

**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

**on the basis of Decision 2012/21/EU for the provision of SGEI**

**(Commissioner Decision No 359 of 23 June 2015)**

(Report to be submitted pursuant to 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, round-the-clock and day-care programmes for persons with disabilities and specialised programmes for victims of violence, unaccompanied minors, etc. These programmes operate on the basis of laws and regulations in respect of which the Social Welfare Services are responsible for checking minimum standards of quality.

**Six 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 six agencies are:

- I. Theotokos Foundation**
- II. Agios Stefanos Foundation for People with Intellectual Disabilities**
- III. Cyprus Autism Association**
- IV. Association for the Welfare of People with Intellectual Disabilities**
- V. Association for the Prevention and Handling of Violence in the Family**
- VI. 'Hope for Children' CRC Policy Centre**

These six 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, specialised programmes for victims of domestic violence (such as accommodation and an emergency aid centre), and specialised programmes for unaccompanied minors and children who are victims of abuse. For this aid, the Commissioner for State Aid took Decision No 359 dated 23 June 2015. The Social Welfare Services have signed entrustment agreements with these agencies as follows:

Agency	Date of signature of agreement	State aid received 2018	State aid received 2019	Number of programmes	Number of persons served 2019
Theotokos Foundation	10/07/2015, revised on 1/11/2018	€1 200 000	€1 200 000	4	160
Agios Stefanos Foundation for People with Intellectual Disabilities	27/8/2015 (amended 18/2/2016), revised on 30/10/2018	€650 000	€700 000*	6	56
Cyprus Autism Association	9/10/2015 (amended 1/2/2016), revised on 14/11/2018	€350 000	€429 400*	7	404
Association for the Welfare of People with Intellectual Disabilities	21/9/2018	€290 000	€290 000	3	60
Association for the Prevention and Handling of Violence in the Family	3/10/2018	€330 000	€425 000*	6	600
'Hope for Children' CRC Policy Centre	13/9/2019	€269 000	€524 000*	4	500

\* The increased amount is due to the operation of new programmes and service of new needs.

## 1. Expenditure overview

Total compensation for Services of General Economic Interest:

	2016	2017	2018	2019
On the basis of the Decision	€1 725 300	€2 027 000	€3 089 000	€3 568 400

## 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, programmes for victims of violence, specialised programmes for unaccompanied minors and children who are victims of abuse)

<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 contents of the services entrusted 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 entrustment. If standardised templates for assignments are used for a certain sector [please attach them].
The same form of entrustment agreement was used for all six agencies, introducing special obligations tailored to the requirements relating to each agency.
Average duration of the entrustment (in years) and the proportion of entrustments that are longer than 10 years (in %) per sector.
The duration of entrustments 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 entrustment 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 the balance.
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 the balance, 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.

**DEPARTMENT FOR THE SOCIAL INTEGRATION OF PERSONS WITH DISABILITIES**  
**MINISTRY OF LABOUR, WELFARE AND SOCIAL INSURANCE**

File No: 13.14.01

SERVICES OF GENERAL ECONOMIC INTEREST

**Supported living accommodation under the Department for the Social Integration of Persons with Disabilities**

**(Commissioner Decision No 377 of 18 April 2019)**

**(Report to be submitted pursuant to the 2012 SGEI Decision)**

**GENERAL INFORMATION**

By its Decision of 27 September 2017, the Council of Ministers approved the implementation of the Scheme to include persons with disabilities in supported living programmes and of the Project to create new supported living accommodation, co-financed by the European Social Fund, with the Department for the Social Integration of Persons with Disabilities acting as the contracting authority. On 29 April 2020 the Council of Ministers decided to amend and upgrade the Scheme so that it would meet specific additional needs of persons with disabilities. The additional costs are covered by the budget for the Project to create supported living accommodation/programmes, and the technical bulletin has been amended accordingly.

2. The aim of the Scheme is to support persons with disabilities who need specialised services to live within a community with safety, dignity, quality of life, development of skills and maximum independence, by including them in supported living programmes. The programmes will be run by entrusted agencies, with the Department for the Social Integration of Persons with Disabilities as the contracting authority, and the quality of the services will be monitored by interdisciplinary and/or interagency teams.
3. The need for the Project has arisen because persons with disabilities have a primary right to live in the community and receive the necessary support services to do so. This right, and the obligation of states to ensure it, are laid down in Article 19 of the UN Convention on the Rights of Persons with Disabilities. The obligation of every state to take measures in this regard is an important area of social policy, which serves to ensure the social protection and social inclusion of persons with disabilities, and in particular those with severe disabilities who do not have a supportive environment.
4. Older parents are concerned about the future of their children when they are no longer alive and there are no other relatives, or those relatives are unable to take on the parents' role. This concern is linked both to the day-to-day care of their disabled children and to ensuring their rights and best interests. Parents of children with severe disabilities who graduate from special schools or special units also complain about the lack of a systematic framework for the transition of their children from the school environment to suitable supported living facilities and services.

5. In this regard, a study was carried out into the services provided in Cyprus and the models for supported living services abroad, which identified the need to create new structures on the basis of up-to-date models of deinstitutionalisation and care in the community, which also receive special support and assistance from the European Commission.

6. The supported living programmes will operate in small, family-type accommodation units with between one and eight residents depending on their specific needs and preferences.

7. The Department for the Social Integration of Persons with Disabilities (TKEAA) launched public tender procedure No TKEAA 06/2018 in May 2019 to find contractors to set up and operate supported living accommodation for persons with intellectual disabilities, autism and visual disabilities in the districts of Nicosia, Limassol, Larnaca, Famagusta and Paphos. The terms of the tender were checked by the competent authority (Treasury of the Republic) and by the Commissioner for State Aid. As a result of the tender, seven public contracts were drawn up with six agencies to set up and operate the following: four supported living units in the district of Nicosia (three for persons with intellectual disabilities and one for persons with visual disabilities), and one each in Limassol, Larnaca and Paphos for persons with intellectual disabilities. The units opened for operation in March and April 2020.

7. [sic] In the context of the tender procedure, public contracts were signed with the following agencies:

- I. **Institute of Psychotherapy, Personal & Professional Development Ltd**
- II. **Pancyprian Organisation for the Blind**
- III. **'Apostolos Loukas' Association of Parents of Adults with Intellectual Disabilities**
- IV. **Margarita Liasidou Foundation**
- V. **Nikos Nikolaou**
- VI. **LC Educational Ltd**

8. The Department for the Social Integration of Persons with Disabilities signed the following public contracts:

Agency	Date of signature of contract	Date of entry into operation of the supported living unit	Contract amount
Pancyprian Organisation for the Blind	11/12/2019	2/4/2020	€284 000
Margarita Liasidou Foundation	6/12/2019	3/3/2020	€374 564
Institute of Psychotherapy, Personal & Professional Development Ltd	10/12/2019	03/03/2020	€378 000
Institute of Psychotherapy, Personal & Professional Development Ltd	10/12/2019	3/3/2020	€378 000

Nikos Nikolaou	6/12/2019	9/3/2020	€345 000
'Apostolos Loukas' Association of Parents of Adults with Intellectual Disabilities	9/12/2019	16/3/2020	€353 700
LC Educational	17/12/2019	24/3/2020	€372 000

9. The contracts have a duration of 2 years, with the option to extend for a further 2 years. Each supported living unit serves up to five persons with disabilities. Once the deliverables have been submitted by the agencies and assessed and accepted by the contracting authority, on the basis of the tender documents, the agencies receive monthly instalments. The first instalments were paid in April 2020.

10. The Department for the Social Integration of Persons with Disabilities has launched a second public tender procedure, No TKEAA 01/2020, to set up and operate four additional supported living units: three in the district of Limassol for persons with autism, and one in the district of Larnaca or Famagusta for persons with intellectual disabilities. The deadline for the submission of tenders is 18 September 2020.