Region to monitor the progress of investments. In this context and for each SISP, the SLRB shall create a committee for monitoring investment projects funded by the Region. The aim of this committee shall be to encourage the exchange of information between the SLRB and the SISPs and identify possible solutions to any problems encountered in the conduct of the SISP's projects. The SLRB also undertakes to regularly inform the Region about the state of progress of investment projects.'</i></p> <p>The <b>social policy</b> of the Brussels social housing sector has three main aims:</p> <ul style="list-style-type: none"> <li>- Regional financial coverage of the cost to the SISPs of applying the sector's social policy through two different systems: <ul style="list-style-type: none"> <li>o System of <b>social reduction for dependent children or disabled people</b>: this involves a reduction in the actual rent linked to the number of dependent children in the renter household or the number of disabled people forming part of the household. This reduction is calculated as a percentage</li> </ul> </li> </ul>
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	<p>of the base rent<sup>16</sup> and increases in proportion to the number of children or disabled people concerned. It is, however, capped. It is Article 59 of the Order of 26 September 1996<sup>17</sup> of the Government of the Brussels Capital Region organising the rental of housing managed by the Société du Logement de la Région de Bruxelles-Capitale or by public service property associations that regulates the various aspects of this system.</p> <ul style="list-style-type: none"> <li>○ <b>Solidarity allowance</b> system: through this system, the Region grants the SISP an allowance covering 75 % of their rental income deficit in the previous year due to the social policy that they must apply. In formal terms, the purpose of this system is to financially compensate those SISP that experience a lack of rental income due to the level of income of the renter households accommodated in their housing: these SISP experience what is termed a 'social deficit', which is annually compensated by the granting of this solidarity allowance. The amount granted to the SISP can be used for: <ul style="list-style-type: none"> <li>▪ the annual repayments of their previous investments, or</li> <li>▪ management work on their assets, or</li> <li>▪ the social support of tenants.</li> </ul> Given the growing impoverishment of the population accommodated in the social housing sector, the amounts allocated under this system have increased significantly in recent years. This solidarity allowance system is laid down in Article 41(5°) of the Brussels Housing Code.</li> </ul> <ul style="list-style-type: none"> <li>- <b>Provision of social workers to the SISP</b> by the Social support service for social housing tenants (<i>Service d'accompagnement social aux locataires sociaux</i> – SASLS).</li> <li>- <b>Development of social cohesion projects</b> that are also funded by the Region. There are currently 32 social cohesion projects in the Brussels Region.</li> </ul>
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	<p>There is no overcompensation as the subsidies correspond to the actual costs and must be justified by supporting documents.</p> <p>Moreover, Articles 57 to 59 and Article 63 of the Brussels Housing Code define the operating procedures and methods of control that must be adopted by the SISP (internal control system, company auditor who is a member of the <i>Institut des réviseur d'entreprises</i> [Institute of Company Auditors] and system of workplace representatives).</p> <p>Additional measures to ensure the transparency of the SISP's activities are as follows:</p> <ul style="list-style-type: none"> <li>- The annual accounts of the SISP must be submitted to the SLRB each year.</li> <li>- Annual reports: every year the SLRB produces its annual report setting out the main aspects of the situation in the sector in asset, financial, administrative and social terms.</li> </ul>

<sup>16</sup> The calculation of the annual actual rent involves two basic concepts: the **base rent**, which is the property part of the formula, is calculated using a defined percentage of the discounted value of the initial investment represented by the housing, possibly increased by the value, also discounted, of the work on this housing; the **household income**, which is the social part of the formula, weights the rent value upwards or downwards according to the level of income of the household concerned.

<sup>17</sup> In its coordinated version of 1 March 2018.

## 2 AMOUNT OF AID GRANTED AND GENERAL STATISTICS

**Table 1 - Appropriations allocated to the various social housing programmes (in millions EUR)**

The following table indicates the main appropriations allocated over the 2016-2017 period. The figures relate to payment appropriations (PA), i.e. actual expenditure in the year, except where (CA) is indicated, which means commitment appropriations, i.e. appropriations reserved for a defined expense, but which may be used later than the year in which they are granted.

	2016 Adjusted	2017 Adjusted
<b>Investments</b>		
Payment appropriations	<b>100.591</b>	<b>127.91</b>
Of which: Subsidies	35.51	46.27
Commitment appropriations	357.713	50.03
Of which: Subsidies	224.977	0
<b>Social policy</b>		
Solidarity allowance	25.54	28.63
Social reduction	18.29	16.903
Provision of staff to the SISPs	3.025	3.025
Social cohesion project	2.14	2.2
Reimbursement of services for disabled people	0.07	0.57
<b>Sub-total (PA)</b>	<b>49.065</b>	<b>51.328</b>
<b>Other</b>		
SLRB operating costs	9.046	10.803
Miscellaneous <sup>18</sup>	3.896	3.5
<b>Sub-total (PA)</b>	<b>12.942</b>	<b>14.303</b>
<b>TOTAL (PA)</b>	<b>162.598</b>	<b>193.541</b>

<sup>18</sup> Includes subsidies for the Cocolos (tenant advisory councils), Rent Observatory (*Observatoire des loyers*), centre of expertise, resources of the Regional Housing Plan (PRL) and Housing Alliance (*Alliance-Habitat*) programme, and the merger support task. In 2015 a reserve was added for contaminated soil.

**Table 2 - Budget programming of the first-level management contract (2015-2020) (in thousands EUR)**

	2016	2017	2018	2019	2020
Housing Observatory ( <i>Observatoire de l'habitat</i> ) subsidy	200	200	200	200	200
SLRB operating grant	9 110	9 397	9 557	9 788	9 934
Centre of expertise supporting the SISPs	2 146	1 046	1 067	1 088	1 110
Additional operating grant <sup>19</sup>	497	507	518	528	539
<b>Total grants</b>	<b>11 953</b>	<b>11 150</b>	<b>11 342</b>	<b>11 604</b>	<b>11 783</b>

**Table 3 - Programming of payment appropriations for the current four-year programmes (in thousands EUR)**

	2015	2016	2017	2018	2019
Four-year programme 2002-2005 (advances)	-	-	-	-	-
Four-year programme 2002-2005 (subsidies)	-	-	5 331	-	-
Four-year programme 2006-2009 (advances)	-	-	-	-	-
Four-year programme 2006-2009 (subsidies)	5 000	-	-	-	-
Four-year programme 2010-2013 (advances)	16 750	10 000	6 750	14 853	14 853
Four-year programme 2010-2013 (subsidies)	5 000	8 000	7 000	11 000	5 000
Four-year programme 2014-2017 (advances)	20 000	30 282	30 000	20 000	20 000
Four-year programme 2014-2017 (subsidies)	20 000	20 000	22 830	20 000	15 000
Supplement for the four-year programme 2016-2017	-	-	-	20 000	20 000
Four-year programme 2018-2021 (advances)			-	-	5 000
Four-year programme 2018-2021 (subsidies)			-	-	6 000
Regional Housing Plan	16 297	16 297	16 297	6 000	6 000
Housing Alliance	-	14 784	19 749	15 000	15 000
<b>TOTAL</b>	<b>83 047</b>	<b>99 363</b>	<b>107 957</b>	<b>106 853</b>	<b>106 853</b>

<sup>19</sup> Annual grant, added here, for the Regional Housing Plan and Housing Alliance programme.

## 1.1 Social housing supply and demand ‘market’: background data

In the Brussels Region, which had 1 191 604 inhabitants<sup>20</sup> as of 1 January 2017, there were 545 394 dwellings as of 31 December 2016 – IBSA (Brussels Institute for Statistics and Analysis) data estimated based on the number of households – including 39 763 units in the public social housing sector.

The housing stock managed by the SISPAs approved by the SLRB represents 7.29 % of the total stock in the Brussels Capital Region, which is well below the average for the Member States of the European Union as a whole.

Access to this housing is mainly dependent upon the income and social situation of applicants. The average monthly rent is <sup>21</sup> EUR 328.92 and the monthly costs are EUR 105.54.

In recent years, the sector has seen a growing impoverishment of renter households. This is connected with the general change in the situation of the Brussels population, which has seen its financial resources diminish in comparison with the populations of the other two regions of Belgium. This situation is evident from the volume of demand for social housing, which has increased in recent years, and the sources of income of applicant renter households, indicated respectively in Tables 4 and 5. However, there was a reduction in the volume of demand for housing in 2014 and 2017.

**Table 4 - Number of applicant renter households: change up to 2017**

Year	Number of applicant renter households
2003	24 792
2008	33 006
2009	36 867
2010	37 825
2011	38 928
2012	41 461
2013	44 332
2014	42 540
2015	45 742
2016	48 804
2017	43 170

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<sup>20</sup> Source: [http://ibsa.brussels/chiffres/chiffres-cles-par-commune/ville-de-bruxelles#.WsYzG5c6\\_IU](http://ibsa.brussels/chiffres/chiffres-cles-par-commune/ville-de-bruxelles#.WsYzG5c6_IU)

<sup>21</sup> Source: Annual report of the SLRB – Statistics for 31 December 2016.



**Table 5 - Source of income of the heads of applicant renter households (as at 31 December)**

Source of income of the heads of applicant renter households				
	2016	%	2017	%
None	15 863	23.24 %	14 480	23.87 %
Employment	14 080	20.68 %	12 536	20.67 %
Self-employment	455	0.67 %	426	0.70 %
Pension	2 905	4.27 %	2 402	3.96 %
Unemployment	14 192	20.84 %	12 188	20.09 %
Insurance scheme	4 370	6.42 %	4 085	6.73 %
Disability	1 358	1.99 %	1 326	2.19 %
CPAS living allowance (RIS)	14 618	21.47 %	12 949	21.35 %
Other	296	0.43 %	267	0.44 %
<b>Total</b>	<b>68 097</b>	<b>100.00 %</b>	<b>60 659</b>	<b>100.00 %</b>

**Table 6 - Creation of housing in 2016 and 2017**

	2016	2017	TOTAL
<b>‘Housing Alliance’</b>			
New social and affordable housing	111	89	200
<b>‘Regional Housing Plan’</b>			
New social and affordable housing	0	32	32

**Table 7 - Movements of tenants in Brussels social housing in 2015 and 2016**

	2015	2016
Incoming	1 648	1 361
Outgoing	1 875	1 506
Internal transfers	520	633

## 1.2 Financial statistics with regard to the SISPs

**Table 8 - Debt ratio: 2012 to 2016**

		2012	2013	2014	2015	2016	Average annual growth
Annual repayments	<i>Thousands EUR</i>	42 436	44 912	45 470	46 456	47 284	2.2 %
Rental income	<i>Thousands EUR</i>	150 214	160 198	168 354	172 605	178 552	3.5 %
<b>Debt ratio</b>	<b>%</b>	<b>28.3 %</b>	<b>28.0 %</b>	<b>27.0 %</b>	<b>26.9 %</b>	<b>22.1 %</b>	<b>-4.8 %</b>

**Table 9 - Liquidity ratio: 2012 to 2016**

		2012	2013	2014	2015	2016	<i>Average annual growth</i>
Current assets	<i>Thousands EUR</i>	164 802	179 744	174 052	176 528	187 551	<b>2.6 %</b>
Short-term debts	<i>Thousands EUR</i>	129 301	130 765	133 377	131 514	138 256	<b>1.3 %</b>
<b>Quick liquidity ratio</b>	<b>%</b>	<b>124.8 %</b>	<b>137.5 %</b>	<b>130.5 %</b>	<b>134.2 %</b>	<b>135.7 %</b>	<b>1.2 %</b>

**Table 10 - Cash flow: 2012 and 2016**

		2012	2013	2014	2015	2016	<i>Growth</i>
Net income	<i>Thousands EUR</i>	7 967	9 977	12 870	16 754	15 893	<b>14.8 %</b>
Net cash flow	<i>Thousands EUR</i>	43 939	47 192	51 313	56 313	60 308	<b>6.5 %</b>
Net cash flow after debt servicing	<i>Thousands EUR</i>	15 181	17 559	20 960	24 207	26 863	<b>12.1 %</b>

**Table 11 - Profitability - Profit/loss for the year: 2012 to 2016**

	<i>Codes</i>	2012	2013	2014	2015	2016	<i>Average annual growth</i>
<i>Operating revenue</i>	<i>70/74</i>	212 450	224 470	237 044	238 055	242 535	<b>2.7 %</b>
<i>Operating costs</i>	<i>60/64</i>	-194 773	-207 700	-217 729	-215 639	-225 046	<b>2.9 %</b>
<i>Operating profit/loss</i>	<i>70/64</i>	17 678	16 770	19 315	22 416	17 489	<b>-0.2 %</b>
<i>Financial income</i>	<i>75</i>	8 288	9 660	11 559	12 705	15 497	<b>13.3 %</b>
<i>Financial charges</i>	<i>65</i>	-16 952	-17 287	-17 086	-17 300	-16 302	<b>-0.8 %</b>
<i>Current profit/loss before tax</i>	<i>70/65</i>	9 012	9 143	13 788	17 821	16 684	<b>13.1 %</b>
<i>Profit/loss before tax</i>	<i>70/66</i>	8 489	10 288	13 411	36 831	15 680	<b>13.1 %</b>
<i>Profit/loss for the</i>	<i>70/67</i>	7 967	9 977	12 870	16 754	15 893	<b>14.8 %</b>

### **3 DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK**

None.

### **4 COMPLAINTS BY THIRD PARTIES**

None.

## **5 MISCELLANEOUS QUESTIONS**

None.

## ANNEX

### Services of General Economic Interest: guidance for report to be submitted following the 2012 SGEI Decision and the 2012 SGEI framework

The **reporting obligations** are set out in Article 9 of the 2012 SGEI Decision:

*Each Member State shall submit a report on the implementation of this Decision to the Commission every 2 years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

- i. a description of the application of this Decision to the services falling within its scope, including in-house activities;*
- ii. the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*
- iii. an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties; and*
- iv. any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

Paragraph 62 of the 2012 SGEI Framework sets in principle identical reporting obligations for aid granted under the 2012 SGEI Framework.

Please structure your report as follows:

#### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<b>Compensation for Services of General Economic Interest (1+2)</b>		
(1) Compensation granted on the basis of the SGEI Decision	€11 117 000	11 325 000
<del>(2) Compensation granted on the basis of the SGEI Framework</del>		
<b>Non-compulsory:</b> If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI de minimis aid, etc.) and the sectors in which they are used.		
/		

## 2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

**Please structure this part of your report by the following sections:**

- 1) Hospitals (Article 2(1)(b))
- 2) Social services (Article 2(1)(c))
  - a) Health and long-term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)
- 5) SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))
  - i.* Postal services
  - ii.* Energy
  - iii.* Waste collection
  - iv.* Water supply
  - v.* Culture
  - vi.* Financial services
  - vii.* Other sectors (please specify).

**For each of the items outlined above, please provide information in the form of the following table:**

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>1</sup></b>
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<sup>1</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<b>Provide users of the waterway and concession-holders with the appropriate and necessary infrastructure, tools, storage facilities and services.</b> <ul style="list-style-type: none"> <li>➤ <b><u>Infrastructure</u></b>: industrial sites; storage facilities;</li> <li>➤ <b><u>Tools</u></b>: equipment (transshipment, multi-modal, gas-electricity supply, etc.);</li> <li>➤ <b><u>Services</u></b>: provision of sufficient facilities (telephones, sanitary facilities, waste containers, security, maintenance, etc.).</li> </ul>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Order of 27 May 1993 of the Executive of the Brussels Capital Region laying down the schedule of conditions applicable to the Port of Brussels.</b>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
<b>Permanent, but the Port reports to the Executive under its management contract, which is valid for five years.</b>
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
<b>Private occupation/private use of public property.</b>
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
<b>Grants and European subsidies.</b>
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<b>Opinion of the Finance Inspectorate and agreement of the Minister for the Budget before approval of the grants by the government.</b>
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>
<b>Every year the budget implementation and accounts are sent to the supervisory minister and approved by the government.</b>
A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).
<b>Amount of aid granted</b>

the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

<b>Total amount of aid granted (in millions EUR)<sup>2</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</b>	
<b>2016</b>	<b>2017</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>3</sup></b>	
<b>2016</b>	<b>2017</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>4</sup></b>	
<b>2016</b>	<b>2017</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>5</sup></b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees, etc.) (if available)	
<b>2016</b>	<b>2017</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>6</sup>	
<b>2016</b>	<b>2017</b>

### 3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

**Please structure this part of your report by the following sections:**

- 1) SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):
  - i. Postal services
  - ii. Energy

<sup>2</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>3</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>4</sup> See footnote 3.

<sup>5</sup> See footnote 3.

<sup>6</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

- iii. Waste collection
- iv. Water supply
- v. Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
- vi. Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
- vii. Culture
- viii. Financial services
- ix. Other sectors (please specify).

**For each of the items outlined above, please provide information in the form of the following table:**

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<b>None - Port</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Explanation whether <b>(typically) exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

<sup>7</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. 8



<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
A short explanation of how the <b>transparency requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)<sup>8</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</b>	
<b>2016</b>	<b>2017</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>9</sup></b>	
<b>2016</b>	<b>2017</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>10</sup></b>	
<b>2016</b>	<b>2017</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>11</sup></b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees, etc.) (if available)	
<b>2016</b>	<b>2017</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>12</sup>	

<sup>8</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>9</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>10</sup> See footnote 9.

<sup>11</sup> See footnote 9.

<sup>12</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please

2016	2017

#### 4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

**None - Port**

#### 5. MISCELLANEOUS QUESTIONS

a. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

b. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with paragraph 19 of the SGEI Framework;
- determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework;
- determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework;

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indicate that estimations have been used as well as the type of aggregation made. In that case please indicate that estimations have been used as well as the type of aggregation made.

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

- c. If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions, please feel free to provide them within your report.

### PORT OF BRUSSELS - Details of grants

(in thousands EUR)	2016 implementation	2017 implementation
<b>Grants specified in the management contract</b>	<b>13.403</b>	<b>14.404</b>
Basic grant		
Basic grant: operation	5.267	6.028
Basic grant: investment	2.718	2.578
Dredging grant	2.635	2.687
	25	25
Urban integration grant: operation		
Urban integration grant: investment	858	1.058
Carcoke grant: loan	1.042	1.068
Waterway modal shift support	425	510
Bonus/malus: operation	50	50
Bonus/malus: investment	383	400
<b>Grants not specified in the management contract</b>	<b>5.273</b>	<b>4.993</b>
Special grant for Meudon	1.574	820
Special grant for construction village	3.699	3.216
Special grant for TIR Centre (TACT) road		957
<b>TOTAL</b>	<b>18.676</b>	<b>19.397</b>
<b>SGEI AMOUNT</b>	<b>11.117</b>	<b>11.325</b>

<b>Grants not included in the calculation =&gt; wholly SGI</b>
<b>Grants 100 % included (SGEI)</b>
<b>Grants to which we have applied an allocation key based on our cost accounting: 56.5 % SGEI</b>

## Description of the application of the 2012 SGEI Decision

### Société de Développement pour la Région de Bruxelles-Capitale (citydev.brussels) – years 2016-2017

#### *Categories:*

#### 2) Social services (Article 2(1)(c))

- a) ~~Health and long term care~~
- b) ~~Childcare~~
- e) ~~Access to and reintegration into the labour market~~
- d) Social housing
- e) ~~Care and social inclusion of vulnerable groups~~

#### 5) SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))

- i. ~~Postal services~~
- ii. ~~Energy~~
- iii. ~~Waste collection~~
- iv. ~~Water supply~~
- v. ~~Culture~~
- vi. ~~Financial services~~
- vii. Other sectors (please specify)

- 1. Economic expansion
- 2. Urban renewal
- 3. Delegated tasks

#### ***Clear and comprehensive description of how the respective services are organised in the Brussels Capital Region:***

*Explanation of what kind of services in the respective sector have been defined as SGEI in the Brussels Capital Region. Please list the **contents of the services entrusted as SGEI** as clearly as possible:*

#### 1. Economic expansion

In terms of economic expansion, the actions of the Société de Développement pour la Région de Bruxelles-Capitale (SDRB) (Brussels Capital Region Development Association) or ‘citydev.brussels’ are intended to encourage regional economic development and the creation or maintenance of direct or indirect jobs for Brussels residents by providing businesses with developed or undeveloped infrastructure, particularly where market failures are emerging.

The government recognises citydev.brussels as a reference regional public property operator

in terms of economic expansion.

As a priority in the EDRLR or ‘area for increased development of housing and renewal’ (future Urban Renewal Area) and based on initial experiments carried out as part of its economic expansion tasks, citydev.brussels is continuing to develop its role and organisation as the contracting authority in joint projects involving brownfield and large sites.

## 2. Urban renewal and social housing

The government recognises citydev.brussels as a regional urban renewal operator that is particularly involved in implementing the social housing policy in accordance with the Brussels Housing Code.

The urban renewal actions of citydev.brussels are intended to improve quality of life within the city, mainly by developing affordable housing for purchase. To that end, it carries out projects with high environmental, architectural and urban quality that restructure fragile urban areas by developing the housing, community facilities, public spaces and shops needed by new and existing inhabitants. The urban renewal actions of citydev.brussels also involve carrying out projects that can include social housing.

Citydev.brussels is committed to encouraging diversity in the supply of housing, which is why it enters into partnerships with other public housing operators, with the government’s agreement.

Where possible, to ensure balanced development, projects include economic aspects connected with the Economic Expansion task of citydev.brussels.

Citydev.brussels will also arrange for projects to be carried out through calls for projects, i.e. on land that it does not own. The sites to be acquired by citydev.brussels must already be included in the Multiannual Plan approved by the government.

As a priority in the EDRLR or ‘area for increased development of housing and renewal’ (future Urban Renewal Area) and based on initial experiments carried out as part of its urban renewal tasks, citydev.brussels must continue to develop its role and organisation as the contracting authority in joint projects involving brownfield and large sites.

## 3. Delegated tasks

Citydev.brussels may be entrusted by the government or municipalities with delegated tasks serving the general objective pursued by the institution.

These delegated tasks are covered by:

- following a decision by the institution, an agreement setting out the rules of the collaboration and the budget;
- separate budget items indicating the revenue and expenditure strictly associated with these tasks.

Grants from the Region or municipalities will be included in the specific revenue for these delegated tasks to ensure that they can be successfully carried out.

*Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used for a certain sector, please attach them.*

Citydev.brussels was entrusted with its tasks by the Order of 20 May 1999 on the Société de Développement pour la Région de Bruxelles-Capitale<sup>1</sup>.

This entrustment is developed in more detail in a five-year management contract. The current management contract covers the years 2013 to 2018 and was concluded on 16 October 2013 between the Government of the Brussels Capital Region and the Société de Développement pour la Région de Bruxelles-Capitale (citydev.brussels).

*Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?*

The management contract is concluded for a period of five years and may be renewed.

*Explanation whether (typically) exclusive or special rights are assigned to the undertakings.*

There are no exclusive or special rights.

*Which aid instruments have been used (direct subsidies, guarantees, etc.)?*

The activity of citydev.brussels is funded through two types of aid instrument:

- grants;
- investment subsidies.

In addition, the funds to finance specific tasks delegated to citydev.brussels by the Region or a municipality are defined in an agreement concluded prior to each task by the parties.

*Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.*

Citydev.brussels produces and constantly updates two multiannual investment plans that are submitted for approval by the government and that respectively cover the Economic Expansion and Urban Renewal activities. These multiannual plans clearly indicate the commitments and respective payments for each project until it is completed, and for each year, and detail the envisaged funding arrangements and sources.

The Order of 1 June 2006 of the Government of the Brussels Capital Region on the granting of subsidies for the urban renewal task of the Société de Développement pour la Région de Bruxelles-Capitale<sup>2</sup> and the management contract state that:

- the subsidies shall be granted as an advance on submission of debt statements and evidence of the expenditure to be made, and
- when a project has been completed, i.e. within six months of the last subsidy instalment being paid, citydev.brussels shall submit a final report on all the operations carried out.

<sup>1</sup> Belgian Gazette of 29 July 1999.

<sup>2</sup> Belgian Gazette of 5 July 2006.

The management contract also states that, in accordance with Article 5 of the Commission's SGEI Decision, the financial compensation granted to citydev.brussels may not exceed what is necessary to cover the costs incurred in discharging the public service obligations indicated in this management contract.

The compensation must also take into account the revenue earned from discharging those public service obligations and a reasonable profit on the capital needed for this purpose.

A cost allocation methodology is used.

***Typical arrangements for avoiding and repaying any overcompensation.***

The Order of 1 June 2006 of the Government of the Brussels Capital Region on the granting of subsidies for the urban renewal task of the Société de Développement pour la Région de Bruxelles-Capitale<sup>3</sup> and the management contract provide for:

- a system that aims to avoid overcompensation by ensuring that any excess subsidy amounts are repaid or reallocated to the next project, and
- citydev.brussels to keep separate accounts for each project.

The management contract states that citydev.brussels must keep 'relevant computerised cost accounts, particularly in order to structure citydev.brussels according to the tasks described in the management contract (economic expansion and urban renewal activities and delegated tasks) and allow financial management of each project'.

The management contract also states that 'where citydev.brussels carries out activities that fall both inside and outside the scope of the service of general economic interest, its internal accounts must show separately the costs and receipts associated with this service and those of other services, as well as the parameters for allocating costs and revenues.

In order to comply with Article 6 of the Commission's SGEI Decision, any overcompensation exceeding 10 % of the appropriate compensation must be repaid by citydev.brussels. Overcompensation not exceeding 10 % may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period.'

The management contract also includes a chapter on the arrangements for implementing, monitoring, evaluating and reviewing the contract.

*A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).*

Not applicable.

<sup>3</sup> Belgian Gazette of 5 July 2006.



<b>Amount of aid granted</b>		
<b>Total amount of aid granted (in millions EUR). This includes all aid</b> granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>		
<b>2016</b>	<b>2017</b>	
<b>Citydev.brussels tasks</b>	<b>2016</b>	<b>2017</b>
SGEI - Economic Expansion	€9 012 620.00	€9 475 523.00
SGEI - Urban Renewal and social housing	€11 629 423.08	€17 967 421.28
Specific financing - Jules Cockx Project	€-	€4 475 000.00
Specific financing - Blue Star Project	€-	€1 355 575.64
ERDF	€3 206 046.03	€-
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b>		
<b>2016</b>	<b>2017</b>	
<b>2016:</b> None.		
<b>2017:</b> Citydev.brussels was entrusted with a new delegated task, namely the development of a regional college for the security trades. The Jules Cockx complex was acquired and a subsidy of EUR 4 475 000 was received for this task.		
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b>		
<b>2016</b>	<b>2017</b>	
For the <b>Economic Expansion SGEI</b> , citydev.brussels received the following amounts in 2016 and 2017:		
<b>2016:</b> EUR 9 012 620		
<b>2017:</b> EUR 9 475 523		
For the <b>Urban Renewal and social housing SGEI</b> , citydev.brussels received the following amounts in 2016 and 2017:		
<b>2016:</b> EUR 11 629 423.08		
<b>2017:</b> EUR 17 967 421.28		
The vast majority (EUR 14 827 000) of the subsidy amount is to be paid to developers.		
For the Blue Star Project <b>delegated task</b> , citydev.brussels received EUR 1 355 575.64 in <b>2017</b> .		
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b>		
<b>2016</b>	<b>2017</b>	
<b>2016 and 2017:</b> None.		
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees, etc.) (if available)		
<b>2016</b>	<b>2017</b>	

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>

### **Complaints by third parties**

*Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.*

Citydev.brussels is unaware of any complaints.

### **Miscellaneous questions**

*a. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:*

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;*
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;*
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;*
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;*

*Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.*

Citydev.brussels has not experienced any difficulties in applying the 2012 SGEI Decision.

*B. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:*

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;*
- complying with public procurement rules in line with paragraph 19 of the SGEI Framework;*
- determining the net avoided cost as required by paragraphs 25-27 of the SGEI Framework;*
- determining the reasonable profit level in line with paragraphs 33-38 of the SGEI Framework;*

*Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.*

Not applicable.

*c. If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions, please feel free to provide them within your report.*

Citydev.brussels does not have any other comments to make.



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Our references: 2018/RI/0262-S  
Annex(es): None.

***REPORT OF THE FRENCH COMMUNITY COMMISSION ON STATE AID***

### **Expenditure overview 2016-2017**

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
Compensation for Services of General Economic Interest (1+2)	295 612 000	310 927 000
(1) Compensation granted on the basis of the SGEI Decision	295 612 000	310 927 000
(2) Compensation granted on the basis of the SGEI Framework		

## FRENCH COMMUNITY COMMISSION SHEET No 1

CATEGORY	Social services
SECTOR	Care and social inclusion of vulnerable groups

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

5 March 2009 – Decree (*décret*) on outreach services in the areas of social work, family and health.

- 4 June 2009 – Order (*arrêté*) of the Board of the French Community Commission implementing the Decree of 5 March 2009 on outreach services in the areas of social work, family and health.

Decree of 27 May 1999 on the granting of approval and subsidies to social care homes.

- Order of 20 July 2000 implementing the Decree of 27 May 1999 on the granting of approval and subsidies to social care homes;
- Order of 27 February 2003 regulating the granting of investment subsidies to social care homes.

Decree of 13 May 2004 on subsidies for the purchase, construction, renovation, adaptation, equipment, extension and furnishing of certain centres, facilities, homes, agencies or sheltered housing initiatives falling under the social work, family and health policy.

- Order of 14 April 2005 implementing the Decree on subsidies for the purchase, construction, renovation, adaptation, equipment, extension and furnishing of certain centres, facilities, homes, agencies or sheltered housing initiatives falling under the social work, family and health policy.

Decree of 22 March 2007 on the accommodation and care policy to be pursued with regard to elderly people.

- Order No 2008/1561 of 2 April 2009 of the Board of the French Community Commission implementing the Decree of 22 March 2007 on the accommodation and care policy to be pursued with regard to elderly people.

Decree of 27 May 1999 of the Assembly of the French Community Commission on the approval and subsidy of caregiver training centres.

- Order of 21 October 1999 of the Board of the French Community Commission on the approval and subsidy of caregiver training centres.

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	<p><b>1. Family planning centres: 27 approved</b> Family planning centres have the following tasks:</p> <p>1° Welcome, information and support of individuals, couples and families.</p> <p>They must therefore:</p> <p>(a) welcome anyone in a situation of emotional, relational, sexual and administrative distress, listen and respond to them and guide them;</p> <p>(b) arrange medical, psychological, social and legal consultations;</p> <p>(c) monitor pregnancies, arrange prenatal consultations and help pregnant women who are in difficult situations;</p> <p>(d) organise prevention activities in order to prepare young people for emotional, relational and sexual life, provide information and encourage discussions among adults on this theme;</p> <p>(e) fully inform individuals and groups about contraception, wanted or unwanted pregnancies, and abortions.</p> <p>In accordance with the law, centres can carry out activities in the specialised area of offering abortions.</p> <p>Family planning centres can carry out specific activities in more specialised areas connected with these tasks, particularly in terms of couples' counselling and family mediation.</p> <p>2° Development of a prevention policy in liaison with social and health professionals.</p> <p><b>2. Home help services: 7 approved</b> Home help services have the following tasks:</p> <p>1° enabling beneficiaries to enjoy a better life at home and to gain and maintain their independence, with the support of caregivers, elderly support workers and domestic helpers, in conjunction with the family and local environment and other professionals if necessary;</p> <p>2° as a priority helping those most in need and those who are the most disadvantaged in financial, physical or mental health and social terms.</p> <p><b>3. Social care homes: 15 approved</b> Social care homes have the tasks of welcoming, accommodating and providing appropriate psychosocial assistance to beneficiaries in order to encourage their independence, physical well-being and reintegration into society. Beneficiaries are defined as follows: adults, mature minors, juvenile</p>

	<p>mothers and pregnant minors who are in a precarious relational, social or material position and who are unable to live independently, as well as their accompanying dependent children. Dependent children are defined as children who are usually looked after by the beneficiaries.</p> <p><b>4. Daycare facilities for the elderly: 4 approved centres</b>  <b>Daycare facilities</b> are intended to provide daycare for people who are at least 60 years old in order to help them maintain or re-establish social ties, encourage their independence and guide them in social and health matters.</p> <p>These facilities are mainly aimed at elderly people who do not live in a residential establishment intended for the elderly. Residents of a retirement or retirement and care home cannot access these facilities.</p> <p>As a bridge between private accommodation and retirement homes, these centres welcome any elderly people who are losing their independence and need psychological, paramedical or social support. They can accommodate a maximum of 20 people per day and are open five days a week. They provide a social service, an occupational therapy service, personal care assistance, paramedical care, entertainment (games, singing, meals, outings to shows, etc.), a transport service between the centre and the home, transport to hospital, etc.</p> <p><b>5. Caregiver training centres: 3 approved centres</b>  that provide skills training over 10 months, including theory lessons and practical training. As a result of this certification, students completing the caregiver training can use the title of multi-skilled care worker in home and community-based services.</p> <p><b>6. Social alarm services: 2 approved</b>  <b>Social alarm services</b> offer remote assistance and an emergency response, where needed, 24 hours a day to elderly people who are at least 60 years old.</p> <p><b>7. Initiatives: 10 projects</b>  Support for measures aimed at promoting, improving, protecting, assessing, maintaining or re-establishing the quality of life of the population through an interdisciplinary approach, in partnership with other social and health operators.</p>
Forms of entrustment	<ul style="list-style-type: none"> <li>- Ministerial approval order</li> <li>- Categorisation order</li> <li>- Subsidy order for initiatives</li> </ul>
Duration of the entrustment	<b>Outreach services (family planning centres, home help services):</b>



	<p>- two years, renewable once only, for the provisional approval; - unlimited for the final approval.</p> <p><b>Social care homes:</b> Five years, renewable.</p> <p><b>Daycare facilities for the elderly:</b> Six years, renewable.</p> <p><b>Social alarm services:</b> Six years, renewable.</p> <p><b>Caregiver training centres:</b> Five years, renewable.</p> <p><b>Initiatives:</b> Maximum of one year, renewable.</p>
Exclusive or special rights assigned	Defined in the Decree on outreach services in the areas of social work, family and health.
Compensation mechanism as regards the respective services, including aid instrument used. Methodology used to determine the compensation	<p><b>1. Family planning centres</b> The minimum team must consist of at least 0.16 FTE psychologist, 0.16 FTE social worker, 0.16 FTE legal expert and 0.16 FTE doctor.</p> <p>The operating costs subsidy is set at EUR 5 140 per subsidised FTE worker.</p> <p>However, a minimum annual amount of EUR 24 230 is guaranteed for each family planning centre.</p> <p>Every five years, a contribution towards computer costs is granted to each family planning centre to cover the costs of purchasing computer equipment, up to a maximum of EUR 3 850.</p> <p>A subsidy of EUR 21 per hour is granted for consultation time other than medical consultations and for time spent on meetings, welcoming people and prevention work by self-employed members of the family planning centre team.</p> <p><b>2. Home help services</b> Subsidies are granted to home help services as follows:</p> <p>1° The subsidy for caregiver and elderly support worker activities comprises the following:</p> <p>(a) A fixed amount per hour worked as a contribution towards the employer costs for caregivers and elderly support workers. The beneficiary's contribution is deducted from this amount.</p> <p>For the delivery of meals at home, an amount of EUR 1.24 per hour worked is deducted from the</p>

	<p>fixed amount. The delivery of meals cannot exceed four hours per day.</p> <p>(b) A fixed amount per hour worked as a contribution towards the employer costs for administrative staff.</p> <p>(c) A fixed amount per hour worked as a contribution towards operating costs.</p> <p>(d) A fixed amount per service as a contribution towards the employer costs for the service manager (or general coordinator) and team managers.</p> <p>(e) A fixed amount for one FTE as a contribution towards the employer costs for management staff where the service has more than 100 FTEs.</p> <p>2° An additional fixed amount per caregiver or elderly support worker service is granted as a contribution towards the employer costs for the service manager (or general coordinator) and team managers for services provided on Saturday, Sunday and public holidays and for any service provided in the morning before 7.00 a.m. and in the evening after 6.00 p.m., where these hours represent at least 4 % of the total volume of hours worked in the home.</p> <p>3° The subsidy for domestic helper activities comprises the following:</p> <p>(a) A fixed amount per hour worked as a contribution towards the employer costs for domestic helpers. The beneficiary's contribution is deducted from this amount.</p> <p>For the delivery of meals at home, an amount of EUR 1.24 per hour worked is deducted from the fixed amount. The delivery of meals cannot exceed four hours per day.</p> <p>(b) A fixed amount per hour worked as a contribution towards the employer costs for administrative staff.</p> <p>(c) A fixed amount per hour worked as a contribution towards operating costs.</p> <p>(d) A fixed amount per service as a contribution towards the employer costs for the service manager (or general coordinator) and team managers.</p> <p>4° The subsidies for time worked by caregivers, elderly support workers and domestic helpers on Sunday or public holidays or in the morning before 7.00 a.m. and in the evening after 6.00 p.m. are</p>
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	<p>increased by a time supplement of 50 %. The subsidies for time worked on Saturday are increased by a time supplement of 35 %. For domestic helpers, these subsidies are granted only for the delivery of meals at home.</p> <p>5° Travel time is taken into account when calculating the subsidies, at the rate of a quarter of an hour per service.</p> <p>Where intensive support is provided, the subsidy per service, intended to cover the wage of the service manager and team managers, is multiplied by two for a six-hour service and by three for an eight-hour service.</p> <p>7° The fixed amounts are indexed as follows:</p> <p>Whenever the average of the quarterly consumer price indices for two consecutive months reaches one of the key indices or falls to one of these, the fixed amounts are calculated by applying a coefficient of 1.02n to them, which represents the rank of the key index reached. The amounts are always revised at the start of a quarter.</p> <p>The subsidy for caregiver and elderly support worker services is capped at four-fifths of the maximum number of hours of subsidised services, set annually by the regional authority. It is capped at two-fifths of these hours for domestic helpers.</p> <p>Time spent at trade union meetings by support workers can be treated as service time, at the rate of:</p> <p>1° four hours per month and per representative for works council meetings;</p> <p>2° four hours per month and per representative for prevention and protection at work committee meetings;</p> <p>3° four hours per month and per representative for union delegation meetings.</p> <p>Time taken for medical examinations carried out under the Law on well-being at work can be treated as service time.</p> <p>When calculating the subsidy, internal coordination meetings are taken into account only at the rate of an average of two hours per support worker and per week.</p> <p>When calculating the subsidy, external coordination meetings are taken into account only at the rate of an</p>
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	<p>average of 20 hours per year and per support worker.</p> <p>The subsidy for continuing training costs for the service manager, team managers, and administrative and management staff is 1 % of the wage bill for these staff.</p> <p><b>3. Social care homes</b> Social care homes can be approved for one or more of the following activity categories:</p> <ul style="list-style-type: none"> <li>- category 1: support of single adults;</li> <li>- category 2: support of single adults with children;</li> <li>- category 3: support of families.</li> </ul> <p>A maximum capacity is determined for each activity category on approval. The subsidy amount is linked to the category in which the home is approved and the ways in which beneficiaries can access the home.</p> <p>The subsidies are intended to cover, on the one hand, staff costs (staff training costs) and operating costs and, on the other hand, infrastructure costs of the social care home according to the terms and criteria determined by the regional authority. The latter determines the percentage of staff costs that can be subsidised in terms of the continuing training costs for workers.</p> <p>Operating costs comprise the costs of operating the home and costs associated with accounting and administrative management tasks.</p> <p><b>4. Daycare facilities for the elderly</b> Annual fixed subsidy as a contribution to staff and operating costs: EUR 60 000. <b>Operating subsidies</b> means any expenditure that cannot be depreciated (salaries, training, purchase of consumables, etc.).</p> <p><b>5. Caregiver training centres</b> The subsidy consists of the following for each training course provided: 1° A fixed subsidy of EUR 18 592.01 as a contribution towards the employer costs for a coordinator who is employed on at least a part-time basis and who holds an upper secondary education diploma or certificate or, failing that, who can prove 10 years of service in the non-profit sector.</p> <p>2° A fixed subsidy of EUR 22.31 per hour taught. The total number of hours cannot exceed 500 hours per course.</p> <p>However, where the approved training centre splits the students on one training course into several groups, the maximum number of 500 hours can be</p>
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	<p>exceeded, with the subsidy allocated for hygiene, first aid and domestic training lessons being calculated according to the number of duplicated hours.</p> <p>3° A fixed subsidy of EUR 22.31 per hour of support meetings. The total number of support meeting hours cannot exceed 50 hours per course.</p> <p>4° An annual fixed subsidy of EUR 3 966.30 as a contribution towards the operating costs, particularly including documentation and teaching material costs.</p> <p>These amounts are open to revision based on the health index. They are revised annually on 1 January based on the consumer price index.</p> <p><b>6. Social alarm services</b> The Board of COCOF (French Community Commission) grants a subsidy to social alarm services where they apply a price reduction of at least EUR 15 per month for beneficiaries meeting the following conditions:</p> <ul style="list-style-type: none"> <li>- the beneficiary is at least 60 years old, recognised as disabled and has an income not exceeding the amount for 'BIM' or 'OMNIO' (higher contribution) eligibility in the context of health insurance;</li> <li>- the beneficiary is at least 75 years old and has an income not exceeding the amount for 'BIM' or 'OMNIO' (higher contribution) eligibility in the context of health insurance.</li> </ul> <p>An indexed subsidy of EUR 1.25 is also granted for management costs per month and per file.</p> <p><b>7. Initiatives</b> Compensation granted per call for projects. Contribution to staff and operating costs based on a provisional budget.</p>
Arrangements for avoiding and repaying any overcompensation	<p><b>Approved services</b> Audit and inspection of the services by authorised agents: compliance with the conditions of approval and rules imposed, on-the-spot consultation of evidence and documents needed to carry out the task. Based on an annual supporting dossier and documents. Repayment of overcompensation based on eligible expenditure.</p> <p><b>Initiatives</b> Submission of supporting documents at the end of the activity. Audit of supporting documents submitted. On-the-spot inspection and audit. Repayment of overcompensation based on the</p>

	accepted supporting dossier.
Amount of aid granted 2016	
Total amount of aid granted	EUR 46 790 987.32, of which: Family planning centres: EUR 7 181 369.75 Home help services: EUR 28 387 342.88 Social care homes: EUR 10 545 818.07 Daycare facilities for the elderly: EUR 266 359.04 Caregiver training centres: EUR 172 751.36 Social alarm services: EUR 153 996.22 Initiatives: EUR 83 350
Additional quantitative information	

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

### (a) Conceptual difficulties

- The SGNEI and SGEI concepts, as defined by the European Commission, suffer from a lack of terminological clarity.
- The flexibility that the Member States are allowed by the European Commission in defining general interest tasks, which is at the discretion of the subsidising authorities, creates legal uncertainty.
- It is difficult to precisely identify when remuneration forms an economic consideration for the service provided.
- It is difficult to determine when a given market exists, which is characterised by the interaction of supply and demand.
- In the absence of complaints, it is difficult to determine whether calls for proposals that are selective by nature may also lead to distortions of competition.
- The concept of 'general interest task' is often confused with a series of specific activities to be carried out.

### (b) Methodological difficulties

- It is difficult to differentiate between SGNEI, SGEI or SSGI activities within an undertaking.
- An undertaking pursuing the same object can receive public aid from different levels of government. It is sometimes complicated to identify whether these activities come under the same general interest task.
- Where one level of government assigns a general interest task through an entrustment and grants public aid, another level of government may fund activities through a call for proposals. In this case it is not easy to distinguish between 'de minimis' aid (less than EUR 500 000 over three years) and State aid compatible with the market (up to EUR 15 million per year)
- For some undertakings, one level of government grants approval, but not public aid. This distribution of responsibility by level of government complicates the application of the SGEI Decision.

### (c) Specific analysis difficulties

- A financial contribution threshold needs to be defined so that it can be decided whether or not an activity is economic (subscriptions, contributions to costs, minimum acceptable contributions).
- Information on public aid granted to undertakings situated in one region is not being regularly exchanged between the different levels of government (need to carry out analysis based on balance sheets).
- It is difficult to identify in balance sheets whether the total amount of public aid has been granted to one SGEI or several SGEI (which results in the public aid received being combined).
- It is difficult to identify in balance sheets the amounts for an SGNEI (where its funding is not regarded as falling under de minimis aid) and those covered by a de minimis regulation.
- It is difficult to identify and weight in financial terms aid in kind and indirect financing received by undertakings (provision of premises, staff, equipment).

### **3. COMPLAINTS BY THIRD PARTIES**

None.

### **4. MISCELLANEOUS QUESTIONS**

None.

## FRENCH COMMUNITY COMMISSION SHEET No 2

CATEGORY	Social services
SECTOR	Health and long-term care

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

5 March 2009 – Decree on outreach services in the areas of social work, family and health, amended by the Decree of 9 July 2010 on the fight against certain forms of discrimination and on implementation of the principle of equal treatment and by the Decree of 20 July 2016 of the French Community Commission.

4 June 2009 – Order of the Board of the French Community Commission implementing the Decree of 5 March 2009 on outreach services in the areas of social work, family and health, amended by the Orders of the Board of the French Community Commission of 23 December 2010, 20 October 2011, 19 July 2012 and 8 June 2017.

18 February 2016 – Decree on the promotion of health.

17 February 2017 – Order No 2016/732 of the Board of the French Community Commission implementing the Decree of 18 February 2016 of the French Community Commission on the promotion of health.

NB: The Decree and its implementing order were implemented on 1 January 2018.

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	<p><b><u>1. Mental health services: 22 approved</u></b></p> <p>Mental health services have the following general tasks:</p> <p>1° Offering an initial welcome, assessing and, where applicable, directing the requests of beneficiaries.</p> <p>2° Giving a diagnosis and ensuring psychiatric, psychological, psychotherapeutic and psychosocial treatment for mental health problems. The diagnosis and treatment of mental health problems include the medical, psychiatric, psychological and social aspects. They basically aim to improve the mental well-being of patients in their usual living environments.</p> <p>3° Organising, developing or participating in prevention activities.</p> <p><b><u>2. Drug addiction services: 14 approved</u></b></p> <p>Drug addiction services have the tasks of welcoming and informing drug users, and their friends and families, and at least one of the following general tasks:</p> <p>1° Support:</p> <p>Drug addiction services support beneficiaries in their</p>



	<p>request for help and, through personalised monitoring, provide in-house psychosocial and administrative guidance in liaison with the people and institutions concerned, in particular social, health, school and sociocultural operators. They can then direct or redirect beneficiaries, according to their needs, towards more appropriate people or institutions.</p> <p>2° Care:</p> <p>(a) Drug addiction services give a diagnosis and ensure the treatment of beneficiaries facing problems connected with drug use. The treatment of these problems includes the medical, psychiatric and psychological aspects. They aim to improve the well-being of beneficiaries in their usual living environments, which does not necessarily imply stopping their drug use.</p> <p>(b) The service involves in the beneficiary's treatment, with the latter's agreement, the general practitioner designated by the beneficiary and, where possible, all professionals external to the service's team, who can help with the treatment.</p> <p>3° Prevention:</p> <p>(a) Drug addiction services organise prevention activities or participate in the organisation of activities aimed at prevention, particularly the prevention of damage sustained by drug users.</p> <p>(b) Prevention activities can in particular consist of:</p> <ol style="list-style-type: none"> <li>1. informing, raising the awareness of and educating the population and also social, health, psychosocial, school and sociocultural operators about drug addiction and prevention of damage sustained by drug users;</li> <li>2. specific prevention actions aimed at target groups, particularly people faced or likely to be faced with drug addiction problems.</li> </ol> <p>4° Risk reduction:</p> <p>(a) Drug addiction services organise risk reduction activities.</p> <p>(b) Risk reduction activities can in particular consist of:</p> <ul style="list-style-type: none"> <li>- informing, raising the awareness of and educating drug users, the general population and social, health, psychosocial, school and sociocultural operators about the risks connected with drug use and how to reduce them;</li> <li>- specific actions aimed at providing materials on risk reduction, working within people's living</li> </ul>
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	<p>environments and ensuring the involvement of drug users.</p> <p>Drug addiction services can also have one or more of the following specific tasks:</p> <p>1° Reintegration:</p> <p>Drug addiction services offer the guidance needed to ensure the social, family, school and professional reintegration of beneficiaries. They work in collaboration with the people and institutions concerned, particularly social, health, administrative, school and sociocultural operators, and the world of work.</p> <p>2° Liaison:</p> <p>Drug addiction services carry out liaison work between the various people and entities supporting drug users. They organise collaboration so that the needs of beneficiaries are appropriately met.</p> <p>3° Training:</p> <p>Drug addiction services ensure the awareness-raising, training, continuing training and supervision of people faced or likely to be faced with the problems encountered by drug users.</p> <p><b><u>3. Medical centres: 38 approved (2 new medical centres will be provisionally approved during 2018)</u></b></p> <p>In the context of developing integrated healthcare, medical centres have the following tasks:</p> <p>1° providing primary healthcare, i.e. front-line care provided at the surgery and in the home, and preventive monitoring;</p> <p>2° carrying out community health work, i.e. developing activities coordinated with the entire psycho-medical-social network and creating the conditions for the population to actively participate in the promotion of its health;</p> <p>3° acting as a front-line health observatory, i.e. gathering information allowing the population served to be epidemiologically described, objectives to be assessed and the activities of the medical centre to be self-assessed with a view to improving quality of care;</p> <p>4° carrying out reception work.</p> <p>Medical centres have a multidisciplinary team with at least two general practitioners, reception and secretarial staff, and paramedical staff. Their main activities are carried out in the context of developing</p>
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	<p>integrated healthcare.</p> <p>The minimum staffing is one full-time equivalent receptionist and half a full-time equivalent community health worker.</p> <p>Medical centres ensure collaboration with social workers and psychotherapists.</p> <p><b><u>4. Home care and services coordination centres: 5 approved</u></b></p> <p>Home care and services coordination centres:</p> <p>1° organise, at the request of beneficiaries or their representative and in collaboration with their treating doctor, all the care and services needed to keep beneficiaries in their home;</p> <p>2° organise, at the request of beneficiaries or their representative and in collaboration with their treating doctor, all the care and services allowing continuity of care and services to be ensured, as well as 24/7 monitoring to avoid or shorten hospitalisation.</p> <p><b><u>5. Palliative and continuing care services: 7 approved</u></b></p> <p>Palliative and continuing care services have all or some of the following tasks:</p> <p>1° organising and coordinating, at the request of patients or their representative, in collaboration with their treating doctor and in liaison, in particular, with the hospital team and any coordination centre, all the home care and services allowing continuity of care and services to be ensured, as well as 24/7 monitoring;</p> <p>2° organising and providing palliative and continuing care, in close collaboration with the treating doctor and any coordination centre;</p> <p>3° organising and providing psychosocial care, in particular psychiatric care needed by patients who have received a terminal prognosis and support for their friends and family, in close collaboration with the treating doctor;</p> <p>4° raising the awareness of, providing theoretical or practical training and continuing training to, or supervising professional or voluntary workers external to the service who need to treat or support patients who have received a terminal prognosis, and their friends and family.</p> <p><b><u>6. Helpline centres: 2 approved</u></b></p> <p>Helpline centres are an outreach service that offer help to anyone in a state of crisis or psychological</p>
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	<p>distress, via the telephone or, where applicable, any other technical medium, with anonymity and confidentiality of the call being ensured.</p> <p>1. Helpline centres have the following tasks:</p> <p>1° They organise, according to the terms laid down by the Board, 24/7 telephone support and, where applicable, guidance that best suits the situation or difficulties motivating the call. This support can also be provided via any other medium that ensures anonymity and confidentiality of the call.</p> <p>2° They supervise the activity of call-takers.</p> <p>2. Helpline centres can also carry out the following activities:</p> <p>1° prevention and awareness-raising among the general public or professionals with regard to problems identified during the support referred to in paragraph 1(1°);</p> <p>2° promotion of volunteering;</p> <p>3° social observatory on oral communication;</p> <p>4° training in call-taking.</p> <p><b><u>7. Networks: 14 approved</u></b></p> <p>The aim of networks is to improve the coordination, complementarity, multidisciplinary, continuity and quality of services and activities targeted at beneficiaries and/or the population in the territory served. The fourteenth network was approved in 2015.</p> <p><b><u>8. Initiatives: 80 projects</u></b></p> <p>Support for actions aimed at promoting, improving, protecting, assessing, maintaining or restoring the population's health.</p> <p><b><u>9. Health promotion: 53 associations</u></b></p> <p>Subject-matter transferred to the French Community following the sixth state reform of 2015. Support for health promotion support services and various operators such as health promotion workers and networks.</p> <p><b><u>10. Institutions that chose COCOF following the sixth state reform: 1 joint psychosocial therapeutic structure and 1 sheltered housing initiative:</u></b></p> <p>Agreements transferred to the French Community following the sixth state reform of 2015. These involve the following:</p>
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	<ul style="list-style-type: none"> <li>• A joint psychosocial therapeutic structure which, as at 30 June 2014, had several functional re-education agreements in place with INAMI (National Institute for Health and Disability Insurance). In addition to care in the context of a multidisciplinary outpatient practice, this offers therapeutic support and accommodation options for people suffering from mental disorders.</li> <li>• A sheltered housing initiative with approval that was issued, in particular, based on the Law of 7 August 1987 on hospitals. This offers accommodation and support to people who do not need ongoing treatment in hospital, but who, for psychiatric reasons, must be helped in their living and accommodation environment to acquire social skills and for whom adapted daily activities must be organised.</li> </ul>
Forms of entrustment	1 to 7: Ministerial approval and subsidy order 8 and 9: Subsidy order 10: Ministerial approval and subsidy order + agreements
Average duration of the entrustment (in years)	<p><b>General principle</b></p> <ul style="list-style-type: none"> <li>- two years, renewable once only, for the provisional approval;</li> <li>- unlimited for the final approval.</li> </ul> <p><b>For initiatives</b></p> <ul style="list-style-type: none"> <li>- one year, renewable.</li> </ul> <p><b>For health promotion:</b></p> <ul style="list-style-type: none"> <li>- one year, renewable.</li> </ul>
(Typically) exclusive or special rights assigned	The tasks entrusted to outreach services are defined in the Decree of 5 March 2009.
Aid instruments (direct subsidies, guarantees, etc.)	<p>1 to 7: Fixed subsidies paid in four quarterly advances (3*25 % and 20 %) and a balance (5 %). The advances are paid on 15 February, 15 May, 15 August and 15 November. The balance is paid on 31 October of the following year.</p> <p>8: Fixed subsidies paid in one instalment (80 %) and a balance (20 %).</p> <p>9: Fixed subsidies paid in two or three instalments:</p> <p>An advance of 85 % of the subsidy is paid no later than 20 February of the calendar year concerned to operators and lead organisations whose total subsidy does not exceed EUR 10 000. The balance is paid based on a final statement according to the terms laid down by the Board.</p> <p>Operators and lead organisations whose total subsidy</p>

	<p>exceeds EUR 10 000 receive, no later than 20 February of the calendar year concerned, an initial advance of 85 % of the subsidy and, no later than 30 June, a second advance of 10 % of the subsidy. The balance is paid based on a final statement according to the terms laid down by the Board.</p> <p>10: Fixed subsidies paid in four quarterly advances (3*25 % and 20 %) and a balance (5 %). The advances are paid on 15 February, 15 May, 15 August and 15 November.</p>
<p>Compensation mechanism as regards the respective services, including aid instrument used.</p> <p>Methodology used to determine the compensation</p>	<p><b><u>General principles</u></b></p> <p>Fixed compensation determined by the regional authority based on:</p> <ul style="list-style-type: none"> <li>- a number of full-time equivalents needed to carry out the tasks;</li> <li>- a percentage of staff costs that can be subsidised in terms of the worker continuing training costs;</li> <li>- maximum eligible amounts for the operating costs (operation of the service and costs associated with accounting and administrative management tasks).</li> </ul> <p>Sixty per cent of the compensation must be justified by staff costs.</p> <p>Every five years the regional authority produces a programme that includes a number of services by sector and that takes into account the existing offer and the needs identified in sociological, geographical, epidemiological and socio-economic terms.</p> <p><b><u>1. Mental health services</u></b></p> <p>The minimum team must consist of at least one FTE psychologist, one FTE social worker and one FTE doctor specialising in psychiatry. The position of FTE doctor specialising in psychiatry can be occupied, for a maximum of 0.5 FTE, by a doctor with complementary skills in adult psychiatry.</p> <p>The calculation method and maximum eligible amounts for the operating costs are:</p> <ul style="list-style-type: none"> <li>1° EUR 17 800 for 4 full-time equivalents;</li> <li>2° EUR 19 250 for 5 and 6 full-time equivalents;</li> <li>3° EUR 20 700 for 7 and 8 full-time equivalents;</li> <li>4° EUR 22 150 for 9 and 10 full-time equivalents;</li> <li>5° EUR 23 600 for 11 full-time equivalents or more.</li> </ul> <p>An additional amount of EUR 3 100 is granted per additional approved place of work.</p> <p><b><u>2. Drug addiction services</u></b></p>

	<p>The basic amount for operating costs is EUR 14 750.</p> <p>Additional funding of operating costs and staff costs is calculated based on the following criteria:</p> <p>1° Number of beneficiaries:</p> <p>(a) from 201 to 500 + 0.5 FTE;  (b) from 501 to 1 000 + 1 FTE;  (c) +1 000 + 1.5 FTEs.</p> <p>Beneficiaries included in the calculation of additional funding are those for whom at least one task has been requested.</p> <p>2° Number of places of work:</p> <p>A place of work is defined as premises in which at least one of the tasks is carried out on a part-time basis.</p> <p>(a) two places of work + 0.5 FTE;  (b) three places of work or more + 1 FTE.</p> <p>3° Where the staff work:</p> <p>(a) part-time in two places of work, EUR 2 950 can be granted for operating costs;  (b) part-time in three places of work or more, EUR 5 900 can be granted for operating costs;  (c) full-time in two places of work, EUR 5 900 can be granted for operating costs;  (d) full-time in three places of work or more, EUR 11 800 can be granted for operating costs.</p> <p>4° The amount of financial contributions from other institutions: no financial contribution from other institutions means that an additional 0.5 FTE and EUR 2 950 for operating costs can be granted.</p> <p>5° The specific nature of the project and target public, such as 24/7 service, team mobility or tasks carried out in hospitals and prisons, means that a maximum of an additional 2 FTEs and EUR 35 400 for operating costs can be granted.</p> <p>6° The simultaneous performance of several tasks and the total number of FTEs of approved services mean that:</p> <p>(a) for 4 tasks, 0.5 FTE can be granted;  (b) for 5 tasks, 1 FTE can be granted;  (c) for 6 tasks, 1.5 FTEs can be granted.</p> <p>Where the subsidised team consists of two or three FTEs, the additional operating costs are EUR 2 950.</p>
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	<p>Where the subsidised team consists of more than three FTEs, the additional operating costs are EUR 5 900.</p> <p>The additional operating costs are limited to EUR 44 250 per service.</p> <p><b><u>3. Medical centres</u></b></p> <p>The operating costs subsidy is capped at EUR 9 640.</p> <p>This subsidy is indexed and therefore revised annually on 1 January based on the consumer price index.</p> <p><b><u>4. Home care and services coordination centres</u></b></p> <p>The category is determined based on:</p> <p>1° the annual average number of beneficiaries for whom a support plan has been produced:  category 1: 80  category 2: 160  category 3: 240</p> <p>2° the percentage of services provided outside working hours and days (by type of service):  category 1: 3 %  category 2: 6 %  category 3: 9 %</p> <p>3° the choice of menus and the possibility of tailored menus:  category 1: optional  category 2: optional  category 3: compulsory</p> <p>4° the use of a questionnaire to be completed by beneficiaries or their friends or family on the care and services provided:  category 1: compulsory  category 2: compulsory  category 3: compulsory</p> <p>Subsidised working hours are as follows:</p> <p>1° Category 1 has 2 FTE coordinators. The number of working hours taken into account for calculating the subsidy cannot be less than 0.5 FTE.</p> <p>2° Category 2 has 3 FTE coordinators and 1 FTE administrator, as well as 0.5 FTE management staff. The number of working hours taken into account for calculating the subsidy cannot be less than 0.5 FTE.</p>
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	<p>3° Category 3 has 4 FTE daytime coordinators, 4 FTE night-time coordinators and 1 FTE administrator, as well as 1 FTE management staff. The number of working hours taken into account for calculating the subsidy cannot be less than 0.5 FTE.</p> <p>The total annual fixed amount for operating costs, which can be justified in full by operating costs, is set as follows:</p> <p>1° EUR 17 700 for a category 1 centre;  2° EUR 35 400 for a category 2 centre;  3° EUR 66 650 for a category 3 centre.</p> <p>The fixed allowance per provider and per meeting is set at EUR 15.</p> <p>The maximum annual amount of these allowances is set at:</p> <p>1° EUR 2 950 for a category 1 service;  2° EUR 5 900 for a category 2 service;  3° EUR 8 850 for a category 3 service.</p> <p>The home care allowance for nursing staff of the category 3 service is set at EUR 26 per night or per public holiday during which the provider is on call.</p> <p><b><u>5. Palliative and continuing care services</u></b></p> <ul style="list-style-type: none"> <li>- For category 1: 0.25 FTE university graduate and 0.5 FTE secretary.</li> <li>- For category 2: 0.75 FTE university graduate and 0.5 FTE secretary.</li> <li>- For category 3: 0.5 FTE university graduate and 1 FTE non-university higher education graduate.</li> <li>- For category 4: 1.5 FTE non-university higher education graduates and 0.5 FTE secretary.</li> <li>- For category 5: 0.75 FTE university graduate, 2.5 FTE non-university higher education graduates and 1 FTE secretary. Under Article 25 of the Decree, if non-hospital accommodation is organised with a minimum of 15 beds and an occupation rate of at least 80 %: 0.5 FTE university graduate, 6.5 FTE nurses with a degree or diploma.</li> </ul> <p>The operating costs are a minimum of EUR 10 000, to which EUR 7 500 can be added per additional task. If non-hospital accommodation is organised with a minimum of 15 beds and an occupation rate of at least 80 %, EUR 8 960 can be added to the maximum eligible amounts of the subsidy for operating costs per service. Part of the operating costs can be allocated to care costs.</p> <p><b><u>6. Helpline centres</u></b></p> <p>The minimum staffing is three full-time equivalents,</p>
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	<p>including one manager, one training manager and one secretary.</p> <p>The operating, promotion and training costs and the costs of staff over and above the minimum staffing, in connection with the tasks referred to in paragraph 1(1°) and (2°) and in paragraph 2(1°) and (2°), are EUR 132 760.</p> <p>The operating, promotion and training costs and the costs of staff over and above the minimum staffing, in connection with the tasks referred to in paragraph 2(3°) and (4°), are EUR 50 200.</p> <p>The subsidy also covers the costs associated with volunteer call-takers. These costs concern recruitment, selection, training and supervision of volunteer call-takers.</p> <p><b><u>7. Networks</u></b></p> <p>The minimum fixed subsidy granted to the approved network is EUR 20 810.</p> <p><b><u>8. Initiatives</u></b></p> <p>Contribution to staff and operating costs based on a provisional budget and the 'Health Initiatives' form, duly completed, dated and signed by the non-profit association. This form is available from the website of the Brussels French-speaking Public Service (<i>Service Public Francophone Bruxellois</i> – SPFB). The subsidy is paid in two instalments. The first instalment of 80 % is paid on submission of a claim declaration. The second instalment of 20 % is paid on submission of a second claim declaration, a sworn statement, an activity report, accounts and balance sheet approved by the General Meeting and filed with the Registry of the Commercial Court and/or the national bank (BNP), and supporting documents.</p> <p><b><u>9. Health promotion</u></b></p> <p>Compensation granted per call for projects. Contribution to staff and operating costs based on a supporting budget.</p> <p><b><u>10. Institutions that chose COCOF following the sixth state reform: 1 joint psychosocial therapeutic structure and 1 sheltered housing initiative</u></b></p> <p>The fixed subsidy is granted for operating, training and staff costs. The amount was finalised on 31 December 2014 as part of the sixth state reform. This amount remains the same for 10 years and then</p>
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	decreases over the next 10 years.
Typical arrangements for avoiding and repaying any overcompensation	Audit and inspection of the services by authorised agents: compliance with the conditions of approval and rules imposed, on-the-spot consultation of evidence and documents needed to carry out the task. Based on an annual supporting dossier and documents. Repayment of overcompensation.
<b>Total SGEI government expenditure by legal basis (millions EUR)</b>	
Compensation for Services of General Economic Interest 2017	Mental health services: EUR 15 630 000 Drug addiction services: EUR 4 942 000 Medical centres: EUR 3 702 000 Home care and services coordination centres: EUR 1 582 000 Palliative and continuing care services: EUR 1 361 000 Helpline centres: EUR 830 000 Networks: EUR 691 000 Initiatives: EUR 1 593 993 Health promotion: EUR 4 231 000 Sixth reform institutions: EUR 7 715 000
Compensation for Services of General Economic Interest 2016	Mental health services: EUR 15 135 000 Drug addiction services: EUR 4 779 000 Medical centres: EUR 3 626 000 Home care and services coordination centres: EUR 1 524 000 Palliative and continuing care services: EUR 1 322 000 Helpline centres: EUR 810 000 Networks: EUR 713 000 Initiatives: EUR 2 152 000 Health promotion: EUR 4 228 000 Sixth reform institutions: EUR 7 701 000

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

### (a) Conceptual difficulties

- The SGNEI and SGEI concepts, as defined by the European Commission, suffer from a lack of terminological clarity.
- The flexibility that the Member States are allowed by the European Commission in defining general interest tasks, which is at the discretion of the subsidising authorities, creates legal uncertainty.
- It is difficult to precisely identify when remuneration forms an economic consideration for the service provided.
- It is difficult to determine when a given market exists, which is characterised by the interaction of supply and demand.
- In the absence of complaints, it is difficult to determine whether calls for proposals that are selective by nature may also lead to distortions of competition.
- The concept of 'general interest task' is often confused with a series of specific activities to be carried out.

### (b) Methodological difficulties

- It is difficult to differentiate between SGNEI, SGEI or SSGI activities within an undertaking.
- An undertaking pursuing the same object can receive public aid from different levels of government. It is sometimes complicated to identify whether these activities come under the same general interest task.

- Where one level of government assigns a general interest task through an entrustment and grants public aid, another level of government may fund activities through a call for proposals. In this case it is not easy to distinguish between 'de minimis' aid (less than EUR 500 000 over three years) and State aid compatible with the market (up to EUR 15 million per year)
- For some undertakings, one level of government grants approval, but not public aid. This distribution of responsibility by level of government complicates the application of the SGEI Decision.

**(c) Specific analysis difficulties**

- A financial contribution threshold needs to be defined so that it can be decided whether or not an activity is economic (subscriptions, contributions to costs, minimum acceptable contributions).
- Information on public aid granted to undertakings situated in one region is not being regularly exchanged between the different levels of government (need to carry out analysis based on balance sheets).
- It is difficult to identify in balance sheets whether the total amount of public aid has been granted to one SGEI or several SGEI (which results in the public aid received being combined).
- It is difficult to identify in balance sheets the amounts for an SGNEI (where its funding is not regarded as falling under de minimis aid) and those covered by a de minimis regulation.
- It is difficult to identify and weight in financial terms aid in kind and indirect financing received by undertakings (provision of premises, staff, equipment).

**3. COMPLAINTS BY THIRD PARTIES**

None.

**4. MISCELLANEOUS QUESTIONS**

None.

### FRENCH COMMUNITY COMMISSION SHEET No 3

CATEGORY	Social services
SECTOR	Social inclusion of vulnerable groups
SUB-SECTOR	Social cohesion

#### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

15 May 2004 – Decree on social cohesion (consolidated version updated on 13 February 2009).

26 May 2005 – Order No 2005/9 of the Board of COCOF implementing the COCOF Decree of 13 May 2004 on social cohesion.

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	<p><b>1. Municipal social cohesion contract: 13 municipal contracts with 227 (2016) and 230 (2017) specific agreements</b></p> <p>The Board offers municipalities in the ‘Area for Reinforced Development of Housing and Renewal’ the opportunity to negotiate and sign a municipal social cohesion contract tackling one of the following priorities for the 2016-2020 five-year period:</p> <ol style="list-style-type: none"> <li>1 Support and accompaniment of schooling.</li> <li>2 Learning and appropriation of the French language as an active citizen.</li> <li>3 Intercultural citizenship.</li> <li>4 ‘Living together’.</li> </ol> <p>The actions carried out must also help to develop the cultural mix, gender mix, age mix and social mix.</p> <p>To ensure that these contracts are duly performed, the Board can fund a local coordination unit, which is responsible, in conjunction with the Board’s Services, for selecting projects proposed by associations following a public call for projects, organising their coordination, assisting them administratively and assessing them.</p> <p><b>2. Regional social cohesion contract: 60 (2016) and 59 (2017) regional contracts</b></p> <p>The regional social cohesion contract determines, for a maximum period of five years, how the objectives set by the Board will be pursued by associations.</p> <p>It sets one or more specific objectives for the associations concerned and determines the project that they intend to carry out, their target public, the</p>

	<p>aim of their action, their allocated budget, and the criteria and methods for assessing their work.</p> <p>Regional social cohesion contracts are preceded by a call for projects launched by the Board.</p> <p><b>3. Regional centre for the support of social cohesion: 1 approved regional centre</b></p> <p>The regional centre is responsible for producing, in conjunction with the local coordination units, an annual report on the application of the Decree throughout the Region, and for proposing new directions for this policy to the Board. This report is submitted to the Assembly of the French Community Commission.</p> <p>The regional centre also organises meetings between social cohesion operators at regional level.</p> <p><b>4. Regional centre for the development of literacy and learning of French: 1 approved regional centre</b></p> <p>This regional centre is responsible for:</p> <p>1° welcoming and guiding French-speaking and non-French-speaking adults towards the most appropriate tools for literacy and learning of French;</p> <p>2° coordinating, within the territory of the Brussels Capital Region, the literacy tools for French-speaking adults and the literacy and French learning tools for non-French-speaking adults, and offering its methodological and educational expertise in this area to its partners on request;</p> <p>3° running literacy courses for adults of any origin who cannot write sufficiently well in French;</p> <p>4° running literacy and French learning courses for adults with little or no schooling, whose mother tongue is not French and who cannot write and speak sufficiently well in French;</p> <p>5° training the people tasked with delivering the literacy and French learning courses referred to in subparagraphs 3° and 4° and other professionals who are needed in order to organise this training;</p> <p>6° seconding, to its association and public partners, trainers who are qualified to deliver literacy and French learning courses to people with little or no schooling.</p> <p><b>5. Centre Bruxellois d'Action Interculturelle (Brussels Centre for Intercultural Action)</b></p> <p>The Centre Bruxellois d'Action Interculturelle is a relay association between the associations on the ground, the regional public authorities and the media.</p>
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	<p>It aims to support and encourage the activities of these associations.</p> <p>The annual subsidy allocated by the Board enables it to carry out the following tasks:</p> <ul style="list-style-type: none"> <li>- provide associations with logistical assistance;</li> <li>- organise social cohesion events encouraging a synergy between the social and cultural actions of the various communities;</li> <li>- organise training for people from a migrant background and for professionals from non-profit sectors in order to get everyone more involved in a multicultural society;</li> <li>- raise public awareness in the region about the positive and constructive aspects of an intercultural society.</li> </ul> <p><b>6. Fonds d'impulsion à la politique des immigrés (FIPI) (Fund promoting immigration policy): 73 (2016) and 103 (2017) local projects</b></p> <p>The Fonds d'impulsion à la politique des immigrés (FIPI) was set up in 1991 by the Federal Government. Its aim is to support projects encouraging the social integration of people with a foreign background, prevention of discrimination and intercultural dialogue.</p> <p>Since 1993, the FIPI's secretarial work has been carried out by the Centre pour l'égalité des chances et la lutte contre le racisme (Centre for equal opportunities and the fight against racism). Following the sixth state reform and the regionalisation/communitisation of FIPI funds, the Communities and Regions have had full responsibility for the funds transferred in this respect. Projects or bodies supported by the FIPI must help to improve living conditions and equal opportunities in the action areas identified by the Regions as priority areas. The five main cities in the country and their surrounding areas (Antwerp, Brussels, Charleroi, Ghent and Liège) receive 75 % of the available funds.</p> <p>Submitted applications must seek to achieve one or more of the integration goals described below:</p> <ul style="list-style-type: none"> <li>• promotion of equality and diversity in all areas of social, cultural and economic life;</li> <li>• participation in social, cultural, economic and political life, and acquisition of resources useful for exercising free choice and personal independence;</li> <li>• improvement of exchanges and mutual awareness between different communities, as well as intercultural dialogue;</li> </ul>
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	<ul style="list-style-type: none"> <li>• support for local dynamics encouraging social cohesion;</li> <li>• social, cultural, intergenerational and gender mix of the public;</li> <li>• emancipation of women and young girls;</li> <li>• fight against racism and discrimination.</li> </ul> <p>Activities eligible for subsidy by the FIPI must be mainly aimed at people with a foreign background or nationality, with particular focus on new arrivals and women. They must seek to reinforce the social and cultural mix. To that end, the FIPI supports the implementation of programmes involving one of the following activities:</p> <ul style="list-style-type: none"> <li>• promotion of academic success (catch-up support, guidance, prevention of early school leaving and absenteeism);</li> <li>• improvement of training opportunities for people with a foreign background and of their position on the labour market;</li> <li>• teaching of national languages;</li> <li>• social advancement (catch-up support in terms of knowledge and literacy);</li> <li>• sociocultural activities and sporting activities;</li> <li>• psychological, social or medical assistance tailored to people from a migrant background;</li> <li>• training of professionals working with a multicultural public;</li> <li>• coordination of a local partnership working for social cohesion;</li> <li>• translation and social interpreting.</li> </ul> <p><b>7. Initiatives: 64 (2016) and 63 (2017) local projects</b></p> <p>The Board can support, within the limit of the financial resources included in COCOF's general expenditure budget, one-off projects referred to as 'initiatives' that tie in with social processes helping to ensure equal opportunities and conditions, and economic, social and cultural well-being for all individuals or groups of individuals, without discrimination, so that everyone can actively participate and be recognised in society.</p> <p>These processes are particularly aimed at fighting any form of discrimination and social exclusion by developing policies of social integration, interculturality, sociocultural diversity and cohabitation between different local communities.</p>
Forms of entrustment	<ul style="list-style-type: none"> <li>- Municipal contract: Specific agreement signed between the association, local authority and regional authority.</li> </ul>



	<ul style="list-style-type: none"> <li>- Regional contract: Specific agreement signed between the association and regional authority.</li> <li>- Regional centre for the support of social cohesion and Regional centre for the development of literacy and learning of French: Order appointing the Board of COCOF to carry out the tasks covered by the Decree.</li> <li>- Centre Bruxellois d'Action Interculturelle: Subsidy order.</li> <li>- Municipal FIPI: Agreement signed between the municipality and COCOF.</li> <li>- Initiatives: Subsidy order.</li> </ul>
Duration of the entrustment	<p>Five years for the municipal and regional contracts, the Regional centre for the support of social cohesion and the Regional centre for the development of literacy and learning of French.</p> <p>One year for the Centre Bruxellois d'Action Interculturelle, the FIPI and the initiatives.</p>
Exclusive or special rights assigned	<p>Only for the Regional centre for the support of social cohesion, the Centre Bruxellois d'Action Interculturelle and the Regional centre for the development of literacy and learning of French.</p>
<p>Compensation mechanism as regards the respective services, including aid instrument used.</p> <p>Methodology used to determine the compensation</p>	<p><b>1. Municipal social cohesion contract</b></p> <p>Eighty per cent of the social cohesion budget is split between the municipalities. The Board sets and weights the criteria for determining how this amount is split between them. Some municipalities cofinance the social cohesion mechanism.</p> <p>The subsidies do not generally cover all the financial needs arising from the projects.</p> <p><b>2. Regional social cohesion contract</b></p> <p>Twenty per cent of the social cohesion budget is allocated to regional or inter-municipal projects and to projects that have not been included in a municipal social cohesion contract.</p> <p>Social cohesion contracts are funded by paying subsidies to associations.</p> <p>The subsidies do not generally cover all the financial needs arising from the projects.</p> <p><b>3. FIPI</b></p> <p>The FIPI covers:</p> <p>1°/ operating and staff costs,</p> <p>Or</p> <p>2°/ investment and/or infrastructure costs:</p> <p>investment in the purchase, renovation or adaptation of an infrastructure open to the public for sociocultural, educational, artistic or sporting activities.</p>

	<p>The subsidies do not generally cover all the financial needs arising from the projects.</p> <p><b>4. Initiatives</b></p> <p>Granting of compensation following individual and one-off applications submitted to the Board Member or Administration.</p> <p>The financial contribution covers operating and staff costs according to the provisional budget.</p>
Arrangements for avoiding and repaying any overcompensation	<p>For municipal and regional contracts, an advance of 90 % of the subsidy is paid, no later than 20 February of the calendar year concerned, to those associations whose total subsidy does not exceed EUR 10 000. The balance is paid based on a final statement according to the terms laid down by the Board.</p> <p>Associations whose total subsidy exceeds EUR 10 000 receive, no later than 20 February of the calendar year concerned, an initial advance of 50 % of the subsidy and, no later than 30 June, a second advance of 40 % of the subsidy. The balance is paid based on a final statement according to the terms laid down by the Board.</p> <p>The association keeps double-entry accounts for each budget year and submits a balance sheet and a revenue and expenditure account every year using the model imposed by the Board.</p> <p>The Board appoints administration officials to audit the application of the provisions of the Decree and its implementing orders.</p> <p>The local coordination units and subsidised associations must guarantee free access for those officials to their premises and the documents that they need to carry out their tasks.</p> <p>Submission of an activity report and supporting documents at the end of the activity.</p> <p>Repayment of overcompensation based on eligible supporting documents, which are set out in a circular.</p> <p>For the FIPI, the instructions on how to justify subsidies are set out in a circular.</p> <p>In the other cases, the subsidy orders contain rules on justifying the amounts allocated.</p>

TRANSPARENCY REQUIREMENTS: The calls for projects, legislative texts, instructions for justifying subsidies, etc. are published on the CCF website.

Amount of aid granted 2016-2017	
Total amount of aid granted	<p>COCOF Social Cohesion: EUR 12 354 385.99 (2016) and EUR 13 877 571.92 € (2017), of which:</p> <p>Municipal contracts: EUR 7 202 999.99 (2016) and EUR 7 328 608.46 (2017)</p> <p>Regional contracts: EUR 1 638 000.00 (2016) and EUR 1 656 983.20 (2017)</p> <p>Regional centre for the support of social cohesion: EUR 246 000.00 (2016) and EUR 250 270.60 (2017)</p> <p>Regional centre for literacy: EUR 884 000 (2016) and EUR 899 183.58 (2017)</p> <p>FIPI: EUR 1 160 244 (2016) and EUR 1 885 799.86 (2017)</p> <p>Initiatives: EUR 1 329 451 (2016) and EUR 1 026 201 (2017)</p> <p>Centre Bruxellois d'Action Interculturelle: EUR 170 000 (2016) and EUR 170 000 (2017)</p>
Additional quantitative information	/

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

For each association subsidised under the programmes indicated above, the amount allocated by the Social Cohesion Service has been identified.

Based on the income statement, this amount has been compared with the total subsidies allocated by public services.

Although, for the three large associations, the BNB (Banque Nationale de Belgique) complete format includes the 'subsidies-gifts and legacies' item, these associations use only the BNB summary format. In this case, only the gross operating margin is indicated, which includes both the turnover, and therefore the own resources, and also the subsidies received. It is not therefore possible to make a distinction between these two types of revenue. However, the gross operating margin appears under the subsidy heading. The small associations submit only a simplified income statement, which does, however, in most cases allow a distinction to be made between subsidies and own resources. Where it has not been possible to distinguish between own resources and subsidies and therefore to calculate the ratio referred to below, the term '?' or 'Unspecified' has been used.

Where the own resources have been identified, they have been compared with the total amount of subsidies received and a ratio has been calculated. For the social cohesion sector, it is considered that, if this ratio exceeds 10 %, the association may be engaged in an economic activity. It should be noted that the social cohesion sector strongly encourages associations supported by this sector to have their own resources so that they do not have to suspend payments, given the time that it takes to credit accounts with the advances to be received.

Finally, we note that the figures for 2017 have not been provided as they are incomplete. Under the applicable legislation, associations have until 30 June of year n+1 to get their accounts and balance sheet approved by the members of their General Meeting. Associations then have one month to file these documents with the Registry of the Commercial Court of Brussels or the Banque Nationale de Belgique. As of the date of this report, a number of associations have not yet submitted these figures.

### **3. COMPLAINTS BY THIRD PARTIES**

None.

### **4. MISCELLANEOUS QUESTIONS**

None.

## FRENCH COMMUNITY COMMISSION SHEET No 4

CATEGORY	Social services
SECTOR	Childcare

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis in 2016 and 2017:

18 July 2013 – Decree of the French Community Commission on supporting childcare, as amended.

8 December 2016 – Order No 2016/854 of the Board of the French Community Commission laying down criteria and methods for granting subsidies to support childcare.

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	<p><b>1. Infrastructure subsidies:</b> granting of subsidies for the purchase or construction of buildings in order to set up crèches, parent-based crèches, nurseries, municipal childcare homes and specialised care services, which fall solely within the French Community due to their monolingual French-speaking organisation, and also for the extension, conversion, major repair, equipment and initial furnishing of such buildings.</p> <p><b>2. The ASBL (non-profit association) FRAJE</b> (Centre de Formation permanente et de Recherche dans les milieux d'Accueil du Jeune Enfant) (Centre for continuing training and research in the childcare sector), which aims to improve the training of childcare professionals.</p> <p><b>3. Initiatives</b> Support for actions aimed at promoting, improving, assessing and maintaining childcare in the Brussels Region.</p>
Forms of entrustment	<p><b>1. Infrastructure subsidies</b></p> <p>The procedure for granting subsidies for the purchase of buildings consists of two stages:</p> <p>(a) an agreement in principle; (b) a final decision to grant the subsidy.</p> <p>The procedure for granting subsidies for the construction, extension, adaptation, renovation or major repair of buildings consists of five stages:</p> <p>1° an agreement in principle; 2° a preliminary design; 3° a design; 4° a final decision to grant the subsidy; 5° a final work statement.</p> <p>The procedure for granting subsidies for equipment</p>

	<p>and furnishing consists of four stages:</p> <p>1° an agreement in principle;  2° a design;  3° a final decision to grant the subsidy;  4° a final supply statement.</p> <p><b>2. Fraje</b></p> <p>Subsidy order.  Agreement of 22 July 1999 between COCOF and Fraje.</p> <p><b>3. Initiatives</b></p> <p>Subsidy order.</p>
Duration of the entrustment	<p><b>1. Infrastructure subsidies</b></p> <p>Duration of the work or duration of the acquisition in the case of a building purchase.</p> <p><b>2. Fraje</b></p> <p>The agreement is valid for one year and is renewable tacitly.</p> <p><b>3. Initiatives</b></p> <p>Maximum of one year, renewable.</p>
Exclusive or special rights assigned	<p>Rules laid down by the decrees of the Wallonia-Brussels Federation (ONE – (Birth and Childhood Agency).</p>
<p>Compensation mechanism as regards the respective services, including aid instrument used.</p> <p>Methodology used to determine the compensation</p>	<p><b>1. Infrastructure subsidies</b></p> <p>The contribution rate is set at 60 % of the building purchase price or works, supply or services contract, provided that this amount does not exceed the maximum set by the Board.</p> <p>However, a higher contribution rate, set by the Board, may be granted based on the following criteria:</p> <p>(a) safety of the childcare facilities;  (b) lack of financial contributions from parents;  (c) socio-economic situation in the location of childcare facilities;  (d) integration of the childcare facility within an educational establishment;  (e) contribution of the childcare facility to a set of social services;  (f) acceptance of disabled children by the childcare facility;  (g) acceptance of children from vulnerable families.</p> <p>For the building purchase, the subsidy amount is</p>

	<p>calculated based on the purchase price plus registration fees and notarial charges, provided, however, that this purchase price does not exceed the market value, as estimated by the Property Purchase Committee or by the Receiver of Registration Fees, or the maximum amount eligible for subsidy. The subsidy is calculated based on the lowest of these three values plus the registration fees and notarial charges reduced in proportion to the maximum amount used for the calculation.</p> <p>For works or supplies, the applicant must use a public procurement procedure.</p> <p><b>2. Fraje</b></p> <p>Contribution to the operating costs based on a supporting budget <b>and</b> indirect aid (provision of premises).</p> <p><b>3. Initiatives</b></p> <p>Contribution to operating costs based on a supporting budget.</p>
Arrangements for avoiding and repaying any overcompensation	<p><b>1. Infrastructure subsidies</b></p> <p>The applicant:</p> <p>1° cannot change the use of the buildings during the depreciation period set in Article 7, without prior authorisation from the Board;</p> <p>2° cannot sell, without prior authorisation from the Board, the building whose construction or purchase was subsidised and must repay, if this building is sold before the end of the depreciation periods set in Article 7, the undepreciated part of the subsidy amount, plus 50 % of the capital gain that may have been made on the part of the building that was subsidised;</p> <p>3° cannot sell, without prior authorisation from the Board, the building whose renovation or adaptation was subsidised and must repay, if this building is sold before the end of the depreciation period set in Article 7, the undepreciated part of the subsidy amount;</p> <p>4° must maintain the social accessibility referred to in Article 2(1) until the end of the depreciation period set in Article 7. Failing that, the applicant must repay the undepreciated part of the subsidy amount.</p> <p><b>2. Fraje and Initiatives</b></p> <p>Submission of an activity report and supporting documents at the end of the activity marking completion of the projects identified in the order</p>

	<p>granting the subsidy.</p> <p>On-the-spot inspection and audit of evidence and documents by administration officials appointed by the Board.</p> <p>Repayment of overcompensation based on eligible supporting documents,</p>
<b>Amount of aid granted 2017</b>	
Total amount of aid granted	<p><b>1. Infrastructure subsidies</b></p> <p>Public sector: Paid in 2016: EUR 2 440 000.00 Paid in 2017: EUR 1 200 000.00</p> <p>Private sector: Paid in 2016: EUR 38 000.00 Paid in 2017: EUR 1 253 000.00</p> <p><b>2. Fraje</b></p> <p>In 2017: EUR 163 900 00 committed + indirect aid (provision of premises)</p> <p><b>3. Initiatives</b></p> <p>In 2017: EUR 164 700.00 committed</p>
Additional quantitative information	

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

### (a) Conceptual difficulties

- The SGNEI and SGEI concepts, as defined by the European Commission, suffer from a lack of terminological clarity.
- The flexibility that the Member States are allowed by the European Commission in defining general interest tasks, which is at the discretion of the subsidising authorities, creates legal uncertainty.
- It is difficult to precisely identify when remuneration forms an economic consideration for the service provided.
- It is difficult to determine when a given market exists, which is characterised by the interaction of supply and demand.
- In the absence of complaints, it is difficult to determine whether calls for proposals that are selective by nature may also lead to distortions of competition.
- The concept of 'general interest task' is often confused with a series of specific activities to be carried out.

### (b) Methodological difficulties

- It is difficult to differentiate between SGNEI, SGEI or SSGI activities within an undertaking.
- An undertaking pursuing the same object can receive public aid from different levels of government. It is sometimes complicated to identify whether these activities come under the same general interest task.
- Where one level of government assigns a general interest task through an entrustment and grants public aid, another level of government may fund activities through a call for proposals. In this case it is not easy to distinguish between 'de minimis' aid (less than EUR 500 000 over three years) and State aid compatible with the market (up to EUR 15 million per year)



- For some undertakings, one level of government grants approval, but not public aid. This distribution of responsibility by level of government complicates the application of the SGEI Decision.

**(c) Specific analysis difficulties**

- A financial contribution threshold needs to be defined so that it can be decided whether or not an activity is economic (subscriptions, contributions to costs, minimum acceptable contributions).
- Information on public aid granted to undertakings situated in one region is not being regularly exchanged between the different levels of government (need to carry out analysis based on balance sheets).
- It is difficult to identify in balance sheets whether the total amount of public aid has been granted to one SGEI or several SGEI (which results in the public aid received being combined).
- It is difficult to identify in balance sheets the amounts for an SGNEI (where its funding is not regarded as falling under de minimis aid) and those covered by a de minimis regulation.
- It is difficult to identify and weight in financial terms aid in kind and indirect financing received by undertakings (provision of premises, staff, equipment).

**3. COMPLAINTS BY THIRD PARTIES**

None.

**4. MISCELLANEOUS QUESTIONS**

None.

## FRENCH COMMUNITY COMMISSION SHEET No 5

CATEGORY	Social services
SECTOR	Care and social inclusion of vulnerable groups
SUB-SECTOR	Disabled people

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Decree of 6 July 2001 of the French Community Commission amending various laws on subsidies granted in the health policy and personal support sector and on the amendment of various implementing orders concerning the personal support, health, disabled people and socio-professional integration sectors.

Decree of 29 October 2010 of the French Community Commission on the granting of subsidies for the purchase or construction of buildings in order to set up day centres, residential centres and supported housing and organise leisure activities for disabled people cared for by support services, and also for the extension, conversion, major repair, improvement of accessibility for people with reduced mobility, equipment and initial furnishing of such buildings.

Order No 2017/626 of 1 March 2018 of the Board of the French Community Commission laying down the terms and procedures for the approval of the centres, services, housing or undertakings referred to in Article 70 of the Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Order No 2001/549 of 18 October 2001 of the French Community Commission on the application of the Decree of 12 July 2001 of the French Community Commission amending various laws on subsidies granted in the health policy and personal support sector and on the amendment of various implementing orders concerning the personal support, health, disabled people and socio-professional integration sectors, as amended.

Order No 99/262/E2 of 18 July 2002 of the Board of the French Community Commission on the approval and subsidy of day centres for schoolchildren, as amended.

Order No 99/262/E4 of 28 November 2002 of the Board of the French Community Commission on staffing levels in day centres for schoolchildren, as amended.

Order No 2006/554 of 21 September 2006 of the Board of the French Community Commission on the approval and subsidy of day centres and residential centres for disabled people, as amended.

Order No 2017/1127 of 1 March 2018 of the Board of the French Community Commission on support services, implementing Section 4 of Chapter 4 of the Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Order No 2017/1481 of 1 March 2018 of the Board of the French Community Commission on family care services, implementing Section 3 of Chapter 6 of the Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Order No 2017/891 of 1 March 2018 of the Board of the French Community Commission on services supporting socially beneficial activities, implementing Section 5 of Chapter 4 of the Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Order No 2017/1388 of 1 March 2018 of the Board of the French Community Commission on services supporting communication with and interpreting for deaf people, implementing Article 27 of the Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Order No 2008/1584 of 12 February 2009 of the Board of the French Community Commission on the approval of adapted work undertakings and on contributions and subsidies granted to approved adapted work undertakings, as amended.

Order No 2011/149 of 14 July 2011 of the Board of the French Community Commission laying down criteria and methods for granting subsidies for the purchase or construction of buildings in order to set up day centres, residential centres and supported housing and organise leisure activities for disabled people cared for by support services, and also for the extension, conversion, major repair, improvement of accessibility for people with reduced mobility, equipment and initial furnishing of such buildings.

Order No 2017/165 of 23 November 2017 of the Board of the French Community Commission on special and innovative projects, labels and recognised associations, implementing Sections 3 and 4 of Chapter 7 of the Decree of 17 January 2014 of the French Community Commission on the inclusion of disabled people.

Description of how the respective services are organised	
<p>Kind of services in the respective sector defined as SGEI.</p> <p>Contents of the services entrusted as SGEI.</p>	<p><b>General principle:</b></p> <p>For each type of centre, undertaking or service specifically for disabled people, the regional authority lays down different approval rules covering:</p> <ul style="list-style-type: none"> <li>1° tasks;</li> <li>2° quality;</li> <li>3° infrastructure;</li> <li>4° organisation and operation;</li> <li>5° number, level of qualification and continuing training of staff;</li> <li>6° number and type of disabled people;</li> <li>7° relations between the centre, undertaking or service and the disabled person;</li> <li>8° relations between the centre, undertaking or service and the PHARE Service (service for disabled people).</li> </ul> <p><b>1. Support services: 28 approved</b></p> <p>These have the following tasks:</p> <ul style="list-style-type: none"> <li>1° where they focus on young disabled children and their families, sometimes even before birth, they must provide early support in educational, social, psychological and health terms;</li> <li>2° where they focus on disabled children and teenagers, they must provide support in educational, social, psychological and health terms and ensure their educational, social and professional inclusion;</li> <li>3° where they focus on disabled adults, they must support their independence and the maintenance or improvement of their quality of life by providing them and their families, if necessary, with information and support meeting their needs in</li> </ul>

	<p>everyday matters and activities.</p> <p>In addition, each support service, whatever the age of the disabled person, must carry out the following tasks:</p> <p>1° support the disabled person in his or her life plan through tailored support provided at home as part of the service or in any other appropriate place;</p> <p>2° identify and put in place responses to the specific needs of the disabled person together with that person and his or her family and friends, if necessary;</p> <p>3° put the disabled person and his or her family, if necessary, in contact with people, services and care facilities that may be useful to them;</p> <p>4° participate in any initiatives to prevent the appearance and worsening of disabilities.</p> <p><b>2. Adapted work undertakings: 12 approved</b></p> <p>Adapted work undertakings have the following priority objectives:</p> <p>1° to provide any disabled person with a useful and remunerative job;</p> <p>2° to enable disabled people to develop professionally and enhance their skills.</p> <p><b>3. Day centres: 33 approved</b></p> <p>Day centres have the task of caring for disabled people during the day, including for the midday meal, by offering medical, psychological, paramedical, social and educational support so that they can achieve or maintain the highest possible level of independence and an optimum level of family and social integration.</p> <p>Day centres care for either disabled minors, whether or not they attend school, or disabled adults who cannot attend training or carry out a job, whether or not adapted.</p> <p><b>4. Residential centres: 32 approved</b></p> <p>Residential centres have the task of caring for disabled children or adults in the evening and overnight, including for breakfast, and during the day when the usual daytime activity does not run or the disabled person cannot attend that activity.</p> <p><b>5. Services supporting communication with and interpreting for deaf people: 1 approved</b></p> <p>These have the following tasks:</p>
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	<p>1° to deal with requests for sign language interpreting, transliteration or captioning services; 2° to make interpreters, transliterators or captioners available to people requesting them.</p> <p><b>6. Services supporting socially beneficial activities: 1 approved (from January 2018)</b></p> <p>Services supporting socially beneficial activities have the following tasks:</p> <p>1° to provide assistance and support to disabled people in relation to socially beneficial activities; 2° to identify socially beneficial activities that can be carried out by disabled people; 3° to promote socially beneficial activities for disabled people in society.</p> <p><b>6. Special and innovative projects</b></p> <p>The objective of these projects is to provide a response to new or unmet needs, improve the existing offer or raise awareness and inform.</p> <p>They are divided into: 1° short-term special projects (49 projects in 2018); 2° innovative projects (2 projects in 2018); 3° approved special projects (7 projects in 2018).</p>
Forms of entrustment	<p>Approval order of the Board of the French Community Commission. Subsidy order.</p>
Duration of the entrustment	<p><b>Approved services</b> Maximum of five years, renewable.</p> <p><b>Special and innovative projects</b> 1° short-term special projects: one year; 2° innovative projects: three years; 3° approved special projects: maximum of five years. Renewable.</p>
Exclusive or special rights assigned	<p>Defined in the Decree on the inclusion of disabled people.</p>
<p>Compensation mechanism as regards the respective services, including aid instrument used.</p> <p>Methodology used to determine the compensation</p>	<p><b>1. Support services</b></p> <p>Each service can be approved in one of the following categories:</p> <p>1° category 1: the service supports at least 12 disabled people per year;</p> <p>Services approved for the first time are placed in category 1.</p> <p>2° category 2: the service supports at least 20 disabled people per year;</p>

	<p>3° category 3: the service supports at least 40 disabled people per year;</p> <p>4° category 4: the service supports at least 60 disabled people per year;</p> <p>5° category 5: the service supports at least 80 disabled people per year.</p> <p>This support involves:</p> <p>1° at least 288 actions per year in category 1;  2° at least 480 actions per year in category 2;  3° at least 960 actions per year in category 3;  4° at least 1 440 actions per year in category 4;  5° at least 1 920 actions per year in category 5.</p> <p>In addition, they can be approved to carry out one or more of the following specific activities:</p> <p>1° Support for young children's care facilities:</p> <p>This involves the service taking part in a mobile team supporting young children's care facilities in the context of inclusive care for young disabled children. These care facilities situated in the Brussels Region are authorised by the Office de la Naissance et de l'Enfance (Birth and Childhood Agency) in accordance with the Decree of 17 July 2002 on the reform of the Office de la Naissance et de l'Enfance (ONE) and its implementing orders.</p> <p>2° Drop-in centres:</p> <p>These are occasional day care centres for children up to the age of 6 years, set up in accordance with the Decree of 17 July 2002 on the reform of the Office de la Naissance et de l'Enfance (ONE) and its implementing orders.</p> <p>These care centres take account of the specific needs of visiting disabled children. They help children to develop through adapted individual and group activities. They offer parents some respite time.</p> <p>3° Assistance with educational inclusion:</p> <p>This involves providing assistance with educational inclusion for disabled children and teenagers who are studying in ordinary infant, primary or secondary schools.</p>
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	<p>These children and teenagers can benefit from an educational inclusion process put in place by the Decree of 3 March 2004 of the French Community on specialised education.</p> <p>This individual assistance includes support for the disabled person and his or her family and friends in the various dimensions of the educational inclusion process, assistance with the use of specific equipment, coordination or mediation between the various operators who may be involved in the inclusion process, and their awareness-raising and information.</p> <p>4° Sitting services:</p> <p>This involves organising individual active care for disabled people, particularly those with high dependency needs, at home or in another living environment.</p> <p>5° Organisation of leisure activities:</p> <p>This involves organising regular group leisure activities of a recreational, cultural, tourism, culinary, entertainment, well-being and expressive (in all its forms) nature, without this list being exhaustive, and/or adapted stays for disabled people, particularly those with high dependency needs.</p> <p>Some stays and activities can take place outside the Brussels Capital Region.</p> <p>6° Support in critical situations:</p> <p>This involves assisting disabled people, particularly those with high dependency needs, when they find themselves in situations endangering themselves or others or posing a risk of social or family exclusion.</p> <p>Depending on the situation, this assistance can consist of support for the disabled person and his or her family and friends or care facility, help with using specific strategies, coordination or mediation between the various operators who may be involved, awareness-raising and mobilisation of teams of professionals.</p> <p>7° Supported accommodation:</p> <p>This is accommodation leased or owned by the service and made available to a disabled adult for a limited period of time, which may be extended, in order to improve the person's independence and support his or her choice of future living place. The personalised plan takes account of these objectives</p>
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	<p>and mainly involves individual actions connected with everyday life.</p> <p><b>Subsidies</b></p> <p>The annual subsidy for the costs of staff assigned to the basic tasks indicated is limited to the following staffing levels at all times of the year:</p> <p>1° category 1 service: 1.5 full-time equivalents, of which a maximum of 0.25 full-time equivalent for management positions;</p> <p>2° category 2 service: 2.5 full-time equivalents, of which a maximum of 0.5 full-time equivalent for management positions;</p> <p>3° category 3 service: 3.5 full-time equivalents, of which a maximum of 0.75 full-time equivalent for management positions;</p> <p>4° category 4 service: 4.5 full-time equivalents, of which a maximum of 1 full-time equivalent for management positions;</p> <p>5° category 5 service: 5.5 full-time equivalents, of which a maximum of 1 full-time equivalent for management positions.</p> <p>The subsidy covers the staff costs incurred. It is limited to the calculation made based on the wage scales indicated in Annex I NM (non-profit) to the NM Order and includes employer costs and other benefits indicated in Annex V NM to the NM Order, based on the length of service indicated in Annex IV NM to the NM Order.</p> <p>The wage scales for each position are indicated in Annex II NM to the NM Order.</p> <p>A subsidy equivalent to a maximum of one per cent of the calculated subsidy is granted to cover justified staff training costs.</p> <p>The annual subsidy for overheads is limited to the following amounts:</p> <p>1° category 1 service: EUR 14 000.00;  2° category 2 service: EUR 25 000.00;  3° category 3 service: EUR 32 000.00;  4° category 4 service: EUR 41 000.00;  5° category 5 service: EUR 50 000.00.</p> <p>The annual subsidy for specific actions for which the service is approved covers staff costs and overheads incurred according to the specified breakdown.</p> <p>For the 'support for young children's care facilities' specific action, the subsidy is limited to EUR 14 000.  For the 'drop-in centre' specific action, the subsidy is</p>
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	<p>limited to EUR 16 000.</p> <p>If the service cannot provide evidence for 90 % of the number of people and care periods, the subsidy is reduced accordingly.</p> <p>For the ‘assistance with educational inclusion’ specific action, the subsidy is limited to the following amounts:</p> <ul style="list-style-type: none"> <li>- in the context of Article 30(1°): EUR 18 000;</li> <li>- in the context of Article 30(2°): EUR 36 000;</li> <li>- in the context of Article 30(3°): EUR 54 000.</li> </ul> <p>If the service cannot provide evidence for 90 % of the number of people and actions, the subsidy is reduced accordingly.</p> <p>For the ‘sitting service’ specific action, the subsidy is limited to the following amounts:</p> <ul style="list-style-type: none"> <li>- in the context of Article 31(1°): EUR 80 000;</li> <li>- in the context of Article 31(2°): EUR 140 000;</li> <li>- in the context of Article 31(3°): EUR 180 000.</li> </ul> <p>If the service cannot provide evidence for 90 % of the number of hours indicated in Article 31, the subsidy is reduced accordingly.</p> <p>For the ‘organisation of leisure activities’ specific action, the subsidy is limited to the following amounts:</p> <ul style="list-style-type: none"> <li>- in the context of Article 32(1°): EUR 30 000;</li> <li>- in the context of Article 32(2°): EUR 52 000.</li> </ul> <p>If the service is approved to care for people with high dependency needs, these amounts are tripled.</p> <p>If the service cannot provide evidence for 90 % of the number of periods indicated in Article 32, the subsidy is reduced accordingly.</p> <p>For the ‘support in critical situations’ specific action, the subsidy is limited to EUR 33 000.</p> <p>If the service is approved to assist people with high dependency needs, this amount is increased to EUR 99 000.</p> <p>If the service cannot provide evidence for 90 % of the number of people assisted, the subsidy is reduced accordingly.</p> <p>For the ‘supported accommodation’ specific action, the subsidy is limited to the following amounts:</p> <ul style="list-style-type: none"> <li>- in the context of Article 34(1°): EUR 12 000;</li> <li>- in the context of Article 34(2°): EUR 20 000;</li> </ul>
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	<p>- in the context of Article 34(3°): EUR 30 000.</p> <p><b>2. Adapted work undertakings</b></p> <p>Contributions to the wage and social security contributions for workers.</p> <p>The application for contributions to the wage and associated social security contributions for workers of the adapted work undertaking contains:</p> <p>1° a first part relating to disabled workers;  2° a second part relating to disabled workers employed under Article 78 of the Royal Decree of 25 November 1991 regulating unemployment;  3° a third part relating to disabled people employed under vocational adaptation contracts;  4° a fourth part relating to management staff;  5° a fifth part relating to the contribution to the 'Fonds de sécurité d'existence pour les entreprises de travail adapté agréées par la Commission communautaire française' (Job security fund for adapted work undertakings approved by the French Community Commission);  6° a sixth part relating to the job security benefit in the event of economic unemployment.</p> <p>The undertaking identifies the members of staff for whom it is applying for a contribution.</p> <p>The contribution to the wage and social security contributions for workers of the adapted work undertaking is granted in accordance with Articles 40, 71 and 72 of the Order of 25 February 2000 of the Board of the French Community Commission on individual arrangements for the social and professional integration of disabled people, implemented by the Service bruxellois francophone des personnes handicapées (Brussels French-speaking service for disabled people). Disabled workers are paid at least the guaranteed average monthly minimum wage.</p> <p>The first part of the contribution application relating to disabled workers covers:</p> <p>1° disabled workers with an employment contract whose position corresponds to a scale code from 21 to 24, as indicated in Annex 3;  2° disabled workers with an employment contract whose position corresponds to a scale code from 13 to 20, as indicated in Annex 3.</p> <p>The amount taken into account for calculating the contribution to the wage and social security contributions for these workers is set as follows:</p>
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	<p>(a) For workers covered by subparagraph 1°, 50 % of the wage paid to each disabled worker and of the associated employer costs capped at 15 % of the wage.</p> <p>In order to set this amount:</p> <ul style="list-style-type: none"> <li>- the part of the hourly wage exceeding the amount obtained by multiplying by 1.21 the average minimum wage as guaranteed by Collective Labour Agreement No 43 of 2 May 1988, concluded within the National Labour Council, calculated on a time basis taking into account a working week of 38 hours, is disregarded;</li> <li>- for employees, the hourly wage is calculated by dividing the gross quarterly wage by the number of hours worked or treated as such.</li> </ul> <p>(b) For workers covered by subparagraph 2°, 50 % of the wage scale for the position held by the worker, as defined in Annex 3, and of the associated employer costs. The wage scale taken into account is, however, limited to wage scale 19.</p> <p>In order to set this amount:</p> <ul style="list-style-type: none"> <li>- for employees, the hourly wage is calculated by dividing the gross quarterly wage by the number of hours worked or treated as such.</li> </ul> <p>The amount of the social security contributions associated with the worker's wage is set at 15 % of this wage scale.</p> <p>The wage of disabled workers comprises the total gross wage for the hours actually worked and the guaranteed wage in the case of work incapacity, including the first two waiting days deducted in a calendar year, remuneration for public holidays and single holiday pay for employees.</p> <p>It does not include overtime pay or contractual bonuses and allowances.</p> <p>It does include an end-of-year bonus of 3.16 % of the gross wage taken into account for the reference period, which runs from 1 October of the year prior to its granting to 30 September of the year of its granting.</p> <p>The contribution amount is equal to the wage amount taken into account and multiplied by a coefficient that varies as follows according to the professional competence category:</p>
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	<p>1° category A worker: coefficient: 0.9  2° category B worker: coefficient: 1.2  3° category C worker: coefficient: 1.55  4° category D worker: coefficient: 1.8  5° category E worker: coefficient: 1.9  6° category F worker: coefficient: 2.</p> <p>The second part of the contribution application covers disabled workers with an employment contract who are employed under Article 78 of the Royal Decree of 25 November 1991 regulating unemployment (repealed).</p> <p>Where the undertaking does not employ at least 20 % disabled workers with an employment contract and whose professional category is E or F, the administration deducts, from the quarterly contribution granted to the undertaking, EUR 1 061.21 per disabled worker not employed, calculated using the average for the quarter in question.</p> <p>The third part of the contribution application covers disabled people employed under vocational adaptation contracts. They receive a wage paid by the undertaking that consists of:  1° an hourly allowance set as follows:  (a) categories A, B, C or D: EUR 0.5207;  (b) category E: EUR 0.3469;  (c) category F: EUR 0.1736.</p> <p>These amounts are increased by EUR 0.1736 after 24 months of adaptation, EUR 0.5207 after 36 months of adaptation and EUR 0.8677 after 48 months of adaptation.</p> <p>2° an additional contribution calculated as indicated in Articles 47, 49 and 50 of the Order of 25 February 2000 of the Board of the French Community Commission on individual arrangements for the social and professional integration of disabled people, implemented by the Service bruxellois francophone des personnes handicapées, as amended.</p> <p>The wage is payable for hours actually worked or treated as such.</p> <p>The administration reimburses the undertaking for the additional contribution and the associated social security contributions.</p> <p>The fourth part relating to management staff covers the members of staff defined below, for whom a contribution to the wage and associated social security contributions is granted to the undertaking:</p>
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	<p>1° according to its staff quota:</p> <p>(a) one manager;</p> <p>(b) one quarter-time assistant manager or management assistant for every 25 units above 100 units;</p> <p>If the undertaking cannot receive a full or partial contribution for a member of staff holding an assistant manager or management assistant position, it can apply for a contribution corresponding to the level 1 administrative staff or administrative manager position for this person.</p> <p>(c) one half-time administrative staff member for every 25 units;</p> <p>Within this limit, the undertaking can receive a contribution for a maximum of one administrative manager. If the undertaking cannot receive a full or partial contribution for a member of staff holding an administrative manager position, it can apply for a contribution corresponding to the level 1 administrative staff position for this person.</p> <p>(d) one quarter-time psychological/paramedical/social staff member for every 25 units;</p> <p>(e) one half-time supervisory staff member for every 5 units;</p> <p>Within a group of six full-time equivalent supervisory staff members for whom a contribution is received, the undertaking can receive a contribution for a lead supervisor. If the undertaking cannot receive a full or partial contribution for a member of staff holding a lead supervisor position, it can apply for a contribution corresponding to the level 1 supervisor position for this person.</p> <p>(f) one quarter-time sales staff member or one quarter-time white-collar technical staff member covered by Titles 5 A to 5 G of Annex 3 to this Order or one quarter-time blue-collar and production technical staff member covered by Titles 7 A to 7 C of Annex 3 to this Order for every 25 units;</p> <p>Within this limit, the undertaking can receive a contribution for a maximum of one technical manager and one computer graduate. If the undertaking cannot receive a full or partial contribution for a member of staff holding a technical manager or computer graduate position, it can apply for a contribution corresponding</p>
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	<p>respectively to the technical supervisor or computer technician position for this person.</p> <p>2° according to the average number of disabled workers who have worked during the quarter in question and who are taken into account in the quota:</p> <p>(a) one additional quarter-time supervisory staff member or one additional quarter-time sales staff member or one additional quarter-time white-collar technical staff member covered by Titles 5 A to 5 G of Annex 3 or one additional quarter-time blue-collar and production technical staff member covered by Titles 7 A to 7 C of Annex 3 is granted per group of 10 disabled workers in professional competence category E or F;</p> <p>(b) one additional half-time supervisory staff member or one additional half-time sales staff member or one additional half-time white-collar technical staff member covered by Titles 5 A to 5 G of Annex 3 or one additional half-time blue-collar and production technical staff member covered by Titles 7 A to 7 C of Annex 3 is granted per group of 10 disabled workers in professional competence category B, C, D, E or F, whose work is by nature performed outside the undertaking or in direct and permanent contact with the customer;</p> <p>(c) one additional full-time supervisory staff member is granted per group of 50 disabled workers in professional competence category B, C, D, E or F, whose work is by nature performed outside the undertaking;</p> <p>(d) one quarter-time supervisory staff member is withdrawn per group of five disabled workers in professional competence category A.</p> <p>For disabled workers in professional competence category E or F, the additional staff member provided for under (a) cannot be combined with the additional staff members provided for under (b) and (c).</p> <p>For management staff members, the amount taken into account to calculate the contribution to the wage and social security contributions is the wage scale corresponding to the title of the position accepted by the administration, as specified in Annex 3 to this Order.</p> <p>However, over and above the minimum staffing levels laid down in Articles 24 and 36 and by way of derogation from Article 23(1) of this Order, the undertaking can assign one worker to a position for</p>
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	<p>which he or she does not meet the qualification criteria laid down by Annex 3 to this Order. In this particular case, the undertaking pays the worker at the wage scale corresponding to the position held, whilst the amount taken into account to calculate the contribution to the wage and social security contributions is limited to the wage scale of the highest position corresponding to the worker's qualification.</p> <p>The wage scales are indicated in Annex 4.</p> <p>This percentage is set at 61 %.</p> <p>The contribution is calculated in proportion to the working hours and actual benefits, to which the following benefits are added: guaranteed wage in the case of work incapacity, including the first two waiting days deducted in a calendar year, public holidays, holiday days, and an end-of-year bonus of 3.16 % from 2010 of the gross wage taken into account for the reference period, which runs from 1 October of the year prior to its granting to 30 September of the year of its granting.</p> <p>Overtime and contractual bonuses and allowances are not taken into account.</p> <p>The following rules are applied to determine the length of service of workers in a position covered by the wage scale:</p> <ul style="list-style-type: none"> <li>- length of service in the same position in the adapted work undertaking sector: the full length of service is used;</li> <li>- length of service in another position in the same undertaking: the full length of service is used if the worker is moving from a position covered by the wage scale to another position covered by the wage scale, or half of the length of service capped at 10 years is used if the worker is moved from a position not covered by the wage scale to a position covered by the wage scale;</li> <li>- length of service in the same position outside the adapted work undertaking sector: the full length of service is used, capped at 10 years;</li> <li>- length of service in a different position outside the adapted work undertaking sector: half of the length of service is used, capped at 10 years.</li> </ul> <p>With regard to supervisors, a position where people are supervised is regarded as the same position.</p>
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	<p>Work periods and days treated as such are added together and taken into account as full months and years.</p> <p>Work period means:</p> <ul style="list-style-type: none"> <li>- periods actually worked under an employment contract or staff regulations for public officials or on a self-employed basis, with these provisions also applying to the hard-to-place unemployed and workers recognised as having a primary work incapacity or disability and benefiting from a part-time work authorisation under the coordinated law (Royal Decree of 14 July 1994 coordinating the law on mandatory healthcare insurance and benefits);</li> <li>- days treated as such, defined in Article 24 of the Royal Decree of 28 November 1969, Saturdays, Sundays and recovery days, periods of temporary absence and maternity and parental leave, illness, annual leave, career breaks and time credits, and paid educational leave.</li> </ul> <p>No distinction is made between part-time work and full-time work.</p> <p>The fifth part of the contribution application relates to the social security contribution paid quarterly by each undertaking to the 'Fonds de sécurité d'existence pour les entreprises de travail adapté agréées par la Commission communautaire française' (Job security fund for adapted work undertakings approved by the French Community Commission).</p> <p>The administration grants the undertaking a quarterly contribution, which takes account of the number of disabled workers included in the undertaking's staff quota. The resources allocated to the 'Fonds de sécurité d'existence' are EUR 288 649.77.</p> <p>The administration grants the approved adapted work undertaking a subsidy of EUR 2 per day of temporary lay-off if the employer has compensated the worker for that day.</p> <p>The administration makes the payment quarterly based on a supporting document, the model for which is determined by the administration and which the undertaking submits with the quarterly statements.</p> <p>A subsidy is granted annually for an extraordinary bonus paid to each disabled worker employed within the staff quota of adapted work undertakings approved by the French Community Commission.</p>
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	<p>The bonus amount is EUR 49 for a worker employed on a full-time basis. For workers employed on a part-time basis or who have not worked a full year during the period from 1 October of the previous year to 30 September of the year in which the bonus is granted, the bonus amount is calculated in proportion to their work. The Board's contribution to the associated social security contributions is set at an amount corresponding to 38 % of the bonus.</p> <p><b>Infrastructure subsidies</b></p> <p>The administration grants infrastructure subsidies to undertakings.</p> <p>The expenditure that can be subsidised is the purchase of land, construction of buildings, purchase of buildings, conversion of buildings and purchase of equipment.</p> <p>The amount of the subsidy granted is 60 % of the cost excluding value added tax of the investment recognised as necessary by the administration.</p> <p>The purchase cost of equipment is taken into account under the following conditions:</p> <p>1° For each undertaking, a first subsidy ceiling is set at EUR 3 082.71 per disabled worker included in the staff quota, without there being any time limit on using this amount. To determine whether this ceiling has been reached, subsidies granted since the date of approval as a sheltered workshop or adapted work undertaking are taken into account.</p> <p>2° When this first ceiling has been reached, for each undertaking, a second subsidy ceiling is set at EUR 285.19 per disabled worker included in the staff quota, per application year. If the undertaking's application does not reach this amount, it can twice carry forward the balance to the next application year.</p> <p><b>3 &amp; 4. Day centres and residential centres</b></p> <p>An annual subsidy is granted to these centres. It comprises:</p> <ul style="list-style-type: none"> <li>(1) a subsidy for overheads;</li> <li>(2) a subsidy for personalised costs;</li> <li>(3) a subsidy for the collective transport of disabled people;</li> <li>(4) a subsidy for staff costs.</li> </ul> <p>The annual subsidy for overheads granted to these centres is intended to cover overheads, building</p>
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	<p>occupation costs, depreciation costs for buildings owned or leased by the centre, and depreciation costs for furniture and medical and non-medical equipment. The maximum amount per year for day centres is EUR 1 314 multiplied by the approved basic capacity. The maximum amount per year for residential centres is EUR 3 248 multiplied by the approved basic capacity. The approved capacity used to set this maximum amount is the approved basic capacity indicated, at the end of the planning process, in the approval decision adopted by the Board.</p> <p>Subsidy for personalised costs.</p> <p>The annual subsidy for personalised costs granted to these centres is intended to cover the following costs:</p> <ul style="list-style-type: none"> <li>- care;</li> <li>- education, re-education and specific activities;</li> <li>- food [including enteral nutrition and the equipment needed for its absorption, as well as food substitutes];</li> <li>- underwear and clothing;</li> <li>- accompanied or non-accompanied transport of disabled people.</li> </ul> <p>The maximum amount per year for day centres is EUR 1 041 multiplied by the approved basic capacity, excluding light care. For day centres hosting children, an additional maximum amount per year of EUR 645 is granted for each child. The maximum amount per year for residential centres is EUR 1 140 multiplied by the approved basic capacity, excluding light care.</p> <p>For residential centres where the disabled people are not enrolled at the day centre, an additional maximum amount per year of EUR 768 is granted for each person. By way of derogation from this paragraph, for disabled people accommodated for short stays or respite care, the fixed subsidy granted is EUR 5 per half-day of care and EUR 15 per night of care. The maximum amount of the subsidy thus calculated is reduced by 4 % or 2 % if the ratio between the number of disabled people hosted or accommodated on an annual average basis and the approved capacity does not respectively reach 90 % or 95 %. For residential centres, if the ratio, calculated for the last year but one, between the total number of days of actual presence of disabled people during weekends, holidays and public holidays and the approved capacity, having deducted its part reserved for light care and multiplied it by 180 for residential centres for children or by 138 for residential centres for adults, reaches a rate between 20 % and 29 %, between 30 % and 49 %, between 50 % and 69 % or of 70 % or more, they can receive,</p>
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	<p>for the current year, an increase of 15 %, 25 %, 30 % or 40 % respectively of the subsidy calculated under this article. A residential centre not approved in the previous year can receive an increase of 15 % of its subsidy. For the purpose of applying this subparagraph, weekends run from Friday at 19.00 to Monday at 07.00 and public holidays run from the day before at 19.00 to the following day at 07.00. A day of absence is any absence of 24 consecutive hours.</p> <p>An annual subsidy for collective transport costs, set at a maximum of EUR 1.09 (excluding VAT) per kilometre or at a maximum of EUR 3.07 (excluding VAT) per kilometre for an adapted vehicle, is granted to day centres.</p> <p>Subsidy for staff costs. Any subsidy for staff costs covers costs of this nature, although these may not exceed the staffing levels at any time and under any circumstance.</p> <p>The subsidy for staff costs is calculated based on the wage scales indicated in Annex I NM to the NM Order and based on the length of service indicated in Annex IV NM to the NM Order.</p> <p>The wage scales for each position are indicated in Annex II NM to the NM Order. The subsidised positions and specific conditions of access to these positions are indicated in Annex III NM to the NM Order. The residential allowance (<i>allocation Foyer-Résidence</i>) determined according to the principles set out in point 9 of Annex V NM to the NM Order is added to these wage scales. A capped rate of employer costs determined by the Board is added to the amount thus obtained. This rate of employer costs covers points 2, 3, 4, 5, 6, 7, 8, 10 and 11 of Annex V NM to the NM Order. This subsidy is increased by a maximum of one per cent to cover justified training and supervision costs for subsidised staff. The increase in the rate of employer costs must be justified either by an increase of at least 25 % in the proportion of people assessed as category C or by a change in the level of the centre occupation rate during weekends, holidays and public holidays. For centres approved after 1 January 2011, the rate of employer costs corresponds to the average rate of employer costs for the same type of approval. If the new centre hosts or accommodates at least 75 % people assessed as category C, it receives the average rate for centres hosting or accommodating at least 75 % people assessed as category C. The wage supplement for services provided at night between 20.00 and 06.00, which is taken into account in the subsidy for staff</p>
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	<p>costs, is set at an annual ceiling of 4 545 hours for a centre with a basic approved capacity, excluding light care, of 25 or less and where fewer than 25 % of the disabled people are assessed as category C. The subsidy for staff costs is limited to the staff members included in the list of subsidised staff validated by the centre. For this purpose, the administration sends each centre, by 15 February of the following year, a table listing all the subsidised and non-subsidised staff. The centre validates this document by 15 March at the latest.</p> <p>As regards medical staff, the subsidy takes into account:</p> <ul style="list-style-type: none"> <li>* the activities of doctors who have concluded a collaboration agreement with a non-profit association that has at least one centre;</li> <li>* the activities of doctors employed under an employment contract before 1 January 2003;</li> <li>* medical staff who start work after 1 January 2003 and who are subsidised based on an FTE with a working week set at 37 hours according to the following maximum amounts: <ul style="list-style-type: none"> <li>30.85 for a general practitioner;</li> <li>40.92 for a specialist doctor.</li> </ul> </li> </ul> <p>The subsidy takes into account an allowance granted to subsidised managers</p> <p>as follows:</p> <p>(a) managers with a university degree or similar as at 31 December 2000 receive an allowance of 5 % calculated based on their gross annual wage;</p> <p>(b) managers without a university degree receive an allowance corresponding to the difference between their wage scale and the wage scale of a manager with a university degree. The subsidy is increased by accounting costs if the accounting staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the accounting wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p>The subsidy is increased by social security secretarial costs or costs of payroll management service providers recognised by the National Social Security Office (<i>Office national de Sécurité sociale</i>) if the administrative team staffing level taken into account</p>
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	<p>for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the accounting wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p>The subsidy is increased by laundry costs if the technical staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the technical wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p>The subsidy is increased by meal preparation costs if the technical staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the technical wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p><b>5. Day centres for schoolchildren</b></p> <p>The subsidy for staff costs is calculated based on the wage scales indicated in Annex I NM to the NM Order and based on the length of service indicated in Annex IV NM to the NM Order. The wage scales for each position are indicated in Annex II NM to the NM Order. The subsidised positions and specific conditions of access to these positions are indicated in Annex III NM to the NM Order. The residential allowance (<i>allocation Foyer-Résidence</i>) determined according to the principles set out in point 9 of Annex V NM to the NM Order is added to these wage scales.</p> <p>A rate of employer costs capped at the rate indicated in Annex 3 to this Order is added to the amount thus obtained.</p> <p>This rate of employer costs covers points 2, 3, 4, 5, 6, 7, 8, 10 and 11 of Annex V NM to the NM Order. This subsidy is increased by a maximum of one per cent to cover justified training and supervision costs for subsidised staff.</p>
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	<p>For centres approved after 1 January 2011, the rate of employer costs corresponds to the average rate of employer costs for day centres for schoolchildren.</p> <p>The subsidy for staff costs is limited to the staff members included in the list of subsidised staff validated by the centre. For this purpose, the administration sends each centre, by 15 February of the following year, a table listing all the subsidised and non-subsidised staff. The centre validates this document by 15 March at the latest.</p> <p>The subsidy takes into account an allowance granted to subsidised managers</p> <p>as follows:</p> <p>(a) managers with a university degree or similar as at 31 December 2000 receive an allowance of 5 % calculated based on their gross annual wage;</p> <p>(b) managers without a university degree receive an allowance corresponding to the difference between their wage scale and the wage scale of a manager with a university degree. The subsidy is increased by accounting costs if the accounting staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the accounting wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p>The subsidy is increased by social security secretarial costs or costs of payroll management service providers recognised by the National Social Security Office (<i>Office national de Sécurité sociale</i>) if the administrative team staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the accounting wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p>The subsidy is increased by laundry costs if the technical staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is</p>
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	<p>limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the technical wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p>The subsidy is increased by meal preparation costs if the technical staffing level taken into account for the staff costs subsidy is not fully used.</p> <p>In this case, the amount of the additional subsidy is limited to the amount corresponding to the unused staffing level multiplied by an average annual wage based on a length of service of 10 years in the technical wage scale, including employer costs, taking into account 1 924 hours of work per year.</p> <p><b>6. Services supporting communication with and interpreting for deaf people</b></p> <p>Subsidies for staff costs and overheads are granted to interpreting services for deaf people.</p> <p>The annual subsidy for staff costs is limited to the following staffing levels at all times of the year: 2.5 full-time equivalents, of which a maximum of 0.5 full-time equivalent for management positions and at least 1 full-time equivalent for interpreting, transliteration and/or captioning positions.</p> <p>The subsidy is calculated based on the wage scales indicated in Annex I NM and includes employer costs and other benefits indicated in Annex V NM, based on the length of service indicated in Annex IV NM. The wage scales for each position are indicated in Annex II NM. The subsidised positions and specific conditions of access to these positions are indicated in Annex III NM.</p> <p>This subsidy is increased by a maximum of one per cent of the calculated subsidy for staff costs to cover justified staff training costs.</p> <p>The subsidy for overheads and service provider training costs is limited to EUR 75 000.</p> <p><b>7. Services supporting socially beneficial activities (from January 2018)</b></p> <p>Subsidies for staff costs and overheads are granted to services supporting socially beneficial activities.</p> <p>The subsidy for staff costs covers the staff wage bill at the rate of:</p> <p>1.5 full-time equivalents, of which a maximum of</p>
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	<p>0.25 full-time equivalent for management positions, with the balance relating to support positions.</p> <p>The subsidy is calculated based on the wage scales indicated in Annex I NM and includes employer costs and other benefits indicated in Annex V NM, based on the length of service indicated in Annex IV NM. The wage scales for each position are indicated in Annex II NM. The subsidised positions and specific conditions of access to these positions are indicated in Annex III NM.</p> <p>This subsidy is increased by a maximum of one per cent of the calculated subsidy to cover justified staff training costs.</p> <p>The operating costs subsidy is limited to EUR 14 000.00.</p> <p><b>8. Special and innovative projects</b></p> <p>Compensation granted per call for projects.</p> <p>Contribution to staff and operating costs based on a supporting budget.</p> <p>The decision to approve and subsidise special projects approved for a maximum of five years indicates the subsidised staff team, in terms of number and position, in accordance with the NM Order, the maximum annual amount of subsidised overheads and the eligible costs.</p>
Arrangements for avoiding and repaying any overcompensation	<p><b>1. Support services</b></p> <p>The service must inform the PHARE Service within 15 days of any change to the approval and subsidy conditions and of any staff change.</p> <p>For each staff member, within 15 days of employment, the service must send the PHARE Service a copy of the employment contract and any evidence that the staff member meets the regulatory conditions with regard to position and length of service. Only information required to calculate the subsidies is sent to the PHARE Service.</p> <p>In terms of keeping accounts, the accounting year corresponds to the calendar year.</p> <p>By 30 June of the year following the year in question, the service must send the PHARE Service its accounts and balance sheet, as filed with the Banque Nationale de Belgique or the commercial court registry. In the latter case, evidence of filing is enclosed.</p>



	<p>By 30 June of the year following the year in question, the service must send the PHARE Service the supporting dossier for the subsidies.</p> <p>Approved services receive an annual subsidy.</p> <p>This is paid in the form of monthly advances no later than the final working day of the month prior to the month for which they are granted.</p> <p>The balance is paid after the SPFB has examined the supporting dossier.</p> <p>The monthly advance takes into account the approved category referred to in Article 25, approved specific actions referred to in Article 5, agreed tasks referred to in Article 6, and staff changes covered by Article 18 in terms of number, position, length of service and work within the limits laid down in Section 2 of this Chapter.</p> <p>If the time-limit set in the second paragraph of Article 48 is not met, the calculation of the monthly advances will take into account staff changes only from the first day of the month following receipt of the documents.</p> <p>Where the SPFB finds that the monthly advances paid to the service exceed the annual subsidies due, it recovers the overcompensation over a maximum period of 12 months, and after consulting the service's management, by offsetting the repayment against the next monthly advances to be paid for the current year. Exceptionally, at the service's request, this repayment may be subject to terms and time-limits. The SPFB draws up a repayment plan.</p> <p>Where the SPFB finds that the overcompensation obtained by the service stems from false information being knowingly provided by the service or serious management errors, the SPFB recovers the undue payment in one go.</p> <p>In this case, the SPFB sends the Board Member a proposal to open proceedings for the withdrawal of approval.</p> <p><b>2. Adapted work undertakings</b></p> <p>The undertaking must inform the administration within 15 days of any change to the approval and subsidy conditions of the undertaking and, in particular, of any staff change.</p> <p>For each staff member employed during the period of approval, the undertaking must send the</p>
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	<p>administration a copy of the employment contract and any evidence that the staff member meets the regulatory conditions with regard to position and length of service. Quarterly statements must be submitted to the administration by the undertaking. These statements include a declaration detailing, for each month in the quarter in question and for each worker, the type of contract, number of hours worked and treated as such, hourly wage, amount of social security contributions paid, and any information requested by the administration, which determines the model of the declaration and how the information is to be submitted.</p> <p>These statements must be submitted before the end of the second month following the quarter for which the contribution is requested.</p> <p>Where the administration finds that the monthly advances paid to the undertaking exceed the quarterly subsidies due, it recovers the overcompensation by offsetting the repayment against the monthly advances to be paid for the current quarter.</p> <p>The decision to grant a subsidy for immovable property ceases to have effect automatically and as a matter of law if the work is not started or the purchases are not made before the end of the quarter following the quarter chosen for the work to start and the purchases to be made. In addition, the undertaking must employ the number of disabled workers stipulated in the staff quota within one year of the occupation of the buildings purchased, constructed or converted for which a subsidy has been granted. If land is purchased, the undertaking must start the construction work within two years of its purchase.</p> <p>If the requirements of the above two paragraphs are not met, the undertaking must repay the subsidy that it was granted. For immovable property, the supporting documents enabling payment of the subsidies must be submitted to the administration within six months of either the date of notification of the decision where the work has already been carried out or the purchases have already made on that date, or the date of the work or date of the purchase invoices where the work or purchases postdate the notification of the decision.</p> <p>As regards equipment, if the use of the subsidy is changed before the end of the depreciation period, the undertaking must repay a sum equal to the undepreciated part of the subsidy, without this sum being less than 60 % of the sale price. If the</p>
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	<p>equipment is sold after the end of the depreciation period, the undertaking must repay 40 % of the sale price. However, if the undertaking reinvests the sale amount in an item of equipment required by the undertaking, it need not make the repayment.</p> <p>As regards immovable property, if the use of the subsidy is changed, the administration determines the market value of the property. The undertaking must then repay the part of the market value corresponding to the percentage by which the administration subsidised the property. If the undertaking reinvests the sale amount in an immovable property with the same use, it must repay the capital gain only up to the sale amount not reinvested.</p> <p><b>3 &amp; 4. Day centres and residential centres</b></p> <p>Each approved centre must keep its accounts in accordance with the plans, accounts and balance sheets adopted by the Board. The accounting year corresponds to the calendar year. The cost accounts for each approval and the balance sheet of the non-profit association must be submitted to the administration no later than 30 June of the year following the accounting year, accompanied by the reports of a company auditor.</p> <p>The centre must inform the administration within 15 days of any change to the approval and subsidy conditions of the centre and, in particular, of any staff change.</p> <p>For each staff member employed during the period of approval, the centre must send the administration a copy of the employment contract and any evidence that the staff member meets the regulatory conditions with regard to position and length of service. The annual subsidy is paid to the centres in the form of monthly advances no later than the final working day of the month prior to the month for which they are granted and the balance is paid based on the provisions of this Chapter.</p> <p>The monthly advance takes into account the approval granted, the staffing levels that the centre can claim and the changes in staff employed in terms of number, qualification, wage scale and length of service. A supporting dossier for calculating the annual subsidy must be submitted by the centre to the administration by 30 June following the calendar year for which the subsidy was requested.</p> <p>The dossier must be produced in accordance with the model determined by the administration and must include at least the following supporting documents:</p>
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	<p>- With regard to the subsidy for overheads and the subsidy for personalised costs:</p> <ul style="list-style-type: none"> <li>* general ledger of income and expenditure;</li> <li>* general balance sheet;</li> <li>* depreciation tables for fixed assets and capital grants and subsidies;</li> <li>* number of people supported or accommodated on an average annual basis.</li> </ul> <p>- With regard to collective transport:</p> <ul style="list-style-type: none"> <li>* invoices accompanied by supporting documents, which comprehensively detail the dates of transport services provided, the number of disabled people transported, their names and addresses, and the number of kilometres travelled.</li> </ul> <p>- With regard to the subsidy for staff costs:</p> <ul style="list-style-type: none"> <li>* individual accounts of all workers, broken down by approval and by position;</li> <li>* details of the double holiday pay of all workers, broken down by approval and by position, for the year following the year for which the annual subsidy is being calculated;</li> <li>* C 450bis certificate issued by the ONSS (National Social Security Office);</li> <li>* certificate proving payment of payroll tax;</li> <li>* final statutory insurance statement;</li> <li>* for each workplace accident having resulted in compensation, photocopy of the declaration submitted by the centre;</li> <li>* statement of amounts paid in compensation following a workplace accident;</li> <li>* final occupational health statement;</li> <li>* list of beneficiaries of the additional early retirement benefit, accompanied by the individual account of each person concerned.</li> </ul> <p>- With regard to the financial contributions of disabled people, the supporting documents determined by the administration.</p> <p>If the number of people supported or accommodated on an average annual basis exceeds the approved basic capacity, the financial contributions deducted from the subsidy granted to the centre are reduced in proportion to the approved basic capacity. Where the administration finds that, for a given year, the monthly advances paid to a centre exceed the annual subsidy due, it recovers the overcompensation over a maximum period of 12 months, by offsetting the repayment against the monthly advances to be paid for the current year.</p> <p><b>5. Services supporting communication with and interpreting for deaf people</b></p>
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	<p>The service must inform the PHARE Service within 15 days of any change to the approval and subsidy conditions and of any staff change.</p> <p>For each staff member, within 15 days of employment, the service must send the PHARE Service a copy of the employment contract and any evidence that the staff member meets the regulatory conditions with regard to position and length of service. Only information required to calculate the subsidies is sent to the PHARE Service.</p> <p>In terms of keeping accounts, the accounting year corresponds to the calendar year.</p> <p>By 30 June of the year following the year in question, the service must send the PHARE Service its accounts and balance sheet, as filed with the Banque Nationale de Belgique or the commercial court registry. In the latter case, evidence of filing is enclosed.</p> <p>By 30 June of the year following the year in question, the service must send the PHARE Service the supporting dossier for the subsidies.</p> <p>The service costs are subsidised by covering the staff costs and overheads for the tasks described in Articles 3 and 4 within the limits laid down in this Chapter.</p> <p>Approved services receive an annual subsidy.</p> <p>This is paid in the form of monthly advances no later than the final working day of the month prior to the month for which they are granted.</p> <p>The balance is paid after the SPFB has examined the supporting dossier.</p> <p>The monthly advance takes into account staff changes covered by Article 15 in terms of number, position, length of service and work within the limits laid down in Section 2 of this Chapter.</p> <p>If the time-limit set in the second paragraph of Article 35 is not met, the calculation of the monthly advances will take into account staff changes only from the first day of the month following receipt of the documents.</p> <p>Where the SPFB finds that the monthly advances paid to the service exceed the annual subsidies due, it recovers the overcompensation over a maximum period of 12 months, and after consulting the</p>
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	<p>service's management, by offsetting the repayment against the next monthly advances to be paid for the current year.</p> <p>Exceptionally, at the service's request, this repayment may be subject to terms and time-limits. The SPFB draws up a repayment plan.</p> <p>Where the SPFB finds that the overcompensation obtained by the service stems from false information being knowingly provided by the service or serious management errors, the SPFB recovers the undue payment in one go.</p> <p>In this case, the SPFB sends the Board Member a proposal to open proceedings for the withdrawal of approval.</p> <p><b>6. Special and innovative projects</b></p> <p>1° Short-term special projects:</p> <p>Submission of supporting documents at the end of the activity.  Audit of supporting documents submitted.  On-the-spot inspection and audit.  Repayment of overcompensation based on the accepted supporting dossier.</p> <p>2° Innovative projects:</p> <p>Idem.</p> <p>3° Approved special projects:</p> <p>The service must inform the PHARE Service within 15 days of any change to the approval and subsidy conditions.</p> <p>For each staff member, within 15 days of employment, the service must send the PHARE Service a copy of the employment contract and any evidence that the staff member meets the regulatory conditions with regard to position and length of service.</p> <p>By 31 May of the year following the year in question, the service must send the PHARE Service the supporting dossier for the subsidies.</p> <p>Approved services receive an annual subsidy. This is paid in the form of monthly advances no later than the final working day of the month prior to the month for which they are granted.</p> <p>The balance is paid after the SPFB has examined the</p>
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	supporting dossier.
<b>Amount of aid granted 2016</b>	
Total amount of aid granted	<b>Support services:</b> EUR 6 855 000 <b>Adapted work undertakings:</b> EUR 27 065 000 <b>Services supporting communication with and interpreting for deaf people:</b> EUR 157 393 <b>Day centres and residential centres:</b> EUR 71 478 857.76 <b>Day centres for schoolchildren:</b> EUR 27 849 337.01 <b>Special and innovative projects:</b> EUR 2 391 972
<b>Amount of aid granted 2017</b>	
Total amount of aid granted	<b>Support services:</b> EUR 7 200 000 <b>Adapted work undertakings:</b> EUR 27 625 000 <b>Services supporting communication with and interpreting for deaf people:</b> EUR 170 000 <b>Day centres and residential centres:</b> EUR 74 109 824.14 <b>Day centres for schoolchildren:</b> EUR 28 304 315.44 <b>Special and innovative projects:</b> EUR 2 436 035
Additional quantitative information	

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

Support services have been included within SGEI because there is a financial contribution, albeit symbolic (EUR 1.70 to EUR 17.00 per month).

Day centres, residential centres and day centres for schoolchildren have been included within SGEI because there is a financial contribution connected with the social situation of beneficiaries.

The amounts indicated correspond to the subsidies granted by PHARE and constitute almost all their income.

## 3. COMPLAINTS BY THIRD PARTIES

None.

## 4. MISCELLANEOUS QUESTIONS

None.

## FRENCH COMMUNITY COMMISSION SHEET No 6

CATEGORY	Social services
SECTOR	Access to and reintegration into the labour market

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

28 October 1991 – Order of the Executive of the French Community laying down the conditions of approval of Continuing Training Centres for the middle classes and small and medium-sized enterprises.

20 February 1995 – Cooperation agreement on continuing training for the middle classes and small and medium-sized enterprises and on supervision of the Institut de formation permanente pour les Classes moyennes et les Petites et Moyennes Entreprises (Institute of continuing training for the middle classes and small and medium-sized enterprises) by the French Community Commission, the French Community and the Walloon Region.

Decree of 27 April 1995 of the French Community Commission on the approval of certain socio-professional integration organisations in order to increase the opportunities for unemployed and low-skilled job seekers to find or return to work in the context of coordinated socio-professional integration schemes.

Order No 2001/549 of 18 October 2001 of the French Community Commission on the application of the Decree of 12 July 2001 of the French Community Commission amending various laws on subsidies granted in the health policy and personal support sector and on the amendment of various implementing orders concerning the personal support, health, disabled people and socio-professional integration sectors ('non-profit' order).

17 July 2003 – Decree of the French Community Commission on the creation of an independently managed service responsible for managing and promoting continuing training for the middle classes and small and medium-sized enterprises in Brussels.

Order No 2004/144 of 18 November 2004 of the Board of the French Community Commission amending certain provisions of Order No 2001/549 of 18 October 2001 of the French Community Commission on the application of the Decree of 12 July 2001 of the French Community Commission amending various laws on subsidies granted in the health policy and personal support sector and on the amendment of various implementing orders concerning the personal support, health, disabled people and socio-professional integration sectors ('smoothed wage scales' order).

Circular No 558 of 30 November 2005 of the Federal Public Service for Staffing and Organisation – End-of-year allowance 2005.

22 March 2007 – Decree on equal treatment of people in vocational training.

24 October 2008 – Framework cooperation agreement on work-linked training, concluded in Brussels on 24 October 2008 between the French Community, the Walloon Region and the French Community Commission.

1 April 2010 – Order No 2009/758 on subsidies for approved continuing training centres for the middle classes and small and medium-sized enterprises.

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI.	<b>1. Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP)</b>
Contents of the services entrusted as SGEI.	



	<p>The Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP) (Brussels French-speaking Institute for vocational training), known as Bruxelles Formation, is the public interest organisation responsible for the training of French-speaking adults in the Brussels Capital Region.</p> <p>Among the core and supplementary tasks assigned to Bruxelles Formation under the Decree of 17 March 1994, the Decree of 27 April 1995 and the Cooperation Agreement with the Federal State, its priority tasks are to:</p> <ul style="list-style-type: none"> <li>• train job seekers in order to facilitate their access to employment, with priority for job seekers under 25 years of age and other categories of job seekers covered by a mandatory support scheme managed by Actiris (Brussels Employment Office) and whose career plan development includes a training action;</li> <li>• train workers so that they can meet the regional development challenges in Brussels;</li> <li>• identify the skills of job seekers through processes for the recognition of skills acquired through training, certification or validation of skills, selection or screening;</li> <li>• organise and manage partnerships with other operators offering training services in order to improve the quantity and quality of the training offer in Brussels, and monitor the implementation of these actions;</li> <li>• oversee socio-professional integration organisations in order to increase the opportunities for unemployed and low-skilled job seekers to find work in the context of coordinated socio-professional integration schemes, provide the qualifications needed by job seekers to access vocational training leading to further qualifications or identify synergies between the socio-professional integration sector and Bruxelles Formation;</li> <li>• observe and analyse the training sector in order to help guide the public and decision-making, particularly in terms of services to be developed within the Brussels territory.</li> </ul> <p><b>2. Centre de formation des PME (EFP)</b></p> <p>The EFP (SME training centre) is a non-profit association governed by the Law of 27 June 1921 granting civil personality to non-profit associations</p>
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	<p>and public interest establishments. The centre provides work-linked training to the middle classes in the Brussels Region in over 70 occupations (training leading to qualifications), according to the candidate's profile and regardless of age.</p> <p>The centre has the following tasks:</p> <p>1° to manage and promote the continuing training of the middle classes (apprenticeships; entrepreneur training; continuing training; educational development), with the assistance of the SFPME (SME training service), which is an independently managed service within the French Community Commission to which it is answerable;</p> <p>2° to organise courses, continuous assessment and examinations in the context of apprenticeships, entrepreneur training and continuing training;</p> <p>3° to provide educational guidance to the people enrolled on courses;</p> <p>4° to draw up continuing training programmes and organise continuing training activities;</p> <p>5° to issue the necessary certificate and diplomas.</p> <p><b>3. On-the-job training workshops: 10 approved associations</b></p> <p>These organise on-the-job training, which involves giving people real work experience through activities organised within the organisation itself, whether or not these result in the production or marketing of goods or services. They enable people to acquire the vocational skills needed to carry out a job or pursue training leading to qualifications.</p> <p><b>4. Initiatives</b></p> <p>Support for actions aimed at promoting, organising, improving, analysing, assessing, maintaining or re-establishing the vocational training and socio-professional integration of vulnerable groups.</p>
Forms of entrustment	<p><b>Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP)</b></p> <p>Management contract:</p> <p>The Bruxelles Formation management contract 2017-2022 was signed on 30 June 2017. It sets out the guidelines to be followed by the Institute. It aims to combat unemployment by focusing on the training and mentoring of Brussels-based job seekers.</p> <p>The contract is based on the findings made and objectives set by the 2020 Training Plan of the Brussels French-speaking Government and the 2025 Strategy developed by the social partners.</p>

	<p>It entrusts Bruxelles Formation with the necessary resources to continue developing its service offer aimed at ensuring the long-term integration of Brussels-based job seekers and workers in quality jobs.</p> <p>It also reinforces the role given to Bruxelles Formation of managing the vocational training offer, partnerships, pathways and certification.</p> <p>Particular attention is paid to the collaboration with Actiris. In addition, with the aim of scaling up the employment-training crossover policies, Bruxelles Formation and Actiris, on the initiative of their supervising minister, have agreed on common objectives to be included in their respective management contracts.</p> <p>The contract is a dynamic tool and provides for its adaptation to changes in the labour market. The signatories will ensure that they communicate right from the start of this contract so that the services provided by Bruxelles Formation are better known among the general public.</p> <p><b>Centre de formation des PME (EFP)</b> Order approving the training centre. Order on subsidies for the centre.</p> <p><b>On-the-job training workshops:</b> Orders: - approving (or renewing the approval of) socio-professional integration organisations under the Decree of 27 April 1995; - laying down the subsidy categories for socio-professional integration organisations approved by the French Community Commission under the Decree of 27 April 1995 and Order No 2001/549 of 18 October 2001.</p> <p><b>Initiatives</b> Subsidy order.</p>
Duration of the entrustment	<p><b>Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP)</b> The management contract has a five-year term from its date of entry into force. If, on the expiry of the contract, no new management contract has been concluded, this contract is automatically extended for a period of one year, after which the Board may lay down, by order, provisional rules regarding the matters covered by this contract.</p> <p><b>Centre de formation des PME (EFP)</b> Entrustment for an unlimited duration.</p> <p><b>On-the-job training workshops</b></p>

	<ul style="list-style-type: none"> <li>- Approval: three years, renewable.</li> <li>- Order laying down the subsidy categories: annual.</li> </ul> <p><b>Initiatives</b> One year, renewable.</p>
Exclusive or special rights assigned	<p><b>Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP)</b> The Decree of 17 March 1994 entrusts the Institute with two tasks: organise and manage vocational training for French-speaking adults in the Brussels Capital Region.</p> <p>The core aim of Bruxelles-Formation is to strengthen, through vocational training in all its forms, the capacity of job seekers and workers to integrate themselves on a long-term basis into the labour market by developing their skills, which therefore allows the needs of society and the recruitment requirements of employers to be met.</p> <p>The management contract lays down the rules and conditions under which Bruxelles Formation must carry out the tasks entrusted to it and regulates the obligations of the parties to the contract.</p> <p><b>Centre de formation des PME (EFP)</b> Tasks defined in the Cooperation Agreement of 20 February 1995, amended by an addendum in June 2003.</p> <p><b>On-the-job training workshops</b> Decree of 27 April 1995 of the French Community Commission on the approval of certain socio-professional integration organisations in order to increase the opportunities for unemployed and low-skilled job seekers to find or return to work in the context of coordinated socio-professional integration schemes.</p> <p><b>Initiatives</b> Defined in the subsidy order.</p>
<p>Compensation mechanism as regards the respective services, including aid instrument used.</p> <p>Methodology used to determine the compensation</p>	<p><b>Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP)</b> The subsidies paid by COCOF cover the expenditure incurred by Bruxelles Formation as a result of the tasks entrusted to it by the Decree of 17 March 1994 and by the management contract.</p> <p>The parties agree to annually discuss the allocation of the budget resources needed to properly perform the management contract in the light of its assessment and the assessment of the development plan.</p> <p>For 2012 to 2016, the Board gave its agreement to the principle of indexing part of the Bruxelles</p>

	<p>Formation staff costs funded by the allocation from the French Community Commission.</p> <p>If additional funding is needed in order to properly perform the management contract, Bruxelles Formation undertakes to identify, quantify and justify these resources when drawing up its annual development plan and to send a detailed request to the minister.</p> <p><b>Centre de formation des PME (EFP)</b> An annual subsidy is granted to the EFP so that it can carry out its tasks as determined by the 1995 Cooperation Agreement, with the exception of continuing training and educational development.</p> <p>Every year the minister decides on the amount of the subsidy granted to the EFP.</p> <p>The EFP must keep accounts that distinguish between the costs covered by the subsidy and the costs covered by the EFP's own resources.</p> <p>The EFP's budget must distinguish between the expenditure covered by the subsidy and the expenditure covered by the EFP's own resources or other resources. This subdivision must itself be subdivided according to the types of cost.</p> <p><b>On-the-job training workshops</b> The authority finances the educational staff and the educational coordination staff.</p> <p>The basic team subsidised by the authority is defined according to the organisation's volume of activity, which is calculated as an average for the last three years, and comprises the following positions:</p> <ul style="list-style-type: none"> <li>• Category 1 organisation up to 15 000 hours/year: <ul style="list-style-type: none"> <li>○ 1 FTE class 2 trainer or 0.75 FTE class 1 trainer;</li> </ul> </li> <li>• Category 2 organisation from 15 000 to 25 000 hours/year: <ul style="list-style-type: none"> <li>○ 1.5 FTE class 2 trainers or 1.25 FTE class 1 trainers;</li> </ul> </li> <li>• Category 3 organisation from 25 000 to 35 000 hours/year: <ul style="list-style-type: none"> <li>○ 1.75 FTE class 2 trainers or 1.50 FTE class 1 trainers;</li> </ul> </li> <li>• Category 4 organisation from 35 000 to 45 000 hours/year: <ul style="list-style-type: none"> <li>○ 2 FTE class 2 trainers or 1.75 FTE class 1 trainers;</li> </ul> </li> <li>• Category 5 organisation from 45 000 to 55 000 hours/year:</li> </ul>
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	<ul style="list-style-type: none"> <li>○ 2.5 FTE class 2 trainers or 2.25 FTE class 1 trainers + 0.5 FTE educational coordinator;</li> <li>• Category 6 organisation over 55 000 hours/year: <ul style="list-style-type: none"> <li>○ 3 FTE class 2 trainers or 2.75 FTE class 1 trainers + 0.5 FTE educational coordinator;</li> </ul> </li> <li>• On-the-job training workshops: <ul style="list-style-type: none"> <li>○ + 0.5 FTE class 2 trainer in addition to the team to which their subsidy category entitles them;</li> </ul> </li> <li>• Local tasks: <ul style="list-style-type: none"> <li>○ 1 FTE educational coordinator.</li> </ul> </li> </ul> <p>Fixed operating costs are granted to approved organisations. They are determined according to the category in which the organisation is approved.</p> <p>These amounts are indexed every year and are set as follows:</p> <ul style="list-style-type: none"> <li>• Category 1 organisation EUR 3 718.40</li> <li>• Category 2 organisation EUR 4 710</li> <li>• Category 3 organisation EUR 5 949.44</li> <li>• Category 4 organisation EUR 7 188.91</li> <li>• Category 5 organisation EUR 8 428.38</li> <li>• Category 6 organisation EUR 9 667.85</li> </ul> <p>(Order No 2001/549)</p> <p>Unless their approval decision is amended under the provisions of Article 11 of the Decree on socio-professional integration, organisations remain in the same subsidy category throughout the period of their approval. No change in category is proposed unless the organisation's volume of activity changes by more than 10 % (upwards or downwards). If the organisation is moved to a lower category, its funding can be changed only six months after notification of the decision. Any change in the assignment of a subsidised position must be immediately notified to the administration.</p> <p>The subsidy for continuing training costs is 1 % of the wage bill for the staff of approved organisations who are assigned to socio-professional integration tasks, except for staff assigned to local tasks.</p> <p><b>Initiatives</b>  Compensation granted per call for projects.  Contribution to staff and operating costs based on a supporting budget.</p>
Arrangements for avoiding and repaying any overcompensation	<p><b>Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP)</b>  The Vocational Training Minister and the Budget Minister, each in their respective area, must be kept</p>

	<p>regularly informed by Bruxelles Formation about the conduct of these tasks under this Contract. They have supervisory power through the Board's Commissioners in accordance with the Law of 16 March 1954 on the supervision of certain public interest organisations. In accordance with its legal obligations, Bruxelles Formation undertakes to provide the Vocational Training Minister with any information that may be useful for defining, analysing and monitoring training policy and to provide the Budget Minister with any associated budget information.</p> <p>In accordance with Articles 6, 11 and 12 of the Law of 16 March 1954 on the supervision of certain public interest organisations, the Vocational Training Minister and the Budget Minister, each in their respective area, can ask Bruxelles Formation to provide any additional information on annual reports, administrative and financial situation of its staff, loans, and cash and asset investments.</p> <p>The Vocational Training Minister and the Budget Minister, each in their respective area, reserve the right to check compliance with all the undertakings of Bruxelles Formation, using their own resources or through an expert, at their expense.</p> <p>If it appears that Bruxelles Formation has not fulfilled its undertakings under the management contract, the Board can revise its grant for subsequent years, taking into account, where applicable, the fixed and variable costs and the effect of any reduction in the grant on the service offer.</p> <p><b>Centre de formation des PME (EFP)</b> Any expenditure that is not justified or for which the justification is not eligible is deducted from the balance. If the justified expenditure does not cover the amount of the subsidy granted, the balance is limited to the amount actually justified. If the amounts received as advances exceed the amount actually justified, the overpayment is deducted from one of the subsidy instalments that the EFP can claim during the following year.</p> <p>A draft budget is submitted annually to the service. It is accompanied by a provisional table of eligible expenditure, set out by type of cost.</p> <p><b>On-the-job training workshops</b> No change in category is proposed unless the organisation's volume of activity changes by more than 10 % (upwards or downwards). If the organisation is moved to a lower category, its funding can be changed only six months after</p>
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	<p>notification of the decision.</p> <p>The subsidies are paid as quarterly advances. The balance of the subsidy for a given year is paid only after the supporting documents, accounts, balance sheet and activity report have been submitted.</p> <p>Article 13(4) of the Decree of 27 April 1995 states that ‘organisations shall obtain additional funding, needed to implement their actions, from public authorities and possibly from professional funds involved in training, employment and lifelong learning’.</p> <p><b>Initiatives</b> Arrangements for checking supporting documents and reimbursement (based on activities carried out, period of cover, types of eligible cost).</p> <p>If, after checking the supporting documents, the accepted amount is less than the amount granted, the subsidy is paid only up to the accepted amount. If the accepted amount is less than the amount already paid, the French Community Commission reclaims the difference from the beneficiary.</p>
<b>Amount of aid granted 2017</b>	
Total amount of aid granted	<p><b>Institut Bruxellois Francophone pour la Formation Professionnelle (IBFFP):</b> EUR 43 036 000.00</p> <p><b>Centre de formation des PME (EFP):</b> EUR 9 542 000.00</p> <p><b>On-the-job training workshops:</b> EUR 1 459 319.06</p> <p><b>Initiatives:</b> EUR 118 381.82</p>
Additional quantitative information	

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

### (a) Conceptual difficulties

- The SGNEI and SGEI concepts, as defined by the European Commission, suffer from a lack of terminological clarity.
- The flexibility that the Member States are allowed by the European Commission in defining general interest tasks, which is at the discretion of the subsidising authorities, creates legal uncertainty.
- It is difficult to precisely identify when remuneration forms an economic consideration for the service provided.
- It is difficult to determine when a given market exists, which is characterised by the interaction of supply and demand.
- In the absence of complaints, it is difficult to determine whether calls for proposals that are selective by nature may also lead to distortions of competition.
- The concept of ‘general interest task’ is often confused with a series of specific activities to be carried out.

### (b) Methodological difficulties

- It is difficult to differentiate between SGNEI, SGEI or SSGI activities within an undertaking.



- An undertaking pursuing the same object can receive public aid from different levels of government. It is sometimes complicated to identify whether these activities come under the same general interest task.
- Where one level of government assigns a general interest task through an entrustment and grants public aid, another level of government may fund activities through a call for proposals. In this case it is not easy to distinguish between 'de minimis' aid (less than EUR 500 000 over three years) and State aid compatible with the market (up to EUR 15 million per year)
- For some undertakings, one level of government grants approval, but not public aid. This distribution of responsibility by level of government complicates the application of the SGEI Decision.

**(c) Specific analysis difficulties**

- A financial contribution threshold needs to be defined so that it can be decided whether or not an activity is economic (subscriptions, contributions to costs, minimum acceptable contributions).
- Information on public aid granted to undertakings situated in one region is not being regularly exchanged between the different levels of government (need to carry out analysis based on balance sheets).
- It is difficult to identify in balance sheets whether the total amount of public aid has been granted to one SGEI or several SGEI (which results in the public aid received being combined).
- It is difficult to identify in balance sheets the amounts for an SGNEI (where its funding is not regarded as falling under de minimis aid) and those covered by a de minimis regulation.
- It is difficult to identify and weight in financial terms aid in kind and indirect financing received by undertakings (provision of premises, staff, equipment).

**3. COMPLAINTS BY THIRD PARTIES**

None.

**4. MISCELLANEOUS QUESTIONS**

None.

## FRENCH COMMUNITY COMMISSION SHEET No 7

CATEGORY	Other SGEI compensation not exceeding EUR 15 million
SECTOR	Passenger transport by road

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

- The consolidated Constitution of 17 February 1994.
- Legislative Order of 30 December 1946 on paid passenger transport by road carried out using buses and coaches.
- Law of 29 May 1959 on the 'school pact'.
- Law of 26 April 1962 on public transport of students attending educational establishments.
- Royal Decree of 28 June 1962 on the authorisation of public transport of students attending educational establishments.
- Royal Decree of 15 March 1968 laying down general regulations on the technical conditions with which motor vehicles and their trailers, elements and safety accessories must comply.
- Royal Decree of 7 February 1974 laying down the procedure for the State to cover travel costs of students in special education.
- Royal Decree of 1 December 1975 laying down general regulations on the policing of road traffic.
- Royal Decree of 15 September 1976 laying down regulations on the policing of passenger transport by tram, premetro, metro, bus and coach.
- Royal Decree of 31 July 1980 laying down the conditions for granting special bus service authorisations.
- Law of 15 July 1983 creating the national school transport service.
- Royal Decree of 16 April 1985 laying down the penalties referred to in Article 9 of the Law of 15 July 1983 creating the national school transport service.
- Royal Decree No 468 of 9 October 1986 amending certain legal provisions on school transport.
- Decrees II of 19 and 22 July 1993 organising the transfer of competence for school transport in particular.
- Order of 22 December 1994 of the Board of the French Community Commission determining the composition and operation of the Commission consultative bruxelloise francophone du service de transport scolaire (Brussels French-speaking advisory committee on the school transport service).
- Order No 94/595 of 19 July 1994 of the Board of the French Community Commission on the assistance and supervision of disabled students benefiting from school transport and attending an educational establishment organised or subsidised by the Wallonia-Brussels Federation and situated in the Brussels Capital Region.
- Royal Decree of 23 March 1998 on the driving licence.

- Decree of 3 March 2004 organising special education.
- Circulars No 851 and No 919 of the French Community – May 2004: New rules on the school transport of students under the age of 12 years.
- Order of 21 January 2010 of the Government of the Brussels Capital Region laying down the conditions of access to the profession of passenger transport operator by road for regular and special regular transport services.
- Code on well-being at work and General regulations on industrial safety (Règlement Général sur la Protection du Travail – RGPT).

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	Transport of students attending the special school appropriate to their ‘free choice’ status and closest to their home, all networks combined.  Methods of transport funded by the French Community Commission: <ul style="list-style-type: none"> <li>• public transport services;</li> <li>• special bus routes;</li> <li>• individual transport.</li> </ul>
Forms of entrustment	Service contract.  The French Community Commission awards school transport contracts to transport operators through a competitive procedure. The competitive procedure adopted is fair and open to all operators and complies with the principles of transparency and non-discrimination.  Third-party payer agreements with the various public transport companies.
Duration of the entrustment	Maximum of 10 years.
Exclusive or special rights assigned	None.
Compensation mechanism as regards the respective services, including aid instrument used.  Methodology used to determine the compensation	<ul style="list-style-type: none"> <li>– Payment: <ul style="list-style-type: none"> <li>• of wages of assistance and supervisory staff, including meal vouchers and STIB and SNCB season tickets (in part);</li> <li>• for company mobile phone + call costs.</li> </ul> </li> <li>– Cost of monitoring school transport routes organised by the French Community Commission.</li> <li>– Cost of service contracts for the provision of transport services.</li> <li>– Cost of season tickets via third-party payer agreements with the various public transport companies.</li> </ul>
Arrangements for avoiding and repaying any overcompensation	Indexation mechanism based on an average cost price calculated based on official indices (wages, insurance, etc.), negotiated with the transport operator representatives.
Amount of aid granted	

2016		2017	
Amount	EUR 530 000	Amount	EUR 11 855 000
Additional quantitative information	195 school transport routes 182 school transport assistants 2 863 students transported 2 285 public transport season tickets funded.	Additional quantitative information	204 school transport routes 2 949 students transported 192 school transport assistants 2 352 public transport season tickets funded.

## 2. DIFFICULTIES WITH THE APPLICATION OF THE SGEI DECISION OR SGEI FRAMEWORK

None.

## 3. COMPLAINTS BY THIRD PARTIES

None.

## 4. MISCELLANEOUS QUESTIONS

## FRENCH COMMUNITY COMMISSION SHEET No 8

CATEGORY	Other SGEI compensation not exceeding EUR 15 million:
SECTOR	Cultural affairs / Audiovisual

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

In cultural matters, the French Community Commission exercises subordinate power under the supervision of the Wallonia-Brussels Federation.

The support provided by the French Community Commission is particularly intended to allow BX1 to maintain its vocation as a French-speaking regional television station for Brussels.

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	<p>The public service tasks of BX1 in relation to creating, producing and broadcasting audiovisual programmes intended for viewers within its area of coverage and also French-speaking inhabitants of the Brussels periphery are as follows:</p> <ul style="list-style-type: none"> <li>- To strive to guarantee the editorial and technical quality of its programmes and target all the public within its area of coverage.</li> <li>- To mainly cover events of local and regional interest that occur within or concern its area of coverage and the Brussels periphery. BX1 makes, produces and broadcasts local and regional information and general news programmes that report on political, cultural, economic, social and sporting life within its area of coverage.</li> <li>- To make, produce and broadcast at least one daily news programme from Monday to Friday. BX1 makes, produces and broadcasts one news programme on Saturday or Sunday. It can derogate from this obligation during school holidays according to the French Community's calendar.</li> <li>- To raise the profile of Brussels as a Capital Region and as a capital of the French Community, Belgium and the European Union.</li> <li>- To ensure the signing and/or subtitling of at least 12 minutes of its daily news programme or a weekly digest of that programme intended for the section of its public that consists of people who are deaf or hard of hearing, in agreement with the Fédération francophone des sourds de Belgique (Belgian French-speaking Federation of the Deaf) and the Association des parents d'enfants déficients auditifs francophone (APEDAF) (French-speaking Association of parents of children with hearing impairment).</li> <li>- During municipal, regional, federal and European elections, to produce and broadcast special news programmes or footage, reports and interviews involving candidates or experts, which are included within those news programmes, to allow the public to understand the election issues. For municipal and regional elections, BX1 must organise debates</li> </ul>

	<p>and present the election results on election night.</p> <ul style="list-style-type: none"> <li>- To add value to the programmes produced by cultural and audiovisual operators linked to the government or Board by developing synergies in the creation, production and broadcast of those programmes.</li> <li>- When it is planning the broadcast of films or television programmes, to promote works that showcase authors, producers, performers or distributors from the French Community, whose home, place of work or registered office is situated within the French-language region or within the Brussels Capital bilingual region.</li> <li>- Within its financial means, to annually broadcast at least five short films supported by the Centre du cinéma et de l'audiovisuel (Cinema and audiovisual centre) and freely chosen from among recent production, subject to compliance with pay-TV exclusive broadcast rights and with the producer's agreement.</li> <li>- Within its financial means, to ensure that its programming promotes and raises viewers' awareness of cultural heritage, different forms of creative expression, and all the established or emerging artistic disciplines within its area of coverage. In this context, BX1 must pay particular attention to popular culture and young talent.</li> <li>- To conclude partnership and reciprocal promotion agreements with as many cultural institutions or associations as possible within its area of coverage. In this context, BX1 undertakes to provide media support for at least 10 important cultural events within its area of coverage every year.</li> <li>- Within its financial means, to ensure that its programming contributes to the training and education of viewers in its area of coverage. It must help to improve their knowledge by offering programmes on issues such as consumer information, awareness of the environment and living conditions, health education, scientific popularisation, understanding of social, political and economic life, youth information, and education on the media and citizenship.</li> <li>- To work with as many institutions and associations as possible that are established or working within its area of coverage.</li> <li>- As a priority, to develop synergies with public service operators such as local television stations in Wallonia and RTBF. This provision is not exclusive and BX1 can therefore also develop editorial and promotional partnerships with private print, electronic and audiovisual media.</li> <li>- In particular to develop a specific information offer on its websites and on social networks.</li> </ul>
Forms of entrustment	Subsidy order with management contract.
Duration of the entrustment	Five years, renewable.
Exclusive or special rights assigned	Decree of 27 February 2003 on broadcasting, in particular Articles 64, 66(1), 67 and 69 thereof.
	Under the supervision of the Wallonia-Brussels Federation.
Compensation mechanism as	Initiative budget for the cultural area.

regards the respective services, including aid instrument used.	Existence of a five-year management contract.												
Methodology used to determine the compensation	<p>Contribution to staff and operating costs, based on a provisional budget and accounting and administrative information, including an activity report, income statements, balance sheets and accounts.</p> <p>This contribution is paid following approval by the monitoring committee, which must meet within 15 working days of the following documents being submitted by BX1:</p> <p>a claim declaration, an annual assessment report on the association's tasks in relation to the performance of and compliance with its obligations as set out in Articles 1 to 7 of the management contract, balance sheets and accounts for the previous year, certified by a company auditor appointed by the association, and the other supporting documents for the entire subsidy for the previous year. This amount can be paid only if the figure for the volume of its own production in the most recent year checked by the Conseil Supérieur de l'Audiovisuel (Audiovisual Council) is also provided with the other supporting documents.</p> <p>If the other public authorities subsidising BX1 reduce their financial support, the French Community Commission is under no obligation to make up for this reduction.</p> <p>The law on public procurement must be observed.</p> <p>In view of the various factors influencing the operating account, when planning the annual allocation of its budgets, BX1's management bodies must take the necessary steps to ensure that the accounts balance. If there is an operating deficit, a recovery plan approved by the monitoring committee must be produced and implemented as quickly as possible.</p>												
Arrangements for avoiding and repaying any overcompensation	<p>Submission of supporting documents at the end of the activity.</p> <p>Audit of supporting documents submitted.</p> <p>On-the-spot inspection and audit.</p> <p>Repayment of overcompensation based on the accepted supporting dossier.</p>												
<b>Amount of aid granted</b>													
Total amount of aid granted	<p><b>2016:</b></p> <table> <tr> <td>- BX1 – operating subsidy</td><td>EUR 2 947 000</td></tr> <tr> <td>- BX1 – investment subsidy</td><td>EUR 100 000</td></tr> <tr> <td><b>Total</b></td><td><b>EUR 3 047 000</b></td></tr> </table> <p><b>2017:</b></p> <table> <tr> <td>- BX1 – operating subsidy</td><td>EUR 3 050 000</td></tr> <tr> <td>- BX1 – addendum to management contract</td><td>EUR 100 000</td></tr> <tr> <td><b>Total</b></td><td><b>EUR 3 150 000</b></td></tr> </table>	- BX1 – operating subsidy	EUR 2 947 000	- BX1 – investment subsidy	EUR 100 000	<b>Total</b>	<b>EUR 3 047 000</b>	- BX1 – operating subsidy	EUR 3 050 000	- BX1 – addendum to management contract	EUR 100 000	<b>Total</b>	<b>EUR 3 150 000</b>
- BX1 – operating subsidy	EUR 2 947 000												
- BX1 – investment subsidy	EUR 100 000												
<b>Total</b>	<b>EUR 3 047 000</b>												
- BX1 – operating subsidy	EUR 3 050 000												
- BX1 – addendum to management contract	EUR 100 000												
<b>Total</b>	<b>EUR 3 150 000</b>												
Additional quantitative information													

## FRENCH COMMUNITY COMMISSION SHEET No

CATEGORY	Other SGEI compensation not exceeding EUR 15 million:
SECTOR	Tourism

### 1. DESCRIPTION OF THE APPLICATION OF THE SGEI DECISION AND THE SGEI FRAMEWORK AND AMOUNTS GRANTED

Legal basis:

Royal Decrees of 23 January 1951 and 2 March 1956 laying down regulations on the allocation of subsidies to promote paid leave for workers and popular tourism.

Tourism has fallen within the competence of the Brussels Region since July 2014. However, the French Community Commission has always been able to fund tourist infrastructures within the territory of the Brussels Capital bilingual region (Article 6sexies of the Special Law of 8 August 1980 on institutional reforms).

Description of how the respective services are organised	
Kind of services in the respective sector defined as SGEI. Contents of the services entrusted as SGEI.	Managing associations must: - organise time-limited residential activities; - welcome young people in groups or individually; - encourage meetings between groups and individuals staying at the centre, open up the centre to the local community and encourage multicultural exchanges; - provide young people with information on the various aspects of the area where the centre is situated; - at their request, assist the teams leading groups brought to the centre with their programmes; - provide rooms and facilities allowing at least 50 young people to be welcomed and accommodated on a full-board basis.  They must also not exceed, in terms of the price per night, three-quarters of the price of a hotel offering the same type of facilities.
Forms of entrustment	Subsidy order (according to the provisions of the aforementioned Royal Decrees).
Duration of the entrustment	Based on the duration of the work (i.e. one year or more).
Exclusive or special rights assigned	Residential centres for young people: Decree laying down the conditions of approval and subsidy of youth hostels, meeting and residential centres and information centres for young people and their federations (20 July 2000, Belgian Gazette of 26 August 2000, amended by the Decrees of 3 March 2004, Belgian Gazette of 19 April 2004, and of 9 May 2008, Belgian Gazette of 30 July 2008).
Compensation mechanism as regards the respective services, including aid instrument used.  Methodology used to determine the compensation	Initiative budget in terms of subsidies for investment work: construction, renovation and equipment work. - Obligation to comply with the law on public procurement. - Investment plan, balance sheet, accounts, activity and management report. - Undertaking to maintain the use for 15 years.
Arrangements for avoiding and repaying any overcompensation	Submission of supporting documents at the end of the work. On-the-spot inspection and audit. Repayment of overcompensation based on eligible supporting documents, Proportional repayment if the commitment deadline has not been met.



Amount of aid granted	
Total amount of aid granted	<p><b><u>2016</u></b>: Auberge des Trois Fontaines: EUR 503 136 (CCF subsidies)</p> <p><b><u>2017</u></b>:</p> <ul style="list-style-type: none"> <li>- Centre Van Gogh: EUR 165 461 (CCF subsidies) EUR 55 809 (other non-CCF subsidies) Total: EUR 221 270</li> <li>- Génération Europe: EUR 128 250 (CCF subsidies)</li> <li>- Auberge des Trois Fontaines: EUR 146 257 (CCF subsidies)</li> <li>- Auberge Jacques Brel: EUR 146 322 (CCF subsidies) EUR 152 781.61 (other non-CCF subsidies) Total: EUR 299 103.61</li> </ul>
Additional quantitative information	

**Services of General Economic Interest: guidance for report to be submitted following the 2012 SGEI Decision and the 2012 SGEI framework**

**French Community – Childcare**

<b>Clear and comprehensive description of how the respective services are organised in your Member State<sup>1</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<b>Social services ➔ childcare (category 2(b))</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
<b>Decree (<i>décret</i>) of 17 July 2002 on the reform of the ONE (Birth and Childhood Agency), entrusting it with the public service task of authorising, approving and subsidising childcare for 0-6 year olds.</b> <a href="http://www.gallilex.cfwb.be/document/pdf/26853_002.pdf">http://www.gallilex.cfwb.be/document/pdf/26853_002.pdf</a>
<b>Order (<i>arrêté</i>) of 27 February 2003 laying down general rules and regulations on childcare, organising the authorisation, approval and subsidy of the different types of childcare that exist in the French Community of Belgium.</b> <a href="http://www.gallilex.cfwb.be/document/pdf/27602_006.pdf">http://www.gallilex.cfwb.be/document/pdf/27602_006.pdf</a>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
//
Explanation whether <b>(typically) exclusive or special rights</b> are assigned to the undertakings.
//
<b>Which aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Direct subsidies for staff and operating costs.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
See details in the Order of 27 February 2003 of the Government of the French Community laying down the general rules and regulations on childcare.
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>

<sup>1</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

//

Amount of aid granted	
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>2</sup></b>	
2016	2017
<b>EUR 181 054 604.41 granted by the FWB (Wallonia-Brussels Federation) for childcare for 0-3 year olds.</b>	<b>EUR 170 666 469.14 granted by the FWB for childcare for 0-3 year olds.</b>

Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>3</sup>	
2016	2017
<b>31 067 places subsidised by the ONE in 2016, distributed between 3 251 childcare structures.</b>	<b>31 758 places subsidised by the ONE in 2017.</b>

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<sup>2</sup> See footnote 3.

<sup>3</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

**State Aid - Services of General Economic Interest  
2016-2017**

**Report of the German-speaking Community for the European Commission**

- Social services
- (a) Health and long-term care
- (b) Childcare

June 2018

## 1. EXPENDITURE OVERVIEW

Please complete the following table:

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<b>Compensation for Services of General Economic Interest</b>	2.303	3.700
(1) Compensation granted on the basis of the SGEI	2.303	3.700
(2) Compensation granted on the basis of the SGEI Framework	N/A	N/A

## 2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION

### (a) Health and long-term care

Clear and comprehensive description of how the respective services are organised in your Member State <sup>1</sup>
<p>Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.</p> <p><b><u>General description</u></b></p> <p>Assisted living facilities (<i>betreute Wohnungen</i>) are governed by the Decree of 4 June 2007 on accommodation, support and care structures for elderly people, retirement homes and psychiatric care homes, and by the Government Order of 26 August 2010 on the procedure for authorising, approving and inspecting assisted living facilities.</p> <p>Article 2(1)(2°) of the Decree of 4 June 2007 defines an assisted living facility as follows: <i>‘establishment offering elderly people, in one or more buildings, individual homes as well as activities and domestic services that residents are free to access and an emergency response service provided by care workers at the retirement home or retirement and care home. Such establishments cannot provide permanent care services.’</i></p> <p>There are currently 25 assisted living facilities in the German-speaking Community.</p> <p><b><u>Authorisation</u></b></p> <p>The authorisation of assisted living facilities is governed by Articles 3 and 3/1 of the Decree of 4 June 2007:</p> <p><i>‘Article 3. In the following cases, the organiser of a care facility or psychiatric care home shall apply for authorisation from the government, prior to provisional approval, in order</i></p>

<sup>1</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

to:

- 1° create or propose a care facility or psychiatric care home;*
- 2° convert or bring into service an existing building with a view to creating or proposing a care facility or psychiatric care home;*
- 3° alter the capacity of an existing care facility or psychiatric care home.*

*The authorisation shall be granted only if the project, at the time of the application, is in line with a programme established by the Government of the German-speaking Community or the Federal Government.*

*The authorisation shall be valid for a period of three years.*

*The complete application for authorisation shall be submitted to the competent department no later than 1 July.*

*Once a year, on 31 January of the following calendar year, the government shall decide whether to authorise additional capacity for both new and existing care facilities.*

*The government shall determine the form and content of the application referred to in the fourth paragraph.*

*Article 3/1. No later than three months before the authorisation expires, the organiser of a care facility may submit an extension application for a maximum period of one year.*

*The government shall decide on this extension application within three months of receiving the complete application.*

*The government shall determine the form and content of the authorisation extension application.'*

*The Order of 26 August 2010 states as follows in this respect in its Chapter 4 on authorisation:*

*'Article 4. The application for authorisation referred to in Article 3 of the Decree shall be sent to the department and shall contain the following documents and information:*

*1° to create or propose a care facility:*

- (a) the identity of the applicant;*
- (b) in the case of a legal person, the articles of association of the company or association;*
- (c) a map of the municipality showing the geographical position of the care facility;*
- (d) the number of housing units;*
- (e) A declaration by the organiser that the project meets a real need and is in line with both the programme established by the government and all existing and planned care facilities;*

*2° to convert or bring into service an existing building in accordance with Article 3(2°) of the Decree and to alter the number of housing units within an existing care facility in accordance with Article 3(3°) of the Decree:*

- (a) the identity of the applicant;*
- (b) a plan of the existing buildings;*
- (c) the housing units resulting from converting or bringing into service an existing building;*
- (d) a declaration as referred to in 1°(e).*

*Article 5. Within one month, the department shall forward the complete application for authorisation, accompanied by an opinion, to the Minister. If the application is submitted in July or August, the time-limit of one month shall be extended by one month.*

*Article 6. Within one month of receiving the opinion referred to in Article 5, the Minister shall decide on the application for authorisation.*

*The authorisation shall lapse where the projects referred to in Article 3(1°) to (3°) of the Decree are not started within three years of the authorisation being granted.'*

### **Approval**

The approval of assisted living facilities is governed by Article 5 of the Decree of 4 June 2007:

*'Article 5.1. All organisers of care facilities and psychiatric care homes that fall under this Decree must be approved.*

*2. The organiser of a care facility or psychiatric care home may submit an application for approval before the provisional approval granted under Article 4 expires. The government shall grant this approval only when the provisional approval expires.*

*The government shall grant approval to the organiser where the care facility or psychiatric care home meets the conditions determined by the competent authorities. In exceptional and specifically justified cases, the government may authorise derogations from the conditions that it has determined for approval. This shall not apply to assisted living facilities.*

*3. The conditions for approval determined by the government particularly concern:*

*1° respect for the personal rights of residents and users by taking account of ideological, philosophical and religious beliefs;*

*2° respect for the privacy and dignity of residents and users;*

*3° respect for the independence and freedom of choice of residents and users and for the right to self-fulfilment;*

*4° reception and termination;*

*5° meals, hygiene and care;*

*6° the adaptation of premises;*

*7° specific safety measures;*

*8° the number of staff members and their qualifications;*

*9° the right of co-decision of residents and users, particularly as regards the development of living conditions within the establishment;*

*10° the concept with regard to the organisation of the care facility;*

*11° accounting;*

*12° the rights and duties of representatives, without prejudice to binding provisions to the contrary;*

*13° complaint management;*

*14° measures aimed at guaranteeing quality;*

*15° the concept of care for the dying.*

*4. The approval shall be granted for a specific organiser and for a specific facility. The sale or purchase of places in a care facility or psychiatric care home shall be prohibited, unless the government expressly authorises this, on request, in exceptional and specifically justified cases. Another organiser may, however, take over places without any change in the facility. The new organiser must then submit a new application for approval.*

*5. The approval shall be granted for an unlimited duration.'*

The Order of 26 August 2010 states as follows in its Chapter 5 on approval:

*'Article 7. The application for approval shall be sent to the department and shall contain the following documents:*

*1° the authorisation referred to in Chapter 4;*

*2° the identity of the director of the care facility, a list of the names of staff members together with their position, qualifications and registration number with the Federal Public Service for Public Health (Service public fédéral de la Santé publique) and, for the director and all employees, a certificate of good conduct that cannot be dated more than a month before the application is submitted;*

*3° a declaration signed by the organiser committing the latter to continually adapt the number of staff in line with the staffing rules according to the number of people actually accommodated;*

*4° a certificate based on the report produced by the competent fire service, signed by the mayor and indicating that the care facility meets the specific safety rules. The certificate and the attached fire report cannot be dated more than three months before the application for approval is submitted;*

*5° a financing plan proving that the organiser of the care facility has sufficient capital to meet the conditions for approval. This financing plan must be countersigned by a company auditor or accountant independent of the organiser;*

*6° a copy of the concept of establishment and internal rules;*

*7° a model contract concluded between the organiser of the care facility and the resident;*

*8° the anticipated contribution by the resident to the costs.*

*Article 8. Within 40 days of the complete application being submitted, the Minister shall decide whether to grant or refuse the provisional approval based on the department's opinion.*

*Article 9. During the period of validity of the provisional approval, the inspectorate shall carry out a check to verify compliance with the conditions for approval. The inspection report, accompanied by the application for approval, shall be forwarded to the Minister.*

*Article 10. The Minister shall grant or refuse the approval within 40 days and in any event before the provisional approval expires. The approval shall state the maximum housing*



capacity.
<i>Article 11. 1. During the period of validity of the approval, the organiser of the approved care facility shall inform the department of any change to the information set out in Articles 4 and 7.</i>
<i>2. Every six years from the approval coming into effect, the organiser shall send the department a certificate as referred to in Article 7(4°). In addition, this certificate must be submitted whenever any modification is made to the building housing the care facility or whenever requested by the inspectorate.'</i>
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
The entrustment is based on the Decree of 4 June 2007 on accommodation, support and care structures for elderly people, retirement homes and psychiatric care homes, and on the Government Order of 26 August 2010 on the procedure for authorising, approving and inspecting assisted living facilities.
Infrastructure subsidies are granted based on the Decree of 18 March 2002 on infrastructure (Section 4), which lays down the conditions for obtaining a subsidy.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
In accordance with the provisions of the Decree of 4 June 2007 on accommodation, support and care structures for elderly people, retirement homes and psychiatric care homes, and the Government Order of 26 August 2010 on the procedure for authorising, approving and inspecting assisted living facilities, the authorisation is granted for a period of three years, whilst the approval is valid for an unlimited duration. Compliance with the conditions for approval is checked during the period of the approval. The organiser of the assisted living facility also submits a certificate every six years.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
N/A
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Only infrastructure subsidies are granted in the context of assisted living facilities. These are governed by the Decree of 18 March 2002 on infrastructure.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
The subsidy rate is determined in accordance with the first paragraph of <u>Article 16</u> of the Decree of 18 March 2002 on infrastructure, which stipulates that ' <i>For the infrastructure projects referred to in Article 2, first paragraph, subparagraphs 1° to 5° and 7° to 10°, the subsidy shall represent 60 % of the total amount of expenditure that can be taken into account for the purpose of subsidisation.</i> '
The basis for calculating infrastructure subsidies is determined in accordance with <u>Article 17</u> of the Decree of 18 March 2002 on infrastructure:
<i>'1. For the infrastructure projects referred to in Article 2, first paragraph, subparagraphs 1°, 3° to 5° and 7° to 10°, the total amount of expenditure that can be taken into account for the purpose of subsidisation shall include all the costs actually incurred in connection with the infrastructure projects, particularly the cost of labour and</i>

*materials, the price revision provided for by law, the costs of the safety coordinator provided for by law, site insurance and/or site surveillance, VAT where this is not recovered, and the fees of project managers, architects, engineers and other experts.*

*Up to the agreed ceilings, costs resulting from derogations from the approved project can be taken into account as eligible expenditure if the envisaged derogations were notified to the government before the work was carried out and if these do not involve major changes to the project. Major changes to the project must be approved in advance by the government.*

*No later than the final statement, the applicant shall submit the following documents to the government:*

- a detailed statement of reasons for the derogation;*
- the documents needed for the infrastructure project, provided for in Article 21, if they have not yet been submitted.*

*Eligible expenditure incurred before the government gives its definitive promise in order to prepare the application referred to in Article 21 may be subsidised only where the infrastructure project in question is subsidised.*

*2. For the infrastructure projects referred to in Article 2, first paragraph, subparagraph 2°, the subsidy shall be calculated on a basis that cannot exceed the estimate made by the competent receiver of registration fees, the competent official from the state property purchase committee or an estimator approved by the government), (plus the measuring and notary costs and possibly plus the early repayment or emphyteutic charge provided for by law or paid by the authorities.*

*The total amount of expenditure that can be subsidised in the infrastructure projects referred to in Article 2, first paragraph, subparagraph 6°, shall include the sale price approved by the government, VAT where this is not recovered, and fees of designers.*

*3. Where an infrastructure project can be subsidised by other authorities, those subsidies must be requested. Except for the subsidy granted by the municipality in which the applicant is established, those subsidies shall be deducted from the overall project cost before the subsidy granted under this Decree is calculated. This shall also apply to any grant made by other authorities or public institutions and to any compulsory contributions to the costs, except for the contribution to the costs paid by the user of the infrastructure if said user can be subsidised.'*

#### **Typical arrangements for avoiding and repaying any overcompensation.**

*In principle, overcompensation is not possible as 'the subsidy shall be paid on completion or acceptance of the work or after purchase, based on accounting documents and evidence of payment, and after the insurance policies referred to in Article 13 have been notified.'* (Article 18(1) of the Decree of 18 March 2002 on infrastructure).

*Furthermore, 'the total subsidy can be paid in the form of proportional instalments. Detailed progress reports, submitted for this purpose, must be approved by the client or architect and must correspond each time to a minimum amount of EUR 10 000.'* However, *'the proportional payments may not exceed 90 % of the total subsidy.'* (Article 18(2) of the Decree of 18 March 2002 on infrastructure). *'On completion or acceptance of the work, a final statement shall be produced with all the necessary*

*evidence and any derogations from the work specified in the schedule of conditions shall be the subject of a reasoned statement.*' (Article 18(3) of the Decree of 18 March 2002 on infrastructure).

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

N/A

#### **Amount of aid granted**

**Total amount of aid granted (in millions EUR)<sup>2</sup>. This includes all aid** granted in your territory, including aid granted by regional and local authorities. **(A+B+C)**

<b>2016</b>	<b>2017</b>
N/A	1.356
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>3</sup></b>	
<b>2016</b>	<b>2017</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>4</sup></b>	
<b>2016</b>	<b>2017</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>5</sup></b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees, etc.) (if available)	
<b>2016</b>	<b>2017</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>6</sup>	

<sup>2</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>3</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>4</sup> See footnote 3.

<sup>5</sup> See footnote 3.

<sup>6</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

2016	2017
N/A	1 beneficiary (legal form: ASBL [non-profit association])

## **(b) Childcare**

### **Clear and comprehensive description of how the respective services are organised in your Member State<sup>7</sup>**

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

Childcare is regulated by the Decree of 31 March 2014 on childcare and by the Government Order of 22 May 2014 on childcare facilities and other forms of childcare.

According to Article 1(12°) of the Order of 22 May 2014, childcare facilities encompass the following providers:

- *'child-friendly facilities (providers who mainly offer childcare for young children and, where applicable, out-of-school childcare through contracted carers);*
- *crèches (providers who offer group childcare for young children and have a capacity of at least 18 places) (Article 1(9°) of the Order of 22 May 2014);*
- *mini-crèches (providers funded by public or private bodies, who offer group childcare for young children and have a capacity of at least six places and at most 14 places); and*
- *out-of-school childcare centres (providers who offer childcare for children outside school hours and also educational conferences).'*

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

The entrustment is based on the Decree of 31 March 2014 on childcare. A specific entrustment based on said Decree takes the form of a management contract, in accordance with Article 13 of the Decree, which states that *'the subsidy and tasks may be determined in a management contract concluded between an approved provider and the government in accordance with Article 105 of the Decree of 25 May 2009 on the budget rules of the German-speaking Community'*.

The management contract for the 2016-2019 period was signed on 20 June 2016 between the Government of the German-speaking Community and the ASBL (non-profit association) *Regionalzentrum für Kleinkindbetreuung*.

**Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

According to Article 12 of the Decree of 31 March 2014, *'Only approved providers may obtain subsidies for childcare, within the limits of the available budget appropriations'*.

In accordance with Article 13 of the Decree of 31 March 2014, the subsidy may be determined in a management contract concluded between an approved provider and the government. Said management contract provides for the subsidy to be paid in the form of 12 monthly instalments.

Furthermore, the approval granted by the government in accordance with Chapter 2 of the

<sup>7</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

Decree of 31 March 2014 means that the following conditions are met (Article 7 of the Decree of 31 March 2014):

*‘In order to be approved, providers must at least meet the following conditions:*

*1° Persons active in childcare shall produce a criminal record certificate (model 2) for themselves and, if the childcare is provided in their home, for any adult persons who form part of the household and/or who will be in regular contact with the children being cared for. If these persons are resident abroad, they shall produce an equivalent document issued by a competent authority and allowing access to an activity in the area of education, psycho-medical-social guidance, youth work, child protection, and entertainment or care of minors.*

*2° Persons active in childcare shall produce a medical certificate dated no more than two months previously confirming that they are fit to care for children.*

*3° If this is not apparent from the medical certificate referred to in subparagraph 2°, female persons active in childcare and under 55 years of age shall produce a medical certificate confirming that they and, if the childcare is provided in their home, female members of their household under 55 years of age have been vaccinated against rubella. The refusal of any future vaccination shall be permitted only on production of a duly justified relevant medical certificate.*

*4° Persons active in childcare undertake not to carry out any professional or non-professional activity that is incompatible with childcare or that could prevent them from caring for children during working hours.*

*The childcare shall be provided in an appropriate environment and in premises that are large enough, safe and clean. The government shall lay down the applicable criteria in this regard and shall check the premises as part of the approval procedure referred to in Article 8. The safety of the premises shall in particular be proven by a positive opinion on fire safety issued by the competent commander of the fire service.*

*The childcare shall be provided in accordance with the capacity and maximum number of children who can be cared for simultaneously. The government shall lay down the general framework.*

*The government shall provide further detail on the conditions for approval referred to in the first paragraph and may lay down other conditions if these could help to improve the quality of childcare.’*

In accordance with Article 9 of the Decree of 31 March 2014, *‘In order to remain approved, approved providers shall fulfil the obligations set out in this Decree, including the obligations imposed on approval and set out in Article 7.*

*The government may lay down other obligations to be fulfilled in order to remain approved, if these could help to improve the quality of childcare.’*

Article 45 of the Order of 22 May 2014 further states that approval is granted for an unlimited duration.

During the period of approval, childcare facilities are subject to certain reporting obligations:

*Article 33. Except in the first year of childcare provision, childcare facilities shall provide the department, no later than 1 February of each year, with a summary list of the staff actually employed during the previous calendar year.*

*This list shall contain the following information for each staff member: name, date of birth, diploma or qualification, position, entry into employment, actual length of service, work pattern, nature of any subsidies granted under measures encouraging employment, salary scales applied and gross annual salary.*

*Article 34. 1 - Except in the first year of activity, childcare facilities shall provide the department, no later than 1 June, with an activity report for the previous calendar year.*

*This activity report shall set out:*

- 1° the number of opening days and the opening hours;*
- 2° the total number of attendances;*
- 3° the total number of average attendances;*
- 4° the requests made for the childcare of young children that have been met and that have not been met;*
- 5° the analysis and evaluation of the activities;*
- 6° the prospects for the future of the childcare facility;*
- 7° the number and position of persons actually employed, including – where applicable – contracted carers;*
- 8° the average number of continuing training sessions attended.*

*2 - Childcare facilities subsidised by the German-speaking Community shall provide the department, at the same time as the activity report referred to in paragraph 1, with an income statement and balance sheet for the previous care year and a budget forecast for the next care year.*

*3 - If the activity report, balance sheet, income statement or budget forecast is submitted late, part of the subsidy may be withheld. This shall be 5 % for a delay of one month and 10 % for a delay of two months or more.*

*Article 35. Childcare facilities shall keep an attendance record.*

*For each child cared for, they shall have a file containing at least the following information:*

- 1° surname, forename and address of the child;*
- 2° name, address and telephone number of the contact person(s);*
- 3° name, address and telephone number of the treating doctor;*
- 4° specific information on the child's health where this is relevant for daily contact with the child.'*

*Furthermore, childcare facilities are subject to monitoring by the government:*

*Article 49. 1 - The department shall inform the inspectorate of any cases where it believes, based on the information available to it, that a childcare facility is not fulfilling one or more of the obligations set out in the Decree or in this Order.*

*2 - If the inspectorate concludes, based on a report in accordance with paragraph 1 or any other report or information, that the childcare facility is not fulfilling one or more of the*

*obligations set out in the Decree or in this Order, it shall invite the childcare facility to comply within 30 days.*

*Through a reasoned request, the childcare facility may, no later than 10 days before the time-limit referred to in the first subparagraph expires, ask the inspectorate to extend this time-limit once only for a maximum of 30 days.*

*3 - In an emergency, the inspectorate may impose an immediate change through a specifically reasoned decision.'*

Explanation whether **(typically) exclusive or special rights** are assigned to the undertakings.

N/A

Which **aid instruments** have been used (direct subsidies, guarantees, etc.)?

Infrastructure subsidies, regulated by the Decree of 18 March 2002 on infrastructure, are granted together with a staff cost subsidy, in accordance with the Order of 22 May 2014 on childcare facilities and other forms of childcare.

Typical **compensation mechanism** as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

### **Infrastructure subsidies**

The subsidy rate is determined in accordance with the first paragraph of Article 16 of the Decree of 18 March 2002 on infrastructure, which stipulates that '*For the infrastructure projects referred to in Article 2, first paragraph, subparagraphs 1° to 5° and 7° to 10°, the subsidy shall represent 60 % of the total amount of expenditure that can be taken into account for the purpose of subsidisation.*'

The basis for calculating infrastructure subsidies is determined in accordance with Article 17 of the Decree of 18 March 2002 on infrastructure:

*'1. For the infrastructure projects referred to in Article 2, first paragraph, subparagraphs 1°, 3° to 5° and 7° to 10°, the total amount of expenditure that can be taken into account for the purpose of subsidisation shall include all the costs actually incurred in connection with the infrastructure projects, particularly the cost of labour and materials, the price revision provided for by law, the costs of the safety coordinator provided for by law, site insurance and/or site surveillance, VAT where this is not recovered, and the fees of project managers, architects, engineers and other experts.*

*Up to the agreed ceilings, costs resulting from derogations from the approved project can be taken into account as eligible expenditure if the envisaged derogations were notified to the government before the work was carried out and if these do not involve major changes to the project. Major changes to the project must be approved in advance by the government.*

*No later than the final statement, the applicant shall submit the following documents to the government:*

- *a detailed statement of reasons for the derogation;*
- *the documents needed for the infrastructure project, provided for in Article 21, if they have not yet been submitted.*

*Eligible expenditure incurred before the government gives its definitive promise in order to prepare the application referred to in Article 21 may be subsidised only where the infrastructure project in question is subsidised.*



2. For the infrastructure projects referred to in Article 2, first paragraph, subparagraph 2°, the subsidy shall be calculated on a basis that cannot exceed the estimate made by the competent receiver of registration fees, the competent official from the state property purchase committee or an estimator approved by the government), (plus the measuring and notary costs and possibly plus the early repayment or emphyteutic charge provided for by law or paid by the authorities.

The total amount of expenditure that can be subsidised in the infrastructure projects referred to in Article 2, first paragraph, subparagraph 6°, shall include the sale price approved by the government, VAT where this is not recovered, and fees of designers.

3. Where an infrastructure project can be subsidised by other authorities, those subsidies must be requested. Except for the subsidy granted by the municipality in which the applicant is established, those subsidies shall be deducted from the overall project cost before the subsidy granted under this Decree is calculated. This shall also apply to any grant made by other authorities or public institutions and to any compulsory contributions to the costs, except for the contribution to the costs paid by the user of the infrastructure if said user can be subsidised.'

### **Staff cost subsidy**

The amount of the staff cost subsidy is determined based on the Order of 22 May 2014:

'Article 159. Without prejudice to any management contract concluded in accordance with Article 13 of the Decree, approved childcare centres may obtain subsidies in accordance with the provisions of this Chapter within the limits of the available budget appropriations.

Article 160. The following staff costs incurred by childcare centres may be subsidised:

1° 1 full-time equivalent for the manager referred to in Article 156;

2° 0.5 full-time equivalent for the educational supervisor referred to in Article 157;

3° 1 full-time equivalent for the administrative assistant referred to in Article 157.1.

The Government Order of 22 June 2001 laying down the calculation bases for the subsidy of staff costs in the social affairs and health sectors shall apply to the subsidy of staff costs.

Only costs for staff members with the diplomas referred to in Articles 156, 157 and 157.1 shall be taken into account.

Article 161. No later than six weeks after the end of each quarter, the childcare centre shall provide the department with quarterly evidence for the subsidy.

If the quarterly evidence is submitted late, 5 % of the subsidies may be withheld if the delay is one month or 10 % if the delay is two months or more.

Article 162. Without prejudice to Article 159 and after verification by the department, the minister shall grant the subsidies referred to in this section to the centre applying for these. Subsidy applications shall be submitted to the department together with any evidence required.'

### **Typical arrangements for avoiding and repaying any overcompensation.**

**Infrastructure subsidies**

In principle, overcompensation is not possible for the infrastructure subsidies as *‘the subsidy shall be paid on completion or acceptance of the work or after purchase, based on accounting documents and evidence of payment, and after the insurance policies referred to in Article 13 have been notified.’* (Article 18(1) of the Decree of 18 March 2002 on infrastructure).

Furthermore, *‘the total subsidy can be paid in the form of proportional instalments. Detailed progress reports, submitted for this purpose, must be approved by the client or architect and must correspond each time to a minimum amount of EUR 10 000.’* However, *‘the proportional payments may not exceed 90 % of the total subsidy.’* (Article 18(2) of the Decree of 18 March 2002 on infrastructure). *‘On completion or acceptance of the work, a final statement shall be produced with all the necessary evidence and any derogations from the work specified in the schedule of conditions shall be the subject of a reasoned statement.’* (Article 18(3) of the Decree of 18 March 2002 on infrastructure).

**Staff cost subsidy**

Once again, overcompensation is not possible in principle, as the subsidy is granted quarterly after supporting documents have been submitted and checked by the competent department. Furthermore, if the quarterly evidence is submitted late, 5 to 10 % of the subsidies may be withheld (Articles 161 and 162 of the Order of 22 May 2014).

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

N/A

**Amount of aid granted**

**Total amount of aid granted (in millions EUR)<sup>8</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)**

<b>2016</b>	<b>2017</b>
2.303	2.344
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>9</sup></b>	
<b>2016</b>	<b>2017</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>10</sup></b>	
<b>2016</b>	<b>2017</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>11</sup></b>	

<sup>8</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>9</sup> If the aid amount cannot be split between central, regional and local authorities, only the total amount of aid granted for all authorities should be reported.

<sup>10</sup> See footnote 3.

2016	2017
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees, etc.) (if available)	
2016	2017
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>12</sup>	
2016	2017
1 beneficiary (RZKB)	1 beneficiary (legal form: ASBL [non-profit association])

### 3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

N/A

### 4. COMPLAINTS BY THIRD PARTIES

N/A

### 5. MISCELLANEOUS QUESTIONS

N/A

<sup>11</sup> See footnote 3.

<sup>12</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

## ANNEX

### **Services of General Economic Interest: guidance for report to be submitted following the 2012 SGEI Decision and the 2012 SGEI framework**

**The reporting obligations** are set out in the Article 9 of the 2012 SGEI Decision:

*Each Member State shall submit a report on the implementation of this Decision to the Commission every 2 years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

*(a) a description of the application of this Decision to the services falling within its scope, including in-house activities;*

*(b) the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*

*(c) an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties; and*

*(d) any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

Paragraph 62 of the 2012 SGEI Framework sets in principle identical reporting obligations for aid granted under the 2012 SGEI Framework.

Please structure your report as follows:

#### **1. EXPENDITURE OVERVIEW**

Please complete the following table:

<b>Total SGEI government expenditure by legal basis (millions EUR)</b>		
	2016	2017
<b><i>Compensation for Services of General Economic Interest (1+2)</i></b>		
(1) Compensation granted on the basis of the SGEI Decision		
(2) Compensation granted on the basis of the SGEI Framework		

<p><u>Non-compulsory:</u> If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI <i>de minimis</i> aid ...) and the sectors in which they are used.</p>

## **2. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION**

**Please structure this part of your report by the following sections:**

- 1) Hospitals (Art. 2(1)(b))
- 2) Social services (Art. 2(1)(c))
  - a) Health and long term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Art. 2(1)(d)
- 4) Airports and ports with average annual traffic not exceeding the limit set in Art. 2(1)(e)
- 5) SGEI compensation not exceeding an annual amount EUR 15 million (Art. 2(1)(a))
  - i. Postal services
  - ii. Energy
  - iii. Waste collection
  - iv. Water supply
  - v. Culture
  - vi. Financial services

vii. Other sectors (please specify)

ii. For each of the items outlined above please provide information in the form of the following table:

1) Hospitals

Clear and comprehensive description of how the respective services are organised in your Member State <sup>1</sup>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
<p><b>1. <u>Hospitals (Article 2(1)(b))</u></b></p> <p><b>I) Federal Government</b></p> <p>All Belgian hospitals, regardless of their type, size or legal form, essentially fulfil the same service of general economic interest (SGEI), i.e. providing hospital care. This SGEI is defined by the Consolidated Act of 10 July 2008 on Hospitals and Other Care Institutions (<i>Gecoördineerde wet op de ziekenhuizen en andere verzorgingsinrichtingen</i>) (the Hospitals Act) and its implementing decrees. Some hospitals, however, may also have been entrusted with other SGEI, which may have their own funding mechanism. The mission entrusted to hospitals is defined essentially in Article 2 of the Hospitals Act which provides:</p> <p><i>‘For the purposes of this Consolidated Act, hospitals shall be considered to be healthcare institutions where specialised medical examinations and/or specific treatments, coming under medicine, surgery and possibly obstetrics, can be carried out or applied at any time in a pluridisciplinary context, within the necessary, adapted medical, medical-technical, nursing, paramedical and logistical framework, to patients who have been admitted there and may stay there because their state of health requires this combination of care in order to treat or relieve the illness, restore or improve the state of health or stabilise the injuries as quickly as possible.</i></p> <p><i>These hospitals shall provide a <u>service of general interest</u>.’</i></p> <p>Article 2 of the Hospitals Act includes the basic characteristics necessary for a care institution to be classified as a ‘hospital.’ It also defines, in general terms, the public service for which the hospital receives funding. The service must be provided in a multidisciplinary context and within an adapted framework. It must always be possible for patients to spend the night in the institution.</p> <p>The required framework is defined in greater detail in the ‘accreditation standards’, for which the federated entities have been competent since the sixth State reform. These standards guarantee a minimum level of quality which a hospital’s public service must</p>

<sup>1</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

meet. If a care institution meets the accreditation standards, the institution can receive an ‘accreditation’ from the competent regional authority.

The accreditation standards determine the necessary medical, medical-technical and logistical framework and consist primarily of functional, architectural and staffing standards. The accreditation granted relates to both the hospital as a whole, pursuant to the Royal Decree of 23 October 1964 setting standards to be met by hospitals and their services (*Koninklijk besluit van 23 oktober 1964 tot bepaling van de normen die door de ziekenhuizen en hun diensten moeten worden nageleefd*) and to each of the hospital services, functions and care programmes run by the hospital.

In other words, the standards ensure that the hospitals perform their service of general interest correctly. To this end, the federated entities carry out the necessary inspections and issue individual accreditation decisions if the hospital services meet the standards.

Specific standards apply to each hospital function, service or healthcare programme.

However, not every care institution can obtain funding. Supply planning is used in order to maintain the financial balance of the Belgian hospital system. In principle, only institutions which are included in ‘programming’ are eligible for funding for the services they provide.

To sum up, hospital services are governed by three main principles derived from the hospital legislation: programming, accreditation and funding. In the first place, care institutions are required to comply with the definition of Article 2 of the Hospitals Act. A decision is then taken as to whether the services provided by a hospital fit within a programme, after which the hospital’s services, functions, care programmes, etc., can be accredited by the competent authority, provided that the accreditation standards have been satisfied. Only once these three conditions have been met, can the funding authority, which in the context of hospital funding is typically the Federal Government, effectively allocate the funding.

In addition to this unique mission, there is an additional SGEI for hospitals with a ‘mobile emergency group’ and/or ‘emergency care’ function: urgent medical assistance, within the meaning of the Law of 8 July 1964 on urgent medical assistance (*Wet van 8 juli 1964 betreffende de dringende geneeskundige hulpverlening*).

In general, the Federal State remains competent for the organic legislation, the basic rules with regard to programming and operational financing, where these are organised by the organic legislation.

## **II) Specific to the Flemish Community**

The impact of the sixth State reform is two-fold.

Firstly, the Flemish Community is competent for drawing up the accreditation standards for hospitals, on the understanding that the legislation enacted may not contain any organic legislation and may not have an impact on medical practice. Accreditation standards determine the criteria to be met by a hospital, hospital service, care programme and function to be accredited. These criteria may be, for example:

- Nature and content of the care
- Required infrastructure

- Spatial elements, such as, for example, specific functions or services at their disposal
- Quality standards and monitoring.

Secondly, A1/A3 within the financial resources budget has also been transferred to VIPA (Flemish infrastructure fund for person-related matters). (This refers to the financial processing of investments approved before the 6th State reform.)

As a result of the 6th State reform, the Flemish Community has also become fully competent for the healthcare policy in the rehabilitation clinics (isolated geriatric and specialised treatment and rehabilitation clinics), including the financing.

### **III) Walloon Region**

In accordance with Article 3, 6°, of the Decree of 11 April 2014 on the powers of the French Community, the exercise of which has been transferred to the Walloon Region and to the French Community Commission (*Décret relatif aux compétences de la Communauté française dont l'exercice est transféré à la Région wallonne et à la Commission communautaire française*), the Walloon Region exercises the powers in relation to health which had been delegated to the French Community, as referred to in Article 5, § 1, I of the Special Act of 8 August 1980 reforming the institutions (*bijzondere wet van 8 augustus 1980 tot hervorming der instellingen*) (as last amended by Article 6 of the Special Act of 6 January 2014), with the exception of:

- a) university hospitals;
- b) rehabilitation agreements concluded with the hospitals referred to under point a);
- c) Royal Academy of Medicine of Belgium (*Koninklijke Academie voor Geneeskunde van België*);
- d) accreditation and introduction of quotas for healthcare professions;
- e) activities and services for preventive medicine for babies, children, pupils and students;
- f) matters coming under the tasks entrusted to the Office de la Naissance et de l'Enfance (ONE);
- g) sports medical check-ups;
- h) the Société scientifique de médecine générale.

The Walloon Region is competent with regard to hospital policy to issue the accreditation standards to be met by hospitals, hospital services, healthcare programmes and hospital functions.

It is also competent for the financing of the infrastructure of the hospitals and the medical-technical services (previously headings A1 and A3 of the financial resources budget of the hospitals).

The former financing system (regulatory provisions) was abolished on 1 January 2018 by Article 2 of the Walloon Government Decree of 17 December 2015, as amended by Walloon Government Decree of 20 July 2017 repealing and amending certain provisions concerning the subsidisation of hospital investments, adopted in implementation of the Hospitals and Other Care Institutions Act, consolidated on 10 July 2008 (*Arrêté du Gouvernement wallon abrogeant et modifiant certaines dispositions relatives au*



*subventionnement des investissements hospitaliers, prises en exécution de la loi sur les hôpitaux et autres établissements de soins, coordonnée le 10 juillet 2008).*

This former financing system has however remained in force (Article 3 of the aforementioned Walloon Government Decree of 17 December 2015):

1. for the financing of investments in infrastructure and medical-technical services supplied by the Federal Government, on behalf of the communities, in accordance with Article 47/9, § 4, of the Special Act of 16 January 1989 on the financing of the Communities and Regions (*Loi spéciale relative au financement des Communautés et des Régions*) (in concrete terms, this refers to the payment of the subsidies granted over the depreciation period for investments made by the hospitals before 1 January 2016);
2. for the financing of investments occurring in the extension needed to finalise the construction schedule established in the protocol agreement concluded in the context of the Interministerial Conference on Public Health of 19 June 2006 (in concrete terms, one hospital still comes under this provision, which was intended to ensure continuity of financing until the construction works were completed).

In 2017, the Walloon Region adopted a new financing mechanism for hospital infrastructure (Decree of 9 March 2017 on the costs of hospital stays and the financing of certain heavy medical-technical equipment in hospitals (*Décret relatif au prix d'hébergement et au financement de certains appareillages des services médico-techniques lourds en hôpital*)). This new mechanism entered into force on 1 July 2017. The call for investment programmes for the first construction plan was published in the Belgisch Staatsblad/Moniteur belge on 27 March 2018 (Ministerial Decree of 12 March 2018).

### **IIIa) French Community**

The French Community is competent, with regard to hospital policy, for issuing the accreditation standards to be met by university hospitals.

The Fédération Wallonie Bruxelles is competent, with regard to the hospital policy of the university hospitals (Cliniques universitaires Saint-Luc in Woluwé-St-Lambert, ERASME university hospital in Anderlecht, Mont-Godinne university hospitals in Yvoir and the Sart-Tilman University Hospital Centre in Liège), for issuing the accreditation standards to be met by hospitals, hospital services, care programmes and hospital functions.

It is also competent for the financing of the infrastructure of the hospitals and the medical-technical services (previously A1 and A3 of the financial resources budget of the hospitals) of these 4 university hospitals.

The former financing system (regulatory provisions) was abolished on 1 January 2016. The Decree of 13 July 2016 on financing of the maintenance and equipment of university hospital infrastructure (*Décret portant financement de l'entretien et de l'équipement des infrastructures hospitalières universitaires*) was enacted for the transfer of these powers. (This refers to flat-rate financing of the medical and non-

medical equipment, mobile equipment and medical-technical equipment.)

For the future, the Fédération Wallonie Bruxelles adopted a new financing mechanism for hospital infrastructure in 2017 (Decree of 19 July 2017 on the costs of hospital stays and the financing of certain heavy medical-technical equipment in hospitals (*Décret relatif au prix d'hébergement et au financement de certains appareillages des services médico-techniques lourds en hôpital universitaire*), implemented by Decree of the Fédération Wallonie Bruxelles of 20 December 2017 implementing the Decree of 19 July 2017 on the costs of hospital stays and the financing of certain heavy medical-technical equipment in hospitals). This new mechanism entered into force on 1 July 2017. The call for investment programmes for the first construction plan is in progress.

In general, the Federal State remains competent for the organic legislation, the basic rules with regard to programming and operational financing, where these are organised by the organic legislation.

#### **IV) Common Community Commission**

The Common Community Commission (hereinafter, CCC) regulates and manages the Community competences in the Brussels Region which are common to both Communities (French-speaking and Dutch-speaking).

In the Brussels Capital Region, institutions competent in so-called 'person-related matters' (health and social welfare) choose which Community they belong to, or may opt out of making that choice. If they choose not to identify with either Community, these institutions fall under the CCC and are called 'bi-Community institutions' or 'bi-person-related institutions'.

A hospital is an institution as defined by Articles 2, 3 and 7 of the Consolidated Act of 10 July 2008 on Hospitals and Other Care Institutions (the Hospitals Act). A psychiatric care home is a temporary residence for psychiatric patients within the meaning of Article 6 of the Hospitals Act.

These facilities provide a service of general interest.

#### **V) German-speaking Community**

The German-speaking Community is competent for hospital policy to issue the accreditation standards to be met by hospitals, hospital services, care programmes and hospital functions.

The German-speaking Community is also competent for financing the hospital infrastructure.

**Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used for a certain sector, please attach them.**

#### **I) Federal Government**

As has already been explained above, the hospitals' entrustment consists of various decisions taken at various levels of authority: programming, accreditation and funding.

A hospital service, a hospital function or a care programme is included in a programme, where appropriate. The Federal Government stipulates any programming and therefore decides **how many services, functions, care programmes, etc. may receive funding**.

Not every medical service, function, medical-technical service or care programme receives funding automatically. The competent regional authorities inspect the hospitals and, in the event of a positive assessment, issue accreditations to the programmed services, functions and care programmes. In other words, the competent regional authorities determine **which hospitals are eligible for funding**. The competent regional authority takes individual accreditation decisions to this end.

However, the final element is formed by the decision to award funding. The **‘financial resources budget’** is **fixed and granted by the Federal Minister for Public Health for each hospital separately**, within an annual (corresponding to a calendar year) overall budget, which is adopted in a royal decree submitted to the Council of Ministers.<sup>2</sup>

The Minister informs the hospital manager of the individual decision together with the reasons for that decision. The decision is also reported to the Federale Raad voor Ziekenhuisvoorzieningen (Federal Council for Hospital Facilities).<sup>3</sup> This Council is made up of experts, representatives of hospital managers, representatives of doctors and nurses and representatives of the health insurance institutions.<sup>4</sup>

## **II) Specific to the Flemish Community**

Concerning the accreditation, all hospital services, functions, departments, medical-technical services and care programmes are accredited in accordance with the Hospitals Act and its implementing decrees (Royal Decrees and Flemish Government Decrees). The accreditation takes place in accordance with the provisions of the Flemish Government Decree of 25 April 2014 establishing the procedures for healthcare facilities (*Besluit van de Vlaamse Regering van 25 april 2014 tot vaststelling van de procedures voor de gezondheidszorgvoorzieningen*) and takes the form of a decision signed by the Administrator General of the Agency for Care and Health (*Agentschap Zorg en Gezondheid*).

## **III) Walloon Region**

The hospitals coming within the competence of the Walloon Region must be accredited in accordance with the Hospitals Act and its implementing decrees.

This accreditation takes the form of a Ministerial Decree, signed by the Walloon Minister for Health, and identifies all the services, functions, departments, medical-technical services and care programmes accredited in the institution, as well as the number of beds.

A model extension of the accreditation is enclosed as an Annex to this report.

## **IIIa) French Community**

Decision of the French Community Executive of 5 November 1987. Under an agreement

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<sup>2</sup> Article 95(1) Hospitals Act.

<sup>3</sup> Article 108 Hospitals Act.

<sup>4</sup> Article 33 Hospitals Act.

with the Fédération Wallonie Bruxelles, the Walloon Region is responsible for the administrative processing of the files of the 4 university hospitals. The FWB therefore uses the extension model of the Walloon Region.

The decisions are, however, signed by the Minister-President of the Fédération Wallonie Bruxelles.

#### **IV) Common Community Commission**

Ministerial accreditation decree (model in Annex).

#### **V) German-speaking Community**

Accreditation standards:

The hospital services, care programmes and hospital functions falling within the competence of the German-speaking Community must be accredited in accordance with the Hospitals Act and its implementing decrees.

The accreditation procedure is described in the German-speaking Community Government Decree of 19 April 1995.

Infrastructure financing:

The German-speaking Community finances, on the one hand, past charges for financing the hospital infrastructure (commitments entered into at federal level before the sixth State reform and transferred to the Communities; to be paid until 2048) via subsections A1 and A3 of the financial resources budget and, on the other hand, the new infrastructure investments according to the provisions of the Decree of 18 March 2002 concerning the infrastructure.

**Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?**

#### **I) Federal Government**

There is no time limit as far as the ‘programming decision’ is concerned. The programming is determined according to the requirements of the population and, as such, these requirements dictate whether something fits into programming.

Accreditation is granted by the competent regional authority, which also specifies the period for which the accreditation is given:

- **Flemish Community:** A ‘provisional accreditation’ is granted for a period of six months, which, upon reasoned request by the management authority, may be extended once by a maximum of six months.  
An ‘accreditation’ is granted:
  1. for the general hospitals and for the hospital services of general hospitals: for an unlimited period;

2. for the psychiatric hospitals and for the hospital services of psychiatric services of psychiatric hospitals: for a maximum period of six years, which may be extended.

This is in implementation of the Flemish Government Decree of 25 April 2014.

- **Walloon Region:** provisional approval is granted for a period of 6 months, with the possibility of extending this provisional approval for one or more periods of 6 months. At the end of the provisional approval period, the hospital is approved for a maximum of 5 years. This approval is extended every 5 years.
- **French Community:** provisional approval is granted for a period of 6 months, with the possibility of extending this provisional approval for one or more periods of 6 months. At the end of the provisional approval period, the hospital is approved for a maximum of 5 years. This approval is extended every 5 years
- **CCC:** a 'provisional accreditation' for a period of six months which may be extended and/or an 'accreditation' for a period of maximum six years, which may be extended.
- **German-speaking Community:** first provisional approval for 6 months + extension of provisional approval + final approval (often for 5 years) + extension of the final approval.

The funding is provided via the allocation of the financial resources budget to each hospital, which in each case runs from 1 July up to and including 30 June of the following year.

Thus, in the context of hospital funding, no entrustments are assigned to hospitals for a period longer than 10 years. This is also laid down in law in the Hospitals Act.<sup>5</sup>

## II) Specific to Flemish Community

With respect to the duration of the underlying subsidies, compared to the previous questionnaire, it is necessary to take into account, in addition to the ongoing alternative subsidies, the new lump-sum subsidisation.

### Alternative subsidies:

The utilisation grant is allocated for 20 consecutive years (Article 12 of the Flemish Government Decree of 18 March 2011 laying down rules for the alternative investment subsidies granted by VIPA (*Besluit van de Vlaamse Regering tot regeling van de alternatieve investeringssubsidies, verstrekt door het VIPA*)). In 2015, a number of facilities also opted for the one-off payment of the capital balance (Flemish Government Decree of 11 September 2015 regulating one-off payments of alternative investment subsidies granted by VIPA (*BVR van 11 september 2015 tot regeling van de eenmalige uitbetaling van de alternatieve investeringssubsidies, verstrekt door het Vlaamse Infrastructuurfonds voor Persoonsgebonden Aangelegenheden*)).

In both cases, the building must be used for a minimum of 25 years (Article 87 of the

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<sup>5</sup> Article 105, § 1, second paragraph, point a), Hospitals Act.

Flemish Government Decree of 18 March 2011).

The long subsidy duration can be justified by the special investments required by the hospitals, which have to be written off over a period longer than 10 years.

### **Lump sums:**

In addition, since 2017, lump sums have also been paid (see below) for investments and maintenance. Although these lump sums are paid for an indefinite period, there is a link with the duration of the public service obligation. In the underlying calculation, the lump-sum amounts take into account the economic lifetime during the lifecycle of the underlying assets. In addition, the lump sums are updated each year on the basis of the determining parameters, such as number of beds, operating theatres, etc. If, due to insufficient investments, the accreditation standards are no longer met, both the accreditation and the subsidisation are cancelled. As a result, the subsidies are in fact limited in time according to fulfilment of the public service obligation. The long subsidisation period can therefore also be justified here by the special investments required by the hospitals, which have to be written off over a period of more than 10 years.

Here too, the immovable property must be used for a minimum of 25 years.

### **III) Walloon Region**

- A provisional accreditation of six months is granted to hospitals submitting an admissible accreditation application;
- This provisional accreditation may be extended by one or more identical terms;
- During the period of validity of the provisional accreditation, an inspection is carried out to check compliance by the hospital with the current accreditation standards;
- As a result of this inspection, the Minister may grant an accreditation to the hospital for a maximum period of 5 years;
- After these 5 years, a questionnaire is sent to the hospital with a view to the extension of its accreditation (circular letter procedure).
- *Ad hoc* inspections may be carried out in the accredited hospitals to check compliance with the accreditation standards.

### **IIIa) French Community**

- A provisional accreditation of six months is granted to hospitals submitting an admissible accreditation application;
- This provisional accreditation may be extended by one or more identical terms;
- During the period of validity of the provisional accreditation, an inspection is carried out to check compliance by the hospital with the current accreditation standards;
- As a result of this inspection, the Minister may grant an accreditation to the hospital for a maximum period of 5 years;
- After these 5 years, a questionnaire is sent to the hospital with a view to the extension of its accreditation (circular letter procedure).
- *Ad hoc* inspections may be carried out in the accredited hospitals to check

compliance with the accreditation standards.

#### **IV) Common Community Commission**

The agencies of the United College of the CCC assess accreditation and ensure that the hospital or hospital service can be operational in circumstances compatible with the required standards.

When, at the end of the procedure, it is determined whether or not the (accreditation) standards have been satisfied and whether or not programming is being complied with, the institution shall receive:

- either ‘initial provisional accreditation’ for six months which may be extended;
- or ‘accreditation’ for a maximum of six years which may be extended;
- or ‘refusal of accreditation’.

If it is established that, during the period in which the provisional accreditation or accreditation applies, the (accreditation) standards are no longer being met, then a procedure to ‘withdraw accreditation’ may be initiated.

#### **V) German-speaking Community**

- A provisional accreditation of six months is granted to hospitals submitting an admissible accreditation application;
- This provisional accreditation may be extended by one or more identical terms;
- During the period of validity of the provisional accreditation, an inspection is carried out to check compliance by the hospital with the current accreditation standards (if an inspection is not possible, a detailed operating report is requested);
- As a result of this inspection, the Minister may grant an accreditation to the hospital for a maximum period of 5 years;
- *Ad hoc* inspections may be carried out in the accredited hospitals to check compliance with the accreditation standards.

There is no accreditation exceeding 10 years.

Infrastructure financing:

Infrastructure financing is undertaken:

- on the one hand, via the financial resources budget, which is calculated and communicated by the FPS Health and accepted and paid by the German-speaking Community.

The financial resources budget is communicated on 1 January and on 1 July of each year. A financing period starts on 1 July of year T and is valid until 30 June of year T+1. The financial resources budget is often updated on 1 January of year T+1.

- on the other hand, via subsidies according to the provisions of the Decree of 18

March 2002 on infrastructure.

The subsidies are paid entirely to the hospitals on presentation of the supporting documents.

No entrustment lasting more than 10 years is granted to the hospitals in the context of financing hospital infrastructure.

**Explanation whether (typically) exclusive or special rights are assigned to the undertakings.**

**I) Federal Government**

Article 81 of the Hospitals Act provides for the possibility of specifying certain medical treatments which must take place within a hospital framework.<sup>6</sup> To date, this provision has never been implemented. Therefore, no medical treatments are specified which have to be carried out exclusively by a hospital within the meaning of the Hospitals Act.

In addition, the list of heavy medical equipment must also be reported.<sup>7</sup> This list includes appliances or equipment for examinations and treatment, which are expensive either because of their purchase price or because they are operated by highly specialist staff.<sup>8</sup> Equipment on this list can be installed or run only after prior approval from the competent regional authority. This requirement also applies to equipment which is set up outside a hospital environment and equipment for which no contribution is made to the investment costs.

This restriction is imposed because of the objective of monitoring the quality of care, controlling the radiation load on the population, centralising expertise and maintaining the financial balance of the health care system.

The list of heavy medical equipment includes the following appliances or equipment:

- computed tomography (CT) scanner;
- single-photon emission computed tomography scanner in combination with computed tomography scanner (SPECT-CT);
- positron emission tomography (PET) scanner;
- positron emission tomography scanner in combination with computed tomography scanner (PET-CT);
- positron emission tomography scanner in combination with magnetic resonance tomography scanner (PET – NMR);
- magnetic resonance tomography scanner (NMR), including the ‘extremity-only’ magnetic resonance tomography scanner;
- radiotherapy equipment with photon, proton, electron or hadron ion emission, including carbon ion therapy.

In addition, there are programming criteria for the PET scanner and the NMR.

<sup>6</sup> However, the article also allows for medical treatments to be specified which must take place outside a hospital framework.

<sup>7</sup> Article 52 Hospitals Act.

<sup>8</sup> Article 51 Hospitals Act.



Accordingly, the Federal Government has laid down the maximum number of appliances which may be installed and run. However, it is the competent regional authorities that decide which hospitals receive accreditation to run a service with a PET or NMR scanner. Furthermore, only hospitals are eligible to run such a service.

#### **Which aid instruments have been used (direct subsidies, guarantees, etc.)?**

##### **I) Federal Government**

As has already been explained, Article 95 of the Hospitals Act provides that the financial resources budget for each hospital is fixed separately by the Minister for Public Health within an overall budget for the country as a whole. In other words, a budget is made available each year for the Belgian hospitals in the national budget. This amount is then divided among the hospitals according to the conditions and the rules of calculation provided for by the Hospitals Act and its implementing decrees. The amount allocated will depend in particular on the size and level of activity of the hospital and any special tasks entrusted to the hospital (for example, university hospitals entrusted with teaching and research), the number of accredited services in the hospital, etc.

The basis for the distribution is defined in Article 105 of the Hospitals Act. This Article specifies that the conditions and parameters for calculation of the compensation must be established by Royal Decree. The following points in particular must be determined in the Royal Decree:

*(...)*

- a) the period for which the budget is granted, which may not exceed 10 years apart from for the components of the financial resources budget which cover significant investment costs of the hospital requiring depreciation over a longer period, in accordance with generally accepted accounting principles;*
- b) the division of the budget into a fixed part and a variable part;*
- c) the criteria and the rules for calculation, including the establishment of the activities accounted for and the terms for indexation;*
- d) with regard to the variable part, the compensation for the activities, in relation to a reference number, which are carried out in addition or which are not carried out;*
- e) the establishment of the reference number referred to in the previous paragraph, concerning the activity parameters taken into consideration;*
- f) the conditions and terms for review of certain elements;*
- g) the offsetting with previous years, as referred to in Article 116 of the Hospitals Act (...).<sup>9</sup>*

The details of these terms and conditions are contained in the Royal Decree of 25 April 2002 on establishing the financial resources budget for hospitals (*Koninklijk besluit van 25 april 2002 betreffende de vaststelling van het budget van financiële middelen van de ziekenhuizen*).

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<sup>9</sup> Article 105 of the Hospitals Act.

The calculation parameters and terms of the financial resources budget are intended to cover the costs of hospitalisation, in accordance with Article 100 of the Hospitals Act,<sup>10</sup> and the costs of services provided in response to disasters of catastrophes, in accordance with Article 101 of the Hospitals Act, (and not to cover a series of costs established by law, in accordance with Article 102 of the Hospitals Act). Article 95 of the aforementioned Act specifies that the financial resources budget covers the financing of operating costs. In addition, these costs, under the general interest mission entrusted by law, as specified in Article 95, ‘take into account only hospital care’.

To sum up, all hospitals are financed on the basis of identical rules. The financing relates only to the ‘hospitalisation’ part.

The compensation mechanism consists of the allocation of financial intervention (the financial resources budget) in hospital costs, which is calculated *a priori* on the basis of the last known data at that time (accounting and financial data from previous years, data relating to charging for the activity in question). The compensation is subsequently revised on the basis of the actual figures, but this is examined in more detail in the next part.

The compensation is flat-rate and relates only to hospitalisation, including day hospitalisation for surgery, for:

- investment costs (immovable property, medical and non-medical equipment) and related financial costs [A1 and A2] (As a result of the sixth State reform, the financing of the investment under section A1 has been transferred to the federated entities.)
- investment costs and costs of operating heavy medical equipment [A3 and B3] (As a result of the sixth State reform, the financing of the investment under section A3 has been transferred to the federated entities.)
- operating costs of hospital services and ‘common’ services and cover of the costs of related statutory obligations [B1, B4, B6, B9]
- costs of nursing and caring staff [B2]
- operating costs of the hospital pharmacy [B5]

The ‘compensation’ given by the State in these various items, which are directly linked to the performance of the missions entrusted, is therefore State aid.

## **II) Specific to the Flemish Community**

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<sup>10</sup> Article 100 of the Hospitals Act provides: ‘Without prejudice to Article 97, the financial resources budget shall cover, on a flat-rate basis, the costs resulting from a stay on a ward and the provision of care to the hospital patients, including the hospital day-care patients, as defined by the King.’

The State reform of 2014 transferred the financing of investment under sections A1 to A3 to the Flemish Government.

We therefore draw a distinction between the support from VIPA which already existed at the time of the previous SGEI reporting (2014-15), and the subsidy flows added as a result of the 6th State reform.

### **Existing financial framework at the time of previous SGEI reporting**

Until 2014, hospitals could submit applications to the Flemish Government for the phased subsidisation of clearly defined investments in 20 equal annual utilisation grants. These projects were designated as ‘construction schedule projects’ and were also subsidised in part by the Federal Government (via the financial resources budget).

From 2014, no new commitments have been entered into. In 2014, the National Accounts Institute (INR-ICN) prescribed that the capital balance of all utilisation grants had to be charged to the budget. This charging to the budget in full has also given hospitals the option to have the outstanding capital balance of the utilisation grants paid to them in a lump sum.

Where a lump-sum subsidy payment was not opted for (most lump-sum subsidies date from 2015), annual payments are still made until the twentieth utilisation grant has been paid.

The procedures for granting the subsidies were governed by the Flemish Government Decree of 18 March 2011 laying down rules for the alternative investment subsidies granted by VIPA. The procedure consists of three steps:

- care strategy plan
- technical-financial plan and agreement in principle
- utilisation grant

In the care strategy plan, the hospital formulates its vision for the next 10 years regarding the planned care provision in the region and its planned role in this. After approval of the care strategy plan, the hospital can apply to VIPA for approval of the technical-financial plan and to obtain the agreement in principle. Three opinions (financial, functional and construction technology) are delivered, after which the file is submitted to a coordinating committee. Subject to a favourable opinion by this committee, the Minister can provide an agreement in principle according to the available financial resources. The institution must issue a commencement order within two years of that agreement in principle. An application can be made for a utilisation grant for the first time in the calendar year following that commencement order at the earliest.

**In the meantime, all parties concerned have already given a commencement order and, as stated, no additional agreements of principle are possible any more.**

In addition, the Flemish Community could provide security for loans for subsidised investments. Further details are laid down in the Flemish Government Decree of 16 July 2010 establishing the investment subsidy and the construction technology and

construction engineering standards for care facilities (*Besluit van de Vlaamse Regering van 16 juli 2010 tot vaststelling van de investeringssubsidie en de bouwtechnische en bouw fysische normen voor de verzorgingsvoorzieningen*) ('sector Decree'), the Flemish Government Decree of 18 March 2011 laying down rules for the alternative investment subsidies granted by VIPA, and the Flemish Government Decree of 8 November 2013 facilitating infrastructure financing via the alternative investment guarantee granted by VIPA (*Besluit van de Vlaamse Regering van 8 november 2013 tot facilitering van de infrastructuurfinanciering via de alternatieve investeringswaarborg, verstrekt door het VIPA*).

Subject to a favourable financial opinion, VIPA could guarantee loans up to an upper limit. The institution pays a guarantee premium for this and must give consent to VIPA to establish securities. **From 2017, no additional loan contracts are guaranteed any longer for the hospitals.**

The basic amount of the subsidies for the investments covered by VIPA is determined on the basis of a flat-rate amount per m<sup>2</sup> of the eligible area, corresponding to a maximum of 60% of the capped cost (exception: priority investments at 10%). This amount is paid in 20 annual utilisation grants, which also cover the cost of the pre-financing.

The applicant could call on the financial resources budget for the additional part (40% or 90% in the case of priority investments) which is not subsidised by VIPA and for certain types of investments which are subsidised at 100% only by the Federal Government (major maintenance, non-priority reconditioning works, investments in sustainable development, etc.).

The amount of the guarantee is also limited to  $(10/6) \times$  basic amount of the VIPA subsidies  $\times 75\%$ . The guarantee ensures lower funding costs, without VIPA intervening expressly in the funding costs (in that respect, the guarantee cannot involve overcompensation of the funding costs either).

### **Subsidy flows resulting from the 6th State reform**

From 2016, the expenditure on investments brought into use in section A1-A3 is paid by the Social Security institutions on behalf of VIPA. This is a continuation of the former flows, as already mentioned in the previous SGEI reports.

In addition, from 2017, the following subsidy mechanisms have been launched:

- the strategic and maintenance lump sum: Flemish Government Decree of 14 July 2017 on the subsidisation of hospital infrastructure (*Besluit Vlaamse Regering van 14 juli 2017 betreffende de subsidiëring van infrastructuur van ziekenhuizen*) ('Subsidy Decree') and Flemish Government Decree of 14 July 2017 providing procedural rules for the subsidisation of hospital infrastructure (*BVR van 14 juli 2017 houdende de procedureregels voor de subsidiëring van infrastructuur van ziekenhuizen*) ('Procedure Decree');
- the appliance financing: Flemish Government Decree on the subsidisation of equipment and appliances of the hospital medical-technical services and amending the Royal Decree of 25 April 2002 on establishing and settlement of

the financial resources budget for hospitals regarding the financing of the costs of the aforementioned equipment and appliances (*Besluit van de Vlaamse Regering betreffende de subsidiëring van de uitrusting en apparatuur van de medisch-technische diensten van de ziekenhuizen en tot wijziging van het koninklijk besluit van 25 april 2002 betreffende de vaststelling en de vereffening van het budget van financiële middelen van de ziekenhuizen, wat de financiering van de lasten van de voormelde uitrusting en apparatuur betreft*).

The lump sums are characterised by:

- the strategic lump sum covers new building, extension and reconditioning of the hospital. The maintenance lump sum covers the expenditure for maintenance investments;
- the strategic lump sum is obtained following an application which fits within a care strategy plan, whereas the maintenance lump sum to the hospital is submitted without an application having to be made for this;
- both lump sums are calculated on the basis of objective parameters (beds, operating theatres, etc.) with compensation for interest and limited indexation;
- the lump sums are paid for an unlimited period.

The strategic lump sum must fit within the Flemish care strategy plan, as determined by the Flemish Government. Just as in the case of VIPA subsidisation via utilisation grants, opinions (financial, functional and construction technology) are delivered, after which the file is submitted to a coordinating committee. After this committee has issued its opinion, the Minister can strategically issue an agreement, according to the available financial resources. Within two years of the agreement, the applicant must give the commencement order.

No care strategy plan has been devised to date. The strategic lump sums paid since 2017 relate to earlier construction schedule projects which had still not been brought into use before the Decree entered into force, but had obtained agreement in principle. Under this agreement in principle, they already meet the care strategy requirements.

The financing of appliances provides compensation for investments in PET scanners, NMR and radiation equipment. The amounts are in the form of a lump sum and are expected to cover the depreciation. This is a relatively limited amount compared to the other lump sums.

### **III) Walloon Region**

Four types of support are provided:

Subsidies granted on the basis of the repayments made or started before 1 January 2016. These subsidies are paid by the Federal State on behalf of the Walloon Region and deducted from the allocations paid by the Federal State to the Walloon Region (section A1 of the financial resources budget, see Royal Decree of 25 April 2002, as implemented by Article 3 of the Walloon Government Decree of 17 December 2015).

The subsidies granted directly to the Walloon Region for construction works, priority reconditioning of investments in immovable property as well as investments in movable property for initial equipment (Articles 1925 to 1950 of the Walloon regulations on

social and health action, as implemented by Article 3 of the Walloon Government Decree of 17 December 2015). These subsidies relate to the completion of the works started before 1 January 2016, apart from for one hospital which has been authorised to award new public contracts in order not to have to interrupt a construction already started.

The costs of hospital stays introduced by the Decree of 9 March 2017 on the costs of hospital stays and the financing of certain heavy medical-technical equipment in hospitals, implemented by Walloon Government Decree of 20 July 2017. These costs of hospital stays are intended to cover the construction, extension and reconditioning of the hospital, as well as building maintenance, materials and equipment and the costs for pre-operation.

The regional guarantee for loans entered into by the hospitals to finance their infrastructure works (Walloon Government Decree specifying the conditions on which and the way in which the guarantee of the Walloon Government can be granted for loans to finance the operations referred to in Article 63 of the Hospitals and Other Care Institutions Act, consolidated on 10 July 2008 (*Arrêté du Gouvernement wallon déterminant les conditions et modalités selon lesquelles la garantie du Gouvernement wallon peut être accordée aux emprunts pour le financement des opérations visées à l'article 63 de la loi relative aux hôpitaux et à d'autres établissements de soins, coordonnée le 10 juillet 2008*)). This guarantee was granted to one hospital and was the subject of an agreement in principle for another hospital (the granting of the guarantee was not finalised with the borrowing party).

### **IIIa) French Community**

Before 2016:

Subsidies granted on the basis of the repayments for investments made or started before 1 January 2016. These subsidies are paid by the Federal State on behalf of the French Community and deducted from the allocations paid by the Federal State to the French Community.

The former financing system (regulatory provisions) was abolished on 1 January 2016. (This refers to flat-rate financing of the medical and non-medical equipment, mobile equipment and medical-technical equipment.)

For the future, the Fédération Wallonie Bruxelles adopted a new financing mechanism for hospital infrastructure in 2017 (Decree of 19 July 2017 on the costs of hospital stays and the financing of certain heavy medical-technical equipment in hospitals, implemented by Decree of the Fédération Wallonie Bruxelles of 20 December 2017 implementing the Decree of 19 July 2017 on the costs of hospital stays and the financing of certain heavy medical-technical equipment in hospitals). This new mechanism entered into force on 1 July 2017. The call for investment programmes for the first construction plan is in progress.

At present, no hospital guarantee has been granted, but it is under consideration at present.

The rules described above are retained in 2016 and 2017. A reform is currently under way for 2019-2020.

#### **IV) Common Community Commission**

The CCC can grant financial compensation to cover the costs of new construction, extension and reconditioning works, hospital equipment and appliances or psychiatric care homes. It may also provide a guarantee for the balance of the eligible amount that is not covered by its financial compensation. The joint application of the granting of the financial compensation by the CCC and of the guarantee may not lead to intervention exceeding the maximum cost price.

The rules concerning the financial compensation and the guarantee of the CCC are determined by the Decree of 10 October 2013 of the United College of the CCC specifying the rules concerning financial compensation granted by the CCC in the construction, extension, refurbishment, equipment and appliances of hospitals and psychiatric care homes (*Arrêté du Collège réuni de la Commission communautaire commune déterminant les règles relatives à l'intervention financière de la Commission communautaire commune dans la construction, l'extension, la transformation, l'équipement et l'appareillage d'hôpitaux et de maisons de soins psychiatriques*).

The amount of the subsidies for the investments is determined on the basis of a flat-rate amount per m<sup>2</sup> of the eligible area, which corresponds to a maximum 60% of the actual cost (exception: 10% of priority investments).

This subsidy is usually based on a **commitment rate** spread over three years, namely: 40% - 40% - 20%. Authorising entries are usually made on the basis of a settlement rate spread over five years, namely: 10% - 45% - 25% - 10% - 10%.

The part (40% or 90% for priority investments) not covered by the CCC is subsidised by the Federal Government. However, certain types of investments are subsidised at 100% by the Federal Government.

The CCC may issue a guarantee on the balance of the eligible amount that is not covered by the subsidy.

All institutions are funded on the basis of the same rules.

The rules described above are retained in 2016 and 2017. A reform is currently under way for 2019-2020.

#### **V) German-speaking Community**

In 2016 and 2017, the German-speaking Community used only direct subsidies to finance the hospitals.

- Payment of sections A1 (investment costs for buildings, medical and non-medical equipment) and A3 (investment costs and operating costs of heavy medical equipment) of the financial resources budget.

The RIZIV/INAMI distributes the financial resources to the insurance funds

which then pay the financial resources to the hospitals. The FPS Finance deducts these resources from the federal allocation to the German-speaking Community.

- Direct subsidies according to the provisions of the Decree of 18 March 2002 concerning the infrastructure.

Generally, the direct subsidy is equal to 80% of the eligible amount (real costs). This subsidy percentage is, for example, applicable to building construction.

A different subsidy percentage (60%) is applied for the equipment subsidy (medical or non-medical equipment) and furniture. The eligible amount is equal to the actual investment costs.

Lump sum for building maintenance: this amount is allocated to carry out maintenance work intended to keep the infrastructure in good condition.

The amount of this lump sum is determined according to the available budgetary resources and is divided among the hospitals according to the number of authorised beds.

**Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.**

**I) Federal Government**

As has already been explained, Article 95 of the Hospitals Act provides that the financial resources budget for each hospital is fixed separately by the Minister for Public Health within an overall budget for the country as a whole. In other words, a budget is made available each year for the Belgian hospitals in the national budget. This amount is then divided among the hospitals according to the conditions and the rules of calculation provided for by the Hospitals Act and its implementing decrees. The amount allocated will depend in particular on the size and level of activity of the hospital and any special tasks entrusted to the hospital (for example, university hospitals entrusted with teaching and research), the number of accredited services in the hospital, etc.

The basis for the distribution is defined in Article 105 of the Hospitals Act. This Article specifies that the conditions and parameters for calculation of the compensation must be established by Royal Decree. The following points in particular must be determined in the Royal Decree:

‘(...)

*a) the period for which the budget is granted, which may not exceed 10 years apart from for the components of the financial resources budget which cover significant investment costs of the hospital requiring depreciation over a longer period, in accordance with generally accepted accounting principles;*

*b) the division of the budget into a fixed part and a variable part;*

*c) the criteria and the rules for calculation, including the establishment of the activities accounted for and the terms for indexation;*

*d) with regard to the variable part, the compensation for the activities, in relation to a reference number, which are carried out in addition or which are not carried out;*



- e) the establishment of the reference number referred to in the previous paragraph concerning the activity parameters taken into consideration;
- f) the conditions and terms for review of certain elements;
- g) the offsetting with previous years, as referred to in Article 116 of the Hospitals Act (...).<sup>11</sup>

The details of these terms and conditions are contained in the Royal Decree of 25 April 2002 on establishing the financial resources budget for hospitals.

The calculation parameters and terms of the financial resources budget are intended to cover the costs of hospitalisation, in accordance with Article 100 of the Hospitals Act,<sup>12</sup> and the costs from services provided in response to disasters or catastrophes, in accordance with Article 101 of the Hospitals Act, (and not to cover a series of costs established by law, in accordance with Article 102 of the Hospitals Act). Article 95 of the aforementioned Act specifies that the financial resources budget covers the financing of operating costs. In addition, these costs, under the general interest mission entrusted by law, as specified in Article 95, ‘take into account only hospital care’.

To sum up, all hospitals are financed on the basis of identical rules. The financing relates only to the ‘hospitalisation’ part.

The compensation mechanism consists of the allocation of financial intervention (the financial resources budget) in hospital costs, which is calculated *a priori* on the basis of the last known data at that time (accounting and financial data from previous years, data relating to charging for the activity in question). The compensation is subsequently revised on the basis of the actual figures, but this is examined in more detail in the next part.

The compensation is flat-rate and relates only to hospitalisation, including day hospitalisation for surgery, for:

- investment costs (immovable property, medical and non-medical equipment) and related financial costs [A1 and A2] (As a result of the sixth State reform, the financing of the investment under section A1 has been transferred to the federated entities.)
- investment costs and costs of operating heavy medical equipment [A3 and B3] (As a result of the sixth State reform, the financing of the investment under section A3 has been transferred to the federated entities.)
- operating costs of hospital services and ‘common’ services and cover of the costs of related statutory obligations [B1, B4, B6, B9]
- costs of nursing and caring staff [B2]
- operating costs of the hospital pharmacy [B5]

The ‘compensation’ given by the State in these various items, which are directly linked to the performance of the missions entrusted, is therefore State aid.

## **II) Specific to the Flemish Community**

<sup>11</sup> Article 105 of the Hospitals Act.

<sup>12</sup> Article 100 of the Hospitals Act provides: ‘Without prejudice to Article 97, the financial resources budget shall cover, on a flat-rate basis, the costs resulting from a stay on a ward and the provision of care to the hospital patients, including the hospital day-care patients, as defined by the King.’

There has been no overcompensation of hospitals or hospital services. It can be said that, even with the VIPA subsidies included in the calculation, there is still undercompensation for hospital services.

A distinction is drawn between alternative subsidisation, financial resources budget and lump-sum subsidisation.

**Alternative subsidisation:**

The controls to ensure proper use of utilisation grants awarded are carried out by VIPA officials (building technology consultants and financial analysts) and by officials from the Agency for Care and Health (doctors/paramedics who are responsible for providing functional advice). In each case, following the application for payment of an utilisation grant, an on-site check is scheduled during construction of an infrastructure subsidised by VIPA. The report on and conclusions from these checks form the basis for the final calculation of the amount of the utilisation grant, since the amount previously calculated and assumed for the annual utilisation grant to be received may still change as a result of infringements or deficiencies which come to light during these checks.

The VIPA Sector Decree provides that, in principle, for a period of 20 years after a subsidised project has been brought into use, no investment subsidies can be obtained for the same project.

VIPA rules lay down minimum periods during which the hospital should have a right *in rem* or a right of enjoyment over the subsidised project. During this minimum period, consent must be obtained from VIPA or the Minister for any transfer, encumbrance with right *in rem* or right of enjoyment or change of use (Article 87(1) of the Flemish Government Decree of 18 March 2011 laying down rules for the alternative investment subsidies granted by VIPA). The minimum period for works is 25 years (Article 12, §1, third paragraph, of the Decree of 23 February 1994 concerning the infrastructure for person-related matters).

In the event of infringement of the VIPA standards and conditions, the rules on public procurement or the standards for use, the VIPA subsidies granted are recovered in full (Article 88 of the Flemish Government Decree of 18 March 2011 laying down rules for the alternative investment subsidies granted by VIPA), as stipulated in Article 13 of the Act of 16 May 2003 laying down the general conditions applicable to budgets, control of subsidies and to the accounting of communities and regions.

**A1/A3 as a component of the financial resources budget:**

The controls which were already carried out by the Federal Government (just as with respect to the other parts of the financial resources budget) are continued here.

**Lump-sum subsidisation:**

For the strategic lump sum, detailed checks are carried out of the project implementation depending on the SGEI, both during the works and during the economic lifetime of the project (Procedure Decree):

For the strategic lump sum, the Fund may, at any time during the implementation of the

works, check conformity with the strategic lump sum agreement. After the commissioning of the infrastructure concerned, the Fund carries out a start-up evaluation of the file. The Fund calls on the staff members available to the Fund for the examination of the file (Article 17).

In the year following the year of the commissioning of the infrastructure, the applicant carries out an overall evaluation of the project carried out. The evaluation covers at least the construction process, the trend in the cost price, the usage data and the user satisfaction and it is carried out on the basis of a template made available by the Fund. The applicant sends the evaluation to the Fund (Article 20).

Here too, the applicant must have a sufficiently long right of enjoyment (Article 3): 25 years for immovable property and 5 years for movable property. During these 25 years for immovable property and 10 years for movable property, each concrete change of use must be subject to the explicit consent of either VIPA or the Minister (Article 25).

**For both the strategic and maintenance lump sum, provision is made for double-checking in the context of the SGEI obligations (Procedure Decree):**

- Article 29: at least every 10 years from the first granting of the investment subsidies, checks are made that the hospital continues to satisfy the conditions to carry out its basic hospital mission in accordance with Article 2(3) of the Subsidy Decree. The basic hospital mission was established in the Consolidated Act of 10 July 2008 on Hospitals and Other Care Institutions, in the Decree of 17 October 2003 on the quality of health and welfare facilities (*Decreet van 17 oktober 2003 betreffende de kwaliteit van de gezondheids- en welzijnsvoorzieningen*), in Chapter VI of the Decree of 20 March 2009 introducing various provisions concerning the Welfare, Public Health and Family policy area (*Decreet houdende diverse bepalingen betreffende het beleidsdomein Welzijn, Volksgezondheid en Gezin*) and in the implementing decrees of these laws and decrees, with regard to the costs relating to investments in infrastructure necessary to perform these obligations to ensure access to high-quality, affordable health care accessible to all, in which the costs are largely charged to community facilities.

If the basic hospital mission is no longer satisfied, the subsidisation is stopped and recovered with respect to the amount paid from the time that the basic hospital mission was no longer fulfilled.

- Article 30: at least every 3 years, the accounts of the hospital are also audited. For this purpose, the financial flows relating to the infrastructure investments are separated transparently from the obligations arising from the basic hospital mission. An audit framework is devised in which expenses and receipts from the investments are compared cumulatively every three years. If, at the time of the controls, the cumulative receipts exceed the cumulative expenditure, it will have to be demonstrated that the surpluses will be used in the future for the investments within the basic hospital mission. In this way, it is ensured that no overcompensation occurs.

**III) Walloon Region**

The subsidies granted directly by the Walloon Region for construction works, for priority reconditioning of investments in immovable property and for investments in movable property for initial equipment, are made available in tranches:

- a first tranche of 30% of the amount of subsidy as soon as the order has been placed for the works and the works have actually been commenced, which must be shown from the first progress report accompanied by the corresponding invoice;
- the second tranche of 30% is made available as soon as all progress reports and invoices submitted together reach the total of the first tranche;
- the third tranche of 30% is made available as soon as all progress reports and invoices submitted together reach the total of the first two tranches;
- the balance of the subsidy is made available to the applicant on approval of the final account.

For procurement of equipment and furniture, the subsidy is paid on presentation of the invoices.

For the cost of stay, provision has been made that the AViQ (regional health administration) each year informs the hospitals of the cost of hospital stays that they may invoice to patients with third-party payer. This cost of stay is invoiced by each hospital to the patients, per day of hospitalisation. This invoicing will be undertaken via the insurance funds which will receive the corresponding resources. This mechanism has not yet been implemented in full and no instances of direct invoicing of the cost of stay to the patient have occurred; the texts relating to the accreditation of the insurance funds still have to be approved by the Walloon Parliament. In the meantime, by way of derogation from the Decree of 9 March 2017 and its implementing decree, an amount was paid to the hospitals in 2016 to cover the maintenance investments, as well as the cost of stay for the maintenance and replacement components in 2017 which were settled in one instalment.

As regards the guarantee, the Walloon Region can act as guarantor to the borrowing party for all or part of the sums borrowed by the hospitals. No borrowing party has activated the guarantee to date.

### **IIIa) French Community**

For the subsidies awarded on the basis of the repayments of investments made or commenced before 1 January 2016, the payment is made by the Federal State, which consequently is no longer in a position to describe the mechanism.

Since the transfer of competence on 1 January 2016, the hospitals have received only a lump sum (**11 million in total for 4 university hospitals**) for medical equipment, non-medical equipment, mobile equipment, heavy medical-technical services and maintenance works), in accordance with the French Community decree of 13 June 2017.

With regard to the new arrangement (cost of hospital stay), a project call is in progress, but no invoicing of the cost of hospital stay will occur before 1 January 2020.

#### **IV) Common Community Commission**

The competent CCC agencies supervise on-site checks or checks based on supporting documents of the correct compliance with the physical, engineering and qualitative standards, as well as the utilisation of the buildings.

The purpose and utilisation of the property for which compensation has been received may not change during a period that is at least equivalent to the duration of the financial write-off of the investment, except if and insofar as the property or the balance that still remains to be written off corresponding to the proceeds from its sale continues to be utilised for providing hospital services or for activities in the public interest, subject to express prior consent. In the case of infringements, the allocated compensation will be recovered proportionally.

Furthermore, allocated compensation will be recovered in the event that a project is not carried out or not put into operation within a reasonable implementation period.

#### **V) German-speaking Community**

The procedures for awarding subsidy are regulated by the Decree of 18 March 2002 on infrastructure. For the procurement of equipment and furniture, the subsidy is paid on presentation of the invoices. For procurement of works, a tranche of a maximum of 90% of the subsidy is granted on presentation of the progress reports and invoices. The balance is paid on commissioning of the works.

If a subsidy is granted to the hospitals in the form of a lump sum, the Community specifies the period (often 3 years) within which the hospitals must provide evidence that they have in fact invested the financial resources made available. The funds not used must be repaid and penalty interest is also charged.

#### **Typical arrangements for avoiding and repaying any overcompensation.**

As far as the Federal Government is concerned, as specified above, the budgets are calculated on the basis of the data already known. This refers to the accounting data of the hospitals concerned, which were collected during the previous years. With the help of these data, it is already possible to obtain a good idea of the amount to which the hospital will be entitled.

Then the public aid in the financial resources budget is paid off in the form of 'twelfths', i.e. each hospital receives each month, from 1 July of each year until 30 June of the following year, a monthly amount corresponding to the State aid in its individual budget spread over 12 months. After having revised the amounts allocated on the basis of the accounting data collected later, any excess received is charged to the budget of the hospital in question.

The control of the hospitals receiving compensation from the financial resources budget is carried out at various levels. The law provides first and foremost for a compulsory

external audit by the statutory auditor.<sup>13</sup> Finally, the Hospitals Act provides for the control by the inspectors designated for this purpose, without prejudice to the powers of the judicial police in the case of fraud or offence.<sup>14</sup>

The control carried out by the officials takes place at two levels. A financial inspection is organised. Firstly, a certain number of data are checked and validated before the subsidy is granted and secondly, the hospitals are subject to an on-the-spot inspection to check the accuracy of the financial data communicated subsequently.

A check is also carried out of the medical data,<sup>15</sup> which serve partly as a basis for determining the level of activity of the hospital and therefore also for the calculation of the compensation.

The financial resources budget is set in advance on the basis of the known data. When the real data for the financial year in question become known, certain items of the budget are revised to take account of the real data.

Article 92 of the 'Financing Decree' of 25 April 2002 establishes the items subject to revision in a transparent manner.

The Hospitals Act also provides for a mechanism which makes financial transparency possible within the hospital, pursuant to Article 93 of the Hospitals Act with regard to the Works Council, and Article 143 of the Hospitals Act with regard to transparency in relation to the Medical Council.

The surplus or deficit financial resources received by the hospitals via the financial resources budget will be defined by the revisions a few years later and will then be deducted or added to the following financial resources budget.

## **II) Specific to the Flemish Community**

The following can be stated with respect to the Flemish infrastructure subsidies:

For the lump-sum subsidies, the regulations also once again explicitly include the three-yearly control of the cumulative receipts and expenses. For the current alternative subsidies, a construction technology evaluation exists which shows that so far the subsidies are below the construction cost.

## **VI) German-speaking Community**

The subsidies granted to the hospitals according to the provisions of the Decree of 18 March 2002 on the infrastructure are paid on presentation of the invoices and of proof of their payment. In this way, the German-speaking Community avoids over-

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<sup>13</sup> Articles 86 to 91 Hospitals Act.

<sup>14</sup> Article 127 Hospitals Act.

<sup>15</sup> These are the minimum hospital data registered per patient and per hospital admission. In this way, the authority can check how many admissions and interventions a hospital carries out per year.

subsidisation.

With regard to the lump-sum subsidies granted to the hospitals according to the provisions of the Decree of 18 March 2002 on the infrastructure, over-subsidisation is avoided by basing them on historic data when determining the amount of the subsidy and by fixing a period within which the subsidy may be invested. After this period, the part of the subsidy which has not been invested must be repaid to the German-speaking Community and penalty interest is added.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

N/A.

### Amount of aid granted

**Total amount of aid granted (in millions EUR).<sup>16</sup> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)**

2016	2017
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>17</sup></b>	
2016	2017
EUR 8 209 124 796.78	EUR 8 206 771 295.24
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>18</sup></b>	
2016	2017
<b>French Community: EUR 11 000 000</b>  <b>CCC: EUR 10 878 413.00</b>  <b>German-Speaking Community:</b> <b>Financial resources budget A1 and A3:</b> <b>EUR 4 532 901</b> A1: EUR 4 408 459 A3: EUR 124 441 <b>Subsidies (Decree of 18 March 2002):</b> <b>EUR 3 311 500</b> Constructions: EUR 1 402 711 Equipment and furniture: EUR 1 438 789 Maintenance: EUR 470 000  <b>TOTAL: EUR 7 844 401</b> <b>B: Direct subsidy: 100%</b>	<b>French Community: EUR 11 000 000</b>  <b>CCC: EUR 16 071 424</b>  <b>German-Speaking Community:</b> <b>Financial resources budget A1 and A3:</b> <b>EUR 5 369 000</b> A1: EUR 5 265 299 A3: EUR 103 700 <b>Subsidies (Decree of 18 March 2002):</b> <b>EUR 6 334 248</b> Constructions: EUR 2 700 000 Equipment and furniture: EUR 473 248 Maintenance: EUR 3 161 000  <b>TOTAL: EUR 11 703 248</b> <b>B: Direct subsidy: 100%</b>

<sup>16</sup> As stipulated in Article 9(b) of the 2012 SGEI Decision.

<sup>17</sup> If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

<sup>18</sup> See footnote 17.



<p><b>Walloon Region</b></p> <p>Old financing (AViQ budget): 1 hospital: EUR 180 975</p> <p>Outside construction schedule: 1 hospital: EUR 2 824 275 New financing: 57 hospitals: EUR 1 725 000</p> <p>The amounts below refer in each case to appropriations established for these hospitals</p> <p><b>Flanders (EUR):</b> Paid by VIPA: 82 050 182.43 A1/A3 via social security: 490 523 000 Total amount 572 573 182.43</p>	<p><b>Walloon Region</b></p> <p>Old financing (CRAC – already established in advance in 2015 in the context of the construction schedule 2006-2015): 6 hospitals: EUR 4 547 525</p> <p>Outside construction schedule: 1 hospital: EUR 884 900 New financing: 57 hospitals: EUR 4 048 117</p> <p>The amounts below refer in each case to appropriations established for these hospitals</p> <p><b>Flanders (EUR):</b> Paid by VIPA: 227 480 579.36 A1/A3 via social security: 429 735 166.67 Total amount 657 215 746.03</p>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>19</sup></b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>

<sup>19</sup> See footnote 17.

**Additional quantitative information** (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>20</sup>

2016	2017
<p><b>German-speaking Community:</b></p> <ul style="list-style-type: none"> <li>- Number of beneficiaries in the hospital sector: 2 hospitals</li> <li>- Average aid amount from the German-speaking Community: EUR 3 922 200</li> <li>- Size of undertakings: <ul style="list-style-type: none"> <li>Number of authorised beds:</li> <li>St Vith: 156</li> <li>Eupen: 192</li> </ul> </li> </ul> <p><b>Walloon Region</b></p> <p>37 general hospitals and 20 psychiatric clinics</p> <p><b>Federal Government</b></p> <p>No of hospitals: 177</p> <p>Number of authorised beds: 68 688</p> <p>Total budget assigned: 8 395 550 950</p> <p><b>Average budget on 1 July:</b> 47 432 491</p> <p><b>Total account 700:</b> 8 087 586 398</p> <p>Average of account 700: 45 692 579</p>	<p><b>German-speaking Community:</b></p> <ul style="list-style-type: none"> <li>- Number of beneficiaries in the hospital sector: 2 hospitals</li> <li>- Average aid amount from the German-speaking Community: EUR 5 851 624</li> <li>- Size of undertakings: <ul style="list-style-type: none"> <li>Number of authorised beds:</li> <li>St Vith: 156</li> <li>Eupen: 192</li> </ul> </li> </ul> <p><b>Walloon Region</b></p> <p>37 general hospitals and 20 psychiatric clinics</p> <p><b>Federal Government</b></p> <p>No of hospitals: 175</p> <p>Total budget assigned: 8 206 771 295</p> <p><b>Average budget on 1 July:</b> 46 895 836</p> <p><b>Total account 700:</b></p> <p>Average of account 700:</p>

**Account 700 = turnover**

**Sources:**

<http://www.health.belgium.be/nl/gezondheid/organisatie-van-de-gezondheidszorg/ziekenhuizen/cijfers-en-rapporten>

### 3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

**Please structure this part of your report by the following sections:**

- 1) SGEI compensation exceeding EUR 15 million, falling outside the SGEI Decision (please specify the Commission decision approving each measure if applicable):

<sup>20</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Decision, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

- i. Postal services
- ii. Energy
- iii. Waste collection
- iv. Water supply
- v. Air or maritime links to islands with average annual traffic above the limits set in Art. 2(1)(d)
- vi. Airports and ports with average annual traffic above the limit set in Art. 2(1)(e)
- vii. Culture
- viii. Financial services
- ix. Other sectors (please specify)

**For each of the items outlined above please provide information in the form of the following table:**

<b>Clear and comprehensive description of how the respective services are organized in your Member State<sup>21</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Typical <b>arrangements for avoiding and repaying any overcompensation</b> .
A short explanation of how the <b>transparency requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you

<sup>21</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each concrete measure.

publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

### Amount of aid granted

**Total amount of aid granted (in millions EUR)<sup>22</sup>. This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)**

2016	2017

**A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>23</sup>**

2016	2017

**B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>24</sup>**

2016	2017

**C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>25</sup>**

2016	2017

**Share of expenditure per aid instrument** (direct subsidy, guarantees etc.) (if available)

2016	2017

**Additional quantitative information** (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)<sup>26</sup>

<sup>22</sup> As stipulated in Paragraph 62 b) of the 2012 SGEI Framework.

<sup>23</sup> If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

<sup>24</sup> See footnote 23.

<sup>25</sup> See footnote 23.

<sup>26</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimations have been used as well as the type of aggregation made.

2016	2017

#### **4. COMPLAINTS BY THIRD PARTIES**

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures in scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and the possible follow-up by your authorities or the likely outcome of the court proceedings.

In the previous report, a complaint was mentioned in connection with aid measure SA.19864 – 2014/C (ex NN54/2009). This complaint was not connected to the SGEI as described in the Hospitals Act, but to a specific SGEI under the legislation on public social welfare centres. Consequently, the complaint was only indirectly related to the financial resources budget of the Belgian hospitals.

The Commission has in the meantime stated in its decision of 5 July 2016 concerning this case that the State aid in the form of compensation since 1996 for the deficits of Brussels public IRIS hospitals by the Brussels municipalities is compatible with the internal market based on Article 106(2) of the Treaty on the Functioning of the European Union.

#### **5. MISCELLANEOUS QUESTIONS**

- a. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:

- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
- specifying the amount of compensation in line with Article 5 of the SGEI Decision;
- determining the reasonable profit level in line with Article 5(5)-(8) of the SGEI Decision;
- regularly checking overcompensation as required by Article 6 of the SGEI Decision;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

- b. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- carrying out a public consultation in line with paragraph 14 of the SGEI Framework;
- complying with public procurement rules in line with para 19 of the SGEI Framework;
- determining the net avoided cost as required by paras 25-27 of the SGEI Framework;

- determining the reasonable profit level in line with paras 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

- c. If you have any other comments on the application of the SGEI Decision and the SGEI Framework on issues other than the ones covered in the previous questions please feel free to provide them within your report.



## ANNEX

### **Services of general economic interest: Instructions for the report to be submitted in accordance with the 2012 SGEI Decision and the 2012 SGEI Framework**

**The reporting obligations are set out in Article 9 of the 2012 SGEI Decision:**

*Each Member State shall submit a report on the implementation of this Decision to the Commission every 2 years. The reports shall provide a detailed overview of the application of this Decision for the different categories of services referred to in Article 2(1), including:*

- a) a description of the application of this Decision to the services falling within its scope, including in-house activities;*
- b) the total amount of aid granted in accordance with this Decision, with a breakdown by the economic sector of the beneficiaries;*
- c) an indication of whether, for a particular type of service, the application of this Decision has given rise to difficulties or complaints by third parties, and*
- d) any other information concerning the application of this Decision required by the Commission and to be specified in due time before the report is to be submitted.*

**In principle, paragraph 62 of the 2012 SGEI Framework sets out the same reporting obligations for aid awarded on the basis of the 2012 SGEI Framework.**

**Please structure your report as follows:**

**a. EXPENDITURE OVERVIEW Please**

<b>Total SGEI government expenditure by legal basis (EUR million)</b>		
	2016	2017
<i>Compensation for Services of General Economic Interest (1+2)</i>		
1) Compensation granted on the basis of the SGEI Decision		
2) Compensation granted on the basis of the SGEI Framework	Confidential	Confidential

**complete the following**

**table:**

Non-compulsory: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI de minimis aid ...) and the sectors in which they are used.

**b. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI DECISION**

**Please structure this part of your report by the following sections:**

- 1) Hospitals (Article 2(1)(b))
- 2) Social services (Article 2(1)(c))
  - a) Health and long-term care
  - b) Childcare
  - c) Access to and reintegration into the labour market
  - d) Social housing
  - e) Care and social inclusion of vulnerable groups
- 3) Air or maritime links to islands with average annual traffic not exceeding the limit set in Article 2(1)(d)<sup>1 2</sup>

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1 Airports and ports with average annual traffic not exceeding the limit set in Article 2(1)(e)

2 SGEI compensation not exceeding an annual amount of EUR 15 million (Article 2(1)(a))

- i. Postal services
- ii. Energy
- iii. Waste collection
- iv. Water supply
- v. Culture
- vi. Financial services
- vii. Other sectors (please specify)

For each of the items outlined above please provide information in the form of the following table:

<b>A clear and comprehensive description of how the services are organised in your Member State<sup>3</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents <b>of the services entrusted as SGEI as clearly as possible.</b>
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Please specify in which sectors SGEI were entrusted for a period of more than 10 years and explain how that period is justified.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>

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<sup>3</sup> If in a certain sector only a small number of individual SGEIs exist in your Member State, we should appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (for example because the competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial.

<p>A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR)<sup>4</sup>.</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
<b>2016</b>	<b>2017</b>
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities<sup>5</sup></b>	
<b>2016</b>	<b>2017</b>
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities<sup>6</sup></b>	
<b>2016</b>	<b>2017</b>
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities<sup>7</sup></b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>

### 3. DESCRIPTION OF THE APPLICATION OF THE 2012 SGEI FRAMEWORK

**Please structure this part of your report by the following sections:** (please specify each measure if applicable):

- 1) SGEI compensation exceeding EUR 15 million falling outside the SGEI Decision):
  - i. Postal services
  - ii. Energy
  - iii. Waste collection
  - iv. Water supply
  - v. Air or maritime links to islands with average annual traffic above the limits set in Article 2(1)(d)
  - vi. Airports and ports with average annual traffic above the limit set in Article 2(1)(e)
  - vii. Culture
  - viii. Financial services
  - ix. Other sectors (please specify)

**For each of the items outlined above please provide information in the form of the following table:**

<b>A clear and comprehensive description of how the services are organised in your Member State<sup>7</sup></b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the contents <b>of the services entrusted as SGEI as clearly as possible.</b>
SGEI for the distribution of recognised newspapers and periodicals entrusted to bpost following the completion of a competitive, transparent and non-discriminatory procedure in accordance with the public procurement rules.
Explanation of the (typical) <b>forms of entrustment</b> . If standardized templates for entrustments are used for a certain sector, please attach them.
A competitive, transparent and non-discriminatory procedure was organised in accordance with the public procurement rules. This resulted in: the concession contract for the distribution of recognised newspapers and the concession contract for the distribution of recognised periodicals.
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Please specify in which sectors SGEI were entrusted for a period of more than 10 years and explain how that period is justified.
5 years (2016-2020)
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.

No, SGEI distribution of recognised newspapers and magazines is intended to ensure that, as a last resort, newspapers and periodicals can be distributed to homes for an affordable fee which is uniform nationwide.

In other words, bpost should be seen as a supplier of last resort which only intervenes where publishers are unwilling or unable to use another operator for the distribution of newspapers and/or periodicals.

As such, there is no question of exclusivity; all publishers remain free to use a provider other than bpost.

Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Direct grants
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

If in a certain sector only a small number of individual SGEIs exist in your Member State, we should appreciate a detailed description of those services. If a large number of services are entrusted in a specific sector in your Member State (because, for instance, competence lies with regional or local authorities), individual details of the entrustments would be disproportionate, but a clear and concise general description of the way the sector is organised including the common features of the individual entrustments remains crucial. Since cases falling under the SGEI Framework will be limited in number, the Commission expects a detailed description of each tangible measure.

NAC methodology, incl. reasonable profit and upper limits.

Specifically, there are four mechanisms with only the lowest amount taken into account for the concession fee:

- 1) Upper limits as laid down in the tender specifications and concession contract
- 2) The ex ante fee based on volumes and costs estimated in the FINANCIAL PLAN OF THE BAFO
- 3) The ex post fee based on real volumes and costs (after clawback, i.e. if ex post (before clawback) < ex ante, then 1/3 of the difference is added to ex post.)
- 4) Monthly statement based on real volumes and quality but reflecting the variable fee defined in the financial plan (BAFO) and contract.

- Confidential

#### Typical arrangements for avoiding and repaying any overcompensation.

- Annual check and clawback:
  - Each year bpost provides any relevant information enabling the existence or absence of overcompensation to be determined.
- Reasonable profit:
  - cf. the European Commission's decision-making practice on SGEI.
  - The reasonable profit is determined on the basis of the financial plan for the (latest) offer/BAFO, on the assumption that the financial parameters reflect market conditions and a reasonable, risk-adjusted profit.
- Net costs:
  - Net costs concern the difference between all SGEI management costs and bpost's revenue.
  - For the purpose of calculating the net costs necessary to discharge the public service obligation, it is preferable to use the net avoided cost methodology ("NAC"), as described by the European Commission in the European Union framework, except where it transpires that using the NAC is not feasible or not appropriate. In the latter case, in line with the European Commission's preference as set out in the European Union framework, a methodology based on cost allocation will be used.
- Revenue:
  - Revenue is understood as all SGEI-related revenue as estimated and indicated in the financial plan for the BAFO of bpost and actually paid by the Belgian State and publishers.
  - When bpost books an excessive profit from special or exclusive rights not connected with the public service obligation, this excessive profit must also be regarded as revenue for the purpose of calculating any overcompensation, irrespective of whether this profit is deemed to constitute State aid.
- Efficiency incentives:
  - With a view to incentivising bpost to implement SGEI as efficiently as possible, when setting overcompensation account must be taken both of the ex ante expected net costs (as reflected in the financial plan for the BAFO) and the ex post realised net costs (as reflected in bpost's accounts).
  - If, as a result of efficient SGEI implementation by bpost, the amount of ex post realised net costs in a given year is lower than the amount of ex ante net costs corresponding to the volume of newspapers distributed in that year,

bpost will repay 67 % of the difference to the Belgian State. The amount of compensation may not under any circumstances exceed ex ante net costs (plus, if appropriate, a reasonable profit).

• Checks and necessary information:

- Separate internal accounts between SGEI and other activities
- An operational and financial statement is submitted to the Belgian State each year. The Belgian State may request any further information it requires to cross-check the data provided in the annual statement.
- An audit board checks the amount of compensation on an annual basis. The boards comprises 4 independent auditors: 2 members, one of whom is the chair, are appointed by the Belgian State, and the remaining 2 are appointed by bpost.

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<p>A short explanation of how the transparency <b>requirements</b> (see Paragraph 60 of the 2012 SGEI Framework) are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	
<p>Any information, from the call for tender until the concession contract is concluded, is available on the website of the Belgian regulator, the Belgian Institute for Postal Services and Telecommunications (BIPT). (<a href="http://www.bipt.be/en/consumers/post/universal-postal-service/newspapers-and-periodicals">http://www.bipt.be/en/consumers/post/universal-postal-service/newspapers-and-periodicals</a>)</p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (EUR million). This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</b></p>	
<b>2016</b>	<b>2017</b>
Confidential	Confidential
<p><b>A: Total amount of aid granted (EUR million) by national central authorities<sup>8 9</sup></b></p>	
<b>2016</b>	<b>2017</b>
Confidential	confidential
<p><b>B: Total amount of aid granted (EUR million) by regional authorities<sup>10</sup></b></p>	
<b>2016</b>	<b>2017</b>

<sup>8</sup> As stipulated in Paragraph 62(b) of the 2012 SGEI Framework.

<sup>9</sup> If the aid amount cannot be split between central, regional and local authorities only the total amount of aid granted for all authorities should be reported.

<sup>10</sup> See footnote 9.



<b>C: Total amount of aid granted (EUR million) by local authorities<sup>11</sup></b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings) <sup>12</sup>	
<b>2016</b>	<b>2017</b>

#### 4. COMPLAINTS BY THIRD PARTIES

Please provide an overview of complaints by third parties, in particular litigation before national courts, regarding measures within the scope of the 2012 SGEI Decision or 2012 SGEI Framework. Please be as specific as possible in your reply and include the sector for which you have received the complaints, the contents of the complaints and any follow-up by your authorities or the likely outcome of the court proceedings.

- On 13 October 2016 the Flemish Federation of Newsagents (Vlaamse Federatie voor Persverkopers) brought an action against the decision of the European Commission in case SA.42366 (2016/N). This stated that the planned State aid was in accordance with the rules. The Belgian State and bpost itself have intervened in support of the Commission. The appeal is currently pending before the Court.

#### 5. OTHER QUESTIONS

- a. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Decision and ask you to in particular consider the following issues:
- drawing up an entrustment act that complies with Article 4 of the SGEI Decision;
  - indicating the amount of compensation in accordance with Article 5 of the SGEI Decision;
  - establishing the reasonable profit in accordance with Article 5(5) to (8) of the SGEI Decision;
  - regular checks on overcompensation as required by Article 6 of the SGEI Decision;

<sup>11</sup> See footnote 9.

<sup>12</sup> The Commission would welcome any data that you might have on aid granted under the 2012 SGEI Framework, for example the number of beneficiaries per sector, average amount of aid, amount per aid instrument, size of the undertakings, etc. Should such other quantitative information data not be readily available in your Member State, they can of course be presented in a more aggregated and/or estimated way. In that case please indicate that estimates have been used as well as the type of aggregation made.

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

b. We kindly invite you to indicate whether your authorities have experienced difficulties in applying the 2012 SGEI Framework and ask you to in particular consider the following issues:

- implementing a public consultation in accordance with paragraph 14 of the SGEI Framework;
- complying with the public procurement rules in accordance with paragraph 19 of the SGEI Framework;
- calculating net costs in accordance with the net avoided cost method as required by paragraphs 27-25 of the SGEI Framework;
- establishing the reasonable profit in accordance with paragraphs 33-38 of the SGEI Framework;

Please be as specific as possible in your reply, include relevant examples and, if applicable, the sector for which the difficulties are (most) relevant.

- No specific difficulties were encountered.

- c. If you have any other comments on the application of the SGEI Decision and the SGEI Framework relating to issues not covered by the questions set out above, please include them in your report

**ANNEX:**

**FLEMISH GOVERNMENT**

**SGEI REPORTING SHEETS – June 2018**

**Content Overview**

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## Culture, Youth, Sport & Media Policy Area

**Sub-area: MEDIA**

**Sub-reports:**

**1. Structural aid for Flemish regional television broadcasting organisations**

**2. Accessibility aid to private television broadcasting organisations for television programmes**

### 1. Structural aid for Flemish regional television broadcasting organisations

**Clear and comprehensive description of how the respective services are organised in your Member State**

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

Structural aid for Flemish regional television broadcasting organisations:

- vzw [not-for-profit association] Antwerpse Televisie (ATV)
- vzw Regionale Omroep Brabant (ROB)
- private limited company RTV (TV Kempen and Mechelen)
- public limited company TV Oost-Vlaanderen (TV Oost)
- vzw Audio Video Studio Oostvlaamse Televisie (AVS)
- vzw non-public regional television association Brussels (tvbrussel)
- vzw Tele-Visie-Limburg (TV Limburg)
- vzw West-Vlaamse Televisie Regio Zuid (WTV)
- vzw FOCUS Televisie – regional television for the north of West Flanders
- vzw Regionale Televisie Vlaams-Brabant, Halle-Vilvoorde (Ring TV)

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

Decree of 27 March 2009 on radio and television broadcasting (*Decreet van 27 maart 2009 betreffende radio-omroep en televisie*) (= Media Decree).

Cooperation agreements (2012-2016) with the Flemish regional television broadcasters (no standardised template).

**Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

Normal duration of the cooperation agreement = 5 years.

Explanation whether (typically) **exclusive or special rights** are assigned to the undertakings.

No.	
<b>Which aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
Direct operating subsidy.	
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
Annual reporting on the implementation of the cooperation agreement.	
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>	
None.	
A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Culture, Youth & Media Department website + Media Decree + Budget Decree + annual subsidy decision and answers to parliamentary questions (Flemish Parliament website).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2016</b>	<b>2017</b>
Under media policy, the annual subsidy to the Flemish regional television broadcasters amounts to EUR 1 876 000. This amount represents a subsidy of EUR 185 100 per Flemish regional television broadcaster. Only RTV receives an additional EUR 25 000 because this broadcaster serves two news areas.  Media policy does not offer any prospects of other financial flows to the Flemish regional television broadcasting organisations.	Under media policy, the annual subsidy to the Flemish regional television broadcasters amounts to EUR 1 876 000. This amount represents a subsidy of EUR 185 100 per Flemish regional television broadcaster. Only RTV receives an additional EUR 25 000 because this broadcaster serves two news areas.  Media policy does not offer any prospects of other financial flows to the Flemish regional television broadcasting organisations.
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b>	
<b>2016</b>	<b>2017</b>
Media policy does not offer any prospects of other financial flows to the Flemish regional television broadcasting organisations.	Media policy does not offer any prospects of other financial flows to the Flemish regional television broadcasting organisations.
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b>	
<b>2016</b>	<b>2017</b>
Under media policy, the annual subsidy to the Flemish regional television broadcasters amounts to EUR 1 876 000. This amount	Under media policy, the annual subsidy to the Flemish regional television broadcasters amounts to EUR 1 876 000. This amount

represents a subsidy of EUR 185 100 per Flemish regional television broadcaster. Only RTV receives an additional EUR 25 000 because this broadcaster serves two news areas.	represents a subsidy of EUR 185 100 per Flemish regional television broadcaster. Only RTV receives an additional EUR 25 000 because this broadcaster serves two news areas.
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b>	
<b>2016</b>	<b>2017</b>
Media policy does not offer any prospects of other financial flows to the Flemish regional television broadcasting organisations.	Media policy does not offer any prospects of other financial flows to the Flemish regional television broadcasting organisations.
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>
/	/
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>
/	/

<b>2. Accessibility aid to private television broadcasting organisations for television programmes</b>
<b>Clear and comprehensive description of how the respective services are organised in your Member State</b>
Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the <b>contents of the services entrusted as SGEI</b> as clearly as possible.
Accessibility aid for television programmes to private television broadcasting organisations: - NV Medialaan - NV SBS Belgium
Explanation of the (typical) <b>forms of entrustment</b> . If standardised templates for entrustments are used for a certain sector, please attach them.
Article 151 of the Decree of 27 March 2009 on radio and television broadcasting (= Media Decree). Flemish Government Decree of 14 December 2012 regarding the establishment of a timeline and quota for making broadcasting programmes accessible and regarding the granting of subsidies for implementing Article 151 of the Media Decree ( <i>Besluit dd. 14 december 2012 van de Vlaamse Regering betreffende de vastlegging van een tijdsplan en quota voor het toegankelijk maken van omroepprogramma's en betreffende het verstrekken van subsidies ter uitvoering van artikel 151 van het mediadecreet</i> ) (= Implementing Decree).
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?
10 years from the date of entry into force of the Implementing Decree (i.e. the date of publication in the Belgisch Staatsblad/Moniteur belge, namely 19 December 2012).
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
No.
<b>Which aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Project grant.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
Annual reporting on the implementation of the aid measure for the relevant year in accordance with the Ministerial Decree.
<b>Typical arrangements for avoiding and repaying any overcompensation.</b>
None.
A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the



publication takes place at the level granting the aid (e.g. central, regional or local level).	
Culture, Youth & Media Department website + Media Decree (Article 151) and Implementing Decree + Budget Decree + annual subsidy decision and answers to parliamentary questions (Flemish Parliament website).	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. <b>(A+B+C)</b>	
<b>2016</b>	<b>2017</b>
Under media policy, the annual accessibility aid for television programmes amounts to EUR 474 000 per year. This amount was distributed on the basis of an allocation key as follows: <ul style="list-style-type: none"> <li>- Medialaan: EUR 426 600</li> <li>- SBS Belgium: EUR 47 400</li> </ul> Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.	Under media policy, the annual accessibility aid for television programmes amounts to EUR 474 000 per year. This amount was distributed on the basis of an allocation key as follows: <ul style="list-style-type: none"> <li>- Medialaan: EUR 450 300</li> <li>- SBS Belgium: EUR 23 700</li> </ul> Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.
<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b>	
<b>2016</b>	<b>2017</b>
Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.	Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b>	
<b>2016</b>	<b>2017</b>
Under media policy, the annual accessibility aid for television programmes amounts to EUR 474 000 per year. This amount was distributed on the basis of an allocation key as follows: <ul style="list-style-type: none"> <li>- Medialaan: EUR 426 600</li> <li>- SBS Belgium: EUR 47 400</li> </ul> Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.	Under media policy, the annual accessibility aid for television programmes amounts to EUR 474 000 per year. This amount was distributed on the basis of an allocation key as follows: <ul style="list-style-type: none"> <li>- Medialaan: EUR 450 300</li> <li>- SBS Belgium: EUR 23 700</li> </ul> Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b>	
<b>2016</b>	<b>2017</b>
Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.	Media policy does not offer any prospects of other financial flows to these private television broadcasting organisations.
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>
/	/

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>
/	/

## Welfare, Public Health and Family Policy Area

### Sub-reports

#### 1. Service flats

#### 2. Assistance organisations

#### 3. Childcare

#### 1. Service flats

### Clear and comprehensive description of how the respective services are organised in your Member State

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

#### *General description of the service flats and sheltered housing complexes:*

These are independent housing units for elderly people with communal facilities for optional services.

Subsidies for the construction of additional service flats with the closed-end investment company (CEIC) formula. Contribution towards the final building right payment under a real estate leasing contract in respect of private and public service flats/CEIC.

The blocks of service flats and sheltered housing complexes are provided with a view to integrating elderly people into society, as well as from the perspective of maintaining optimal independence and the sense of an adapted form of living which also provides protection. As regards the services offered, the Decree states that 'the services must be brought within the reach of residents who may make use of them as desired, whenever this is necessary'. In a block of service flats, the emphasis is on independent living. The services (maintenance, meals, etc.) are extra, additional, with no objective other than providing a means of supporting the independence of the residents.

	<p>The Flemish Government chose to subsidise the building of service flats on the basis of the finding that, because the population is ageing, there is an enduring need for adapted housing options for elderly people, with service flats – as part of a differentiated range of facilities for the elderly – increasing in importance as a suitable housing alternative for the elderly. At the same time, it was established in 1994 that the number of completed housing units was falling far short of programming and, as a result, the available capacity was well below actual needs. It was decided, therefore, to stimulate this via a new funding system, under which investment subsidies from the Flemish Government are supplemented with the contribution of private capital.</p> <p>The service flats are built on the basis of building rights which the initiator (OCMW [Public Centre for Social Welfare] or vzw [not-for-profit association]) wishes to grant to the CEIC (closed-end investment company) NV Serviceflats Invest subject to certain conditions, so that Serviceflats Invest obtains full ownership of the service flats ('the buildings contract'). The initiator undertakes to use the service flats, once built, as long-term leaseholder and to repay Serviceflats Invest the costs and financial expenses of construction in return for a minimum payment ('the ground rent') on the basis of a long-term lease agreement ('the lease').</p> <p><b><i>Description of the public service obligations with which the service flats and sheltered housing complexes must comply:</i></b></p> <p>Services are subject to an authorisation obligation (Flemish Government Decree of 17 March 1998) and accreditation obligation (Flemish Government Decree of 10 July 1985):</p> <p>The flats must comply with pre-determined quality requirements, which are both architectural and structural, floor area standards, materials used and cost price. They must be functional and comfortable and adapted to the needs of elderly people. The flats and the entire building are designed in such a way as to take account of the potential problems elderly people may encounter when moving around. The flats are adapted in such a way that the elderly can remain responsible for maintaining the flat, for personal care and for</p>
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	<p>preparing their meals for as long as possible.</p> <p>These requirements form part of the accreditation standards described in Annex A to the Flemish Government Decree of 17 July 1985 laying down the standards which blocks of service flats, sheltered housing complexes or rest homes must meet in order to be eligible for accreditation (<i>Besluit van de Vlaamse Regering van 17 juli 1985 tot vaststelling van de normen waaraan een serviceflatgebouw, een woningcomplex met dienstverlening of een rusthuis moet voldoen om voor erkenning in aanmerking te komen</i>).</p> <p>As regards the services offered, the Decree states that ‘the services must be brought within the reach of residents who may make use of them as desired, whenever this is necessary’ (Decrees on facilities for elderly people, coordinated in the Flemish Government Decree of 18 December 1991). In a block of service flats, the emphasis is on independent living. The services (maintenance, meals, etc.) are extra, additional, with no objective other than providing a means of supporting the independence of the residents.</p> <p>Specific requirements:</p> <ul style="list-style-type: none"> <li>- Quality: the quality requirements are laid down in the Ministerial Decree of 10 December 2001 on quality control in rest homes, day-care centres, short-stay centres, service flats and sheltered housing complexes in rest homes (<i>Ministerieel besluit inzake kwaliteitszorg in de rusthuizen, centra voor dagverzorging, centra voor kortverblijf, serviceflats en woningcomplexen met dienstverlening in de rusthuizen</i>). The other accreditation standards are specified in Annex A to the Flemish Government Decree of 10 July 1985 laying down the judicial procedure for accreditation and closure of blocks of service flats and sheltered housing complexes (<i>Besluit van de Vlaamse Regering van 10 juli 1985 tot vaststelling van de rechtspleging voor erkenning en sluiting van serviceflatgebouwen en woningcomplexen met dienstverlening</i>).</li> <li>- Affordability: determination of the first daily rate is unrestricted. The following adjustments must be approved by the Flemish Agency for Care and Health (<i>Vlaams Agentschap Zorg en Gezondheid</i>). The composition of the daily rate is specified in Article 1.8 of Annex A to the</li> </ul>
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	<p>Flemish Government Decree of 10 July 1985 laying down the judicial procedure for accreditation and closure of blocks of service flats and sheltered housing complexes, with further details in point 3.3 of the Annex to Circular SFG/1/96 of 10 September 1996 providing clarification on the operation of blocks of service flats and sheltered housing complexes.</p> <p>- Accessibility: in order to be able to obtain prior authorisation, it is necessary <i>inter alia</i> to be able to demonstrate the accessibility of the facility (Article 20 of the Ministerial Decree of 7 June 1999 laying down assessment criteria within the meaning of Article 5 of the Flemish Government Decree of 17 March 1998 establishing the programme for blocks of service flats and sheltered housing complexes (<i>Besluit van de Vlaamse Regering van 17 maart 1998 houdende vaststelling van het programma voor serviceflatgebouwen en woningcomplexen met dienstverlening</i>)).</p> <p>- Continuity of services: accreditation standard 4.2 states that: 'A member of staff, who can respond to any call by an elderly person without delay, must be present at all times, day and night, in the facility itself or in the immediate vicinity.'</p>
<p>Explanation of the (typical) <b>forms of entrustment</b>. If standardised templates for entrustments are used for a certain sector, please attach them.</p>	<ul style="list-style-type: none"> <li>• Decrees relating to facilities for elderly people, coordinated in the Flemish Government Decree of 18 December 1991 (Belgisch Staatsblad/Moniteur belge 20 August 1992);</li> <li>• Residential Care Decree (<i>Woonzorgdecreet</i>) of 13 March 2009 (Belgisch Staatsblad/Moniteur belge 14 May 2009);</li> <li>• Flemish Government Decree of 10 July 1985 laying down the judicial procedure for accreditation and closure of blocks of service flats, sheltered housing complexes, rest homes (Belgisch Staatsblad/Moniteur belge 30 August 1985);</li> <li>• Flemish Government Decree of 5 June 2009 laying down the rules for granting prior authorisation for some residential care facilities (<i>Besluit van de Vlaamse Regering tot vaststelling van de regels voor het verlenen van de voorafgaande vergunning voor sommige woonzorgvoorzieningen</i>) (Belgisch Staatsblad/Moniteur belge 4 September 2009);</li> </ul>

	<ul style="list-style-type: none"> <li>• Ministerial Decree of 7 June 1999 laying down assessment criteria within the meaning of Article 5 of the Flemish Government Decree of 17 March 1998 establishing the programme for blocks of service flats, sheltered housing complexes, rest homes and day-care centres (Belgisch Staatsblad/Moniteur belge 29 September 1999);</li> <li>• Flemish Government Decree of 17 July 1985 laying down the standards which blocks of service flats, sheltered housing complexes or rest homes must meet in order to be eligible for accreditation (Belgisch Staatsblad/Moniteur belge 30 August 1985);</li> <li>• Circular SFG/1/96 of 10 September 1996 providing clarification on the operation of blocks of service flats and sheltered housing complexes;</li> <li>• Ministerial Decree of 10 December 2001 on quality control in rest homes, day-care centres, short-stay centres, service flats and sheltered housing complexes in rest homes (Belgisch Staatsblad/Moniteur belge 28 March 2002);</li> <li>• Flemish Government Decree of 30 November 2001 awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the payment for acquiring ownership of the blocks of service flats constructed on their land under a real estate leasing contract with the CEIC (<i>Besluit van de Vlaamse Regering houdende de toekenning van een subsidie aan Openbare Centra voor Maatschappelijk Welzijn en verenigingen zonder winstoogmerk als tegemoetkoming in de vergoeding voor de verwerving van de eigendom van de serviceflatgebouwen die op hun grond zijn opgericht in het kader van een onroerende leasingovereenkomst met de BEVAK</i>) (Belgisch Staatsblad/Moniteur belge 21 December 2001);</li> <li>• Flemish Government Decree of 16 May 2008 amending the Flemish Government Decree of 30 November 2001 awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the payment for acquiring ownership of the blocks of service flats constructed on their land under a real estate leasing contract with the CEIC. (Belgisch Staatsblad/Moniteur belge 27</li> </ul>
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	<p>August 2008);</p> <p>The award of the subsidy to the initiators is subject to the conditions in Article 12 of the General Agreement between the Flemish Community and the CEIC Serviceflats Invest nv (Belgisch Staatsblad/Moniteur belge 17 January 1996).</p> <p>The subsidy eligibility requirements are laid down in Articles 3, 4 and 5 of the Flemish Government Decree of 30 November 2001 awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the payment for acquiring ownership of the blocks of service flats constructed on their land under a real estate leasing contract with the CEIC:</p> <p>o Article 3. The subsidy shall be granted with effect from the year following the year in which the service flats in question receive accreditation in accordance with the Decrees on facilities for elderly people, coordinated on 18 December 1991. It shall be paid to the initiator in the first quarter of the year to which it relates. The payment shall be made via the custodian of the CEIC. The subsidy shall be paid only for as long as the service flats in question are accredited in accordance with the decrees indicated in the first paragraph.</p> <p>o Article 4: The subsidy shall be a contribution to the payment which the initiator must make to the CEIC at the end of the real estate leasing contract in order to acquire ownership of the service flats. Each year that it receives the subsidy, the initiator shall pay an amount that is at least equal to that subsidy into an account as security for the obligation to make the payment referred to in the first paragraph, as laid down in the real estate leasing contract which it concluded with the CEIC. The amounts paid annually shall be invested continuously and shall be used to make the payment referred to in the first paragraph.</p> <p>o Article 5:</p> <p>1. Each year before 31 January, the initiator shall provide the authorities with proof of the payment it made in accordance with Article 4(2) during the preceding year, by means of a relevant statement of account.</p> <p>2. The initiator shall make the payment referred to in Article 4(1) to the CEIC, as</p>
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	<p>stipulated in the real estate leasing contract concluded between them. No later than one month after that payment, it shall provide the authorities with proof thereof by means of a receipt supplied by the CEIC.</p> <p>3. The authorities may at any time ask an initiator for documents which relate to the subsidy.</p> <p>The subsidy shall be paid only for as long as the service flats in question are accredited (Flemish Government Decree of 30 November 2001 awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the payment for acquiring ownership of the blocks of service flats constructed on their land under a real estate leasing contract with the CEIC). In order to be accredited, the accreditation standards must be met as set out in Annex A to the Flemish Government Decree of 17 July 1985 laying down the standards which blocks of service flats, sheltered housing complexes or rest homes must meet in order to be eligible for accreditation.</p>
<b>Average duration of the entrustment (in years)</b> and the proportion of entrustments that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?	The annual subsidy for each block of service flats or sheltered housing complex is always paid for 18 years.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	No.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	<p>The compensation was determined on the basis of the investment cost for construction of a service flat.</p> <p>Initially, the subsidy was EUR 961.83 per year per flat for 18 years (Flemish Government Decree of 30 November 2001). When this amount was set in 1995, it was calculated on the basis of the option that the subsidy, paid over 18 years and capitalised over 27 years, would constitute a sum equal to the nominal investment costs of a service flat (estimated at that time to be about BEF 2.4 million). This cost price was calculated on the basis of the data relating to the construction costs of the flats built as part of the emergency programme</p>

	<p>for social housing. This calculation included:</p> <p>Net construction cost for service flat with 50 m2 net floor area + 15% communal areas.</p> <p>Additional expenditure for adapted furniture or additional m2 (to allow for the use of standard furniture).</p> <p>Other fixed costs (12% VAT, 6% study costs, 2% for other costs such as soil investigation, technical inspection and ten-year liability insurance).</p> <p>On 16 May 2008, the Flemish Government amended its Decree awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the acquisition of blocks of service flats built on their land under a real estate leasing contract with the CEIC. The subsidy to the initiator was increased from EUR 961.83 to EUR 1,140.43 per flat per year for 18 years, for initiators who, from 1 January 2007, sign a notarially authenticated real estate leasing contract for the construction of service flats with the CEIC. The reasoning behind the increase in the total subsidy sum received by initiators is the rise in construction costs recorded since the start-up phase. Initially, the proposal was to extend the duration of the subsidies to 24 years. In order to achieve the same result while retaining the subsidy period of 18 years, it was necessary to increase the amount of subsidy paid annually. In view of the fact that the capitalisation of 24 annual subsidy amounts (EUR 961.83 per year) at 4.77% interest results in capital of EUR 50 043 after 30 years, the same amount can be achieved by paying 18 annual subsidy amounts of <math>\text{EUR } 961.83 \times 1.1857 = \text{EUR } 1\,140.43</math> per year.</p>
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	Compensation is based on the cost allocation method.
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	<p>In principle, no overcompensation is possible as the average investment cost per flat today is about EUR 114 000 and the total subsidy granted per flat is a maximum of EUR 20 527.74 (<math>1140.43 \times 18</math> years).</p> <p>The subsidy is paid only for as long as the service flats for which the subsidy is granted</p>

	<p>are accredited.</p> <p>For each payment (annual, for 18 years), a check is made to see whether the block of service flats is still accredited, i.e. meets the accreditation standards as described in Annex A to the Flemish Government Decree of 17 July 1985 laying down the standards which blocks of service flats, sheltered housing complexes or rest homes must meet in order to be eligible for accreditation.</p> <p>The subsidy is paid only for as long as the service flats in question are accredited. If a block of service flats which was built with a CEIC no longer meets the accreditation standards and, as a result, is closed, the subsidy is no longer paid (Flemish Government Decree of 30 November 2001 awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the payment for acquiring ownership of the blocks of service flats constructed on their land under a real estate leasing contract with the CEIC).</p> <p>During inspection visits to the facility, a check is carried out to see whether the accreditation standards are still met.</p> <p>The initiator submits a statement of account each year, showing that the annual subsidy is paid and invested in accordance with Article 4(2) of the Flemish Government Decree of 30 November 2001 awarding a subsidy to Public Centres for Social Welfare and not-for-profit associations as a contribution to the payment for acquiring ownership of the blocks of service flats constructed on their land under a real estate leasing contract with the CEIC.</p> <p>There is no specific arrangement for repaying subsidies already paid.</p> <p>Each year, before each payment, the agency itself verifies whether the block of service flats is still accredited and whether an investment certificate has been submitted.</p> <p>Recovery has not taken place in a single dossier.</p>
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<p>A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).</p>	<p>The aid under the CEIC subsidy framework does not exceed EUR 15 million for a single block of service flats or for a single sheltered housing complex. Apart from the CEIC subsidies, no provision is made for any subsidisation of blocks of service flats or sheltered housing complexes.</p>
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in millions EUR).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	<p><u>Subsidy from VAZG (Flemish Agency for Care and Health) 2016:</u>  Public CEIC: EUR 1 934 013.95  Private CEIC: EUR 102 819.09</p> <p><u>Subsidy from VAZG 2017:</u>  Public CEIC: EUR 1 912 578.37  Private CEIC: EUR 102 819.09</p>
<p><b>Additional quantitative information</b></p>	

## 2. Assistance organisations

### Clear and comprehensive description of how the respective services are organised in your Member State

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

The assistance organisation must meet the following statutory licensing conditions (*Article 6 of the Flemish Government Decree of 11 December 2015*):

The agency may award a licence as assistance organisation to a maximum of 5 organisations if they meet the conditions laid down in *Chapter 3 Licensing conditions and licensing requirements of the Flemish Government Decree of 11 December 2015*. In terms of procedure, each candidate assistance organisation must submit an application file to the Flemish Agency for Persons with Disabilities (*Vlaams Agentschap voor Personen met een Handicap, VAPH*). This involves completing a questionnaire, in which the conditions of the Flemish Government Decree of 11 December 2015 are assessed. After approval of this application by the VAPH, a licence is granted. This application procedure is also explained further in Article 15 of the Flemish Government Decree of 11 December 2015.

**Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

The subsidy scheme applies indefinitely but the subsidy to an individual assistance organisation is granted for a maximum of ten years. The subsidy can be stopped or extended after evaluation by the VAPH (in cooperation with the care inspectorate).

In concrete terms, the underlying legislation stipulates the following:

*Provided that the assistance organisation meets the conditions for the specific service provision referred to in this Decree, the subsidy shall last for a period of ten years from the first award of the basic subsidy referred to in Article 16. (Article 3 of the Flemish Government Decree of 11 December 2015).*

The licence granted to the assistance organisation is, however, for an indefinite period (*see Article 6 of the Flemish Government Decree of 11 December 2015*).

Explanation whether (typically) **exclusive or special rights** are assigned to the undertakings.

No.

Which **aid instruments** have been used (direct subsidies, guarantees, etc.)?

Assistance organisations receive an annual operating subsidy of an amount depending on the number of members. (*See Article 16 of the Flemish Government Decree of 11 December 2015*).

The basic subsidy amounts to a minimum of EUR 40 000.

For assistance organisations with more than five hundred members, the basic subsidy amounts to

<p>EUR 90 000.</p> <p>For assistance organisations with fewer than five hundred members, the basic subsidy is calculated according to the formula: the number of members divided by five hundred multiplied by EUR 90 000.</p> <p>A subsidy of EUR 170 is also granted for each affiliated authorising officer.</p>	
<p>Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.</p>	
<p>Assistance organisations are in each case granted an amount calculated on the basis of the number of affiliated members (<i>see above</i>).</p>	
<p>Typical <b>arrangements for avoiding and repaying any overcompensation.</b></p>	
<p>Assistance organisations must keep separate accounts for the service of general economic interest, are subject to strict conditions for the setting aside and use of reserves and must be able to account for their expenditure with regard to this service of general economic interest (<i>Chapter 2 and Article 18 of the Flemish Government Decree of 11 December 2015</i>). Compliance with this Decree is monitored on a regular basis and at least every three years (<i>Article 3(2) of the Flemish Government Decree of 11 December 2015</i>).</p> <p>Where the use of subsidies cannot be accounted for, they are recovered (<i>Chapter V of the Act of 16 May 2003 laying down the general conditions applicable to budgets, control of subsidies and the accounting of communities and regions, as well as for the organisation of the audit by the Court of Audit (Wet van 16 mei 2003 tot vaststelling van de algemene bepalingen die gelden voor de begrotingen, de controle op de subsidies en voor de boekhouding van de gemeenschappen en de gewesten, alsook voor de organisatie van de controle door het Rekenhof)</i>).</p>	
<p>A short explanation of how the <b>transparency requirements</b> are being complied with.</p>	
<p>In the past years (2016 and 2017), there were no instances of aid to individual assistance organisations exceeding EUR 15 million on an annual basis.</p>	
<p><b>Amount of aid granted</b></p>	
<p><b>Total amount of aid granted (in millions EUR).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)</p>	
<b>2016</b>	<b>2017</b>
0.61	0.95
<p><b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b></p>	
<b>2016</b>	<b>2017</b>
<p><b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b></p>	
<b>2016</b>	<b>2017</b>
0.61	0.95
<p><b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b></p>	

2016	2017
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
2016	2017
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
2016	2017
Membership of assistance organisations: 2 288	Membership of assistance organisations: 3 844

### 3. Childcare

#### Clear and comprehensive description of how the respective services are organised in your Member State

a. Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

##### Definition of childcare

(Article 2, 2°, of the Decree of 20 April 2012 regarding the organisation of childcare for babies and toddlers) (*Decreet houdende de organisatie van kinderopvang van baby's en peuters*)

‘childcare for babies and toddlers, namely looking after, contributing to the development of and caring for babies and young children, on a professional basis and in return for payment, until they go to nursery school, as specified in Article 3, 26°, of the Decree of 25 February 1997 on primary education (*Decreet basisonderwijs*)’

##### Location of childcare

Childcare may be organised only if the organiser has a licence for childcare. In order to obtain and hold a licence, the organiser must comply with the licence conditions. The licence conditions must guarantee a minimum quality. There is no corresponding subsidy for this, and it applies to everyone (Flemish Community) who wants to organise childcare. In other words, an organiser of childcare must always comply with the licence conditions without receiving a subsidy/State aid for this purpose.

Organisers with a licence (i.e. who already comply with the licence conditions and consequently guarantee a minimum quality) can obtain one or more subsidies if they meet additional conditions, namely subsidy conditions. These are conditions which are linked to specific services and specific tasks which the organisers would not undertake without subsidy. Organisers must fulfil specific subsidy conditions, depending on the subsidy. The government subsidises provision of these specific services.

##### Services which are subsidised

(The following references to articles concern articles from the Flemish Government Decree of 22 November 2013 establishing subsidies and the conditions attached thereto for the provision of specific family-based and group-based childcare services for babies and toddlers (*Besluit van de Vlaamse Regering houdende de vergunningsvoorwaarden en het kwaliteitsbeleid voor gezinsopvang en groepsopvang van baby's en peuters*). Official title: Subsidies Decree of 22 November 2013.)

##### Basic subsidy

Article 1, 1° (definition) ‘basic subsidy: the subsidy for provision of the basic service, operated as specified in Article 7 of the Decree of 20 April 2012’.

Conditions for Specific Services – Basic subsidy (Articles 14, 15 and 16)

‘Article 14. Organisers shall provide at least 220 opening days per full calendar year at the level of:

1° the subsidised group, for home-based care;

2° each childcare facility for which the organiser fulfils the conditions specified in Articles 15 and 16, for group-based care.

The number of days specified in the first paragraph shall be reduced proportionally:

1° for home-based care, if none of the childcare facilities operate for a full calendar year;

2° for group-based care, if the childcare facility does not operate for a full calendar year.



The Minister shall issue the detailed rules for calculating this proportion.

Article 15. Organisers shall have a certificate of active knowledge of Dutch for the childcarers, as established by the Minister, showing that the level of competence achieved in the language is CEFR level B1 for listening and conversation and CEFR level A2 for reading and writing.

For every three full-time equivalent childcarers, at organiser level, with a certificate of active knowledge of Dutch as specified in the first paragraph, organisers may employ one childcarer without such a certificate, on condition that:

1° this childcarer obtains that certificate a maximum of four years after starting work as a childcarer for the organiser;

2° a childcarer with that certificate is always present at the childcare facility.

Article 16. Organisers shall ensure that the number of different children enrolled each year is at least equivalent to the number of subsidised places at the level of the subsidised group.’

### **Subsidy for income-related charges**

Article 1, 17° (definition) ‘subsidy for income-related charges: the subsidy for the provision of childcare for which the families pay an income-based price, and for providing access to childcare for certain families, specified in Article 8 of the Decree of 20 April 2012’.

Conditions for Specific Services (Articles 20 to 36/1 + conditions for basic subsidy<sup>1</sup>)

‘Section 1. Opening hours and occupancy

Article 20. Organisers shall ensure that, on the minimum opening days specified in Article 14, the facility is open for an uninterrupted period of at least eleven hours between 6:00 and 20:00.

Article 21. Organisers shall have an occupancy rate of at least 80% per calendar year. Occupancy shall be calculated on the basis of 220 opening days and the number of subsidised childcare places for which the organiser receives the subsidy for income-related charges.

All childcare services performed for the children cared for at the childcare facilities of the same subsidised group, which comply with the conditions specified in Articles 20 to 36, shall be eligible for calculation of the occupancy rate.

The Minister shall issue the detailed rules, including calculation of the occupancy rate.

Section 2. Access for certain families

Article 22. Organisers shall give priority to certain families in the following way:

1° Absolute priority shall be given to families requiring childcare because of their work situation. When choosing between applications, organisers shall always give priority to the application from a family requiring childcare in order to look for work or to keep a job or to pursue vocational training for this purpose;

2° Priority shall be given to single parents;

3° Priority shall be given to families with an income which is below a certain amount;

4° Priority shall be given to foster children who need childcare;

5° Priority shall be given to children who have a brother or sister being cared for at the childcare facility.

Furthermore, organisers shall ensure that at least 20% of all children who are cared for on an annual basis are children from families who fulfil at least two of the first four criteria set out in the first paragraph. Children from vulnerable families shall also be included for the purpose of calculating that percentage. That percentage shall be calculated across all childcare facilities of the subsidised group which apply the income-related charges specified in Article 28. Until 20% is reached, it shall be possible to depart from the absolute priority specified in the first paragraph, point 1°.

Organisers shall include the way in which they apply priority in their rules and regulations.

<sup>1</sup> See point ‘e’ for further information on this subject: the application of a graded system for the composition of the subsidy conditions for the basic subsidy, subsidy for income-related charges and ‘*plussubsidie*’ (a subsidy for vulnerable families), among others.

The Minister shall issue the detailed rules, including the amount of income.

Article 23. In accordance with Article 8, §1, of the Decree of 20 April 2012, at childcare facilities in the bilingual region of Brussels-Capital, priority shall be given to children with at least one parent who has a sufficient command of Dutch, up to a maximum of 55% of their care capacity, subject to the provisions of Article 8, §1, of the aforementioned Decree.

Furthermore, organisers shall ensure that at least a percentage of all children cared for on an annual basis, as specified by the organiser and up to a maximum of 55%, shall be children from families as specified in the first paragraph. This percentage shall include a minimum of one child and is justified on the grounds of its necessity and proportionality in relation to the objective to be achieved, namely that children in the bilingual Brussels Capital Region who are being brought up using Dutch within the family can have continuity with that language in childcare. That percentage shall be calculated across all childcare facilities of the subsidised group which apply the income-related charges specified in Article 28.

Organisers shall include the way in which they apply this priority in their rules and regulations.

### Section 3. Organisational management

Article 24. Organisers with more than eighteen places eligible for subsidy at the level of the organiser shall be a legal entity pursuing a social objective.

Article 25. Organisers, as specified in Article 24, shall ensure that the group-based childcarers required according to the number of children present at the same time have employee status.

This requirement, specified in paragraph 1, shall not apply to the childcarer who is also the person in charge.

Article 26. Organisers specified in Article 24:

1° shall keep accounts according to the double-entry principle and shall attach an extension to their system of accounts;

2° shall draw up a financial report each year consisting of:

- a) approved annual accounts of the legal entity;
- b) a profit and loss account, subdivided according to group-based care or home-based care;
- c) a list of all subsidy amounts, linked to childcare, which have been awarded by an authority, stating the awarding authority and the purpose of the subsidy.

The conditions specified in the first paragraph, 1°, and 2°(a) and (b), shall not apply to a public administration. A public administration shall have a profit and loss account, subdivided according to group-based care or home-based care.

Organisers shall have the financial report available no later than seven months after the end of the financial year.

The Minister shall issue the detailed rules, including for the extension attached to the system of accounts.

### Section 4. System of income-related charges

#### Sub-section 1. System for all childcare places at the childcare facility

Article 27. Organisers shall apply the system of income-related charges, specified in Articles 28 to 36, for all childcare places at the childcare facility, except for the children who form part of the home environment of the home-based childcarer and for whom the childcarer is responsible.

#### Sub-section 2. Payment for reserved childcare days

Article 28. Under Article 8, §3, 1°, of the Decree of 20 April 2012, families shall pay for the childcare days they have reserved. More specifically, contract-holders shall pay for the childcare days they have reserved, as laid down in the care plan specified in the written agreement, and for any additionally agreed childcare days.

The contract-holder shall pay:

1° when the child is present at the childcare facility: the income-related charge or the individually reduced income-related charge calculated or determined in accordance with Articles

32 to 34/1;

2° when the child is absent: a charge to be fixed by the organiser with a maximum of the maximum charge, as specified in Article 33, §2, 3°. The organiser shall include that amount in the rules and regulations and in the written agreement.

Article 29. By way of derogation from Article 28, the contract-holder shall pay nothing for:

1° reserved childcare days which fall on days when the childcare facility is closed;

2° justified days of absence. Justified days of absence are childcare days reserved in the care plan on top of the days of closure, referred to in point 1°, on which the contract-holder does not send the child to childcare and for which the organiser must allow at least a minimum number per calendar year, regardless of the reason. The organisers shall include that number in the rules and regulations and in the written agreement.

The Minister shall determine the minimum number of justified days of absence per calendar year available to the contract-holder.

Article 29/1. By way of derogation from Article 28, the organisers may determine that there is no charge for reserved childcare days that fall under families' right to allow their children to become accustomed to childcare. Organisers shall include this exception explicitly in the rules and regulations and in the written agreement.

Article 30. The income-related charge shall cover childcare services for a period of up to eleven hours, excluding night-time. 60% of the income-related charge shall be applicable to childcare services for a period of up to five hours. In any event, the lowest possible amount shall be the amount of the lowest possible income-related charge, as established by the Minister.

The Minister shall issue the detailed rules for determining the length of stay.

Article 31. Families shall not pay anything on top of the income-related charge, except for an additional charge which organisers may require for:

1° specified additional costs;

2° the reservation or guarantee of a childcare place. If organisers ask for a registration fee, guarantee or any other sum, regardless of its name, before commencement of the childcare, it may be for a maximum amount only and as a guarantee for the following obligations of the contract-holder, which derive from the written agreement or the rules and regulations:

a) compliance with the written reservation of a childcare place;

b) payment of invoices;

c) compliance with cancellation terms.

The Minister shall issue the detailed rules for determining the additional charge.

Sub-section 3. Determination of income-related charges

Article 32. The contract-holder shall require a certificate of the income-related charges so that the contract-holder's child can receive childcare provided by organisers who apply the income-related charges system.

The contract-holder shall request a certificate of the income-related charges via the calculation tool on the Kind en Gezin (Child and Family) website, using his or her electronic identity card. This online tool shall calculate or determine the income-related charges or individually reduced income-related charges for the contract-holder on the basis of the contract-holder's income and, if applicable, that of any cohabiting person. The certificate of income-related charges shall state at least the income-related charge, a start date and an end date.

The contract-holder shall request a certificate of income-related charges at the following times:

1° within the two-month period prior to the month of commencement of childcare, unless such commencement of childcare is last-minute, in which case no more than 30 calendar days after the start of the childcare;

2° the month in which the cohabiting person changes and such change is apparent from the Crossroads Bank for Social Security;

3° the month in which an additional child is listed as a dependant of the contract-holder or the

cohabiting person;

4° within the two-month period prior to the expiry date of the income-related charge or the individually reduced income-related charge.

The contract-holder shall be issued with the certificate of income-related charges after requesting it, as well as automatically after indexation. The contract-holder shall present the certificate of income-related charges from Kind en Gezin to the organiser after each issuance of the certificate of income-related charges.

If necessary, organisers shall provide the contract-holder with information and support about the correct use of the online tool. In the event that the contract-holder cannot make use of the online tool, organisers shall take this task upon themselves. Organisers shall be given access to the online tool via a specific module and in accordance with the administrative guidelines of Kind en Gezin. Organisers shall employ the tool using the information provided to them by the contract-holder.

The Minister shall issue the detailed rules applicable to the start date and the end date on the certificate of income-related charges.

Article 32/1. If the contract-holder and, where applicable, the cohabiting person, indicate in their application for a certificate of income-related charges that they do not wish to disclose their income, the maximum charge shall apply. Reductions shall however apply to this maximum charge.

The maximum charge shall not apply if the contract-holder who does not wish to disclose his or her income applies for a certificate of income-related charges for a foster child residing at his or her address. The contract-holder may indicate this situation, as specified in Article 34, §1, 3°.

The Minister shall issue the detailed rules concerning the amount of the maximum charge and the applicable reductions.

Article 33. §1. If the contract-holder or, where applicable, the cohabiting person or both, has a Belgian notice of assessment for personal income tax and supplementary taxes, the online calculation tool shall be applied automatically, specifically on the basis of the income as specified in the most recent notice of assessment, as supplied by the Federal Public Service Finance and on the basis of the details supplied by the Crossroads Bank. The contract-holder shall enter the number of child dependants in the online tool if this is not supplied by the Crossroads Bank.

If the contract-holder or, where applicable, the cohabiting person or both, does not have a Belgian notice of assessment for personal income tax and supplementary taxes, but does have income which he or she can demonstrate on the basis of a formal document, then the income-related charges shall be calculated on the basis of the income as specified in this formal document: 1° upon the start date of childcare based on the income of:

- a) the month preceding the month of the application for a certificate of income-related charges;
- b) if the childcare starts directly following maternity leave, the month preceding the commencement of maternity leave;

2° during the course of childcare based on the income from the month preceding the month of the application for a certificate of income-related charges.

If the contract-holder or, where applicable, the cohabiting person, does not have any income and can demonstrate this on the basis of a formal document, the income-related charges shall be calculated on the basis of that single income. If there is no cohabiting person, the standard minimum charge shall apply, in the presence of a formal document.

§2. The calculation shall be based on the following principles:

1° income, up to a specified amount, shall be multiplied by a coefficient. Above that specified amount, a banded system shall apply;

2° a standard minimum charge shall apply;

3° a maximum charge shall apply;

4° reductions shall apply.

§3. The Minister shall issue the detailed rules, including what income is taken into account in the absence of a Belgian notice of assessment for personal income tax and supplementary taxes, which cohabiting person is liable, and detailed principles for calculating the income-related charge, the amount for the standard minimum charge, the amount for the maximum charge and the indexation.

Article 34. §1. If the contract-holder can demonstrate, based on official documentation, that one of the following situations applies to the family, he or she can select this situation using the online tool. The system will use this to automatically calculate an individually reduced income-related charge. The following situations may be selected:

1° the contract-holder or, if applicable, the cohabiting person:

a) at the time of applying for an individually reduced income-related charge, is receiving disability benefit under Article 100 of the Act of 14 July 1994 regarding mandatory insurance for medical healthcare (*Wet betreffende de verplichte verzekering voor geneeskundige verzorging*), and this had not yet been accounted for in the previously calculated income-related charge;

b) has been receiving full unemployment benefit or self-employed bankruptcy benefit for six consecutive months prior to the application for an individually reduced income-related charge, and this had not yet been accounted for in the previously calculated income-related charge;

c) has income that is not increasing and the other person has documents attesting to decreased income, in a situation that will persist for at least twelve consecutive months. Such an attestation must specifically demonstrate that:

1) in the case of an employee: that their income is at least 50% lower than the income as reported for the previously calculated income-related charge;

2) in the case of a self-employed person: that they have been paying contributions based on income that was established in accordance with Article 11, §3, sixth paragraph, of the Belgian Royal Decree No. 38 of 27 July 1967 organising the social status of self-employed persons (*Koninklijk besluit nr 38 houdende inrichting van het sociaal statuut der zelfstandigen*);

d) receives a subsistence income as laid down in the Act of 26 May 2002 concerning the right to social integration (*Wet betreffende het recht op maatschappelijke integratie*), or is entitled to a subsistence income by decision of the Public Social Welfare Centre (OCMW) to grant a subsistence income;

e) receives a subsistence income as laid down in the Act of 26 May 2002 concerning the right to social integration, or is entitled to a subsistence income by an OCMW decision to grant a subsistence income, and at least one of the two persons has an attestation from the Flemish Employment and Training Service (VDAB) or the OCMW regarding a training course;

2° the contract-holder or, where applicable, the cohabiting person:

a) has an income that is lower than the income that triggers the standard minimum charge and at least one of the two persons is taking part in an integration programme;

b) has an income that is lower than the income that triggers the standard minimum charge and both persons are employed for an average of at least 19 hours a week;

c) in application of Article 57ter of the organic law of 8 July 1976 concerning the OCMWs (*Organieke wet betreffende de openbare centra voor maatschappelijk welzijn*), is not entitled to social services provided by the OCMW, and is in possession of a certificate from the Federal Agency for the Reception of Asylum Seekers or one of its partners within the meaning of Article 2, 9°, of the Act of 12 January 2007 concerning the reception of asylum seekers and other particular categories of foreign nationals (*Wet betreffende de opvang van asielzoekers en van bepaalde andere categorieën van vreemdelingen*), which states that the family is entitled to material assistance within the meaning of Article 2, 6°, of the aforementioned Act of 12 January 2007, or medical

support within the meaning of Articles 24 and 25 of the same Act of 12 January 2007;  
3° the contract-holder requests the certificate of income-related charge for a foster child in their household.

§2. The individually reduced income-related charge shall be determined by way of:

- 1° a 25% or 50% reduction of the calculated income-related charge;
- 2° the standard minimum charge;
- 3° an exceptional minimum charge;
- 4° the lowest possible income-related charge.

An individually reduced income-related charge shall be granted for one year, unless:

- 1° it is for a foster child, in which case the charge shall apply until the child no longer resides with the contract-holder;
- 2° there is an earlier moment at which the contract-holder is required to request a new certificate of income-related charge as provided for in Article 32, third paragraph.

§3. The Minister shall issue the detailed rules, including the amounts of the individually reduced income-related charges.

Article 34/1. Contract-holders in possession of a certificate of income-related charge may request that the OCMW recalculate the income-related charge. If it emerges that the contract-holder lacks the financial resources to pay the income-related charge last calculated or the individually reduced income-related charge last determined, the OCMW shall determine an individually reduced income-related charge.

The OCMW shall electronically report the amount of the individually reduced income-related charge to Kind en Gezin. The OCMW may decide to apply the amount retroactively.

For contract-holders resident in the bilingual Brussels Capital Region, the organisers shall fulfil the role of the OCMW if the OCMW does not do so. In such cases, organisers shall be subject to the provisions as stated in this Article, which apply to the OCMW.

The Minister shall issue the detailed rules, including the amounts of the individually reduced income-related charges.

#### Sub-section 4. Invoicing and collection of income-related charges

Article 35. Organisers shall be responsible for invoicing and collection of the income-related charge, calculated or individually reduced as indicated in Articles 32 to 34, with respect to the contract-holder. Kind en Gezin shall inform organisers as to the income-related charge applicable to the contract-holders making use of their childcare facility.

The Minister shall issue the detailed rules.

#### Sub-section 5. Incorrect information or failure to pass on up-to-date information

Article 36. Contract-holders shall retain documents concerning the application referred to in Articles 33, 34 and 34/1, for a period of five years. Contract-holders shall submit the documents to Kind en Gezin upon request.

If the contract-holder provides incorrect information or fails to pass on up-to-date information:

- 1° Kind en Gezin shall determine the correct income-related charge and organisers shall invoice that charge to the contract-holder in the future. Kind en Gezin shall not make any rectifications retroactively;
- 2° Kind en Gezin may hold contract-holders liable for compensation retroactively. This compensation shall amount to double the correct income-related charge per childcare day as included in the care plan.

Article 36/1. Within the three months following issuance of the certificate of income-related charge, contract-holders may alert Kind en Gezin to errors in their certificate of income-related charge, in accordance with the administrative guidelines of Kind en Gezin. If this leads to a newly issued certificate of income-related charge, contract-holders shall submit the new certificate of income-related charge to the organiser. Kind en Gezin shall not make any

rectifications retroactively.’

### **‘Plussubsidie’**

Article 1, 14° (definition) ‘*plussubsidie*: the subsidy for implementation of childcare tasks in support of vulnerable families and for provision of access for those families, as set out in Article 9 of the Decree of 20 April 2012’

Definition of vulnerable family: a family fulfilling at least two criteria (see Article 1, 10°, of the Decree).

Conditions for Specific Services (Articles 38 to 40 + conditions for basic subsidy and subsidy for income-related charge)

#### **‘Section 1. Access for certain families**

Article 38. Organisers shall give priority to vulnerable families. When choosing between applications, organisers shall always give priority to the application from the vulnerable family. Moreover, priority shall be given to families requiring childcare because of their work situation, as indicated in Article 22, first paragraph, 1°, only in the absence of an application for a vulnerable family.

Furthermore, organisers shall ensure that at least 30% of the children who are cared for on an annual basis are children from vulnerable families. That percentage shall be calculated over all childcare facilities of the subsidised group which apply the conditions referred to in Articles 39 and 40.

Organisers shall include the way in which they apply this priority in their rules and regulations.

The Minister shall issue the detailed rules, including the amount of income as a criterion for the financial situation of a vulnerable family.

#### **Section 2. Operation**

Article 39. Organisers shall ensure:

1° implementation of a proactive inclusion policy to give vulnerable families a childcare place in their own childcare facility, with consideration for occasional and urgent childcare, in cooperation with other organisers, with agencies that work with families who may have childcare issues, and with the local childcare offices in the care district;

2° coordination of the impact on vulnerable families;

3° development and dissemination, within the sector, of their own expertise in dealing respectfully with differences between families, with particular attention to vulnerable families, in cooperation with pedagogical support organisations and with the local childcare consultative body;

4° joint implementation of local objectives with regard to social family policy, as laid down in the local government multi-annual planning, in cooperation with local government and with other local actors;

5° efforts are made to recruit employees from vulnerable groups and to offer them equal opportunities at the childcare facility;

6° that they work on participation and involvement of families, employees and the neighbourhood, and that they promote cohesion between these families, employees, the neighbourhood and the operation of the childcare facility;

7° appropriate use of staff or specific expertise.

Article 40. Organisers shall have procedures and processes for provision of the services referred to in Article 39. Organisers shall include these procedures and processes in their quality manual, and more specifically in the quality management system.’

### **Subsidy for childcare with flexible opening times**

Article 1, 17°/1 (definition) ‘subsidy for childcare with flexible opening times: the subsidy for the provision of childcare at flexible opening times, as referred to in Article 10, 1°, of the Decree of 20 April 2012. This subsidy shall comprise three different forms:

- a) **subsidy for flexible home-based care:** the subsidy for childcare at flexible opening times in a childcare facility for home-based care;
- b) **subsidy for flexible group-based care:** the subsidy for childcare at flexible opening times in a childcare facility for group-based care;
- c) **subsidy for flexible hourly packages of group-based care:** the subsidy for childcare services at flexible opening times, for a number of hourly packages allocated by Kind en Gezin;’  
Definition of flexible opening times: see Article 1, 3°/1 of the Decree.

#### **Subsidy for flexible home-based care**

Conditions for Specific Services (Articles 40/2 to 40/4)

‘Article 40/2. Organisers shall provide for childcare at flexible opening times.

Article 40/3. The contract-holder shall pay for childcare services at flexible opening times:

1° for a period of up to eleven hours between 6:00 and 20:00, or at night: an income-related charge as indicated in Articles 30 to 34;

2° for a period of eleven hours or longer between 6:00 and 20:00, or at night: 160% of the income-related charge indicated in point 1°.

Article 40/4. Organisers shall have a policy on childcare with flexible opening times, taking into account the capacity of the child, and shall include this in the rules and regulations.

Organisers with more than 18 licensed childcare places shall set out in the quality manual, more specifically in the quality management system, what form the policy on childcare at flexible opening times takes.’

#### **Subsidy for flexible group-based care**

Conditions for Specific Services (Article 40/6)

‘Article 40/6. Organisers shall provide for at least 440 hours of childcare at flexible opening times per calendar year.’

#### **Subsidy for flexible hourly packages for group-based care**

Conditions for Specific Services (Articles 40/8 to 40/10)

‘Article 40/8. Organisers shall provide for at least 150 child attendances per hourly package. Child attendance means: the attendance of a child per start of the hour, at flexible opening times.

Article 40/9. The contract-holder shall pay the income-related charge referred to in Article 40/3.

Article 40/10. Organisers shall comply with conditions referred to in Article 40/4.’

#### **Subsidy for inclusive childcare**

Article 1, 15° (definition) ‘subsidy for inclusive childcare: the subsidy for implementation of tasks with regard to inclusive childcare for children with specific care needs, referred to in Article 10, 2°, of the Decree of 20 April 2012’.

This subsidy comprises three forms of subsidy:

- subsidy for individual inclusive childcare
- subsidy for structural inclusive childcare
- subsidy for a Centre for inclusive childcare

Article 1, 16° (definition) ‘**subsidy for individual inclusive childcare:** the subsidy for the provision of inclusive childcare for an individual child with specific care needs, for whom Kind en Gezin has made a specific allocation for a certain duration’

Conditions for Specific Services (Articles 42 to 44)

‘Article 42. Organisers shall ensure that more intensive care is offered for children with specific care needs, consisting of:

1° adapted infrastructure;

2° adapted use of staff or specific expertise;

3° adapted pedagogical procedures and specific pedagogical support.

Article 43. Organisers shall subscribe to the general principles of Article 3 of the International Convention of 13 December 2006 on the Rights of Persons with Disabilities.

Article 44. Organisers shall regularly assess the way in which they implement the conditions set



out in Article 42 and adjust the operation as necessary.’

Article 1, 18° (definition): ‘**subsidy for structural inclusive childcare**: the subsidy for implementation of the structural development of inclusive childcare within a childcare facility;’

Conditions for Specific Services (Articles 47 to 50)

‘Article 47. Organisers shall ensure that more intensive care is offered in a structured way for children with specific care needs, consisting of:

1° adapted infrastructure;

2° adapted use of staff or specific expertise;

3° adapted pedagogical procedures and specific pedagogical support;

4° specific analysis-based annual training.

Article 48. Organisers shall ensure that each childcare facility where inclusive childcare takes place is linked to a network of available institutions or care-providers with specific expertise related to children with specific care needs, which can be called on for collaboration.

Article 49. Organisers shall have an occupancy rate of at least 60% per calendar year. Occupancy shall be calculated on the basis of the number of subsidised childcare places for which the organiser receives the subsidy for structural inclusive childcare.

To calculate the occupancy rate, all childcare services provided for the children with specific care needs cared for at the childcare facilities of the same subsidised group shall be taken into account.

The Minister shall issue the detailed rules, including the calculation of the occupancy rate.

Article 50. Organisers shall pursue a policy regarding such inclusive childcare, taking account of the condition set out in Article 43, and shall include this in the rules and regulations.

Organisers with more than 18 licensed childcare places shall set out the inclusive childcare in the quality manual, more specifically in the quality policy and in the quality management system.’

Article 1, 14°/1 (definition) ‘**subsidy for a Centre for inclusive childcare**: the subsidy for pursuing a proactive inclusion policy, implementation of inclusive childcare, dissemination of expertise and raising awareness of inclusive childcare, in cooperation with other actors responsible for inclusion, granted to an organiser with at least 22 subsidised childcare places with a subsidy for income-related charges within that care district;’

Conditions for Specific Services (Articles 50/2 to 50/5)

‘Article 50/2. Organisers shall ensure:

1° implementation of a proactive inclusion policy to give children with specific care needs a childcare place in one or more of their own childcare facilities, in cooperation with other organisers, with agencies which work with families with a child with a specific care need and with the local childcare offices in the care district;

2° implementation of inclusive childcare in one or more of their own childcare facilities, in which they cooperate with a network of available institutions or care-providers with specific expertise with regard to children with specific care needs, which can be called on for collaboration, or with associations of families as practical experts, so that at least the tasks set out in Article 50/4 are carried out;

3° the development and dissemination of expertise for implementation of inclusive childcare within the entire care district, in cooperation with pedagogical support organisations accredited by Kind en Gezin and with the local childcare consultative bodies, paying particular attention to mentoring programmes to support other childcare organisers in implementing inclusive childcare. The objective is for at least seven childcare facilities to provide care for at least one child with specific care needs;

4° joint implementation of local and provincial objectives with regard to inclusion, as laid down in the multi-annual planning of the local or provincial government, in cooperation with local government and with other actors who work in the care district and are responsible for support of persons with a disability or for related policy;

- 5° raising awareness of childcare organisers and partners in the care district regarding implementation of inclusive childcare;
- 6° providing information for and facilitating the involvement of families and interested parties in the tasks set out in points 1° to 4°;
- 7° a tailored use of staff for carrying out the tasks set out in points 1° to 6°.

The childcare facilities indicated in point 3° of the first paragraph shall be located within the care district of the organiser and shall be the facilities of other organisers. For an organiser of home-based care, his or her own childcarers cannot be included in the number of childcare facilities to be supported.

Article 50/3. Organisers shall fulfil the conditions laid down in Article 50.

Article 50/4. Within the care district in which they are authorised as a Centre for inclusive childcare, each year organisers shall:

- 1° provide care for at least seven children with specific care needs;
- 2° provide at least 750 childcare services for children with specific care needs.

Organisers shall receive a subsidy for individual inclusive childcare for the children referred to in the first paragraph.

Article 50/5. Organisers shall play an active part in the mentoring programmes for development of the Centres for inclusive childcare which Kind en Gezin organises in cooperation with the Flemish Agency for People with Disabilities.'

b. Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

Entrustment takes place on the basis of an act by a public authority; in the case of childcare, on the basis of the Subsidies Decree of 22 November 2013. In accordance with this act, a decision memorandum (a global memorandum with a decision on all applications) is then drawn up, which is signed by the general administrator of the independent government agency Kind en Gezin, and an individual entrustment decision for the applicant.

This individual entrustment takes place after a budget allocation exercise. The programming rules and specifications regarding calls for tenders are laid down in the Procedural Decree (Flemish Government Decree) of 9 May 2014 and a Ministerial Decree concerning its implementation. The information that must be included in the entrustment decision in accordance with Article 4 of Decision 2012/21/EU is contained in the combination of these separate documents.

c. **Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

Almost all the subsidies have been granted for 10 years, with the exception of the subsidy for individual inclusive childcare, which is linked to the childcare for one specific child and which, therefore, can only be applicable within one specific period (in practice this is equivalent to a period of approximately two years at most).

d. Explanation whether (typically) **exclusive or special rights** are assigned to the undertakings.

There are no special rights.

e. Which **aid instruments** have been used (direct subsidies, guarantees, etc.)?

The aid consists of direct subsidies.

The subsidies (basic subsidy, subsidy for income-related charges and '*plussubsidie*') are based on an incremental system. This means that a multi-tiered system is used both for the subsidy conditions and for the subsidy amount.

For example, for the '*plussubsidie*':

- organisers must fulfil the conditions for specific services linked to the basic subsidy + the subsidy for income-related charges + the '*plussubsidie*',
- the subsidy amount is made up of the subsidy amount of the basic subsidy + the subsidy for income-related charges + the '*plussubsidie*'.

Therefore, the more services provided, the bigger the subsidy given, since the subsidy increases as more costs are incurred for carrying out the specific services. The subsidy given does not exceed that which is necessary to enable the specific services to be carried out.

Incremental system: Article 7 of the Subsidies Decree

'Article 7. The basic subsidy, the subsidy for income-related charges and the '*plussubsidie*' shall be awarded according to the following incremental system:

1° an eligible childcare place from a higher tier can be awarded only if that place is also an eligible childcare place at a lower tier, more specifically:

a) the '*plussubsidie*' referred to in Title 4 can be granted only if the organiser has been granted the subsidy for income-related charges referred to in Title 3;

b) the subsidy for income-related charges referred to in Title 3 can be granted only if the organiser has been granted the basic subsidy referred to in Title 2;

2° the number of eligible childcare places at a higher tier shall never be higher than the number of eligible childcare places at a lower tier, more specifically:

a) the number of childcare places for which the organiser receives the subsidy for income-related charges referred to in Title 3 can never be higher than the number of childcare places for which the organiser receives the basic subsidy referred to in Title 2;

b) the number of childcare places for which the organiser receives the '*plussubsidie*' referred to in Title 4 can never be higher than the number of childcare places for which the organiser receives the subsidy for income-related charges referred to in Title 3.'

In addition to the incremental system, there are two forms of subsidy (subsidy for flexible opening times and subsidy for inclusive childcare) which are more modular.

Awarding of 'modular' subsidy: Article 7/1 of the Subsidies Decree

'Article 7/1. The subsidies for inclusive childcare shall be awarded in the following way:

1° the subsidy for individual inclusive childcare may be awarded if the organiser has a licence;

2° the subsidy for structural inclusive childcare or the subsidy for a Centre for inclusive childcare may be awarded if the organiser has been awarded at least a subsidy for income-related charges;

3° the subsidy for individual inclusive childcare may be combined with a subsidy for structural inclusive childcare or with a subsidy for a Centre for inclusive childcare;

4° the subsidy for structural inclusive childcare may not be combined with the subsidy for a Centre for inclusive childcare within the same care district;

5° the number of eligible childcare places with a subsidy for structural inclusive childcare shall never exceed the number of eligible childcare places based on the incremental system.

The subsidies for childcare with flexible opening times shall be awarded in the following way:

1° the subsidy for flexible group-based care may be awarded if the organiser has a basic subsidy. The number of eligible childcare places with a subsidy for flexible group-based care may never exceed the number of eligible childcare places with a basic subsidy;

2° the subsidy for flexible home-based care and the subsidy for flexible hourly packages of group-based care may be awarded if the organiser uses them at a childcare facility which has a subsidy for income-related charges.'

f. Typical **compensation mechanism** as regards the respective services and whether a

methodology based on cost allocation or the net avoided cost methodology is used.

The amounts are determined on the basis of the costs incurred by the organiser for carrying out the specific services.

In other words, the level of the subsidy amounts depends on a number of concrete parameters, which determine the costs incurred by organisers, such as the number of childcare services provided by the organiser and the average age of staff employed, since this too is a determining factor in the costs.

Furthermore, the regulations further stipulate a number of quantitative conditions that must be met, which ensure that, in principle, organisers will not receive too much subsidy if they comply with these conditions (e.g. provide places for a certain number of children from vulnerable families, achieve an occupancy rate of at least 80%, have minimum opening hours per day and per year, use a certain pricing system with respect to parents, etc.). (The conditions can be found under heading a, with the summarised articles/provisions concerning the specific services per subsidy.)

‘Article 11. The basic subsidy for home-based care shall be EUR 267.30 per subsidised childcare place per calendar year.

Article 12. The basic subsidy for group-based care shall be EUR 578.37 per subsidised childcare place per calendar year.

Article 13. The amount indicated in Articles 11 and 12 shall be reduced proportionally for a subsidised childcare place that is not assigned for a full calendar year.

The Minister shall issue the detailed rules for calculation of this proportion.’

‘Article 17. The subsidy for income-related charges for home-based care shall be made up of:

1° a part based on childcare services;

2° a part based on the age of the persons in charge and of the employees who are responsible at the childcare facility for providing systematic support for the person in charge and who fulfil the conditions regarding knowledge of Dutch and the qualifications which the person in charge must satisfy.

The part based on childcare services indicated in point 1° of the first paragraph shall be calculated as follows:

1° the subsidy shall be EUR 21.90 for a childcare service lasting between five and eleven hours and 60% of that amount for a childcare service lasting less than five hours;

2° all childcare services at each home-based childcare facility of the subsidised group which fulfils the conditions set out in Articles 20 to 36 shall be included, with the exception of the following childcare services:

a) childcare services at night;

b) childcare services for children who form part of the home environment of the home-based childcarer and for whom the childcarer is responsible;

c) childcare services to which the organiser decides not to apply the income-related charges system as referred to in Article 27, paragraph 2;

3° the number of childcare services subsidised shall not exceed 120% of the number of subsidised childcare places multiplied by the minimum number of compulsory opening days indicated in Article 14. To calculate that percentage, childcare services lasting between five and eleven hours shall be counted at 100% and childcare services lasting less than five hours at 60%.

The part based on the age of the persons indicated in point 2° of the first paragraph shall be calculated as follows:

1° the subsidy shall be EUR 431.42 per subsidised childcare place per calendar year if the average age of those persons is 20;

2° for each year above the average age of 20, the subsidy shall be increased by EUR 7.42 per subsidised childcare place, up to a maximum average age of 60;

3° the average age shall be calculated on the basis of all ages and the work arrangements of those persons.

The Minister shall issue the detailed rules, including how the persons in charge and the

employees indicated in point 2° of the first paragraph are counted in the calculation of the average age and how their work arrangements are taken into account.

Article 18. The subsidy for income-related charges for group-based care shall be made up of:

- 1° a part based on childcare services;
- 2° a part based on the age of the childcarers, of the persons in charge and of the employees who are responsible at the childcare facility for providing systematic support for the person in charge and who fulfil the conditions regarding knowledge of Dutch and the qualifications which the person in charge must satisfy.

The part based on childcare services indicated in point 1° of the first paragraph shall be calculated as follows:

- 1° the subsidy shall be EUR 23.37 for a childcare service lasting between five and eleven hours and 60% of that amount for a childcare service lasting less than five hours;
- 2° with the exception of childcare services at night, all childcare services at each group-based childcare facility of the subsidised group which fulfils the conditions set out in Articles 20 to 36 shall be included;
- 3° the number of childcare services subsidised shall not exceed 120% of the number of subsidised childcare places multiplied by the minimum number of compulsory opening days indicated in Article 14. To calculate that percentage, childcare services lasting between five and eleven hours shall be counted at 100% and childcare services lasting less than five hours at 60%.

The part based on the age of the persons indicated in point 2° of the first paragraph shall be calculated as follows:

- 1° the subsidy shall be EUR 5 529.66 per subsidised childcare place per calendar year if the average age of those persons is 20;
- 2° for each year above the average age of 20, the subsidy shall be increased by EUR 96.76 per subsidised childcare place, up to a maximum average age of 60;
- 3° the average age shall be calculated on the basis of all ages and the work arrangements of those persons.

The Minister shall issue the detailed rules, including how the persons in charge, the childcarers and the employees indicated in point 2° of the first paragraph are counted in the calculation of the average age and how their work arrangements are taken into account.

Article 19. The amount of the subsidy indicated in Articles 17 and 18 shall be offset against the income-related charges indicated in Article 28, in proportion to the number of childcare places with a subsidy for income-related charges, as referred to in Articles 17 and 18.

Offsetting shall not be possible against:

- 1° any additional charge as indicated in Article 31;
- 2° the income-related charge paid for days of absence which were not justified.

The Minister shall issue the detailed rules for offsetting.'

'Article 37. The *'plussubsidie'* for home-based care and group-based care shall be EUR 647.50 per subsidised childcare place per calendar year.'

'Article 40/1. The subsidy for flexible home-based care shall be:

- 1° per childcare service at flexible opening times with a maximum of one subsidy per child per day: EUR 2.87;
- 2° per subsidised childcare place with a subsidy for income-related charges per calendar year: EUR 10.75.

In addition, the subsidy indicated in Article 17, second paragraph, point 1°, shall be 160% of that amount for a childcare service which lasts longer than eleven hours or for a childcare service at night. By way of derogation from Article 17, second paragraph, point 2°, all childcare services shall be counted, including childcare services at night.

If, within the limits of the appropriations established for that purpose in the budget, some budget remains after payment of the subsidy for flexible home-based care per childcare service, as indicated in point 1° of the first paragraph, and after payment of the subsidy for flexible home-based care per subsidised childcare place, as referred to in point 2° of the first

paragraph, this remaining budget shall be apportioned as follows:

1° the amount per childcare service, indicated in point 1° of the first paragraph shall be increased by a maximum of EUR 0.50;

2° if there is budget remaining after payment of the sum indicated in point 1°, the amount per subsidised childcare place shall be increased by a maximum of EUR 2;

3° if there is budget remaining after payment of the sums indicated in points 1° and 2°, the amount per childcare service shall be further increased by what is possible based on the remaining budget.'

'Article 40/5. The subsidy for flexible group-based care shall be EUR 113.64 per subsidised childcare place per calendar year.'

'Article 40/7. The subsidy for flexible hourly packages of group-based care shall be EUR 2 660.41 per hourly package.

By way of derogation from Article 17, second paragraph, point 2°, all childcare services shall be counted, including childcare services at night.'

'Article 41. The subsidy for individual inclusive childcare for home-based and group-based care shall be EUR 9.54 per childcare service provided for a child with a specific care need.'

'Article 45. The subsidy for structural inclusive childcare for home-based and group-based care shall be EUR 2 891.49 per subsidised childcare place per calendar year.

For each subsidised group, a maximum of one third of the number of licensed childcare places shall be eligible for this subsidy.

Article 46. The amount indicated in Article 45 shall be reduced proportionally for a subsidised childcare place that is not allocated for a full calendar year.

The Minister shall issue the detailed rules for calculation of this proportion.'

'Article 50/1. The subsidy for a Centre for inclusive childcare shall be EUR 32 845 per calendar year and shall be reduced proportionally if the Centre for inclusive childcare does not operate for a full calendar year.'

#### **g. Typical arrangements for avoiding and repaying any overcompensation.**

In practice, the regulations have provided for a variety of mechanisms:

- in the case of fewer services, Kind en Gezin will pay less subsidy, since part of the subsidy was based on the actual services provided (number of childcare places provided);
- in the year following payment of the subsidies, occupancy in the previous year will be calculated and Kind en Gezin will establish whether the other conditions were met. If they were not, then Kind en Gezin will recover the excess subsidy paid for the previous year on the basis of the Enforcement Decree of 11 December 2015 (Flemish Government Decree of 11 December 2015 on enforcement measures for childcare for babies and toddlers (*Besluit van de Vlaamse Regering over de maatregelen rond handhaving voor kinderopvang van baby's en peuters*));
- on 1 January each year, organisers must communicate the ages of the staff so that the average age is always up to date and the age-based subsidy component is always in proportion. This also avoids overcompensation.

In addition, the organisers have a number of obligations resulting in verifications revealing when despite the mechanisms above there is nevertheless overcompensation.

Articles 4 and 5 of the Subsidies Decree

'Article 4. Each year, organisers shall draw up a budget with a summary of the foreseeable income and the projected expenditure for the relevant specific services indicated in this Decree.

Organisers shall use an accounting system which separates income and expenditure relating to childcare activities in a transparent way for the purposes of allocating costs and incomes.

Article 5. Organisers may build up reserves with the subsidies indicated in this Decree in the way described in this Article.

Article 7 of the Enforcement Decree

‘Article 7. Kind en Gezin shall decide to recover the subsidy in accordance with Article 57 of the Audit Decree (*Rekendecreet*), Article 13 of the Act of 16 May 2003 laying down the general conditions applicable to budgets, control of subsidies and the accounting of communities and regions, as well as for the organisation of the audit by the Court of Audit, and Article 18 of the Flemish Government Decree of 8 November 2013 on the general rules for subsidisation (*Besluit van de Vlaamse Regering betreffende de algemene regels inzake subsidiëring*).

h. A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

There is a website in Belgium which publishes all aid from the public authorities meeting the requirements of Article 7. Link to the website:

In addition, Kind en Gezin (the competent agency) will publish this information on its own website with regard to the subsidies to organisers of childcare in Flanders. Link to the website: <http://www.kindergezin.be/cijfers-en-rapporten/rapporten/kinderopvang/babys-en-peuters/#Transparantie-Europa>.

Finally, Flanders is working on a subsidy register listing all subsidies by Flanders irrespective of the amounts. However, this is still in progress.

**i. Total amount of aid granted (in millions EUR).** This includes all aid granted in your territory, including aid granted by regional and local authorities.

The Flemish Government, and more specifically for childcare the independent government agency Kind en Gezin, has no knowledge of the amounts of aid paid by the Federal Government and local authorities.

New figures for 2016 and 2017:

	2016	2017
Total subsidy awarded (without reduction for income-related charges)	543 638 103	553 355 837

<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)
In 2016, there were 1 326 organisers with subsidies.
In 2017, there were 1 353 organisers with subsidies.
<b>Miscellaneous questions</b>
None



## Work and Social Economy Policy Area

The report below is submitted in accordance with Article 9 of the SGEI Decision of 20 December 2011 on behalf of the Flemish policy area Work and Social Economy (WSE).

During the 2016-2017 period, **six measures were operational within the WSE policy area that were based on the SGEI Decision**. This refers specifically to the following measures:

- Social Economy support body
- the provision of vocational entrepreneurship training courses entrusted by Syntra Vlaanderen,
- activity cooperatives,
- local service economy,
- guidance during temporary work experience (from 1 January 2017) and
- six ESF calls promoting social inclusion and poverty reduction, including projects in the context of guidance of socially vulnerable groups.

A brief general description of these measures within the WSE policy area, including their general features, is provided below.

### 1. Description of the application of the SGEI Decision

The measures Social Economy support body and vocational entrepreneurship training courses fall within the scope of point (5) Other SGEI compensation not exceeding EUR 15 million (Article 2(1)(a)).

The measures on activity cooperatives, local service economy (WSE part), guidance during temporary work experience and ESF calls come under point (2) social services, c) access to and reintegration into the labour market (Article 2(1)(c)).

The Flemish Government has decided that each of these measures is a service which benefits society and that these services are offered in a principled and high-quality manner.

The parties providing these services are entrusted by the Flemish Government if they meet the established conditions; provision has been made for this in the relevant regulations. These conditions are proportionate and non-discriminatory and relate to the requirements regarding quality and implementation of the service. In a number of cases, the entrusted service providers may also be chosen on the basis of a public procurement procedure or an open call

The period of entrustment usually varies from two to six years, depending on the measure. Occasionally, short-term contracts are awarded for six months to a year. For the measure 'guidance during temporary work experience', the entrustments are awarded for 10 years to the Public Social Welfare Centres (OCMW). No exclusive or special rights are granted under any measure.

The **compensation mechanism** on the basis of which the subsidies are granted also varies between the different measures. The price may be determined as a result of a public procurement procedure combined with predetermined target prices or may be a fixed amount which is set in advance on the basis of objective parameters. Control points have been incorporated for all measures in order to verify whether the price and the parameters are still in line and whether any adjustments have to be made for the subsequent period. In addition, there is provision for a check on implementation; if

abuses are discovered, the compensation will be recovered.

## **Total amount of aid granted**

**The total amount of aid granted and the number of entrustments vary greatly according to the measure, see table below.**

<b>Measure</b>	<b>2016</b>		<b>2017</b>	
	Amount in EUR	Entrustments	Amount in EUR	Entrustments
Temporary work experience	/	/	7 405 000.00	308
Support body	1 257 371.16	1	605 586.94	1
Vocational entrepreneurship training	1 793 861.62	129	907 525.10	38
Activity cooperatives	750 000.00	5	750 000.00	5
Local service economy	20 913 547.32	219	22 290 941.85 <sup>2</sup>	214
ESF	504 000.00	12	14 887 062.87	71
<b>Total</b>	<b>25 218 780.10</b>	<b>/</b>	<b>46 846 116.76</b>	<b>/</b>

## **2. Difficulties with the application of the SGEI Decision or SGEI Framework**

The basic principles regarding compensation, calculation of costs and reasonable profit were described in the current SGEI regulations from the perspective of an economic logic, which is applicable mainly to economic services concerning network industries or comparable sectors. Applying this to the provision of services and subsidisation within the framework of Work and Social Economy is more difficult, and it is certainly not applicable in all respects.

Working with concepts such as reasonable profit, rate of return on capital or other profit level indicators and swap rates is suited to a business context, but cannot easily be applied, for example, to subsidising training courses, reintegration measures for job seekers or services of a predominately social nature, where making a profit is not always an objective. Where charges are determined for the provision of a service, this is often based on anticipated costs, but no account is taken of a reasonable percentage of profit. The concept of reasonable profit in such a context chiefly creates many questions and uncertainties for policy-makers and service providers in the field.

It goes without saying that it is important to assess the implementation of a public contract and the financial resources used to realise it, but the current SGEI regulations are not practicable when a very large number of service providers receive entrustments for a certain measure. The administrative burden that accompanies the current SGEI regulations is great, especially for smaller measures (< EUR 15 million), and requires an additional, disproportionate government investment.

In order to ensure that funding for service providers within the framework of more social SGEI entrustments can, in future, be provided correctly and with legal certainty, the SGEI regulations need to be rewritten in this respect and must take into account the uniqueness of various service

<sup>2</sup> Due to changes in the local service economy regulations, the amount for 2017 is not comparable to the amount for 2016.

providers. At the present time, there is considerable uncertainty in the field and in practice, which is dealt with to the best of the ability of those concerned, but without any legal certainty.
<b>3. Complaints by third parties</b>
Nil
<b>4. Miscellaneous</b>
Nil

## Environment Policy Area

### Sub-reports

#### 1. Energy

#### 2. Second-hand market

#### 3. Environment and nature management

#### 1. Energy

### Total SGEI government expenditure by legal basis (millions EUR)

	2016	2017
<b><i>Compensation for Services of General Economic Interest (1+2)</i></b>	165	166.5
(1) Compensation granted on the basis of the SGEI Decision	165	166.5
(2) Compensation granted on the basis of the SGEI Framework	/	/

Non-compulsory: If your Member State has not granted State aid for the provision of SGEI in certain sectors on the basis of the SGEI Decision or the SGEI Framework, information regarding other instruments to ensure the provision of those services would be very useful. If available, please provide a brief description of these instruments (e.g. direct aid to users, compensation complying with all four Altmark criteria, SGEI *de minimis* aid ...) and the sectors in which they are used.

Supporting the production and use of electricity from renewable energy sources and cogeneration (CHP) in Flanders through the submission of aid certificates (quota obligation) was prompted by environmental protection reasons and is therefore not based on the application of the SGEI package, excepting certain support measures, which are discussed under II.

The certificates mechanism was deemed by the Commission by decision SA.46013 of 16 February 2018 to be in conformity with the State aid rules. In the same decision, in the part concerning the financing, a significant compensation scheme for distribution system operators was approved (amounting in total to EUR 325 million in 2017, EUR 152 million in 2018 and EUR 93 million/year from 2019 to 2021). This compensation scheme has as its object in the short term to respond to the structural surplus on the certificates market and in this way to restore the functioning of the market. This measure therefore does not come under the SGEI Decision or the SGEI Framework, but was approved by the Commission under the aforementioned decision on the aid scheme itself.

**Clear and comprehensive description of how the respective services are organised in your Member State**

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

**I. Minimum support:** The services designated as SGEI concern the obligation for system operators to buy certificates (both GECs and CHP certificates) offered to them at minimum support (in accordance with Articles 7.1.6 and 7.1.7 of the Energy Decree (*Energiedecreet*). The system operators are required to purchase these certificates in implementation of a public service obligation which was originally intended only as a fallback in the case of temporary falls in certificate prices. However, as a result of the surplus on the certificate market, and the consequential impaired functioning of this market, the system operators have built up a very large capital in certificates, as a result of which they too have had to bear the rising financial costs of these certificates.

**Source:**

<https://codex.vlaanderen.be/PrintDocument.ashx?id=1028848&datum=&geannoteerd=false&print=false>

**II. Energy houses (*energiehuizen*):** the concept ‘energy house’ is defined in the Energy Decree as ‘local entity, as referred to in Title VIII of the Energy Decree of 8 May 2009, and authority which, at the level of one or more municipalities, either as credit intermediary or as creditor, offers the customer energy services focusing on energy-saving investments and which, in the capacity of creditor and credit intermediary, meets the following conditions:

- a) has a legal personality;
- b) has the necessary expertise and critical capacity at technical, legal, financial and accounting levels;
- c) can operate according to the third-party investor principle and operate as local ESCO in the context of financing of interventions for the target group;
- d) can ensure the social guidance of the target group.’

Under Article 8.2.2, §1, of the Energy Decree of 8 May 2009, the Flemish Government may grant loans in support of investments under the promotion of rational energy use by means, *inter alia*, of granting loans via energy houses to final customers to finance investments in private homes serving as principal residence. Under Article 8.2.2, §2 and §3, compensation can be granted to the energy houses and certain debts can be waived. This is developed in more detail in Chapter IX ‘*Energy loans*’ of Title VII of the Energy Decree.

**Sources:**

<https://codex.vlaanderen.be/PrintDocument.ashx?id=1028289&datum=&geannoteerd=false&print=false>

Within the budget appropriations available, the Flemish Region makes available, by means of a credit line, **interest-free loans to an energy house**, with which a cooperation agreement has been concluded (see forms of entrustment below). The interest-free loans are repayable on the basis of the redemption part of the monthly instalments payable by private individuals, non-commercial bodies or cooperative associations to the energy house.

The energy house grants loans to private individuals for investments in housing, to non-commercial bodies and cooperative associations. The loans granted by the energy house have a maximum duration of ninety-six months and are repayable via monthly instalments at an interest rate of 2%.

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

I. Article 6.4.14/2 of the Energy Decree provides for SGEI compensation for distribution system operators to discharge their public service obligation under Article 7.1.6, §1, of the Energy Decree of 8 May 2009. The costs of the public service obligations, stated in Article 7.1.6 of the Energy Decree of 8 May 2009, consist of a financial public service obligation for the electricity distribution system

operator or the local electricity transmission system operator. This is a service of general economic interest (SGEI). Part of the surplus and the costs of the minimum support obligation is tackled in this context each year via SGEI aid (based in particular on Decision 2012/21/EU).

II. With a view to the granting of loans in support of investments under the promotion of rational energy use, the Minister may conclude a **cooperation agreement** with an energy house acting as creditor, as accreditation. An energy house is proposed by the municipality, after consultation with the Public Social Welfare Centre (OCMW), evidenced by means of a copy of the report of the municipal council and the OCMW council. If the territory in which an energy house operates covers various municipalities, the energy house is proposed by all municipalities concerned, after consultation with the Public Social Welfare Centres concerned.

The energy house loses its accreditation automatically as soon as the cooperation agreement referred to above has ended, taking into account the conditions specified in the agreement.

**Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?

I. See Article 6.4.14/2, §2, of the Energy Decree: Compensation is awarded to the electricity distribution system operators for discharging the public service obligation referred to in Article 7.1.6, §1, of the Energy Decree of 8 May 2009 **from calendar year 2016 until calendar year 2026 at the latest**, following application to the Flemish Energy Agency.

II. The energy house may grant loans until **31 December 2018** at the latest, unless the loans involved are granted to:

1. private individuals belonging to the priority target group for energy loans;
2. non-commercial bodies and cooperative associations, in which case until **31 December 2019** at the latest.

Explanation whether (typically) **exclusive or special rights** are assigned to the undertakings.

I. and II. Not applicable for the 2016-2017 period.

**Which aid instruments** have been used (direct subsidies, guarantees, etc.)?

I. **Direct subsidies** have been granted to electricity distribution system operators, following applications to the Flemish Energy Agency.

II. This is a **direct subsidy**, since the energy houses which have concluded a cooperation agreement are awarded quarterly compensation, within the budget appropriations and **until the calendar year 2027 at the latest**, for personnel costs and working capital. The total cumulated compensation for each energy house, with application of **Decision 2012/21/EU**, may not under any circumstances exceed EUR 15 million per year.

Typical **compensation mechanism** as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.

I. Article 6.4.14/2, §2, of the Energy Decree of 19 November 2010 provides that the compensation for the green electricity certificates held in portfolio by the electricity distribution system operators is calculated on the basis of the accounting value of the green electricity certificates in question, with a maximum value of EUR 93 per green electricity certificate. In order to avoid overcompensation, it is currently determined that the compensation, irrespective of the accounting value, is no higher than the value paid by the electricity distribution system operator under Article 7.1.6 of the Energy Decree of 8

May 2009 for that green electricity certificate, with an absolute maximum of EUR 93 per green electricity certificate. The same scheme applies for combined heat and power certificates, with an absolute ceiling of EUR 31 per CHP certificate. The compensation granted to the system operators is consequently no higher than the amount necessary to cover the net costs incurred by the undertaking for the operation of the service (also see avoiding overcompensation).

II. The amounts of the gross compensation stipulated in the draft Article 7.9.3, §2, were based on the compensation established in 2009 and paid out to the local entities, and which had been based on **a benchmark concerning the costs borne in this respect by the social credit market**. The proposed amounts correspond to the mere historical indexation of the amounts established in 2009, but do not take account of the fact that in the meantime the duration of the loans has increased, among other factors, as a result of which the period of compulsory monitoring by the energy houses increases, including the associated staff and operating costs. Because this compensation consequently **does not cover all the costs**, there is no question of any overcompensation, as referred to in Decision 2012/21/EU.

#### Typical arrangements for avoiding and repaying any overcompensation.

I. See above under the description of the compensation mechanism.

II. Article 11.1.6 of the Energy Decree specifies that the Flemish Energy Agency at any time can request from the energy houses any information and data necessary for the performance of the control for application of the compensation scheme, referred to in Article 7.9.3.

If the Flemish Energy Agency finds that an energy house does not meet the conditions set out in the cooperation agreement, or if it is found that the amounts paid out on the basis of Article 7.9.3, §2, are higher than those needed to cover the net costs of the personnel and working capital for which compensation is paid under Article 7.9.3, **any unduly paid compensation is recovered**.

The Flemish Energy Agency retains all data required to establish whether the compensation granted is compatible with Decision 2012/21/EU for a period of 10 years following the expiry of the obligation, referred to in this section, and makes these data available to the European Commission.

A short explanation of how the **transparency requirements** (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).

I. and II. No compensation exceeding EUR 15 million has been paid to undertakings that also have activities outside the scope of the SGEI (see above).

#### Amount of aid granted

**Total amount of aid granted (in millions EUR).** This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)

2016	2017
165	166.5

<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b>	
<b>2016</b>	<b>2017</b>
/	/
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b>	
<b>2016</b>	<b>2017</b>
165	166.5
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b>	
<b>2016</b>	<b>2017</b>
/	/
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>
/	/
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>
15 distribution companies, in each case for an amount of EUR 15 million.	15 distribution companies, in each case for an amount of EUR 15 million. EUR 1.5 million for the energy houses.



## 2. Second-hand market (recycling centres)

Total SGEI government expenditure by legal basis (millions EUR)		
	2016	2017
<b><i>Compensation for Services of General Economic Interest (I+2)</i></b>	EUR 808 000.00	EUR 808 000.00
(1) Compensation granted on the basis of the SGEI Decision	EUR 808 000.00	EUR 808 000.00
(2) Compensation granted on the basis of the SGEI Framework	EUR 0.00	EUR 0.00

**Clear and comprehensive description of how the respective services are organised in your Member State**

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

The recycling centres undertake the collection, sorting and sale of reusable goods. They aim for maximum reuse of products from the goods collected and in this way take care of the environment.

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

Entrustment is based on accreditation by the Flemish authorities.  
To be accredited, a recycling centre must meet the following accreditation conditions:  
1° the recycling centre combines at least the following three objectives, which are included in the statutes of the legal person:  
a) take care of the environment by striving for maximum reuse of products from the goods collected;  
b) develop and ensure employment for persons with occupational disabilities and for persons with difficulties entering the regular job market;  
c) in the case of associations, do not grant financial advantages to the members; in the case of companies, the limited direct financial advantage paid by the company to the partners may not exceed the interest rate established by the King in implementation of the Law of 20 July 1955 establishing a National Cooperation Council (*Nationale Raad voor de Coöperatie/Conseil national de la Coopération*), applied to the amount of the shares actually paid up;  
2° the recycling centre has a legal personality compatible with the objectives referred to in point 1°;  
3° the natural persons who can commit the association or company meet the following conditions:  
a) possess their civil and political rights;  
b) in the last five years prior to the application for accreditation, have not incurred an effective criminal conviction for an infringement of the environmental legislation in Belgium. Where persons are concerned who do not possess Belgian nationality, they may not have infringed the environmental legislation in their State of nationality;  
4° the registered office of the recycling centre is located in a municipality located in the Flemish Region. The registered office may not be transferred to a location outside the Flemish Region;  
5° the catchment area includes at least 75 000 residents;  
6° the recycling centre maximises the organisation of the services provided for both the sale of goods and the collection of goods so that all citizens can use them easily and in a customer-friendly manner. This entails that there are sufficient sales outlets and collection points, with extensive and varied opening hours and service provision;  
7° the sales outlets of the recycling centre are accessible to all and have extensive opening hours. The sales outlets are limited to two closing days per week and are open for at least thirty hours per week;  
8° a representative supply of reusable goods are offered for sale, whether or not distributed per product group between various sales outlets. If there is one sales outlet in the catchment area, that sales outlet sells at least six product groups. If there are several sales outlets in the catchment area, they together sell at least six product groups. 'Product groups' are:  
a) electrical and electronic appliances;  
b) textiles;  
c) furniture;  
d) leisure goods;

- e) household goods;
- f) sundry articles.

For the duration of the accreditation, the recycling centre must comply with the following conditions:

1° the recycling centre is required to communicate any change in its statutes and formal amendment to its administrative details immediately by registered letter to the Public Waste Agency of Flanders (OVAM), including, for example:

- a) name, legal form, registered office and business number of the holder;
- b) place of domicile, address or fax and telephone number of the holder and, where applicable, of the registered place of business and the administrative or trading address or of the work location in the Flemish Region;

2° the recycling centre limits its collection activities and the opening of sales outlets to the municipalities belonging to its catchment area, as determined in the accreditation. In municipalities not belonging to its catchment area, the recycling centre will organise only a collection of reusable goods or have it organised on its behalf, in agreement with the accredited recycling centre to which, according to its accreditation, these municipalities belong;

3° the recycling centre must, on request of OVAM, cooperate in awareness-raising and information campaigns organised by OVAM;

4° within the time limits established by OVAM, the recycling centre each year provides the data of the previous year requested by OVAM. Amendments to the accreditation file are communicated immediately to OVAM.

The application for accreditation as a recycling centre states:

- 1° the name of the legal person submitting the application;
- 2° the address, telephone number, fax number of the contact person and the e-mail address of the registered place of business or the administrative or trading address(es) of the recycling centre;
- 3° the first name and surname of the directors or business managers and a copy of the instrument of incorporation and any amendments thereto, as deposited at the registry of the competent court;
- 4° a detailed business plan containing the precise description of the operation of the recycling centre, the catchment area, the collection organisation, the means of collection, the number of staff members and their qualifications, the opening hours and a financial plan with forecasts for at least the next three years.

The accreditation application is submitted to OVAM, preferably under the letterhead of the applicant, dated and signed by the applicant or, where applicable, by a natural person who can commit the legal person. OVAM then checks that the application is complete:

- a) if the application is found to be incomplete, the applicant is informed of this in writing by OVAM within fourteen calendar days of submission of the application, indicating which information and data are missing or require further explanation. Until the date of receipt of the missing information or further explanation, the time limit is suspended;
  - b) if the application is found to be complete, the applicant will be informed of this by OVAM by registered letter within fourteen calendar days of the submission of the application;
  - c) if OVAM has not sent any written notification to the applicant within at most fourteen calendar days of the submission of the application, the application is considered to be complete;
- Within a period of four months, starting from the date of dispatch of the letter referred to under point b) or, where applicable, from the date of expiry of the time limit referred to under point c), OVAM will take its decision on the application.

Source: <http://www.ejustice.just.fgov.be/eli/besluit/2016/07/01/2016036135/justel>

**Average duration of the entrustment (in years)** and the proportion of entrustments that are **longer than 10 years** (in %) per sector. Specify in which sectors SGEI were

entrusted with a duration exceeding 10 years and explain how this duration is justified?
Since 22 August 2016, the accreditation as recycling centre is valid for an indefinite period. Since 2005, the recycling centres have been operating in a structured way and in the meantime the recycling centres have become stable, autonomous, independent undertakings which have already for years met the accreditation conditions. This is the reason for now opting to work with accreditation for an indefinite period. The results and operation are still monitored each year and the possibility exists of withdrawing the accreditation. The aim of striving for maximum reuse of products from the goods collected is an ongoing social concern and does not need to be subject to a time limit.
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.
The collection, sorting and selling of reusable goods is not the exclusive territory of the recycling centres. To be entitled to the compensation, accreditation as a recycling centre is required.
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?
Direct subsidies.
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.
<p>The compensation is granted according to an allocation based on the criteria of catchment area and reuse of products achieved. This allocation takes place as follows:</p> <ol style="list-style-type: none"> <li>1. Catchment area criterion: EUR 0.06 per inhabitant of the catchment area or EUR 0.09 per inhabitant of the catchment area if the population density is below the Flemish average. These amounts are adapted annually without prior notice on the basis of the trend in the health index. A maximum of 50% of the total subsidy is awarded on the basis of this criterion.</li> <li>2. Reuse criterion: the total available subsidy within the confines of the budget appropriations minus the sum of the amounts calculated on the basis of the catchment area criterion. For the award of this subsidy, the recycling centres must report before 30 April of the current year on the flow of goods and the reuse of the previous year.</li> </ol> <p>The subsidy is awarded for the general operation of the recycling centre with a view to achieving the objective 'take care of the environment by striving for maximum reuse of products from the goods collected'. For the Catchment area criterion, use is made of a fixed amount, which is indexed, per inhabitant of the catchment area. This amount is less than what is necessary to cover the net costs incurred in discharging the public service obligation, including a reasonable profit.</p> <p>For the Reuse criterion, the remaining balance (total available subsidy minus the sum of the amounts calculated on the basis of the catchment area criterion) is divided by the total number of kilograms of reuse of the previous year of all accredited recycling centres. By linking the amount of this payment to an existing figure which is monitored (kilograms of reuse), under no circumstances is more paid out than the amount required to cover the net costs of discharging the public service obligation, including a reasonable profit.</p>
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>
OVAM can perform a complete or partial audit of the recycling centre. Checks are carried out of the extent to which the recycling centre meets the subsidy conditions, including not exceeding the amount of subsidy required to cover the net costs of discharging the public service obligation, including a reasonable profit. The figures used for the calculation of the subsidy according to the reuse criterion (kilograms of reuse) are checked and approved annually by

OVAM, in cooperation with KOMOSIE (umbrella body).

In addition, there is a three-yearly auditors' check of the reporting which the recycling centres must submit each year, in which the figures used for awarding the subsidy are also checked. This auditors' check also includes an audit of the annual accounts and a financial audit.

The subsidies are recovered in accordance with the current provisions of the Act of 16 May 2003 laying down the general conditions applicable to budgets, control of subsidies and the accounting of communities and regions, as well as for the organisation of the audit by the Court of Audit.

### 3. Environment and nature management

#### Clear and comprehensive description of how the respective services are organised in your Member State

Explanation of what kind of services in the respective sector have been defined as SGEI in your Member State. Please list the **contents of the services entrusted as SGEI** as clearly as possible.

In implementation of the Flemish Government Decree of 28 March 2014 on the granting of compensation to different actors for environmental initiatives performed by target group employees (*Besluit van de Vlaamse Regering van 28 maart 2014 houdende toekenning van compensatie aan verschillende actoren voor milieugerelateerde taken, uitgevoerd door doelgroepwerknemers*), compensation is paid for services of actors (apart from municipalities) relating to preserving biodiversity, habitats and species.

Actors (any land user, land owner, forest group, regional landscape or game management unit) are eligible for compensation for nature-related activities (green jobs) which they employ target group employees to carry out, provided that the works are related to the following types of land:

1° official nature reserves, as defined in Articles 32 to 36 of the Decree of 21 October 1997 on nature conservation and the natural environment (*Decreet betreffende het natuurbehoud en het natuurlijk milieu*);

2° nature areas whose official status is still in the process of being recognised in accordance with Articles 32 to 36 of the aforementioned Decree;

3° forests where works are being carried out under the coordination of a forest group;

4° land that is open to the public.

This scheme falls under the scope of application of Article 2(1)(a) and 2(1)(c) of the SGEI Decision. The latter can be considered as an offshoot of social inclusion of vulnerable groups. The section 'biodiversity policy' in the ministerial policy document 2014-2019 states that Flanders must do its utmost to stimulate cooperation and integration between policy areas and sectors with a view to preservation and reinforcement of biodiversity.

Target group employees are those referred to in:

a) Article 5 of the Decree of 14 July 1998 on sheltered workshops (*Decreet inzake sociale werkplaatsen*);

b) Article 79, §1, of the Decree of 23 December 2005 on provisions for managing the 2006 budget (*Decreet houdende bepalingen tot begeleiding van de begroting 2006*);

c) Article 2, 3°, of the Decree of 22 December 2006 on the local service economy (*Decreet houdende de lokale diensteneconomie*).

The activities which are eligible for compensation are specified in the same Decree.

Source: <http://www.ejustice.just.fgov.be/eli/besluit/2014/03/28/2014202552/justel>

Explanation of the (typical) **forms of entrustment**. If standardised templates for entrustments are used for a certain sector, please attach them.

No standardised template is used. The applications submitted are checked for compliance with the conditions in the Flemish Government Decree of 28 March 2014. The requested compensation is granted provided it meets the conditions and sufficient appropriations are available.

**Average duration of the entrustment (in years)** and the proportion of entrustments

that are <b>longer than 10 years</b> (in %) per sector. Specify in which sectors SGEI were entrusted with a duration exceeding 10 years and explain how this duration is justified?	
SGEI are entrusted to actors for a duration of three years, based on the submission of a standard contract and work plans. A three-year duration has been chosen in order to enable the project to act flexibly in reaching nature objectives, such as conservation objectives for special protected areas and protected European species, or implementation of species protection programmes.	
Explanation whether (typically) <b>exclusive or special rights</b> are assigned to the undertakings.	
Not applicable.	
Which <b>aid instruments</b> have been used (direct subsidies, guarantees, etc.)?	
Subsidies.	
Typical <b>compensation mechanism</b> as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	
The compensation per activities package (= 600 hours) consists of a fixed sum of EUR 5 250. The compensation only covers the remuneration of those tasks performed by the target group employee.	
Typical <b>arrangements for avoiding and repaying any overcompensation.</b>	
<p>The compensation only covers the remuneration of those tasks performed by the target group employee. It may not be combined with other Flemish Government compensation for the same purpose.</p> <p>The ministerial decisions assigning the compensation systematically specify that an actor must repay the awarded compensation if the conditions under which it was granted were not met; for example, the compensation was not used for the intended objectives or the Nature and Forest Agency has been impeded in its assessment of how the compensation is being used.</p>	
A short explanation of how the <b>transparency requirements</b> (see Article 7 of the 2012 SGEI Decision) for the aid above 15 million euro to undertakings that also have activities outside the scope of the SGEI are being complied with. In your answer please also include some relevant examples of information published for this purpose (e.g. some links to websites or other references), indicate whether you have a central website on which you publish this information for all aid measures concerned in your Member State (and if so provide the link to this website), or alternatively explain if and how the publication takes place at the level granting the aid (e.g. central, regional or local level).	
Not applicable.	
<b>Amount of aid granted</b>	
<b>Total amount of aid granted (in millions EUR).</b> This includes all aid granted in your territory, including aid granted by regional and local authorities. (A+B+C)	
<b>2016</b>	<b>2017</b>

<b>A: Total amount of aid granted (in millions EUR) paid by national central authorities</b>	
<b>2016</b>	<b>2017</b>
-	-
<b>B: Total amount of aid granted (in millions EUR) paid by regional authorities</b>	
<b>2016</b>	<b>2017</b>
EUR 1 185 989.34	Maximum EUR 1 244 250 (2017 balances still to be evaluated by 1 July at the latest in accordance with Flemish Government Decree)
<b>C: Total amount of aid granted (in millions EUR) paid by local authorities</b>	
<b>2016</b>	<b>2017</b>
<b>Share of expenditure per aid instrument</b> (direct subsidy, guarantees etc.) (if available)	
<b>2016</b>	<b>2017</b>
<b>Additional quantitative information</b> (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	
<b>2016</b>	<b>2017</b>
Not applicable.	Not available.



## **PARTNERSHIP AGREEMENT**

### **TITLE**

Between:

Actiris, Sterrenkundelaan 14, 1210 Brussels, represented by Mr Grégor Chapelle, Director-General, and Ms Caroline Mancel, Deputy Director-General, referred to below as 'Actiris'

and

Partner, address in postcode Brussels, represented by name, position, referred to below as 'the partner'.

In accordance with the Order of 18 January 2001 on the organisation and operation of Actiris;

In accordance with the Brussels Capital Government Decree of 28 February 2008 implementing Article 7 of the Order of 18 January 2001 on the organisation and operation of Actiris, in particular Article 9, § 2;

In accordance with the Order of 14 July 2011 on the combined management of the labour market in the Brussels Capital Region;

In accordance with the Brussels Capital Government Decree of 12 July 2012 implementing the Order of 14 July 2011 on the combined management of the labour market in the Brussels Capital Region;

In accordance with the Royal Decree of 14 December 2015 amending Articles 56 and 58 of the Royal Decree of 25 November 1991 regulating unemployment and inserting Articles 36/1 to 36/11, 56/1 to 56/6 and 58/1 to 58/12 in the same Decree;

In accordance with the provisions of the Management Contract 2017-2022 between the Brussels Capital Region and Actiris;

In accordance with the Management Contract 2017-2022 and the European Commission Decision of 20 December 2011 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, the subsidy under this agreement is granted by Actiris in the form of public service compensation.

(In accordance with the specifications drawn up under the call for projects 2017-2020 (No 2017/3/PO – BSD) on support measures for specific target groups, as approved by the Management Committee on 7 July 2016, referred to below as ‘the specifications’;)

In accordance with the decision of the Actiris Management Committee of 7 July 2016;

In accordance with the decision of the Actiris General Management of 9 December 2016;

The following is agreed:

Colour code:	details of the partner to be completed for each partner (mailing)
Colour code:	details to be completed by the Projects & Quality service or Coordination of the Job Houses
Colour code:	financial details to be completed by the Partnerships Support service
Colour code text:	final text

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## Article 1: Subject

The subject of this agreement shall be to establish the special conditions for the implementation of actions XXXX, as defined in the specifications of the project call XXXX.

In addition to the provisions of these specifications, the parties shall be required

- to comply with the proposals stated in the application file and approved by Actiris;
- to comply with the conditions established in this agreement;
- to respect the financial guide;
- to comply with the Network of Partners for Work (NWP) Annex

## Article 2: Objective

For completion (DPK, Projects and Quality Service): the general 'strategic' objectives, article which is the same for all partners dealing with the same measure. See point 1 of the specifications.

The objective of this agreement shall be XXXX.

The achievement of this objective shall require a positive approach focusing on:

- X;

## Article 3: Definition of the target public

For completion (DPK): the information differs from partner to partner depending on the application file. See points 2 and 3 of the specifications and the application file.

The target public of this agreement shall consist of:

- XXXX;

The jobseekers shall also meet the following criteria:

- be validly registered with Actiris as non-working jobseeker;
- be resident in the Brussels Capital Region.

Moreover, the jobseeker may be eligible as target public only if the partner has entered the correct action in the jobseeker's file.

## Article 4: Description of the action

### §1. Description of the action

For completion (DPK): the description of the action in the specifications (the same for all partners) is stated here.

XXXX

The methods used to carry out the action shall be set out in detail in the application file. These methods shall also be based on the following principles:

XXXX

### §2. Actions to be carried out

For completion (DPK): the description of the operational objectives is stated here. May vary from partner to partner. See application file.

The partner shall undertake to carry out X. It shall also undertake to provide guidance for at least X jobseekers per year.

### **§3. Intervention of third parties in carrying out the actions or subcontracting**

The partner may not outsource the actions financed by Actiris either in whole or in part.  
The partner may XXX for the implementation of the actions financed by Actiris.

### **§4. Free of charge**

The actions under this agreement shall be carried out entirely free of charge for the jobseeker: he or she may not be asked for any direct or indirect contribution of any kind.

### **§5. Premises and material resources**

The action shall be organised in the premises specified in the application file, more specifically in  
'lieux\_dactivite'

In the event of changes, the partner shall notify Actiris of this in advance. Actiris shall reserve the right to assess whether the new premises meet the conditions in the specifications. If this is not the case, the partner shall be obliged to make the necessary improvements to avoid terminating the agreement.

### **§6. Personnel**

All persons (m/f) contributing to the implementation of the actions in these specifications shall have appropriate and sufficient skills to guide the target group according to the proposed methodology.

## **Article 5: Methodology**

The partner shall undertake to respect the implementation of the action in accordance with the provisions in the application file for the entire duration of the agreement.

The content of the project may not be amended for the duration of the partnership agreement. However, the partner may submit an explicit application for amendment to Actiris, stating the reasons. Actiris shall reserve the right to check whether these amendments correspond to the provisions in the specifications.

## **Article 6: Promotion of the action**

The partner shall be responsible for the publication and promotion of its actions to the target public.

It shall mention the aid from Actiris and from the European Social Fund by affixing logos on the material used for the subsidised action. The guidelines to be used shall be explained in the vademeCOM.

The partner may, under certain conditions, apply to Actiris for support for its communication actions. These services, conditions and working methods shall be set out in the vademeCOM.

The vademeCOM shall be appended to this agreement as an Annex.

## Article 7: Steering Committee

The partner shall participate in the Steering Committee coordinated by Actiris. The Committee shall consist of permanent members representing Actiris and the partner and members who are invited as required.

The Steering Committee

- shall ensure that the service provided corresponds to the specifications;
- shall be responsible for the exchange of information and practices;
- shall identify the difficulties and any reorientation necessary for the smooth implementation of the measure.

The Steering Committee shall meet at least twice a year on the initiative of Actiris.

## Article 8: Actiris Network of Partners for Work

The partner shall join the computer network for the exchange of data (NWP) operated and organised by Actiris as controller for the processing of the data. Considering its admission to the computer network for the exchange of data, the partner shall comply strictly with the procedures and code of ethics, namely for the entry of the actions, and shall do so in accordance with the provisions in the NWP Annex.

To this end, the partner shall ensure that its staff take part in the training and further training organised in this context.

Only persons linked to the partner via a contract of employment of at least 6 months or permanent staff members shall have access to the NWP.

## Article 9: Exchange of documents and information

When the partner sends documents and information by e-mail, it shall use the following address:

.....

The partner shall ensure that the documents and information sent from this e-mail address are accurate.

Actiris shall use this e-mail address to communicate documents or information to the partner.

For matters concerning this agreement, the payment of the compensation tranches and/or the justification of expenses, the partner can contact the Partnerships Support Service ([ondersteuningpartnerships@actiris.be](mailto:ondersteuningpartnerships@actiris.be)).

If the partner wishes to change the above-mentioned e-mail address, it shall communicate this by ordinary letter or by e-mail to [ondersteuningpartnerships@actiris.be](mailto:ondersteuningpartnerships@actiris.be).

## Article 10: Subsidies

### §1. Financing according to (1, 2 or 3)...

There are 3 possible financing methods. Must be adapted according to the subsidy method proposed in the specifications (DOP).

1) Flat-rate financing (direct costs (personnel costs) + a fixed percentage for indirect costs (operating costs)). Only the direct costs shall be verified. The subsidy granted to the partner shall cover the direct and the indirect costs to carry out the actions described in Article 4, within the limits of the budgetary forecasts specified by the partner in its application file.

The direct costs shall relate to the financing of 2 FTEs (full-time equivalents). These persons shall be employed for the duration of this agreement for the implementation of the actions referred to in Article 4.

The indirect costs covered by the subsidy shall correspond to a flat rate of 20% of the direct costs. The indirect costs shall enable the partner to finance the expenditure below, among other, on condition that this expenditure is related to the action:

- general expenses
- communication expenses
- energy costs
- costs of occupying the premises
- costs of assignments
- publicity costs for the project
- taxes and insurance
- investment costs
- costs of continuing training
- management costs.

2) The fixed amount (payment on achieving results, the partner shall present a budget within the limits of the amount stipulated in the specifications. For the ESF: if the conditions concerning the implementation of the actions are not satisfied in full → no payment).

The budget foreseen for the implementation of the action shall be described in the application file. The amount applied for from Actiris may not exceed the approved budget.

3) The standard scale of unit price (based on a daily rate, hourly rate for the guidance of a person with a maximum or flat-rate number of guidance hours ...)

The standard scale of unit price shall be calculated as follows.

The standard scale of unit price shall amount to EUR xxx per xxxx.

## §2. Maximum amount of subsidy

Depends on the type of financing.
-----------------------------------

Within the limits of the appropriations available which have been included in the budget for this purpose, Actiris shall award the partner an annual subsidy for a maximum amount of EUR 'Montant\_de\_base'.

The amount of the subsidy shall be indexed (basic index xxx) in the case of exceeding the health index and within the limits of the appropriations available included in the budget for this purpose. This shall be communicated to the partner by letter.

The amount for which the partner applies to Actiris may not exceed the maximum amount of the subsidy provided for in the agreement.

## §3. Calculation of the actual amount of subsidy

1) Flat-rate financing

The actual amount of subsidy for the reference year n shall be calculated on the basis of:

- the direct costs up to a maximum annual amount of EUR 55 000 per FTE;

Partnerships Department

Subsidised partnership: Model agreement

- the percentage of indirect costs amounting to 20% of the accepted direct costs;
- the conclusions with respect to the monitoring of achievements and of the direct costs expenditure.

## 2) The fixed amount

The actual amount of the subsidy for the reference year n shall be calculated on the basis of:

- the conclusions with respect to the monitoring of achievements and of expenditure.

## 3) The standard scale of unit price

The actual amount of the subsidy for the reference year n shall be calculated on the basis of:

- standard scale of unit price x the number of participants in the action entered in the NWP (at most the number provided for in the agreement).

## **§4. Payment of the subsidy**

The subsidy shall be paid in tranches

- 80% of the maximum amount of the annual subsidy shall be paid as an advance no later than on 31 March of the reference year;
- the balance shall be calculated on the basis of the actual amount of the subsidy and the advance paid. It shall be settled after Actiris has received and checked the annual report.
- to account number: IBAN bic
- in the name of: Partner

## **Article 11: Repayment of the subsidy**

Apart from in the case of *force majeure*, any deficiency or any non-compliance with the obligations of the partnership agreement and its Annexes by the partner shall lead to the total or partial repayment of the amounts unduly collected by the partner.

This repayment shall take place following a registered letter sent by Actiris in which the terms for repayment are explained.

## **Article 12: Annual report**

On 28 February of the year n+1 at the latest, the partner shall submit its annual report for the year n to Actiris.

This time limit shall be fixed on pain of forfeiture of rights. Actiris shall retain the right not to take the documents submitted after this deadline into consideration for the settlement of the subsidy.

The annual report shall be drawn up in accordance with the financial guide and shall contain at least

- a statement of debt for the reference year: this statement shall state the balance to be paid by Actiris;
- an activity report;
- a financial report.

Actiris shall provide the template for the activity and financial report. The financial report shall enable the actual amount of subsidy and the balance to be calculated.

Each control or evaluation body shall obtain, on request, access to the documents and accounts of the partner to check the use of the subsidies paid.



## Article 13: Monitoring of achievements and results

### §1. Monitoring of achievements

The monitoring of achievements shall allow verification of the quantitative reality of the actions in relation to the provisions of the agreement. The monitoring shall relate to

to be completed by the DPK in accordance with the specifications (indicators of achievement)

- XXXX

The monitoring of achievements shall be based on the data entered in the NWP.

### §2. Monitoring of results

The monitoring of results shall relate to the following results indicators

to be completed by the DPK in accordance with the specifications

- XXXX

### §3. Monitoring of performance

to be completed by the DPK in accordance with the specifications and the performance indicators

- XXXX

### §4. Conclusions of the monitoring

The conclusions of the monitoring of the achievements, results and performance may, where appropriate, take into account each duly justified contextual element which is considered plausible, mentioned in

- the activity report
- the steering committee reports
- a duly substantiated written application, on condition that it is approved by Actiris.

The conclusions of the monitoring of achievements shall enable Actiris, *inter alia*, to calculate the actual amount of the subsidy which may be claimed by the partner for the reference year (year n). Consequently, no compensation can be demanded for guidance which has not been entered in the NWP.

If the achievement and performance targets have not been met after the end of the first year of the agreement, the partner shall present an action plan to Actiris in order to remedy this.

If the achievement and performance targets have still not been met after the end of the second year of the agreement, Actiris may either make downwards adjustments to the achievement targets and the maximum amount of subsidy or terminate the agreement.

## Article 14: Duration

### §1. Duration

The present agreement shall be concluded for a limited duration starting on 1 January 2015 and ending automatically on 31 December 2017.

### §2. Early termination

The partnership agreement may be terminated by one of the parties by registered letter, subject to three months' notice of termination.

In the case of serious deficiencies by the partner in fulfilling its obligations, Actiris shall retain the right to terminate the partnership agreement without notice of termination.

The decision to terminate the agreement shall be notified to the partner by registered letter.

In any case, the ending of the agreement shall lead to repayment of all or part of the annual subsidy already received.

## **Article 15: Evaluation**

At least 6 months before the end of this agreement, Actiris shall conduct a general quantitative and qualitative evaluation of the project 'XXX'.

This evaluation shall be based on

- the registrations in the NWP;
- the annual activity reports of the partners of the measure;
- the steering committee reports;
- the conclusions of the monitoring of achievements;
- any other official source enabling evaluation, such as the DIMONA data stream;
- an interim evaluation of the beneficiaries undertaken on the initiative of Actiris;
- any additional evaluations of the partners carried out on the initiative of Actiris.

## **Article 16: Disputes**

Any dispute concerning the interpretation of this agreement shall be settled amicably by the parties.

In the absence of an amicable settlement, any dispute shall come under the exclusive jurisdiction of the Brussels courts.

Drawn up in Brussels on ....., in two copies, with each party acknowledging receipt of a copy.

For Actiris,

For the partner,

Grégor Chapelle  
Director-General

Name  
Position

Caroline Mancel  
Deputy Director-General

### **Annexes**

- the application file approved by Actiris
- the financial guide
- the NWP Annex
- the VademeCom
- the descriptive sheet



**Appendix No ‘N\_ DAVENANT’**  
**to the partnership agreement of**  
**‘DATUM\_ HANDTEKENING\_OVK’ Type**

Between

the Brussels Regional Employment Service, Sterrekundelaan 14, 1210 Brussels, represented by Mr Grégor Chapelle, Director-General, and Ms Caroline Mancel, Deputy Director-General, referred to below as ‘Actiris’

and

‘NOM\_PARTENAIRE’, ‘ADRESSE\_COURRIER’ in ‘CODE\_POSTAL’ Brussels, represented by ‘NOM\_1’, ‘FONCTION\_1’, referred to below as ‘the partner’.

In accordance with the decision by the General Management of Actiris on xxx,

Article 10 shall be amended as follows:

**‘Article 10: Subsidies**

**§1. Financing of direct personnel costs for the action**

The financing shall relate to the direct personnel costs for two and a half FTEs (full-time equivalents) employed for the duration of this agreement for the implementation of the actions referred to in Article 4.

**§2. Maximum amount of subsidy**

Within the limits of the appropriations available which have been included in the budget for this purpose, Actiris shall award the partner an annual subsidy for a maximum amount of EUR 153 000.

The rates of achievement of the 4 indicators of achievement (Article 4, §2) shall have an impact on this maximum amount. Each indicator of achievement shall be assigned a quarter of the maximum amount (EUR 38 250), which shall be adapted as follows for each indicator

- the rate of achievement is higher than or equal to 80%
  - the maximum amount for this indicator
- the rate of achievement is between 50% and 80%
  - the maximum amount for this indicator shall be adjusted proportionally
- the rate of achievement is less than 50%
  - the entire amount for this indicator shall be cancelled.

The amount of the subsidy shall be indexed (basic index 1.6084) in the case of exceeding the health index and within the limits of the appropriations available included in the budget for this purpose. This shall be communicated to the partner by letter.

**§3. Actual amount of subsidy**

The actual amount of the subsidy shall be calculated on the basis of the costs of the personnel determined in Article 10, §1.

The revenue generated by the action and/or the subsidies received in connection with the direct personnel costs for the action (Geco premium, ...) shall be deducted from the accepted personnel costs.

The actual amount of subsidy may not exceed the annual maximum amount and shall take account of the conclusions of the monitoring.

#### **§4. Payment of the subsidy**

The subsidy shall be paid in tranches

- 80% of the maximum amount of the annual subsidy shall be paid as an advance no later than on 31 March of the reference year;
- the balance shall be calculated on the basis of the actual amount of the subsidy and the advance paid. It shall be settled after Actiris has received and checked the annual report.
  
- to account number: 'IBAN'
- in the name of: 'Nom\_Partenaire'

**All other conditions, rights and obligations stipulated in the agreement and in Appendix 1 shall remain applicable.**

This Appendix shall form an integral part of the agreement. It shall replace in whole (or in part) the previous Appendixes relating to the aforementioned Articles.

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For Actiris,

For the partner,

Grégor Chapelle  
Director-General

'NOM\_1'  
'FONCTION\_1'

Caroline Mancel  
Deputy Director-General