

SOCIAL WELFARE SERVICES
MINISTRY OF LABOUR, WELFARE AND SOCIAL INSURANCE

File No: 13.32.001.001

SERVICES OF GENERAL ECONOMIC INTEREST

State Aid Scheme of the Ministry of Labour, Welfare and Social Insurance

under Decision 2012/21/EU for the provision of SGEI

(Commissioner Decision No 359 of 23 June 2015)

(Report to be submitted in accordance with the 2012 SGEI Decision)

GENERAL INFORMATION

The Ministry of Labour, Welfare and Social Insurance grants State aid to NGOs and local authorities to run social care programmes. Most of the agencies receive State aid under the *de minimis* State aid scheme, which is in line with Commission Regulation (EU) No 360/2012 on *de minimis* aid granted to agencies providing services of general economic interest. To qualify for a grant, agencies must operate programmes and specifically programmes that fall within the scope of social care, such as homes for the elderly, children's day nurseries, child protection and activity centres, home care programmes/services for the elderly, adult centres and round-the-clock and day-care programmes for persons with disabilities. These programmes operate on the basis of laws and regulations for which the Social Welfare Services are responsible for checking minimum standards of quality.

Three agencies receive State aid under **Decision 2012/21/EU**. To that end, a special State Aid Scheme was prepared, which was adopted by the Ministerial Council on 29 May 2013, by Decision No 75.154, and revised on 6 September 2017. The three agencies are:

- I. **The Theotokos Foundation**
- II. **The Agios Stefanos Foundation for People with Cognitive Disabilities**
- III. **The Cyprus Association for People with Autism**

These three agencies provide services of general economic interest in the social care sector for people with disabilities on a daily and/or round-the-clock basis as part of separate structures/programmes. For this aid, the Commissioner for State Aid took Decision No 359 dated 23 June 2015. The Social Welfare Services have signed an assignment contract with these agencies as follows:

| Agency | Date of signature of contract | State aid received 2016 | State aid received 2017 | Number of programmes | Number of persons served 2017 |
|--------------------------------------|----------------------------------|-------------------------|-------------------------|----------------------|-------------------------------|
| Theotokos Foundation | 10/7/2015 | €1 052 000 | €1 200 000 | 4 | 191 |
| Agios Stefanos Foundation for People | 27/8/2015 (amended 18/2/2016) | €475 000 | €609 000 | 5 | 51 |

| | | | | | |
|--|------------------------------|----------|----------|---|----|
| with Cognitive Disabilities | | | | | |
| Cyprus Association for People with Autism | 9/10/2015 (amended 1/2/2016) | €198 300 | €218 000 | 5 | 36 |

Two additional agencies have been included in this Scheme as of 2018, because with the State aid they received in 2017 they have exceeded the grant ceiling laid down in Regulation (EU) No 360/2012. An assignment contract is expected to be signed with these agencies in the near future. (Specifically, these are: (a) the Association for the Welfare of People with Cognitive Disabilities; and (b) the Association for the Prevention and Handling of Violence in the Family.

1. Overview of Expenditure

Compensation for provision of Services of General Economic Interest:

| | | |
|--------------------|------------|------------|
| | 2016 | 2017 |
| Under the Decision | €1 725 300 | €2 027 000 |

2. Description of the application of the 2012 SGEI Decision

Social Services (social care programmes for people with disabilities, day care and round-the-clock care)

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| 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 assigned as SGEI. |
| The Ministry of Labour, Welfare and Social Insurance (YEPKA) may grant State aid for the establishment, operation or expansion of programmes of non-problematic agencies active in the areas controlled by the Republic of Cyprus and providing services of general economic interest in the field of social care that are considered to be necessary, in line with the socio-economic situation on the ground. |
| Explanation of the (typical) forms of assignment. If standardised templates for assignments are used for a certain sector [please attach them]. |
| The same form of assignment contract was used for the three agencies, introducing special obligations tailored to the requirements of each agency. |
| Average duration of the assignment (in years) and the proportion (%) of assignments that are longer than 10 years, by sector. |
| The duration of assignments is three years. |
| Explanation whether (typically) exclusive rights are assigned to the undertakings. |
| No. The agencies have general and special obligations. |
| Which aid instruments have been used (direct subsidies, guarantees, etc.)? |
| The agencies receive annual State aid in two (or more) instalments. The amount of the State aid for each of the three years of the assignment is set each year by decision of the Director-General of the Ministry of Labour, Welfare and Social Insurance, on presentation of updated information from the beneficiary and depending on available appropriations in the approved annual budget of the relevant government authority. If the beneficiary has any debts or outstanding amounts vis-à-vis any other service of the State (for example the Social Insurance Services or the Inland Revenue Department), the approved grant is offset by any such debt and/or outstanding amount and the beneficiary receives what is left. |

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

In the event of any overcompensation by government subsidy granted the previous year, the approved subsidy will either be offset against the overcompensation and the beneficiary will be paid what is left, or it will be returned. Where the amount of overcompensation does not exceed 10 % of the amount of the average annual compensation, such overcompensation may be carried forward to the next period and deducted from the amount of compensation payable in respect of that period.

One of the main conditions for the approval of State aid is the presentation of the audited accounts for the previous year.

**REPUBLIC OF CYPRUS
MINISTRY OF HEALTH**

File No: Y.Y.13.32.02/21

18 June 2018

URGENT - BY HAND

Commissioner for State Aid Control

**Subject: Services of General Economic Interest: report to be submitted in accordance with the 2012
SGEI Decision and the 2012 SGEI Framework**

I have been instructed to refer to your letter ref. E.E.K.E.25.02.001.011 of 5 March 2018 and our telephone conversation (Mr Ioannis Ioannou - Mr Paraskevas Antoniou) on the above subject, and inform you that the Ministry of Health, as part of the State Aid Scheme under Decision 2012/21/EU for the provision of services of general economic interest, granted State aid to the following voluntary organisations in 2016 and 2017:

A) Cyprus Association of Cancer Patients and Friends

The main purpose of the Cyprus Association of Cancer Patients and Friends is to:

- (a) inform and educate the public about cancer and its prevention and early diagnosis;
- (b) improve existing means and methods of management, support and palliative care, to treat the illness and provide rehabilitation with proper reintegration into society;
- (c) provide psychosocial support to patients and their families, provide home care and ensure a good quality of life for patients at all stages of the illness;
- (d) provide continuous education and training to health teams working with cancer patients as well as volunteers who support and assist cancer patients and their family members.

The association received €210 000 in State aid for 2016 and €260 000 for 2017, in relation to the following Programmes:

- Home nursing and palliative care, physiotherapy and lymphoedema management

The Service operates on a round-the-clock basis only for palliative care and only in the prefectures of Nicosia and Limassol, as indicated in the operating hours below.

Operating hours/days:

Prefectures of Nicosia and Limassol:

Monday - Friday: 8:00 - 18:30 (two shifts) and on call from 18:30 - 08:00

Public holidays and weekends: on call 24 hours a day

Prefectures of Famagusta, Larnaca and Paphos:

Monday - Friday: 8:00 - 14:30 and on call from 14:30 - 18:00

Public holidays and weekends: on call 08:00 - 12:00

- Psychological support service for cancer patients and their families
- Bus service to take patients from across Cyprus to the oncology department of Nicosia General Hospital and the Oncology Centre of the Bank of Cyprus for tests and treatment
- Partial cover of fuel costs for transport of patients from all Cypriot prefectures to the Oncology Centres in Nicosia

B) 'Agia Skepi' Therapeutic Community foundation

The 'Agia Skepi' Therapeutic Community offers a wealth of drug rehabilitation programmes aimed at long-term users. It received €245 000 in State aid for 2016 and €220 000 for 2017, in relation to the following Programmes:

- Counselling Centre Programme - Motivation Programme

Aimed at substance users who are not interested in treatment/rehabilitation, with the aim of improving their quality of life alongside substance use. Prevention of syringe sharing with all that entails. Indirectly, the programme aims to motivate the persons concerned to move in the direction of treatment/rehabilitation.

- Counselling Centre Programme - Preparation for inclusion in the residential programme

The programme is aimed at long-term users who are interested in treatment/rehabilitation and aims to create the appropriate conditions for them to be included in the residential programme without being 'scared off' by its demands and abandoning it.

- Programme - Residential Programmes (separate programmes for men and women)

These programmes operate separately in different wings of the foundation's facilities for people who have been included following the previous preparation phase of the programme. They offer treatment/rehabilitation for the use of addictive substances following the therapeutic communities model and the cognitive/behavioural approach, in combination with other approaches where necessary.

- Reintegration Programme (separate programmes for men and women)

This programme is the natural continuation of the previous residential programme. In this phase, those who have been treated are invited to live in the Community practically, having found work with our help, and at the same time continue participating in the programme to ensure that they

adopt a personal daily programme/routine that will support them in their lifelong aim not to get involved in substance use again.

- Family Programme

The problem of substance use affects not only users but also their close families (either parents or spouses). Through our programmes, users are invited to go through a process of change, and at the same time their close families should do the same in order to be able to support them in their lifelong struggle not to go back to substance use, and that is precisely the aim of this programme.

- Traineeship programme for psychology students

Provision of beneficial experience to psychology students.

- 'Graduate' support programme

Over the years, a clear need has emerged for more systematic and professional support for all those who have completed the foundation's programme and who face various issues in their daily lives that must be given the necessary attention so as to avoid the risk of relapse. A specialist psychologist is employed on a part-time basis so that anyone affected can book an appointment for support with a matter that is concerning them in light of their background.

C) Centre for Preventive Paediatrics

The Centre for Preventive Paediatrics (CPP) aims to improve the health of the Cypriot people.

It received €320 000 in State aid for 2016 and €320 000 for 2017, in relation to the following Programmes:

- Prenatal Testing Programme

The Centre offers blood biochemistry analysis to all expectant mothers in Cyprus in the first trimester of pregnancy, which, in combination with a nuchal translucency ultrasound and the age of the mother, detects certain chromosome abnormalities, in particular Down's syndrome, before birth. For the test, blood samples are taken from the expectant mothers (at private or state gynaecologists) and sent to the Centre's biochemical laboratory in Limassol by a private courier company.

- Neonatal Preventive Testing Programme

The programme is offered to all newborns over two days old to detect metabolic diseases (congenital hypothyroidism and phenylketonuria) that could lead to cognitive disability if not detected early enough. Samples of dried blood on filter paper (taken by private or state paediatricians) are sent to the Centre's biochemical laboratory in Limassol by a private courier company.

- Neonatal Hearing Screening Programme

The programme detects any hearing loss at an early stage. Early detection enables effective intervention with the aim of maximising the child's speech acquisition and socialisation abilities and proper development. The hearing test is carried out in every city at branches of the Centre for Preventive Paediatrics.

D) Karaiskakio Foundation

The principal aim of the Karaiskakio Foundation is to promote and undertake actions for the donation of bone marrow, stem cells, blood platelets and other blood constituents to those in need.

Programme to Renew the Bone Marrow Donor Register

The Cypriot Bone Marrow Donor Bank is the biggest donor register in the world in proportion to the population. The donors on the register of the Karaiskakio Foundation are registered in the international bone marrow donor bank, giving the chance for patients throughout the world to search among them to find a compatible donor.

In cooperation with the Ministry of Health and the Cyprus Gynaecological Society, the Karaiskakio Foundation has organised a public umbilical cord blood register on an altruistic, non-profit basis. In cooperation with the Ministry of Health, the Karaiskakio Foundation provides testing and transplant storage and manages the register.

The programme serves patients who need a bone marrow transplant.

The foundation received €260 000 in State aid for 2016 and €285 000 for 2017, in relation to the following Programmes:

- Systematic and targeted recruitment and registration of new volunteer donors in the Bone Marrow Donors Register
- Provision of information to donors using printed and electronic material, personal and group discussions
- Recruitment of volunteer bone marrow donors and cord blood donors
- Computerisation of the donors register and cord blood register and inclusion of donors in the International Donors Bank (Bone Marrow Donors Worldwide - BMDW)
- Accreditation of the Bone Marrow Donors Register and the Cord Blood Register by the World Marrow Donor Association (WMDA) and the Foundation for the Accreditation of Cellular Therapy (FACT-NetCord) respectively
- Identification of HLA antigens in new volunteer bone marrow and cord blood donors

E) Cyprus Anti-Cancer Society

The Cyprus Anti-Cancer Society was founded in 1971 as a philanthropic organisation with the main aim of preventing and fighting cancer and supporting cancer patients through the various services it offers. The Society covers a wide range of free services for cancer patients. It offers comprehensive

palliative care and aims to educate the public on preventing and fighting cancer, as well as training medical, nursing and scientific staff who work with cancer-related issues.

The Society received €600 000 in State aid for 2016 and €675 000 for 2017, in relation to the following Programmes:

- 'Arodaphnousa' Palliative Care Centre in Nicosia
- 'Evagorion' Palliative Day Care Centre in Limassol
- Cyprus-wide patient home care
- Patient day care (centres)
- Psychological support
- Social support
- Physiotherapy and lymphoedema clinic
- Aromatherapy
- Patient transport service from all prefectures to Nicosia
- Financial assistance for patients
- Programmes to educate and train the public and health professionals on cancer prevention, diagnosis and treatment
- Partial cover of fuel costs for transport of patients from all Cypriot prefectures to the Oncology Centres in Nicosia

2. Please do not hesitate to contact us if you need any further information.