

SERVICES OF GENERAL ECONOMIC INTEREST

Report to be submitted to the European Commission

CONTRIBUTION OF THE SOCIETE WALLONNE DU LOGEMENT

May 2016

The Minister for Local Authorities, Urban Policy, Housing and Energy asks the Société wallonne du Logement for a draft report to be submitted under Article 9 of the 2012 SGEI Decision and paragraph 62 of the 2012 SGEI Framework.

(see the letter from the Minister for Local Authorities, Urban Policy, Housing and Energy received by the Managing Director on 11 May 2016).

PART I.

Implementation of the Commission Decision

Introduction

Under the Belgian institutional framework, housing is a regional matter.

The Walloon Housing and Sustainable Homes Code (*Code wallon du Logement et de l'Habitat durable* – CWLHD), adopted through the Decree of 29 October 1998, created the Société wallonne du Logement (SWL) (Walloon Housing Association), which is a legal person governed by public law taking the form of a limited liability company (*société anonyme*).

The SWL's capital is provided by the Walloon Region and the Walloon Provinces.

Its tasks are defined in the CWLHD and carried out in accordance with the priorities and guidelines defined in the CWLHD and in the management contract concluded between itself and the Walloon Government.

As a result, the SWL approves, advises and monitors the public service housing associations (*sociétés de logement de service public* – SLSP).

I.1. Entrustment

There are currently 64 public service housing associations approved by the SWL.

An Order of the Walloon Government of 8 June 2001 laid down the conditions of approval of public service housing associations.

According to this Order, the object of SLSPs must exclusively consist of all the tasks laid down by the CWLHD.

According to Article 140 of the CWLHD, the SLSPs are authorised to conduct voluntary mergers or restructuring in order to adapt their activities to the requirements of specific municipalities in the Walloon Region, after obtaining opinions from the municipal councils concerned.

The SWL ensures, through this approval, that the activities of the SLSPs cover the entire territory of the Walloon Region.

The articles of association (*statuts*) of the SLSPs, which must be approved by the SWL acting as a supervising body, define their object as follows:

'In accordance with Articles 80 to 85bis, 131 and 162 of the Walloon Housing Code, the association has the following corporate purposes:

1. management and rental of social housing, similar types of housing, and affordable, adapted or adaptable, reintegration and transitional housing, in line with the terms and

conditions set by the Government of the Walloon Region (hereinafter the Government);

2. reception of tenants when they enter adapted or adaptable, reintegration or transitional housing, in line with the terms set by the Government;
3. purchase, construction, renovation, maintenance, improvement and adaptation of housing and restructuring of buildings owned by the association, or over which it has rights *in rem*, with a view to using these mainly for housing;
4. any property transaction and any management operation, including design, preparation and monitoring of property projects or building leasing projects with a view to using these buildings partly for housing, in line with the terms and conditions set by the Government, after obtaining an opinion from the Société wallonne du logement;
5. sale of properties owned by the association;
6. examination of applications from households wishing to purchase housing and monitoring of contracts;
7. leasing or management of housing or buildings for use as housing, in line with the terms and conditions set by the Government;
8. participation in the creation, management and operation of public or private legal persons involved in implementing regional housing policy objectives;
9. assistance of the local authorities with implementing local housing policy;
10. design, preparation and monitoring of property projects wholly or partly creating housing for other public stakeholders;
11. development and management of roadways, sewage systems, public lighting, water supply, communal areas and cultural or social facilities forming an integral part of a group of buildings;
12. keeping and updating of the register of housing managed by public service housing associations, as defined in Article 1(37), in line with the terms set by the Government;
13. reservation of land needed for the harmonious development of housing, in order to assign this land to private individuals or grant the latter rights *in rem* over it, by requiring them to maintain the appearance and functional arrangement of groups of buildings; reception and social support of tenancy applicants and tenants;
14. informing and communicating **with** tenants about the association's activities and housing maintenance, renovation and construction programmes;
15. acting as a property operator on its own behalf or on behalf of the holder of the right *in rem*;

16. informing the members of the advisory committee of tenants and owners as necessary so that this committee can exercise its powers;
17. design, preparation and monitoring of property projects wholly or partly creating housing for other public stakeholders;
18. informing the members of the advisory committee of tenants and owners as necessary so that this committee can exercise its powers¹;
19. any new task directly related to those set out above, as set by the Government after obtaining an opinion from the Société wallonne du logement.

The capital of an SLSP must be majority owned by legal persons governed by public law (Article 138(§1) of the CWLHD).

Pursuant to the CWLHD, the SWL and each of the approved SLSPs conclude a contract of agreed objectives for a period of five years, which covers:

- reception and social support of tenancy applicants and tenants;
- management of the association, monitoring of management indicators and follow-up of audits in organisational matters, including the assessment of administrative, technical and financial staff;
- continuous training of the association's administrators and staff, organised or provided by or through the Société wallonne du Logement;
- information and communication by the association, particularly with regard to its obligation to inform tenants, once a year, about the association's activities and its housing maintenance, renovation and construction programme.

A decision of the SWL² laid down the basic structure of this contract. The model contract³ currently used is set out below.

‘

Draft “contract of agreed objectives” with association X

Between:

the Société wallonne du Logement, a limited liability company governed by public law, registered with the Crossroads Bank for Enterprises under number 231.550.084, with registered office at 21 rue de l'Ecluse, Charleroi, represented by Mr Alain ROSENOER, Managing Director, hereinafter referred to as “The Société wallonne”;

and association X, a limited liability cooperative, registered with the Crossroads Bank for Enterprises under number, with registered office at, a public service housing association approved by the Société wallonne du Logement under number, represented by

¹ Translator's note: points 16 and 18 are identical in the original French text too.

² Report 280/220/24/7 to the SWL Board of Directors on 19 March 2007.

³ Annex 2 to report 280/220/24/7 to the SWL Board of Directors on 19 March 2007.

Having regard to the Decree of 29 October 1998 adopting the Walloon Housing Code, as amended by the Decrees of 15 May 2003, 20 July 2005, 30 March 2006, 1 June 2006 and 23 November 2006, in particular Article 162 thereof, which provides as follows:

“§1. On a proposal from the Société wallonne du Logement, the Government lays down the conditions for drafting, implementing and monitoring contracts of agreed objectives, to be signed between the Société wallonne du Logement and the association with regard to:

- reception and social support of tenant applicants and tenants;
- management of the association, monitoring of management indicators and follow-up of audits in organisational terms, including assessment of administrative, technical and financial staff;
- continuous training of the association’s administrators and staff, organised or provided by or through the Société wallonne du Logement;
- information and communication by the association, particularly with regard to its obligation to inform tenants, once a year, about the association’s activities and its housing maintenance, renovation and construction programme.

§2. Contracts of agreed objectives shall apply for a period of five years.”;

Having regard to the Order of the Walloon Government of laying down the conditions for drafting, implementing and monitoring contracts of agreed objectives with public service housing associations;

Whereas performance of the contract of agreed objectives involves, firstly, implementing the internal management measures set out in the following agreement and, secondly, implementing the management programme laid down by Article 158 of the Walloon Housing and Sustainable Homes Code;

The following is agreed:

Article 1

The association is approved by the Société wallonne du Logement pursuant to the Walloon Housing and Sustainable Homes Code and the Order of the Walloon Government of 8 June 2001 laying down the conditions of approval of public service housing associations.

This contract is concluded pursuant to Articles 158 and 162 of the Walloon Housing and Sustainable Homes Code and the Order of the Walloon Government of laying down the conditions for drafting, implementing and monitoring contracts of agreed objectives with public service housing associations.

In order to comply with the entrustment obligations in respect of public service housing associations laid down by the European Commission, it is agreed that the association is duly entrusted:

- for its object, which exclusively consists of all the tasks laid down by Articles 80 to 85 and 131 of the Walloon Housing and Sustainable Homes Code;
- for an unlimited duration, with five-yearly review and evaluation, through contracts of agreed objectives concluded with the Société wallonne du Logement;
- for the activities laid down in Articles 140 and 141 of the Walloon Housing Code.

Article 2

§1. Through the management programme provided for in Article 158 of the Walloon Housing Code, the association shall implement the internal management measures designed to achieve the objectives agreed with the Société wallonne under this agreement, within the agreed deadlines.

§2. If there is a change to one of the items in the contract of agreed objectives, the parties agree to conclude a rider to this agreement. The following may, in particular, be regarded as justifying a rider: appearance of problems during audits or audit follow-ups conducted by the Société wallonne; occurrence of circumstances that were unforeseeable on the conclusion of this agreement (such as departure of the Managing Director etc.); inversion of data, whether or not covered by a specific objective on the signature of this agreement and/or after having achieved a set objective; desire of the association to amend its contract of agreed objectives, in agreement with the Société wallonne du Logement, etc.

Article 3

The association shall adopt the internal management measures needed to achieve, within the agreed deadlines, the objectives that have been set and that are indicated in the annexed table, which forms an integral part of this agreement, with regard to:

- reception and social support of tenant applicants and tenants;
- management of the association, monitoring of management indicators and follow-up of audits in organisational terms, including assessment of administrative, technical and financial staff;
- continuous training of the association's administrators and staff, organised or provided by or through the Société wallonne du Logement;
- information and communication by the association, particularly with regard to its obligation to inform tenants, once a year, about the association's activities and its housing maintenance, renovation and construction programme.

Article 4

Within 30 days of the General Meeting approving the annual accounts, the association shall send the Société wallonne its annual management report, bearing in mind the circulars of the Société wallonne, in particular Circular L2006/20, which shall therefore indicate, among other aspects:

- achievement of the objectives, within the agreed deadlines, set in Article 3 of this agreement and state of progress of the management programme provided for in Article 158 of the Walloon Housing and Sustainable Homes Code;
- reasons why the objectives agreed in this agreement have not been achieved within the agreed deadlines.

Article 5

The association's management report referred to in Article 4 shall be accompanied by a report produced by the Walloon Government commissioner, containing his or her overall assessment of said management report.

Article 6

The association shall inform the Société wallonne of the date when its Board of Directors is to meet in order to approve the management programme proposed by its Managing Director, provided for in Article 158 of the Walloon Housing Code, pursuant to this agreement.

Article 7

The Société wallonne shall notify the association of any non-compliance found, by applying the procedure laid down by Article 7 of the Order of the Walloon Government of laying down the conditions for drafting, implementing and monitoring contracts of agreed objectives with public service housing associations.

Article 8

This agreement shall apply from its signature for a period of five years.'

A grid for evaluating and monitoring the objectives that may be negotiated under the contracts of agreed objectives has been produced. This is contained in an annex.

To date, nearly all the SLSPs have concluded a contract of agreed objectives.

I.2. Amount of compensation

The Walloon Housing Code

Article 29 of the Walloon Housing and Sustainable Homes Code provides as follows:

'§1. The Region may grant aid to any local authority or any autonomous public service undertaking that constructs one or more social houses or that is or becomes the holder of rights in rem over a building that can be improved with a view to renovating, restructuring or adapting it in order to create one or more social houses.

The Société wallonne du Logement must give a prior opinion on any project to construct or create social or affordable housing.

Any social or affordable housing constructed or created shall be managed by the competent public service housing association in the territory concerned, according to the conditions determined by the Government [Decree of 20 July 2005, Article 15].

§2. The Region shall contribute towards:

- 1. the cost of purchasing the rights in rem over the building;*
- 2. the cost of construction, renovation, restructuring or adaptation.*

§3. Any social or affordable housing created with aid from the Region shall be used for this purpose for at least 30 years [Decree of 15 May 2003, Article 28].'

Article 54 of the Walloon Housing and Sustainable Homes Code provides as follows:

‘§1. The Société wallonne du Logement may grant aid to any public service housing association that constructs one or more social houses or that acquires ownership of one or more houses in order to use them as social housing.

The Société wallonne du Logement shall contribute towards the cost of construction or purchase.

§2. The Société wallonne du Logement may grant aid to any public service housing association that acquires, compulsorily purchases or becomes the holder of rights in rem over a building that can be improved with a view to renovating, restructuring or adapting it in order to create one or more social houses.

The Société wallonne du Logement shall contribute towards:

- 1. the cost of purchasing the rights in rem over the building;*
- 2. the cost of renovation, restructuring or adaptation [Decree of 15 May 2003, Article 45].’*

Decree of 23 March 1995 creating the CRAC

The Decree of 25 March 1995 creating a Regional centre to assist the municipalities (Centre régional d’aide aux communes – CRAC) responsible for monitoring and supervising the management plans of the municipalities and provinces of the Walloon Region and helping them to maintain their financial balance was amended by a Decree of 27 April 2006, through which paragraph 7 supplements Article 5 on the tasks of the CRAC.

This paragraph is worded as follows:

‘With the Government’s agreement, the Centre is authorised to finance the operations referred to in Articles 29, 30, 35 to 38, 44 to 50, 54, 55, 58, 59, 59bis, 60 to 78 and 78bis of the Walloon Housing Code for the benefit of local authorities or autonomous public service undertakings and public service housing associations, through the Société wallonne du Logement.

This method of financing derogates from the method of paying the aid provided for in the articles referred to in the first subparagraph of this paragraph’.

Orders of 19 July 2007 of the Walloon Government

Until 1991, the investments of the SLSPs were financed through advances granted by the Walloon Region to the SWL, for which the conditions of repayment were as follows: term: 66 years; annual payments: of equal size; interest rate: 6 %.

At the same time, the SWL granted advances to the SLSPs under similar conditions.

In the 1992 budget year, this system was replaced by capital funding. The Walloon Region therefore transferred the risk of fluctuations in the financial markets to the SWL. As a result, it was the SWL that had to borrow, on the markets, the amount needed for the investments of the SLSPs. The latter repaid the advances over a term of 5 to 30 years, interest-free. For some SLSPs, the advances involved repaying a higher amount of up to 140 %, which, at actuarial value, corresponded to an interest rate of ± 2.5 %.

The funding received from the Walloon Region had to cover the differential between the interest paid to lenders and the interest received from SLSPs.

When establishing the programmes, the funding amount was determined based on theoretical parameters (rate of the loans to be taken out, refinancing rate for those initial loans where the term was not the same as that of the loans to the SLSPs).

Right from its introduction, this financing mechanism proved to be complex in both its day-to-day management and its long-term management.

It is also important to note the problems encountered with the tax authorities, which taxed the part of the funding corresponding to the coverage of the loan rate and refinancing rate risk.

In 2007, the Walloon Government developed a new mechanism, which has the advantage of simplifying and removing the risks associated with fluctuations in the financial markets:

- the loans corresponding to the differential between the investments of the SLSPs and the subsidies granted must be taken out in the year of the programme, which means that the interest rate associated with the advances to the SLSPs must be fixed as quickly as possible and must correspond to the interest rate of the loan taken out by the SWL;
- payment of the advances is to be changed as soon as possible, given the new financing system for the sector.

Accordingly, the Orders of the Walloon Government of 19 July 2007 on the granting of aid for the creation of housing⁴ established a new mechanism for regional subsidies.

⁴ - Order of the Walloon Government of 19 July 2007 on the granting of aid by the Société wallonne to public service housing associations for the creation of social housing;

- Order of the Walloon Government of 19 July 2007 on the granting of aid by the Société wallonne to public service housing associations for the creation of affordable housing;

- Order of the Walloon Government of 19 July 2007 on the granting of aid by the Société wallonne to public service housing associations for the creation of transitional housing;

- Order of the Walloon Government of 19 July 2007 on the granting of aid by the Société wallonne to public service housing associations for the creation of reintegration housing;

- Order of the Walloon Government of 19 July 2007 on the granting of aid by the Region to local authorities and autonomous public service undertakings for the creation of one or more social or affordable houses;

- Order of the Walloon Government of 19 July 2007 on the granting of aid by the Region to legal persons for the creation of transitional housing;

- The different types of aid provided for in the Walloon Code are **accessible to all operators regardless of the type of housing**.
- The aid is granted in the form of a subsidy supplemented by a loan, including for the construction of housing, with this mechanism thus **limiting the operator's debt**.
- The subsidy is a flat rate (calculated according to the surface area of the housing), which acts as an **incentive** because any savings made directly benefit the operator.

The cost of the housing, which is limited by the Order, includes all recorded expenditure, i.e. all the costs associated with developing the housing: purchase of the building, fees, VAT, renovation, unexpected costs, and sundry costs such as utility connections, soil tests, etc.

The costs vary depending on the type of operation: fees and unexpected costs are higher for purchase-renovation operations; VAT is 21 % for operations to construct affordable housing; the purchase amount varies by sub-region, etc.

The costs are applied as a percentage of the successful bid for the work put out to tender: they are 25 % for new construction and 34 % for purchase-renovation.

In the case of social housing⁵, the cost price is limited to amounts set according to the number of bedrooms, including fees:

- Studio: EUR 70 000;
- 1 bedroom: EUR 100 000;
- 2 or 3 bedrooms: EUR 130 000;
- 4 bedrooms or more: EUR 160 000.

Investment programme mechanism

The Walloon social housing stock is developed, renovated and maintained through the implementation of investment programmes.

An investment programme consists of a series of work operations or 'programme lines'. Each programme line is characterised by its allocation:

- SLSP concerned,
- number of houses,
- nature of the work carried out,
- location of this work,

- Order of the Walloon Government of 19 July 2007 on the granting of aid by the Region to legal persons for the creation of reintegration housing.

⁵ Social housing is housing where a legal person governed by public law holds the rights *in rem* and which is intended for households living in poverty (whose income does not exceed EUR 10 000 for a single person or EUR 13 650 for more than one person, plus EUR 1 860 per dependent child) or on low incomes (whose income does not exceed EUR 20 000 for a single person or EUR 25 000 for more than one person, plus EUR 1 860 per dependent child) when they enter the housing.

- financial amount allocated ('programmed amount'), which must allow the operation concerned to be carried out.

Each programme is identified by the budget year in which it is launched and by the type of work.

Every programme has a financial package broken down into programmed amounts. These amounts are committed when the SWL approves the contracts concerned and are then paid based on the invoices submitted by the SLSP to the SWL.

The programmes are approved by the Walloon Government and implemented by the SWL, on an order of the Minister for Housing.

The programmes are managed by the SWL according to the following process, which has been defined in the context of a 'quality management' system adopted by the SWL that has led to the granting of **ISO 9001 certification** (other SWL processes are also covered by this certification).

Broadly speaking, this process involves the following operations:

Notification of programmes

Following approval by the Walloon Government, the Minister for Housing signs an implementing order, which confirms the programme financing method and sets the implementation deadlines.

The programme is then notified to the SLSPs, which are informed by letter of the content of the relevant programme lines, i.e. the work, number of houses concerned, precise location, amount, financing method and maximum time-limits of the commitment by the SWL.

The implementation of programmes is mainly monitored using technical-financial software. This shows how the programme lines become work projects and allows their detailed progress to be monitored (see the IT part).

Amendments to the notified programmes

Following their notification, the programme lines may be amended at the request of the SLSPs concerned. These requests may involve:

- change of allocation: the location of the construction or purchase-renovation work must be altered because, for example, the land or building cannot be purchased; the type of work must be altered given the urgency (fire safety work may be added to electrical renovation work, for instance);
- extension of time-limits: where the usual 24-month time-limits between notification of the programme line and approval of the contract by the SWL prove to be too short, for various reasons (administrative delays in obtaining planning permission, for example);
- reallocation of balances: where the amount of a programme line is not fully used, the balance may be used to cover an overrun on another line or for other work.

These requests must be duly substantiated. They are sent to the Minister with the opinion of the regional office. Following ministerial approval, the decision is notified to the SLSP and the databases used for monitoring such decisions are amended accordingly.

Programme progress reports

Reports on the progress of the programme commitments are submitted several times a year to the decision-makers, i.e. to the Minister, Board of Directors and Directorate-General. Statistics are also produced at the request of external bodies such as the National Bank of Belgium, etc.

These progress reports indicate the extent to which programmes have been implemented and enable an assessment of the resources needed and the justification of special application measures. They are accompanied by explanatory notes and, where applicable, proposals for decisions.

The importance of the 'commitment' criterion is explained by the fact that a programme line is committed when the works contract is approved: where the commitment has been made, the work concerned will be in progress (please note that the regional offices, which are responsible for close monitoring, are therefore responsible for the commitment of programme lines and the payment of invoices for work and fees).

Appropriation statements and budget monitoring

Implementation of the programmes involves the SWL receiving the appropriations made in the regional budget.

For most programmes, these appropriations are paid by the Region based on monthly appropriation statements produced by the Finance and Accounting Directorate, using detailed reports provided by the Programme Management Directorate. The production of these reports requires the coding of the commitments concerned to be checked.

These reports identify the commitments from the programme lines for the month concerned. The amounts committed are converted into appropriations based on the regional contribution rates. These rates vary from 35 % (affordable housing) to 75 % or even 90 % (purchase-renovation). Certain renovations of housing situated in priority action areas are even subsidised at the rate of 100 % by the Region.

The consumption rate of the appropriations made in the regional budget is also monitored by the Programme Management Directorate. The amounts earmarked in the budget must be spent during the financial year.

The amounts intended to be included in the future regional budget are also calculated based on information supplied by the Programme Management Directorate in liaison with the Finance and Accounting Directorate (please see the chapter on the regional and operating budget for more information).

The Programme Management Directorate also proposes the amounts to be included in the SWL's budget in terms of revenue and expenditure for the investment programmes.

Monitoring and correction of subsidy allocations

For programmes involving direct regional subsidies, the amounts coded in the technical-financial monitoring software are annually checked, in comparison with the amounts included in the SWL's accounts. Any discrepancies are analysed and corrected if necessary.

I.3. Overcompensation

The SWL's supervision of the SLSPs

Article 163 et seq. of the Walloon Housing and Sustainable Homes Code provides for the SWL's supervision of the SLSPs.

As a result, the SWL's supervision partly involves authorisation and partly approval.

Authorisation supervision:

- conclusion of loans;
- participation of the SLSPs in the management and operation of legal persons;
- conduct by the SLSPs of property transactions and building management or rental operations in order to use these buildings for housing;
- assignment of rights *in rem* or purchase of rights *in rem* over any property that can be used for the SLSP's work;
- receipt of gifts and bequests;
- joining of new members or departure of members of the SLSPs;
- allocation of a property for use by the SLSPs themselves.

Approval supervision:

- articles of association of the SLSPs;
- liquidation of the SLSPs.

In accordance with Article 164 of the aforementioned Code, it should also be noted that the SLSPs refer most of their decisions on the award of public contracts for works, supplies and services to the SWL. The SWL can suspend or cancel SLSP contracts that are unlawful.

Audits

The SLSPs are subject to an audit report on their organisational, administrative, technical and financial aspects.

The management contract concluded between the Walloon Government and the SWL stipulates that the latter undertakes to conduct audits, or have these conducted, so that all the SLSPs are audited at least every three years.

Management indicators

Every year the SWL sends a circular to the SLSPs inviting them to submit management indicators, which are combined by the SWL for the purpose of analysis.

The information gathered allows cash flow forecasts and the financial situation of the social housing sector in the Walloon Region to be determined, among other aspects.

Rental revenue

As revenue, the SLSPs receive rent for the housing that they rent out.

An SWL circular establishes 'rental revenue rules'.

The aim of the approach proposed in the rules is to set an annual amount of rental revenue that must be paid by each of the SLSPs to their SWL ordinary current account.

SLSP budgets and annual accounts

The SLSPs submit their draft budget for an opinion. The SWL approves the budget and accounts of the SLSPs (Article 161 CWLHD).

PART II

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 km². There are 1 330 000 houses, of which 101 078 (as at 31.12.2013) are in the public sector.

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 is around EUR 260.

Figures for the number of subsidised houses:

Summary of the housing creation activity in 2015			
	houses for rental	houses for purchase	Total
Completed houses	948	38	986
Housing sites under development	734	75	809
Housing planned in 2014 - 2015 - 2016 (annual average)	563	66	629

The following table sets out the subsidies and advances paid to the SLSPs in 2013, 2014 and 2015:

Type of financing	2013	2014	2015
Advance on housing intended for sale	€1 164 783.36	€9 266 305.56	€5 408 061.79
Advance for housing creation	€2 419 042.06	€2 408 429.85	€419 862.37
Advances supplementing the housing creation subsidy	€13 161 121.88	€18 730 607.38	€15 032 096.55
Advance for the renovation of assets	€11 979 384.31	€12 170 536.73	€10 140 315.36
SWL advances	€17 131 274.54	€26 781 489.40	€28 931 129.67
TOTAL Repayable advances	€45 855 606.16	€69 357 368.92	€59 931 465.85
TOTAL Resources of the SLSPs	€39 554 959.31	€2 750 223.35	€18 959 829.38
Housing creation subsidy	€26 641 653.47	€36 294 216.28	€33 106 165.94
Facilities subsidies (communal surroundings and roadways)	€7 948 418.10	€8 986 194.07	€10 409 340.29
Subsidies for the renovation of assets	€86 581 189.41	€88 998 634.76	€61 263 164.66
TOTAL Subsidies	€123 171 269.97	€134 279 045.11	€104 778 670.88
Grand Total	€169 026 867.13	€203 636 414.03	€164 710 136.73

PROGRAMME FUNDAMENTALS since 2012 - implementing provisions

1. Subsidy formula

The subsidy consists of a flat rate calculated according to the type of operation and number of bedrooms. Caps are reviewed and broken down according to the same two criteria.

The subsidy cannot exceed the cost of the housing and is therefore reduced to this cost, where applicable.

The purchase cost of a building to be renovated as social housing can be subsidised, provided that the deed of sale predates the date when the subsidy is granted by less than four years, or by less than six years for buildings purchased between 1 January 2006 and 1 January 2012.

<u>Type of operation</u>	<u>Type of housing</u>	<u>Flat-rate subsidy</u>	<u>Cap/operation absolute value</u>
<i>Construction of social housing</i>	1 bedroom	65 000	100 000
	2/3 bedrooms	84 500	130 000
	4 bedrooms	104 000	160 000
<i>Purchase-renovation of social housing</i>	studio	40 000	70 000
	1 bedroom	65 000	100 000
	2/3 bedrooms	84 500	130 000
	4 bedrooms	104 000	160 000
<i>Construction of transitional housing</i>	1 bedroom	80 000	80 000
	2/3 bedrooms	100 000	100 000
	4 bedrooms	120 000	120 000
<i>Renovation of transitional and reintegration housing</i>	studio	50 000	50 000
	1 bedroom	60 000	70 000
	2/3 bedrooms	75 000	75 000
	4 bedrooms	80 000	80 000

NB: Housing intended for sale, funded by advances from the SWL, is not covered by this point.

2. Provision of funds

Payment of the subsidy to the SLSP's ordinary current account in several instalments:

- 5 % on notification by the SWL
- 30 % on authorisation to commission the work
- 55 % during the work
- balance paid on provisional acceptance of the work.

Contractors are paid from the current account via the technical-financial software, using a procedure similar to that of the PIVERT programme.

3. Maximum cost overruns and exemptions

- maximum cost overrun < 10 % for new construction or 15 % for renovation: the SWL can grant an exemption on a reasoned request from the SLSP.

- maximum cost overrun < 10 % for new construction or 15 % for renovation:
the Minister can grant an exemption on a reasoned request from the SLSP and following an opinion from the SWL.

4. Energy performance for new construction

The thermal and energy performance of the housing must be at least K35 and Ew60.

For the construction of passive or equivalent housing, the subsidy is increased by:

- EUR 10 000 / house for individual houses
- EUR 5 000 / house for apartment buildings

5. Energy performance for purchase-renovation

Building elements that are renovated in order to create housing in an existing building must achieve the minimum thermal and energy performance set out in the following table:

Building elements	U _{max} (W/m ² K)	R _{min} (m ² K/W)
1. Walls delimiting the protected volume, except for walls forming the partition with an adjacent protected volume		
1.1. Transparent/translucent walls, except for doors and garage doors (see 1.3), lightweight façades (see 1.4) and glass brick walls (see 1.5)	U _{w,max} = 2.2 and U _{g,max} = 1.3	
1.2. Opaque walls, except for doors and garage doors (see 1.3) and lightweight façades (see 1.4)		
1.2.1. Roofs and ceilings	U _{max} = 0.27	
1.2.2. Walls not in contact with the ground, except for the walls referred to in 1.2.4	U _{max} = 0.35	
1.2.3. Walls in contact with the ground		R _{min} = 1.3
1.2.4. Vertical and sloping walls in contact with an underfloor space or with a cellar outside the protected volume		R _{min} = 1.2
1.2.5. Floors in contact with the external environment	U _{max} = 0.35	
1.2.6. Other floors (floors on formation, above an underfloor space or above a cellar outside the protected volume, buried cellar floors)	U _{max} = 0.35	or R _{min} = 1.30
1.3. Doors and garage doors (including frame)	U _{d,max} = 2.2	
1.4. Lightweight façades	U _{cw,max} = 2.2 and U _{g,max} = 1.3	
1.5. Glass brick walls	U _{max} = 2.2	
2. Walls between 2 protected volumes situated on adjacent plots	U _{max} = 1.0	

3. The following opaque walls inside the protected volume or adjacent to a protected volume on the same plot, except for doors and garage doors: 3.1. between separate housing units; 3.2. between housing units and communal areas (stairwell, entrance hall, corridors, etc.); 3.3. between housing units and areas for non-residential use; 3.4. between areas for industrial use and areas for non-industrial use.	$U_{max} = 1.0$	
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6. Adaptable housing referred to in Article 1(16°ter) CWLHD

- Any operation (new construction) involving more than three houses must include at least 30% adaptable housing referred to in Article 1(16°) CWLHD.
- Increase in the subsidy:
 - EUR 2 000 for 1-bedroom houses
 - EUR 2 500 for 2- or 3-bedroom houses
 - EUR 3 000 for 4-bedroom or more houses
- The amounts may be reviewed by the Walloon Government when each multiannual programme is approved.
- The building may be partly used for a purpose other than housing.

7. Time-limits

From notification of the programme to the SLSP, the latter has:

- 12 months to submit the preliminary design to the SWL;
- 18 months to submit the design (basis for the competition);
- 24 months to submit the result of the competition.

FONDS DU LOGEMENT DE WALLONIE (WALLOON HOUSING FUND)

1. DESCRIPTION

The Walloon Housing Code was adopted through the Decree of 29 October 1998, published in the Belgian Gazette on 4 December 1998, and entered into force on 1 March 1999.

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

Article 179 of the CWLHD defines the Fund's four tasks, which are explicitly regarded as public interest tasks. They 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 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 average 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 reflection in these areas and propose new policies to the Government.

Tasks of social housing bodies

With regard to 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 incomes that are searching for housing.

The social housing agency shall mainly 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 this end, it shall implement actions 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.*

There are currently 30 social housing agencies, 33 neighbourhood boards (grouped into citizen activity services, each responsible for one district), and 24 housing promotion associations, i.e. a total of 87 bodies.

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

Those activities enabling secure social access and those relating to rental assistance operations (purchase, renovation, rental of housing) are regulated by the Order of the Walloon Government of 25 February 1999 and its subsequent amendments.

The housing and loan amount values are capped.

Interest rates depend on the income caps and number of dependent children.

Rents depend on income.

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

Income caps for beneficiaries of the services of the Walloon Housing Fund for Large Families and social housing bodies	
Activities	Income cap
Mortgages (3 dependent children)	Average income
EcoPacks (3 dependent children)	EUR 93 000
Rental assistance (3 children)	Low income
Social housing agency	Average income (5 %) Low income (95 %)
Housing promotion association	Mainly insecure income
Neighbourhood boards	Insecure income

2. ENTRUSTMENT AND PERIOD OF 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 Walloon Housing Fund for Large Families benefits from the same rights as the Société wallonne du Crédit social (Walloon Social Credit Association) 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 Walloon Housing Fund for Large Families.

4. COMPENSATION MECHANISM AND OVERCOMPENSATION

'Loan' task

Compensation mechanism

Social mortgages

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

Under Article 183(§1) CWLHD:

'The Fund may 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, terms and conditions for these loans and operations must be approved by the Government.'

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

This capital funding is the discounted sum over the term of the cash flow differential between the mortgages granted and the loans taken out to finance those mortgages. The 'balance funding' corresponds to the amount allowing all the cash flows to be reversed.

The method used is based on cost allocation.

Energy-saving loans

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 given that the capital funding corresponds to the amount allowing all the incoming and outgoing flows to be reversed.

Energy-saving loans

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

'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 covers, in the form of a capital subsidy, 75 % of the investment cost, capped at EUR 140 000 for a 3-bedroom house and at EUR 160 000 for a house with a minimum of 4 bedrooms.

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

Overcompensation

Subsidies must be justified using supporting documents. Amounts not spent are repaid to Wallonia.

‘Management of social bodies’ task

Mechanism

The Fund’s operating costs to carry out this social bodies 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 using cost accounting.

5. TOTAL AMOUNT OF THE AID GRANTED (EUR)

To the Housing Fund		2014	2015
<u>Tasks</u>	<u>Aid</u>		
Social mortgages	Capital funding	11 336 750	10 765 000
Energy-saving loans	Operating grant	796 326	817 909
Rental assistance	Capital subsidy	5 550 000	4 887 000
Social bodies	Operating grant	1 491 750	1 404 000

Services of General Economic Interest: 2014-2015 report to be submitted in accordance with the SGEI Decision and the SGEI Framework:
Société wallonne du Crédit social (SWCS) (Walloon Social Credit Association)

1. Description of the application of the SGEI Decision and the SGEI Framework and amount granted.

<p>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.</p>	<p>The SWCS has only the following public service tasks:</p> <ol style="list-style-type: none"> 1. financially and administratively manage the social mortgage; 2. promote the social mortgage; 3. assist applicants for social mortgages; 4. promote experimentation and research with regard to social mortgages; 5. ensure the efficient functioning and sound management of the social credit offices, and the quality of the services provided by them; 6. support access to ownership or maintenance of a first home. <p>This last point encapsulates the social mortgage: allowing the maximum number of people to access ownership, with particular emphasis on access by the most disadvantaged groups (households with insecure and low incomes) to ownership.</p> <p>In addition to the social mortgage, the SWCS was able to grant – up to 31 December 2015 – EcoPacks to finance sustainable work packages under the Order of the Walloon Government of 26 January 2012. The EcoPack consisted of a loan and a subsidy. This had its basis in the Walloon Housing Code, in particular Articles 22ter, 23(§1)(4°) and 175.2(§2).</p> <p>The Decree of 15 May 2003, which amended the Walloon Housing Code and which regulates the SWCS, also underlines that the social mortgage may be granted by both the SWCS and private associations approved by the SWCS.</p> <p>Pursuant to this provision of the Walloon Housing Code, the Government has adopted:</p> <ul style="list-style-type: none"> - the Order of the Walloon Government of 17 December 2015 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 Order of the Walloon Government 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;
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	<ul style="list-style-type: none"> - the Order of the Walloon Government of 17 December 2015 adopting the management and operating rules for social credit offices.
Explanation of the (typical) forms of entrustment. If standardised templates for entrustments are used for a certain sector, please attach them.	<p>The tasks were entrusted through the Decree of 15 May 2003 amending Article 175 et seq. of the Walloon Housing and Sustainable Homes Code.</p> <p>This entrustment is implemented through a five-year contract between the body and its supervisory minister. This contract is subject to rigorous evaluation. The current management contract covers the years 2013 to 2018 and was concluded on 1 October 2013 between the Walloon Region and the Société wallonne du Crédit social.</p>
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.	This is a permanent entrustment by decree in the social housing sector, social mortgage section.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	Only the Société wallonne du Crédit social (with the Walloon Housing Fund for Large Families) has the right to grant (possibly also through the social credit offices) social mortgages in the Walloon Region.
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	<p>The activity of the SWCS is funded through two types of instrument:</p> <ul style="list-style-type: none"> - an annual grant, which 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; - a subsidy covering the operating costs of the EcoPack measure.
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.	<p>Mortgage applications are made exclusively to the social credit offices, which act as broker or lender. The SWCS grants mortgages where applications have been made through offices acting as broker. It grants advances to offices acting as lender in order to cover the underlying loans.</p> <p>There are three main categories of mortgage, determined according to the total taxable income in year N-2.</p> <p>The mortgage interest rates are set based on three elements:</p> <ul style="list-style-type: none"> - capital market interest rates, - level of mortgage lending, - financing rate. <p>To make home ownership more accessible for those on insecure and low incomes (including single parents), reduced mortgage interest rates are offered to applicants according to</p>

	<p>their theoretical ability to pay.</p> <p>Since 2008, the work programmes involving new mortgage activities have been the subject of financing calculated to cover the full interest rate differential, which is based on the difference between the weighted average real financing rate of the SWCS and the weighted gross average return on new loans signed and new advances granted. In addition, a rate to cover the sectoral operating costs (commission of the broker offices, set at 0.80 % of the amount loaned) is taken into account. The terms are determined in the Order of the Walloon Government of 13 November 2008 laying down the financing rules of the Société wallonne du Crédit social (this Order was amended by the Order of the Walloon Government of 15 July 2010).</p> <p>These terms are therefore predominantly based on a cost allocation method.</p>
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	<p>The Order of the Walloon Government of 13 November 2008 laying down the financing rules of the Société wallonne du Crédit social, as amended by the Order of the Walloon Government of 15 July 2010, provides answers to this question.</p> <p>Article 3</p> <p>The subsidy shall be intended to cover the discounted interest rate differential between the weighted average real financing rate of the Société wallonne du Crédit social and the weighted gross average return on new loans and advances granted during the programme year.</p> <p>It shall also take account of the cost of covering the sectoral operating costs, which involve payment of the offices, total cost of rate reductions associated with the <i>Habitat pour tous</i> (Housing for All) plan, housing vouchers granted and a theoretical value reduction allowing losses that may be incurred in the portfolio to be covered, having regard to the loans in the programme year.</p> <p>Article 4</p> <p>§1. At the start of the programme year, the Minister shall set the subsidy amount based on an estimate of the lending amount and differential referred to in the first paragraph of Article 3 and also based on the parameters referred to in the second paragraph of Article 3.</p> <p>The subsidy amount, as set in the first subparagraph, shall be capped and shall determine the annual programme amount according to the real parameters defined in Article 3.</p> <p>Any amount overpaid to the Société wallonne du Crédit social shall be deducted from the subsidy amount to be granted during the year following the programme year.</p> <p>Any amount owed by the Region shall be paid to the Société</p>

	<p>wallonne du Crédit social according to a schedule set by the Minister.</p> <p>§2. The subsidy included in the Region's budget for the programme year shall be paid to the SWCS based on a single claim declaration drawn up by the latter based on forecast data and approved by the Government commissioners.</p>		
Aid amount granted.	Table setting out the 2014 and 2015 amounts		
	Société wallonne du Crédit social		
	Financing activity	Amount paid	Payment year
	Capital funding for 2014	22 000 000.00	Apr-14
	Capital funding for 2015	22 000 000.00	Dec-15
	EcoPack Subsidy 2014	1 232 405.27	Dec-14
	EcoPack Subsidy Balance 2014	1 888 273.65	Dec-15
	EcoPack Subsidy 2015	1 152 946.00	Dec-15

7. Difficulties with the application of the SGEI Decision or SGEI Framework

None.

8. Complaints by third parties

None.

9. Miscellaneous

None.

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 act or decree:

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

All autonomous ports are public interest entities (*organismes d'intérêt public*, OIP) included in Category B by Article 1 of the Act of 16 March 1954 on the monitoring of certain public interest entities.

1.1.2. Elements of the entrustment

1.1.2.1. Content and duration of the public service obligations

According to the acts and decrees creating them, the public service tasks of the autonomous ports are as follows:

- development, preparation 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 specified 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 exercise their powers throughout the Walloon Region, and each one controls the public land they are responsible for managing. The geographical area managed by each port is 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 may 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, controlling and reviewing the compensation

- The compensation granted to the ports by the Region is set according to the nature of investments, in accordance with the applicable management contracts: 100 % for hydraulic installations (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.

The Region's technical services monitor all the port contracts. In addition, the Region has representatives on the Boards of Directors of the ports.

1.1.2.5. Terms for avoiding and repaying any overcompensation

The port management contracts set out the terms 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 and *Actions prioritaires pour l'Avenir wallon* [Priority actions for the future of Walloon]) are covered by 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 investments, in accordance with the applicable management contracts: 100 % for hydraulic installations (quays, docking facilities, etc.), 80 % for the development of port areas connected to the waterway, and 50 % for the development of port areas not connected to the waterway.

1.3. Amount of overcompensation

None, see point 1.1.2.5 above.

1.4. Monitoring and annual report

Under the Act of 16 March 1954 on the monitoring of certain public interest entities, each autonomous port prepares an annual budget containing all the revenue and expenditure, whatever the origin or cause.

The draft budget of each autonomous port is prepared by the Board of Directors and approved by the relevant Minister and the Finance Minister for the Region.

It is then submitted to the Walloon Parliament as an annex to the Region's General Expenditure Budget.

The autonomous ports are monitored by the relevant Minister. This monitoring is carried out through one or more Government commissioners appointed by the Government on a proposal from the relevant Minister. Their work involves:

- the attendance of commissioners at meetings of the Boards of Directors in an advisory capacity;
- the power to appeal to the Government against any decision that they consider contrary to the regulations, articles of association or general interest;
- the monitoring of books, correspondence, reports and any documents and records of the company;
- full authority to request 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 Region's Finance Minister. 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 Government and the Walloon Parliament.

The Region's technical services monitor all the port contracts, which are subject in full to the public procurement rules, including *ex ante* control by the Finance Inspectorate.

In addition, the Region has representatives on the Boards of Directors of the ports.

2. Scope and use of statistical information on SGEI

With regard to 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 *Actions prioritaires pour l'Avenir wallon*) have been:

- 2014: MEUR 3.4
- 2015: MEUR 2.2
- 2016 (forecast): MEUR 4

3. Miscellaneous

The autonomous ports are an important policy tool for the Region as they contribute towards both economic recovery (*Actions prioritaires pour l'Avenir wallon*) and compliance with sustainable development principles by encouraging multimodal transport and a modal shift from road to less polluting waterway transport (Kyoto objectives). They also help to reduce road congestion in line, in particular, with the NAIADES White Paper on Transport.

Operational Directorate-General for Local Authorities, Social Work and Health - DGO5 of the Wallonia Public Service			
Clear and comprehensive description of how the respective services are organised in your Member State	Hospitals	Rest homes	Nurseries
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.	<p>Category 1).</p> <p>Hospitals are defined by the Act of 10 July 2008 on hospitals (Article 2) as healthcare establishments where specific specialised medical examinations and/or treatments in the areas of medicine, surgery and possibly obstetrics can be carried out or administered at any time in a multidisciplinary context, under the requisite and appropriate standards of care and medical, medico-technical, paramedical and logistical framework, for or to patients admitted to such hospitals and who may stay there because their state of health requires this care package in order to treat or relieve a disease, restore or improve their state of health, or stabilise injuries as quickly as possible.</p> <p>These hospitals perform general interest tasks.</p>	<p>Social service / Health and long-term care => category 2) a). This is an establishment that, whatever its name, is intended to accommodate older people who have their habitual residence there and who benefit, according to their level of dependency, from family group, domestic, daily living assistance and nursing or paramedical care services (Article 334(2)(a) of the Decree Part of the Code on Social Work and Health).</p>	<p>Social service / Childcare => category 2) b)</p>
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.	Ministerial order (standardised template)	<p>Ministerial order (standardised operating permit).</p> <p>All plans to open, extend or reopen a rest home must obtain agreement 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 following work or on urgent grounds, 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,</p>	DGO5 does not manage the approval of nurseries, only subsidy applications submitted by an entity managing a nursery.

		which must, in principle, be obtained within 3 years (Order of the Walloon Government of 15 October 2009). It is the minister who decides to grant or refuse the [operating permit.]	
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.	Initial provisional approval for 6 months + extension of the provisional approval + final approval (often for 5 years) + extension of the final approval. Existence of spot inspections to ensure that the hospital is duly meeting all the approval standards.	The operating permit is granted for an unlimited duration, but the Wallonia Public Service ensures that standards continue to be met by checking and inspecting the establishments concerned on a periodic and impromptu basis.	////
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	Exclusive rights.	Exclusive rights. The operating permit is needed in order to operate a rest home. Where it is found that an establishment for older people is being operated without an operating permit, a closure procedure is initiated (Article 26 of the Order of the Walloon Government of 15 October 2009).	///
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.	<u>Investment subsidy</u> + the Walloon Government can grant its <u>guarantee</u> for loans taken out to finance these operations.	<u>Investment subsidy</u> + the Walloon Government can grant its <u>guarantee</u> for loans taken out to finance these operations (Articles 1504 to 1513 of the Regulatory Part of the Code on Social Work and Health). <u>Legal reference</u> : Decree of 7 November 2007 on subsidies for investments in establishments for older people, as amended on 20 November 2008 and 3 April 2009. Order of the Walloon Government implementing the Decree of 7 November 2007 on subsidies for investments in establishments for older people (amended on 12 February 2009).	<u>Investment subsidies</u> . <u>Legal reference</u> : Order of the Executive of the French Community of 8 July 1983 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.
Explanation of the (typical) terms for avoiding and repaying any	For works contracts, the subsidy is made available in instalments:	For works contracts, the subsidy is made available in instalments:	

overcompensation.	<ul style="list-style-type: none"> - 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; - 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; - 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 2 instalments; - the balance of the subsidy is made available to the applicant on approval of the final account. <p>For equipment and furniture contracts, the subsidy is paid on submission of the invoices. <u>Legal reference</u>: Order of the Walloon Government of 15 May 2008 laying down the procedure for granting subsidies intended for hospital infrastructure and equipment, which implements the Act on hospitals, coordinated on 10 July 2008.</p>	<ul style="list-style-type: none"> - 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; - 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; - 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 2 instalments; - the balance of the subsidy is made available to the applicant on approval of the final account. <p>For equipment and furniture contracts, the subsidy is paid on submission of the invoices.</p>	
Amount of aid granted			
Total amount of aid granted. This includes all aid paid in your territory, including aid paid by regional and local authorities.	<u>Commitment appropriations</u> <u>For 2011:</u> => Private hospitals: EUR 476 125.00; => Psychiatric hospital (Tournai): EUR 621 892.00; => Public hospitals: EUR 599 963.00. <u>For 2012:</u> => Private hospitals: EUR 45 300.00; => Psychiatric hospital (Tournai): EUR 481 000.00; => Public hospitals: EUR 109 400.00. <u>For 2013:</u>	<u>Commitment appropriations</u> <u>For 2011:</u> => Private rest homes: EUR 358 775.00; => Public rest homes: EUR 463 275.00. <u>For 2012:</u> => Private rest homes: EUR 1 419 075.00; => Public rest homes: EUR 2 610 750.00. <u>For 2013:</u> => Private rest homes: EUR 143 750.00 (3 beneficiaries);	<u>Commitment appropriations</u> <u>For 2011:</u> => Private nurseries: EUR 171 050.00; => Public nurseries: EUR 1 112 650.00. <u>For 2012:</u> => Private nurseries: EUR 166 275.00; => Public nurseries: EUR 976 475.00. <u>For 2013:</u> => Private nurseries: EUR 409 600.00 (3 beneficiaries); => Public nurseries: EUR 21 175.00 (2 beneficiaries).

	<p>=> Private hospitals (non-profit making association): EUR 414 100.00 (2 beneficiaries);</p> <p>=> Tournai psychiatric hospital: EUR 1 248 000.00 (1 beneficiary);</p> <p>=> Public hospitals: EUR 209 925.00 (2 beneficiaries).</p> <p><u>CRAC loans for 2013:</u></p> <p>=> Public hospitals: EUR 4 586 850.00 (11 beneficiaries);</p> <p>=> Private hospitals: EUR 2 502 125.00 (6 beneficiaries);</p> <p>=> Private hospitals: EUR 2 502 125.00 (6 beneficiaries);</p> <p>=> Private hospitals (non-profit making association): EUR 4 375.00 (1 beneficiary);</p> <p>=> Psychiatric hospitals: EUR 1 248 000.00 (1 beneficiary);</p> <p>=> Public hospitals: EUR 202 500.00 (2 beneficiaries).</p> <p><u>CRAC loans for 2013:</u></p> <p>=> Public hospitals: EUR 2 752 775.00 (6 beneficiaries);</p> <p>=> Private hospitals: EUR 2 998 700.00 (7 beneficiaries).</p> <p><u>For 2015:</u></p> <p>=> Private hospitals (non-profit making association): EUR 511 825.00 (3 beneficiaries);</p> <p>=> Psychiatric hospitals: EUR 0 (0 beneficiaries);</p> <p>=> Public hospitals: EUR 0 (0 beneficiaries).</p> <p><u>CRAC loans for 2013:</u></p> <p>=> Public hospitals: EUR 11 017 550.00 (11 beneficiaries);</p> <p>=> Private hospitals: EUR 15 083 575.00 (13 beneficiaries).</p>	<p>=> Public rest homes: EUR 489 450.00 (8 beneficiaries).</p> <p><u>CRAC loans for 2013:</u></p> <p>=> Private rest homes: EUR 19 358 050.00 (6 beneficiaries);</p> <p>=> Public rest homes: EUR 41 440 935.00 (13 beneficiaries).</p> <p><u>For 2014:</u></p> <p>=> Private rest homes: EUR 678 525 00 (6 beneficiaries);</p> <p>=> Public rest homes: EUR 490 475.00 (5 beneficiaries).</p> <p><u>CRAC loans for 2014:</u></p> <p>=> Private rest homes: EUR 19 358 050.00 (6 beneficiaries);</p> <p>=> Public rest homes: EUR 12 339 890.00 (11 beneficiaries);</p> <p>=> Public service residences: EUR 1 906 000.00 (3 beneficiaries);</p> <p>=> Private service residences: EUR 1 640 075.00 (5 beneficiaries).</p> <p><u>For 2015:</u></p> <p>=> Private rest homes: EUR 0 (0 beneficiaries);</p> <p>=> Public rest homes: EUR 638 825.00 (5 beneficiaries).</p> <p><u>CRAC loans for 2014:</u></p> <p>=> Private rest homes: EUR 15 714 085.00 (5 beneficiaries);</p> <p>=> Public rest homes: EUR 36 202 275.00 (12 beneficiaries);</p> <p>=> Public service residences: EUR 2 819 800.00 (5 beneficiaries);</p> <p>=> Private service residences: EUR 2 011 150.00 (4 beneficiaries).</p>	<p>No CRAC loans for 2013.</p> <p><u>For 2014:</u></p> <p>=> Private nurseries: EUR 0 (0 beneficiaries);</p> <p>=> Public nurseries: EUR 128 050.00 (4 beneficiaries).</p> <p>No CRAC loans for 2014.</p> <p><u>For 2015:</u></p> <p>=> Private nurseries: EUR 467 500.00 (2 beneficiaries);</p> <p>=> Public nurseries: EUR 1 065 750.00 (3 beneficiaries).</p> <p>No CRAC loans for 2015.</p>
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Other quantitative information	Around 40 hospitals are approved in the Walloon Region.		////
Clear and comprehensive description of how the respective services are organised in your Member State	<u>Integrated health associations</u>	<u>Mental health services</u>	<u>Specialised addiction support and care services</u>
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.	Social service / Health and long-term care => 2) a). This is an association that, through a primary care team that is multidisciplinary in medical, psychological and social terms, hereinafter referred to as 'the team', provides: care through a comprehensive approach, both organic and also psychological and social, in which the patient is regarded as a subject with a personal history who is integrated in a family, professional and socioeconomic environment; integrated care by including prevention, which can be carried out either through individual contacts or through actions 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 Code on Social Work and Health).	Social service / Care and social inclusion of vulnerable groups => 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. It performs the following tasks: - receipt of the request with regard to mental or psychological difficulties; - 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; - 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. 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. It may also set up a therapeutic club based in a reception and activities centre, aimed at enabling users suffering from	Social service / Care and social inclusion of vulnerable groups => 2) e). In addition to reception and information tasks, the service specifically performs at least one of the following tasks for the benefit of beneficiaries: 1° psychosocial support; 2° psychotherapeutic and medical care; 3° care involving at least alternative care, detox programmes and residential or hospital care; 4° risk reduction. These tasks are performed through a multidisciplinary approach. 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. It is conducted both within the service and through relations within the network. It is set out in an agreement with the beneficiary, preferably in writing and revocable at any time. As an incidental 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 Code on Social Work and Health).

		severe or chronic psychiatric or psychological disorders to stabilise over time or access care (Article 540 of the Decree Part of the Code on Social Work and Health).	
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.	Ministerial order.	Ministerial order.	Ministerial order.
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.	Approvals are granted for an unlimited duration. 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 decided otherwise, the integrated health association is regarded as approved.	Approvals are granted for an <u>unlimited duration</u> .	Approval granted for an unlimited duration.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	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 Code).	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 evaluation, the Government may suspend or withdraw approval. Suspension of approval entails suspension of the payment of subsidies. The evaluation 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 Code on Social Work and Health). Approval for all or some of the activities conducted by a service may 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 Code on Social Work and Health).
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.	<p><u>Subsidy.</u> The subsidy is automatically linked to obtaining approval. It covers expenditure on:</p> <ul style="list-style-type: none"> - employees; - independent professionals; - operation. <p>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.</p> <p><u>Legal references:</u></p> <ul style="list-style-type: none"> - Decree Part of the Code on Social Work and Health, Articles 419 to 433; - Regulatory Part of the Code on Social Work and Health, Articles 1529 to 1566 on the approval and subsidising of integrated health associations. 	<p><u>Subsidy.</u> The subsidy is automatically linked to obtaining approval. It covers expenditure on:</p> <ul style="list-style-type: none"> - staff costs; - operating costs; - allowance for the administrative management; - flat rate for the liaison function. <p><u>Legal references:</u></p> <ul style="list-style-type: none"> - Articles 1809 to 1820 of the Regulatory Part of the Code on Social Work and Health; - Decree Part of the Code on Social Work and Health, Articles 539 to 617; - Order of the Walloon Government 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. 	<p>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:</p> <ul style="list-style-type: none"> - employees; - independent professionals; - operation. <p>The approved service benefits from the granting of subsidies for the care area in which it mainly works.</p> <p><u>Legal references:</u></p> <ul style="list-style-type: none"> - Articles 1880 to 1885 of the Regulatory Part of the Code on Social Work and Health; - Articles 641 to 674 of the Decree Part of the Code on Social Work and Health; - Order of the Walloon Government 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) terms for avoiding and repaying any overcompensation.	<p>The subsidy is paid as follows:</p> <ol style="list-style-type: none"> 1° an advance of 85 % of the confirmed subsidy in year n-2, which must be paid no later than 1 March of the year for which the subsidy is granted; 2° a second advance, which corresponds to the difference between 90 % of the confirmed subsidy in year n-1 and the first advance; 	<p>The subsidy is paid as follows:</p> <ol style="list-style-type: none"> 1° an advance of 85 % of the confirmed subsidy in year n-2, which must be paid no later than 1 March of the year for which the subsidy is granted; 2° a second advance, which corresponds to the difference between 90 % of the confirmed subsidy in year n-1 and the first advance; 	<p>The subsidies are paid as follows:</p> <ol style="list-style-type: none"> 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. <p>Examination of the justification for the subsidy does not suspend payment of the next advance, except where the network</p>

	<p>3° the balance, at the end of the subsidy audit, during the next year (n+1) (see Article 12/1 of the Regulatory Part of the Code on Social Work and Health).</p> <p>Some integrated health associations work on a fee-for-service basis, while others use flat-rate payment.</p>	<p>3° the balance, at the end of the subsidy audit, during the next year (n+1) (see Article 12/1 of the Regulatory Part of the Code on Social Work and Health).</p> <p>An index-linked maximum of EUR 10 (now at EUR 10.82) is requested from individuals who have recourse to mental health services for non-medical services. Services can be provided at no charge or at a reduced charge depending on the income of the individuals concerned. With regard to medical services (use of a psychiatrist, for example), the Act on mandatory healthcare insurance and allowances is applied, as coordinated on 14 July 1994 (see Article 580 of the Decree Part of the Code on Social Work and Health).</p>	<p>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 on Social Work and Health).</p>
Amount of aid granted			
<p>Total amount of aid granted. This includes all aid paid in your territory, including aid paid by regional and local authorities.</p>	<p><u>Commitment appropriations</u> <u>For 2011:</u> EUR 2 308 465.41. <u>For 2012:</u> => EUR 2 584 112.62. <u>For 2013:</u> => EUR 2 696 441.84 for private associations; => EUR 40 647.55 for public associations. <u>For 2014:</u> => EUR 3 000 002.00 for private associations; => EUR 42 000.00 for public associations. <u>For 2015:</u> => EUR 3 081 000.00 for private associations; => EUR 40 391.94 for public associations.</p>	<p><u>Commitment appropriations</u> <u>For 2011:</u> => EUR 18 525 000.00 for private mental health services (ab 33,05); => EUR 9 779 000.00 for public mental health services (ab 43,02). <u>For 2012:</u> => EUR 19 586 000.00 for private services (ab 33,05); => EUR 10 374 000.00 for public services (ab 43,02). <u>For 2013:</u> => EUR 20 500 000.00 for private services; => EUR 10 778 000.00 for public services. <u>For 2014:</u> => EUR 20 849 000.00 for private-sector mental health services (ab 33,05); => EUR 10 964 000.00 for public-sector</p>	<p><u>Commitment appropriations</u> (base article => 33.12). <u>For 2011:</u> => EUR 1 080 973.04. <u>For 2012:</u> => EUR 1 225 675.79. <u>For 2013:</u> => EUR 1 691 813.68 for Article 33.12 (private); => EUR 111 946.16 for Article 43.01 (public). <u>For 2014:</u> => EUR 2 044 707.18 for Article 33.12 (private); => EUR 343 309.91 for Article 43.01 (public). <u>For 2015:</u> => EUR 2 052 985.09 for Article 33.12 (private); => EUR 343 309.91 for Article 43.01</p>

		mental health services (ab 43,02). <u>For 2015:</u> => EUR 20 906 000.00 for private-sector mental health services (ab 33,05).	(public).
Other quantitative information	56 integrated health associations approved by the Wallonia Public Service. 1 integrated health association in the public sector and 55 integrated health associations in the private sector. 55 integrated health associations in the private sector. 1 federation of French-speaking medical centres and health groups	<u>Number of services:</u> 65 mental health services are approved by the Wallonia Public Service (37 private services and 28 public services) in 95 locations.	<u>Number of services:</u> 27 specialised addiction support and care services and 10 networks are approved by the Wallonia Public Service. A federation benefits from recognition, renewable every 4 years.
Clear and comprehensive description of how the respective services are organised in your Member State	<u>Family and older people support services</u>	<u>Meeting spaces</u>	<u>Family and couple planning and counselling centres</u>
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.	Social service / Care and social inclusion of vulnerable groups => 2) e). Services are provided in the home in order to encourage people to return to and stay in their homes and to support and assist the daily living of isolated, older, disabled and sick people and families in difficulty, in line 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 on Social Work and Health).	Social service / Care and social inclusion of vulnerable groups => 2) e). 'Meeting Spaces' services have the following tasks: 1° allow the parent with whom the child does not live to exercise his or her right to personal relations as normal, where this right has been interrupted or where the situation is difficult or there is conflict; 2° help to build or restore the relationship between the child and the parent with whom the child does not live (Article 167(1) of the Decree Part of the Code on Social Work and Health).	Social service / Care and social inclusion of vulnerable groups => 2) e). The centre has the following tasks: 1° organise psychological, social, medical and legal consultations; 2° prepare young people for emotional and sexual life; 3° fully inform individuals and groups about contraception, pregnancy (wanted or unwanted), voluntary termination of pregnancy, sexually transmissible diseases and every aspect of emotional and sexual life; 4° help people with infertility and contraception problems and with any other aspect of their emotional and sexual life; 5° help pregnant women in difficulty;

			<p>6° inform the public of family law concepts;</p> <p>7° ensure the education and information of adults and young people in the area of relationships, emotional life and responsible parenting.</p> <p>The centre can develop activities in specialised areas, particularly in the practice of voluntary termination of pregnancy in accordance with Article 350 of the Criminal Code and in the context of couple counselling and family mediation.</p> <p>The centre organises events associated with the tasks listed above.</p> <p>The centre can also help to train individuals working in the area of emotional and sex education.</p> <p>The centre's work is subject to regular internal multidisciplinary consultation, as determined by the Government (Article 185 of the Decree Part of the Code on Social Work and Health).</p>
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.	Ministerial order.	Ministerial order of approval.	Ministerial order.
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.	Unlimited duration.	Unlimited duration.	Unlimited duration.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	<p>No, 'naming' decree.</p> <p>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</p>	<p><u>Exclusive rights.</u></p> <p>Right to use the name 'Meeting Spaces Service'. Anyone who organises or manages an association bearing the name 'Meeting Spaces' without being approved may be punishable by a period of imprisonment ranging from eight days</p>	<p><u>Exclusive right.</u></p> <p>Anyone who organises or manages a centre bearing the name 'family and couple planning and counselling centre', 'family planning centre' or 'family and couple support centre' without being approved may be punishable by a period</p>

	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 Code on Social Work and Health).	to one month and a fine of EUR 100 to EUR 1 000, or one of these penalties only (Article 182 of the Decree Part of the Code on Social Work and Health).	of imprisonment ranging from eight days to one month and a fine of EUR 25 to EUR 75, or one of these penalties only (Article 217 of the Decree Part of the Code on Social Work and Health).
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.	Within the limits of the budget appropriations, the Government grants the service subsidies covering all or part of the following: 1° staff costs; 2° operating costs; 3° training and meeting time; 4° transport costs. An order of the Walloon Government is adopted to pay the advance, and subsequently the Walloon Government 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 Code on Social Work and Health.	Within the limits of the budget appropriations, the Government grants the approved 'Meeting Spaces' services subsidies covering: •staff costs; •operating costs. The operating and staff costs subsidies are paid in four quarterly advances of 22.5 % each. The balance is paid before 1 October of the following year, on submission of evidence of the expenditure. <u>Legal reference:</u> Articles 257 to 290 of the Regulatory Part of the Code on Social Work and Health.	Approval is automatically linked to obtaining, under certain conditions, subsidies covering expenditure on: •employees; •independent professionals; •operation. <u>Legal reference:</u> Articles 291 to 319 of the Regulatory Part of the Code on Social Work and Health.
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	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.	'Meeting Spaces' services subsidised under Article 177 must: 1° annually provide the administration with the following information on the previous year: - before 30 April, supporting documents for the wages of persons eligible for subsidy and evidence of payment of the employer contributions, together with supporting documents for the operating costs; - before 30 June, accounts kept in accordance with the applicable legal provisions;	The subsidies are paid in four quarterly advances of 22.5 % each for the operating grants and subsidies intended for the services of independent professionals, and 20 % each for the employee subsidies. For payment of the balance, supporting documents for the expenditure must reach the administration no later than 30 April of the year following the one for which the subsidy was granted. Financial contribution by individuals using the family planning and counselling centres: A maximum charge

		<p>2° inform the administration without delay and in writing of any amendment made to the articles of association and composition of the subsidised staff (Article 178 of the Decree Part of the Code on Social Work and Health).</p> <p>Meeting spaces can ask for a maximum of EUR 12 per case and per year (laid down by the regulations), but most meeting spaces do not charge.</p>	<p>of EUR 20.14 is set for each consultation (no matter how long this lasts). This amount can be altered depending on the income of the individuals concerned.</p>
Amount of aid granted			
<p>Total amount of aid granted. This includes all aid paid in your territory, including aid paid by regional and local authorities.</p>	<p><u>Commitment appropriations</u> <u>For 2011:</u> => Public: EUR 39 748 000; => Private: EUR 116 909 000. <u>For 2012:</u> => Public: EUR 40 235 000; => Private: EUR 127 521 844.44. <u>For 2013:</u> => Public: EUR 40 750 000; => Private: EUR 131 979 000. <u>For 2014:</u> => Public: EUR 39 669 000; => Private: EUR 133 485 000. <u>For 2015:</u> => Public: EUR 40 775 000.</p>	<p><u>Commitment appropriations</u> <u>For 2011:</u> => EUR 2 273 297.34 (basic subsidy). <u>For 2012:</u> => EUR 2 232 576.85 as basic subsidy; => EUR 88 573.75 for non-profit agreements; = EUR 2 321 150.60. <u>For 2013:</u> => EUR 2 408 817.10 as basic subsidy; => EUR 90 579.30 for non-profit agreements; = EUR 2 499 396.40. <u>For 2014:</u> => EUR 2 418 398.86 as basic subsidy; => EUR 86 235.79 for non-profit agreements; = EUR 2 504 634.65.</p>	<p><u>Commitment appropriations</u> <u>For 2011:</u> EUR 11 009 000. <u>For 2012:</u> EUR 11 466 000. <u>For 2013:</u> EUR 12 108 000. <u>For 2014:</u> EUR 12 759 000. <u>For 2015:</u> EUR 12 887 000.</p>
Other quantitative information	<p>Number of support services: 32 private services and 55 public services. Size of services: between 3 and 7 000 full-time equivalents.</p>	<p><u>Number of meeting spaces:</u> 12 meeting spaces.</p>	<p><u>Number of planning centres:</u> 70 planning centres and 8 branches.</p>
Clear and comprehensive description of how the respective services are organised in your Member State	<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 contents of the services entrusted as SGEI as clearly as possible.	Social service: social inclusion of vulnerable groups 2) e). 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 Code on Social Work and Health).	Social service: social inclusion of vulnerable groups 2) e). Commitment, in all public or social assistance situations requiring a good understanding between all the parties, to developing a social interpreting service meeting the needs of the frontline services in order to facilitate communication between those individuals speaking little or no French and social workers. (Unregulated optional subsidy, agreement concluded between the region and the association).	
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.	Ministerial order of approval.	Multiannual agreement.	
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.	Unlimited duration.	Three years. Possible renewal on a favourable opinion from the support committee following evaluation at the end of the period and with the Government's agreement.	
Explanation whether (typically) exclusive or special rights 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 on Social Work and	No	

	Health).		
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.	Subsidies mainly intended to cover staff costs. Operating costs (Article 109 of the Regulatory Part of the Code on Social Work and Health).	Subsidies covering the association's operating and staff costs.	
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	<p>Subsidy application is made at the same time as the application for approval (Article 113 of the Regulatory Part of the Code on Social Work and Health).</p> <p>Four quarterly advances of 22.5 % of the subsidy. 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 4/10 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 on Social Work and Health).</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 on Social Work and Health).</p> <p>Recovery mechanism if the expenditure is not justified.</p>	<p>An advance of 70 % of the total subsidy is paid within two months of the agreement being reached.</p> <p>Contribution by beneficiaries:</p> <p>On-site interpreting: EUR 9/hour.</p> <p>Telephone interpreting: EUR 6 for the 1st 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>The balance of the subsidy is paid on acceptance of the supporting documents.</p> <p>Recovery mechanism if the expenditure is not justified.</p>	
Amount of aid granted			
Total amount of aid granted. This includes all aid paid in your territory, including aid paid by regional and local authorities.	<p>EUR 20 710 000 (2011)</p> <p>EUR 23 185 000 (2012)</p> <p>EUR 23 830 000 (2013)</p> <p>EUR 24 022 000 (2014)</p> <p>EUR 24 165 000 (2015)</p>	<p>EUR 220 000 (2011)</p> <p>EUR 220 000 (2012)</p> <p>EUR 230 809.58 (2013)</p> <p>2014: EUR 250 000</p> <p>2015: EUR 300 000 + EUR 250 000</p>	

		(staged subsidy) (2015)	
Other quantitative information	8 783 beneficiaries and 588 108 nights per year. 54 social care homes. 2 communal homes. 2 family-type shelters.	1 subsidised interpreting service.	
Overcompensation is entirely avoided as accounts are audited annually. Anything not justified must be repaid. There is therefore no overcompensation. At least every three years, an inspection is carried out by the services of the Agence pour une Vie de Qualité (Agency for Quality of Life, previously the Operational Directorate-General for Local Authorities, Social Work and Health - DGO5 of the Wallonia Public Service), and each of these services can at any time lose its approval.			

Social services - Childcare ('infrastructure' element)

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.	Social services - Childcare ('infrastructure' element) laid down in Article 2(1)(c) of Commission Decision 2012/21/EU of 21 December 2011.
Explanation of the (typical) forms of entrustment . If standardised templates for entrustments are used for a certain sector, please attach them.	Individual acts for subsidising beneficiaries. The terms for granting and maintaining aid are set out in the following two instruments: * Element 2 of the Cigogne III plan (Walloon Government's call for projects in order to subsidise 'early childhood reception infrastructure' projects). * Traditional subsidies. Order of the Executive of the French Community of 8 July 1983 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.
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?	Obligation to create the reception infrastructure within the limits imposed by the aforementioned instruments.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	/
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	Direct subsidies.
Typical compensation mechanism as regards the respective services and whether a methodology based on cost allocation or the net avoided cost methodology is used.	Base rate of public intervention is set at a maximum of 60 % of the amount of the contracts awarded or purchase price of the building.
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	/
Description of the tools used to guarantee transparency.	Instruments published via the administration's information channels.

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

	2014	2015
Total amount of aid granted (in thousand EUR) paid by national central authorities.	/	/
Total amount of aid granted (in thousand EUR) paid by regional central authorities.	Traditional subsidies: EUR 708 000.	Traditional subsidies: EUR 805 000.
Total amount of aid granted (in thousand EUR) paid by local central authorities.	/	/
Share of expenditure per aid instrument (direct subsidy, guarantees, etc.) (if available).	/	/
Additional quantitative information (e.g. number of beneficiaries per sector, average aid amount, size of the undertakings)	/	/

Support for the restoration and management of natural environments

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.	<ol style="list-style-type: none"> 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. 2. Additional non-agricultural subsidies granted for additional conservation island and border areas (going beyond the legal requirements).
Explanation of the (typical) forms of entrustment. 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>
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?	<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>
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	/
Which aid instruments have been used (direct subsidies, guarantees, etc.)?	Subsidies.
Typical compensation mechanism as regards the respective services 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>
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	See Articles 12 and 13 of the Order of the Walloon Government on 'allowances'.

Description of the tools used to guarantee transparency.	<p>Calls for projects.</p> <p>A call for projects is conducted every three months in order to select projects meeting the criteria defined in the PWDR.</p> <p>Information on the calls for projects is available in particular from the various portals of the Walloon Region.</p>
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Amount of aid granted (in thousand EUR). This includes all aid granted in your territory, including aid granted by regional and local authorities.

	2014	2015
Total amount of aid granted (in thousand EUR) paid by national central authorities.	/	/
Total amount of aid granted (in thousand EUR) paid by regional central authorities.	EUR 150 000	EUR 150 000
Total amount of aid granted (in thousand EUR) paid by local central authorities.	/	/
Share of expenditure per aid instrument (direct subsidy, guarantees, etc.) (if available).	/	/

**Wallonie-Bruxelles
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Brussels, 21 JUNE 2016

Chairman of the Management
Committee
Federal Public Service for the Economy,
SMEs, Self-Employed and Energy
Rue du progrès, 50
1210 Brussels

For the attention of:
Director-General, Special Advisor of the
President
Chairman of the State Aid Sub-
Committee

Our References: JCH\NL\290335

Subject: Services of general economic interest (SGEI) – Report to be submitted under the 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 - year 2016

Dear Mr Chairman

Further to the meeting of the Interministerial Economic Commission's Internal Market Committee – State Aid Working Group of 21 March 2016, please find enclosed the reports from Wallonia required by Article 9 of the aforementioned decision.

We would be grateful if you could forward these to the European Commission by 30 June.

Please let me know if you have any queries.

Yours faithfully,

Christian Carette [signature]
Inspector-General

General Administrator

Enclosures: as stated.
European Integration Department — Inspector-General
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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 to Undertakings (years 2014 and 2015)

- 1) Hospitals: not applicable
- 2) Social services: not applicable
- 3) Air routes: not applicable
- 4) Airports and ports: not applicable
- 5) 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 support structures for micro-enterprises
 - d. Support for commercial activities
 - e. Support for tourism activities
- 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.	<ul style="list-style-type: none"> ○ Fostering of entrepreneurship: <ul style="list-style-type: none"> ● Promotion and encouragement of entrepreneurship; ● Continuous management training for executives, managers and young graduates through post-university programmes; ● Granting of guarantees to credit institutions so that SMEs and self-employed persons can more easily access professional loans; ● Support for entrepreneurial innovation. ○ Encouragement of SME support programmes: <ul style="list-style-type: none"> ● General support in the areas of business management, technological validation and search for capital or financial partners; ● Specialised support for entrepreneurial projects in areas regarded as threats or opportunities for Brussels entrepreneurs; ● Provision of legal, tax and accounting advice; ● Administrative facilitation; ● Internationalisation of businesses. ○ Aid for the creation and operation of support structures for undertakings, such as: <ul style="list-style-type: none"> ● Business centres that provide young businesses with an accommodation package including numerous shared facilities and support from management experts; ● Local economy offices that support future entrepreneurs and that work closely with business centres and local actors involved in promoting employment; ● Incubators that are associated with a university or college and that accommodate university spin-offs or other innovative start-ups stemming from scientific research, by offering them shared facilities and support. ○ Support for tourism activities:

	<ul style="list-style-type: none"> ▪ Promotion of Brussels as a business and conference tourism destination. ○ Support for commercial activities: foster commercial development, reinforce the identity of shopping districts by improving their environment, and implement an urban marketing strategy.
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"> ○ Subsidy order for undertakings, with or without an agreement. ○ Management contract for regional public interest organisations.
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"> ○ Subsidy order: 1 year. ○ Management contract: 5 years.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	<p>No exclusive or special right is assigned under the subsidy orders for undertakings.</p> <p>With regard to the regional public interest organisations, some have been created through an ordinance 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"> ○ Subsidy order: <ul style="list-style-type: none"> • 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. ○ Management contract (subsidy): <ul style="list-style-type: none"> • 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.
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	<ul style="list-style-type: none"> ○ Subsidy order: <ul style="list-style-type: none"> • The subsidies are subject to the Framework Ordinance of 23 February 2006 laying down the provisions applicable to the budget, accounting and auditing. <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. Moreover, as the subsidy cannot constitute a source of enrichment for the beneficiary, the subsidy amount is capped at the amount ensuring a financial</p>

	<p>balance between the income and expenditure of the undertaking 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> <ul style="list-style-type: none"> ○ Management contract: <ul style="list-style-type: none"> ▪ This sets out evaluation methods (external evaluation, evaluation of the annual actions under 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); ▪ The contract also includes a chapter on breach of contract.
Total amount of aid granted	
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.	2012: EUR 32 881 569 2013: EUR 28 468 589 2014: EUR 42 594 040 (12M entrepreneurship centre) 2015: EUR 29 670 683
Other quantitative information (number of beneficiaries per sector, average aid amount, amount per aid instrument)	2012: 43 beneficiaries with an average aid amount of EUR 764 687 2013: 35 beneficiaries with an average aid amount of EUR 813 388 2014: 29 beneficiaries with an average aid amount of EUR 1 469 760 2015: 26 beneficiaries with an average aid amount of EUR 1 141 180

2. DIFFICULTIES ENCOUNTERED IN THE APPLICATION OF THE SGEI DECISION

3. COMPLAINTS BY THIRD PARTIES

4. MISCELLANEOUS

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

SPRB (Brussels Regional Public Service) – ERDF (year 2015)

- 1) Hospitals:
- 2) Social services: not applicable
- 3) Air routes: not applicable
- 4) Airports and ports: not applicable
- 5) Other SGEI compensation not exceeding EUR 15 million:
 - a. reinforce and extend the practical application of the circular economy to the business-to-business level in the territory of the Brussels-Capital Region;
 - b. create and manage a new regional container depot;
 - c. trial and establish local biology laboratories and a mobile laboratory for the care of patients suffering from chronic diseases, including the development and provision of a telemedicine application for the dynamic monitoring of patients.
- 6) SGEI compensation under the Framework: not applicable

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.	<ul style="list-style-type: none"> ○ Medical services: trial and establish local biology laboratories and a mobile laboratory for the care of patients suffering from chronic diseases, including the development and provision of a telemedicine application for the dynamic monitoring of patients; ○ reinforce and extend the practical application of the circular economy to the territory of the Brussels-Capital Region; ○ create and manage a new regional container depot.
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"> ○ Subsidy order with subsidy agreement for each project selected.
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"> ○ Subsidy order: 2014-2020.
Explanation whether (typically) exclusive or special rights are assigned to the undertakings.	No exclusive or special right is assigned under the subsidy orders for undertakings.

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"> ○ Subsidy agreement: <ul style="list-style-type: none"> ▪ 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 on the payment of costs. The subsidy is paid in several instalments. Once the agreement is 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. 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. ▪ 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 publication and information obligations.
Explanation of the (typical) terms for avoiding and repaying any overcompensation.	<ul style="list-style-type: none"> ▪ Subsidy agreement: 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 income and expenditure of the undertaking or action subsidised.
Total amount of aid granted	
Total amount of aid granted. This includes all aid granted but not yet paid under the SGEI Decision.	<p>Total amounts projected for 2015: medical services: EUR 1 736 295.00; circular economy: EUR 1 462 012.44, container depot: EUR 3 797 916.00.</p> <p>The advances are paid in 2016 (5 January).</p>
Other quantitative information (number of beneficiaries per sector, average aid amount, amount per aid instrument)	2015: Medical services: 4 beneficiaries; circular economy: 5 beneficiaries; container depot: 1 beneficiary.

2. DIFFICULTIES ENCOUNTERED IN THE APPLICATION OF THE SGEI DECISION

3. COMPLAINTS BY THIRD PARTIES

4. MISCELLANEOUS

Société du Logement de la Région de Bruxelles-Capitale (SLRB)

SLRB periodic report for 2014-2015 to the European Commission

STATE AID

Services of general economic interest

SGEI – Brussels social housing

(Decision of November 2005, amended on 20 December 2011)

– June 2016 –

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PART I – GENERAL FRAMEWORK OF ACTIVITIES IN THE SOCIAL HOUSING SECTOR / ENTRUSTMENT TO THE SISPs

Introduction

Under the Belgian institutional framework, housing is a regional matter.

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.

The Brussels Housing Code was adopted through the ordinances of 17 July 2003 and 1 April 2004 and was last amended by an ordinance of 8 May 2014¹. In particular it defines the role of the operators of Brussels social housing policy, which are respectively the regional supervisory association, the **Société du Logement de la Région de Bruxelles-Capitale (SLRB)** (Brussels-Capital Region Housing Association), and the **public service property associations (sociétés immobilières de service public – SISP)**², which manage the assets of the Brussels social housing sector. As at 31 December 2014, there was a stock of 39 531 housing units.

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.

It is mainly **income conditions** that determine whether households are eligible for social housing³. These conditions are **adapted to the family situation** of households.

As of 31 December 2013, the rental agreement in the social housing sector has been in principle a **fixed-term rental agreement for nine years** (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.

1. The SLRB

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'⁴.

¹ Respectively published in the Belgian Gazette of 9 September 2004 and 18 July 2014.

² The sector is currently in a process of merger aimed at reducing the number of SISPs from 32 (in 2013) to 16 in 2017, if all goes well. When this report was approved in June 2016, there were 19 SISPs.

³ As of 31 December 2015, the income ceiling for eligibility is EUR 21 374.36 for a single person, EUR 23 749.31 for a household with more than one person but only one income, and EUR 27 142.09 for a household with at least two incomes. These amounts are increased by EUR 2 035.65 per dependent child and by EUR 4 071.30 per adult disabled person who is a member of the household.

⁴ See the Order of the Government of the Brussels-Capital Region of 8 March 2008 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).

Its tasks are defined in the **Brussels Housing Code** 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.

The SLRB approves and monitors the public service property associations (SISP) that operate in the Brussels Region. It also advises them and provides them with various services.

In formal terms, it is Article 41 of the Brussels Housing Code that defines the current **object** of the SLRB.

This constitutes the general legal framework of the action in the Brussels social housing sector.

In the context of its supervisory role, the SLRB has the following tasks⁵:

- ‘1° promote social housing in each of the 19 municipalities of the Brussels-Capital Region and assist the SISPs;*
- 2° approve, under the conditions laid down in Article 54, advise and monitor the SISPs;*
- 3° establish, with regard to the SISPs, the technical guidelines for organising its monitoring tasks;*
- 4° monitor and administratively supervise the activities and management of the SISPs and, more specifically, ensure compliance with the acts and regulations applicable to them and conformity of the activities undertaken by the SISPs, monitor the validity of the composition and operation of the SISP bodies, monitor compliance by the SISPs with the administrative, accounting, financial and social management rules governing their operation and activities (to this end, the SISPs shall inform the SLRB of the allowances granted to their administrators and managers), ensure compliance by the SISPs 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.*
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;
- 5° within the limits of the budget appropriations, provide the SISPs with the financial resources needed to achieve their object, and in particular grant a solidarity allowance to those SISPs 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*

⁵ The articles referenced in the various paragraphs setting out the object of the SLRB are from the Brussels Housing Code.

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;

- 6° in the event of construction, 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;*
- 7° at the Government's request or on its own initiative, make proposals regarding the accounting and financial management of the SISPs;*
- 8° at the Government's request or on its own initiative, give opinions on the operation of the SISPs;*
- 9° annually produce a report on the operation and activities of the SISPs in the Region. This report shall be submitted to the Parliament of the Brussels-Capital Region;*
- 10° examine any complaint about the operation and activities of the SISPs, in accordance with Article 76;*
- 11° promote the organisation of social relations between tenants and the SISPs, 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 for informing tenants and also rules that may foster the personal and collective responsibility of tenants and, in particular, participation, social support, appropriate use of housing, prevention of fire or carbon monoxide poisoning risks and provision of the necessary infrastructure;*
- 12° organise or encourage collaboration between the SISPs; [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;]*
- [12°a provide centralised regional tools and services to the SISPs, requiring the latter 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;]*
- 13° create a unit for the development and preservation of the cultural assets of the SISPs, 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 assets of the SISPs;*
- 14° establish mechanisms for consultation with officials delegated by the Urban Development Service and with officials delegated by the Monuments and Sites Service, and also the Royal Commission of Monuments and Sites where work to be carried out by SISPs requires the opinion of this Commission;*

- 15° *organise consultation with the SISP's 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's, 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;*
- 16° *authorise and manage 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;*
- 17° *establish or check the validity of statistical data collected in the technical and energy register of the assets, according to the terms set in the management contract, and ensure their communication to the Government.'*

[12° supplemented by Article 2 of the Ordinance of 18 July 2013, published in the Belgian Gazette of 26 July 2013]

[12°a supplemented by Article 3 of the Ordinance of 18 July 2013, published in the Belgian Gazette of 26 July 2013]

2. Public service property associations (SISP)

The object of the SISP's is basically to construct and provide social housing. They carry out the work of the sector in the Region's various districts.

They take the form of limited liability companies or cooperatives.

They are governed by the Companies Code, subject to the provisions of the Brussels Housing Code.

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 of the surrender or withdrawal of this approval⁶ are also determined by the Brussels Housing Code and by the Government.

Tasks of the SISP's

Article 67 of the Housing Code defines their tasks.

They 'carry out **public service tasks** and in particular:

- 1° *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;*
- 2° *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 managed in such a way as to improve the well-being of tenants, in particular by integrating cultural-type architectural innovations;*

⁶ Article 54 of the Brussels Housing Code.

- 3° *encourage consideration of the social difficulties faced by tenants, in particular through partnerships, and ensure a rental management that takes account of tenants' needs;*
- 4° *those tasks entrusted to them under the management contract referred to in Section 5 of Chapter 1 or, failing that, the rules produced by the SLRB;*
- 5° *annually produce a report on their operation and activities, which shall be submitted to the SLRB;*
- 6° *with the SLRB's prior agreement, carry out any operations connected with those listed by this Code;*
- 7° *exercise their public management right in accordance with Articles 15 to 19;*
- 8° *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;*
- 9° *rent, with the SLRB's agreement, low-cost and affordable housing (within the meaning of Article 2(2) of this Code) through construction and comprehensive renovation projects (resulting in an increased number of homes).
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 to 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 %).
Within the proportion thus authorised, the SISP may use as low-cost or affordable housing any homes situated away from the new development.
Further conditions may be laid down by the Government, linked to the size of the SISP's property stock or the rate of social housing already present within the municipality;
(Note: This paragraph 9° shall enter into force on 1 January 2014: see transitional provisions)*
- 10° *develop a property strategy for the SISP.'*

Operation of the SISPs

1- Internal audit and auditor (company auditor)

Articles 57 to 59 of the Brussels Housing Code lay down the operating procedures and also the audit methods that the SISPs must adopt:

‘Article 57. *Each member shall have a vote, in the general meeting, determined by the number of shares held, without prejudice to the specific voting procedures laid down by the articles of association of the SISP pursuant to the Act of 7 May 1999 establishing the Companies Code.*

The rights attached to shares held by the Region shall be exercised by the Government.

Article 58. *Each SISP shall have an internal audit system.*

This organisational and procedural system shall be used to protect the assets, ensure the reliability of accounting and social data, improve performance and social efficiency, and ensure compliance with directives.

On a proposal from the SLRB, the Government may determine the conditions that must be met by this internal audit.

Article 59. *Each SISP shall appoint a company auditor who shall be a member of the Institut des réviseurs d'entreprises (Institute of Company Auditors) and who shall work with the SISP as defined by the Companies Code and the articles of association. In addition, each auditor shall be required to report on his or her work to the SLRB at least twice a year. The cost of the report shall be borne by the SLRB, which shall be required to provide the auditor with any information needed to carry out his or her work.*

The Government, the SLRB or the SISPs may entrust the auditor with additional tasks. In this case, the cost of the additional tasks shall be borne by the body requesting these, which shall notify these to the SISP.'

2- Social representatives

The internal audit system and company auditor are supplemented by a third method of monitoring the SISPs, which is the **system of social representatives**. The SLRB appoints and pays a social representative for each SISP. These social representatives may not work for more than three consecutive years for the same SISP.

Article 63 of the Brussels Housing Code defines their tasks:

'Social representatives shall ensure compliance with the regulatory and contractual provisions by each SISP to which they are appointed, and in particular with the conditions for registering tenant applicants, procedures for defining normal rental values, standard rental agreements, standard rental agreements with renovation, special priorities for the benefit of certain low-income applicants, rental rules in the sector, rates and conditions for granting rent discounts, and operation of tenant advisory councils.

Without prejudice to the other tasks with which they may be entrusted by the SLRB, social representatives shall ensure compliance by the SISPs with the social management and administrative rules governing their operation and activities. Social representatives shall ensure that the management contract or rules are correctly applied by the SISP and shall refer to the SLRB in the event of non-compliance with this management contract or these rules by the SISP. The SLRB may take any decisions in this respect that may guarantee respect for the law and general interest.

In order to carry out their work, social representatives may request the assistance of the company auditor after having informed the SISP.'

As part of their work, social representatives shall provide the Government and the SLRB, based on Article 64 of the Brussels Housing Code, with:

- ‘1° *a detailed six-monthly report on their activities, in particular appeals (read: complaints) submitted to them and their outcome. They shall include with this report figures on the allocation of housing: date of registration of the application, registration number in the register of applicants, number of priority points and, where applicable, date of allocation of housing or removal from the application lists. This report, produced in accordance with the model established by the SLRB, shall also contain a statistical part covering the management of housing allocations, in particular the volume and composition of pending applications, average income of tenant applicants and rate of use of the multiple registration option, and average income of households having obtained housing under the general allocation principle or exempting provisions;*
- 2° *an annual report summarising the social representative’s observations on compliance, by the SISP to which he or she is appointed, with the social management and administrative rules in the sector.’*

Both these reports are also provided to the SISP within which the social representative works.

Social representatives also attend meetings of the administration and management bodies of the SISP to which they are appointed, under Article 65 of the Brussels Housing Code. They can require the members of these bodies to deal with problems connected with their tasks.

Moreover, if the members of these bodies refuse to decide or adopt a decision contrary to the tasks of the SISP or the general interest, the social representatives, as soon as they are informed of this fact, have a period of four working days to submit an appeal to the SLRB and propose a reasoned decision. The appeal has suspensive effect. The parties must be heard. The SLRB has 20 working days to make a decision. In the absence of a response from the SLRB within this time-limit, the contested decision is confirmed. Where the SISP body has refused to decide on the social representative’s request, and in the absence of a response from the SLRB within the aforementioned time-limit of 20 working days, the decision proposed by the social representative becomes enforceable.

The social representative informs the SLRB of the enforcement of these decisions.

3- SLRB-SISP relations

The SISP can conclude a **management contract** with the SLRB, which is intended to translate the objectives and procedures in the management contract signed by the SLRB with the Region: these management contracts are referred to as ‘two-tier’.

The 10 objectives set by the current SLRB/SISP management contracts for the years 2014-2015⁷ are:

1. Ensure a good match between the programming and the needs of the SISP assets.
2. Define and implement investment programmes allowing regional assets to be brought into line with the Brussels Housing Code and regulations, and also contribute to the reduction of greenhouse gas emissions by improving the energy performance of buildings.

⁷ Third generation: 2011-2016 contract (Decision of 31 October 2011).

- | |
|---|
| <ol style="list-style-type: none">3. Consolidate the Regional Housing Plan.4. Schedule and perform maintenance at sectoral level.5. Manage the rental of housing in order to guarantee the right to decent and safe housing for all and avoid vacant rental properties.6. Develop a public service user-oriented approach at sectoral level.7. Maintain, develop and implement the sectoral social action policy and encourage participatory processes.8. Guarantee transparent financial management and contribute to the sector's financial balance.9. Reinforce and support the management capacities of the SISP.10. Reinforce good governance in the sector by consolidating the strategic view of each SISP. |
|---|

These management contracts are concluded for a term of five years and may be renewed for the same period. They provide for evaluation periods.

The SLRB also produces **rules** that apply to those SISP not having concluded a management contract with the SLRB.

This system of optional management contracts and mandatory rules between the SLRB and the SISP has been in existence since 1994⁸.

To date, the sector has therefore seen three generations of management contracts and rules:

- The first covered the period from 1994 to 2001⁹: at the time, 27 SISP chose a management contract, with 6 preferring rules.
- The second applied from 2001 to 2011¹⁰: only 2 SISP did not sign a management contract and remained on the rules option.
- The third applied from 2011 to 2016: all the SISP used the contract system.

PART II – AMOUNT OF COMPENSATION: FINANCING OF BRUSSELS SOCIAL HOUSING

The social housing sector is financed through regional appropriations provided 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.

The initial annual regional budget undergoes adjustments every year so that certain amendments can be made during the year to take account of changes in the budget situation (income and expenditure) and in the situation and development of the activities of regional operators.

The regional financing for the sector currently has three main purposes:

⁸ It was introduced by the Ordinance of 9 September 1993 amending the Housing Code for the Brussels-Capital Region and concerning the social housing sector (Belgian Gazette of 31 December 1993).

⁹ The contracts and rules for the 1994-1999 period were extended for two years.

¹⁰ The contracts and rules for the 2001-2006 period were extended until 2011.

- financing of the property activities (or investment policy) that form the sector's historical activity;
- social policy of the sector, which has diversified and developed over the years;
- operating costs of the supervisory association, the SLRB.

Table 1 shows the main appropriations granted during the 2012-2013 period¹¹, which are categorised according to the various purposes set out above.

Table 1: Appropriations allocated to the various social housing programmes¹²

	2014	2015
Investments		
Payment appropriations	138.99	109.881
Of which: Subsidies	76.856	46.297
Commitment appropriations	512.639	200.594
Of which: Subsidies	359.639	200.594
Social policy		
Solidarity allowance	21.915	24.451
Social reduction	14.335	14.335
Provision of staff to the SISPs	2.93	2.901
Social cohesion project	1.9	1.9
Reimbursement of services for disabled people	0.04	0.04
Sub-total (PA)	41.12	43.627
Other		
SLRB operating costs	8.79	8.703
Miscellaneous ¹³	2.454	4.843
Sub-total (PA)	11.244	13.546
TOTAL (PA)	190.502	164.95

1. Financing of property activities in the Brussels social housing sector

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:

‘Article 70. 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.

The SLRB shall decide within 90 days of receiving the request. The absence of a response within this time-limit shall constitute refusal.

An appeal may be lodged with the Government within 10 working days of the time-limit expiring or refusal being notified.

¹¹ The figures contained in Table 1 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.

¹² In million EUR.

¹³ Includes subsidies for the *Cocolos* (tenant advisory councils), *Observatoire des loyers* (rent observatory), centre of expertise, resources of the Regional Housing Plan (PRL) and *Alliance-Habitat* (Housing Alliance), and the merger support task. In 2015 a reserve was added for contaminated soil.

The Government shall decide within 30 days.

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.

Article 71. *The granting of an investment appropriation or subsidy to an SISP may be subject by the SLRB to a commitment to use part of this to:*

- 1° purchase land;*
- 2° purchase buildings;*
- 3° construct buildings;*
- 4° renovate houses or flats;*
- 5° cover the cost of developing roadways, sewage systems, public lighting and water supply and the cost of managing the communal surroundings of housing, including pavements;*
- 6° install community-type infrastructure;*
- 7° exercise the public management right;*
- 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;*
- 9° mobilise internal resources while respecting the long-term financial balance of the SISPs.*

Article 72. *The SISPs can receive gifts and bequests and purchase the property, even real property, needed for their administration.*

Article 73. *The SISPs may, with the approval and possible financial assistance of the SLRB, purchase residential or non-residential properties or become holders of other main rights in rem in order to demolish, clean, improve or adapt them.*

Article 74. *With the SLRB's prior authorisation, the SISPs may dispose of their properties and all main rights in rem established over them, in accordance with the objectives of the sector and property policy defined by the Government.*

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:

- 1° if that asset does not allow it to carry out its public service task;*
- 2° if the disposal of that asset allows it to fulfil its obligations under the management contract or rules;*
- 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.*

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 publication measures referred to in Article 4 of the Ordinance of 12 November 1992 on the disposal of public property shall apply to these transactions.

Article 75. *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 renovation, rent housing for more than nine years or acquire rights other than ownership rights over that housing.'*

Types of financing

The investment policy involves two types of complementary financing:

- appropriations repayable over variable periods depending on the work concerned; or
- subsidies (non-repayable appropriations): variable rate depending on the investment programme (from 25 % to 50 % of the amounts granted).

The investment programme in the sector consists of two main components:

- extension of the rental stock by constructing new housing;
- renovation of the stock and bringing this into compliance with quality, safety and comfort standards (legal provisions).

Since 2010, any new construction must be passive and any new renovation must be low energy.

Reference price

Reference price for the construction of new housing in the Brussels-Capital Region¹⁴:

- the price per m² of gross floor area is EUR 1 250/m²;
- the price per m² of housing area is EUR 1 500/m².

Renovation operations involve too wide a variety of situations to be able to set costs in the same way as for new housing.

Investment programme mechanisms

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.

Depending on the provisions of the third-generation management contracts, investments are defined according to:

- a programme of regional investments in construction and renovation over four years (determination of the precise projects of the SISPs), which accounts for 80 % of the annual investments;
- urgent work not foreseen when the four-year plan was adopted (4 %);
- integration of works of art, in consultation with inhabitants (1 %);
- work selected by the SISPs according to a system of drawing rights (15 %), which are shared between those SISPs having signed a management contract according to the extent of their assets, with various framework conditions.

Note that the subsidisation percentage is in the order of 50 % for renovation work.

The multiannual investment programmes are mainly four-year programmes.

¹⁴ Reference price set on 23 March 2010.

A four-year programme consists of a series of operations or work, which in principle must 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.

Each year the SLRB can propose to the Region an **adjustment** of the four-year investment plan or of the distribution of the annually allocated envelopes.

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.

The SLRB's '**operational**' structure for tasks connected with both investments and financial transparency mainly involves the following priority elements¹⁵:

'Article 18. Investment procedure to ensure the accountability of stakeholders.

The accountability of stakeholders shall be relevant in investment projects financed through regional budget appropriations or own funds, with any other form of financing, whether or not subsidised, being regarded as an own fund.

For every project, the SISP shall ensure that the criteria defined in the standard schedule of conditions negotiated with the Federations are met (Article 19 of the first-tier management contract).

The following eight stages shall be applied in investment work:

- 1. Competition documents for the designs.*
- 2. Selection of design offices (main design office and other participants).*
- 3. Additions to the main task of the design offices.*
- 4. Preliminary design and work procurement method.*
- 5. Competition documents for the work.*
- 6. Selection of contractor.*
- 7. Work statements/modifications.*
- 8. Final statement.*

Time-limits

The time-limits for SLRB approval shall be 30 calendar days for stages 1, 2 and 3, 50 calendar days for stage 4, 60 calendar days for stage 5, and 30 calendar days for stages 6, 7 and 8. These time-limits shall be suspended between 15 July and 15 August and during the Easter and Christmas school holidays.

These time-limits shall run from receipt of the full analysable documentation. An acknowledgement of receipt shall be sent to the SISP within 15 calendar days of the SLRB receiving the documentation. This shall identify any documents that are missing or that are not of sufficient quality to be analysed.

¹⁵ SLRB-SISP third-generation management contract available on the website: www.slrbrb.irisnet.be

If the time-limits for stages 1, 3, 4, 5 and 7, and 2 in specific cases, are not observed by the SLRB, the SISP shall be authorised to proceed to the next stage. If the time-limits for stages 2 and 6 and, in the specific cases set out below, for stages 3 and 7 are not observed, the SISP shall have a right of appeal to the Board of Directors of the SLRB and, if no response is received within 30 calendar days, the SISP shall have a right of appeal to the Government. If the time-limit for stage 8 is not observed, the SLRB must pay the default interest owed to the various outside participants.

Three types of supervision: ex post, simplified or comprehensive

*Projects where the cost of the work is less than the cap set for the negotiated procedure without prior publication shall be subject to **ex post supervision**, i.e.:*

- *communication to the SLRB, for information purposes, of the performance of the work and checking of its execution through spot checks.*

*Projects where the cost of the work is less than EUR 500 000.00 but more than the cap set for the negotiated procedure without prior publication shall be subject to **simplified approval supervision**, i.e.:*

- *communication, for information purposes before the work is carried out, of all documents relating to stages 1, 3, 5 and 7;*
- *communication, for approval purposes, of all documents relating to stages 2, 4, 6 and 8, without which the SISP cannot proceed to the next stage.*

*Projects where the cost of the work is more than EUR 500 000.00 shall be subject to **comprehensive approval supervision**, i.e.:*

- *communication, for approval purposes before the work is carried out, of all documents relating to stage 8.*

Specific cases:

- *Where this involves participants other than the main design office, stage 2 shall be subject to approval if the cost of the task is more than EUR 15 000.00. Below this threshold, the documents for the stage shall be provided for information purposes.*
- *Stage 3 shall be subject to approval if the object of the main task is altered, thereby increasing the cost of the work to over EUR 500 000.00, in which case the rest of the project shall be subject to comprehensive supervision.*
- ***Stage 7** shall be subject to approval if the amount of the statement submitted is more than **EUR 15 000.00** or if the sum of the statements submitted indicates an overall fluctuation (up or down) in the cost of the work by more than 10 % of the award amount.*

General provisions

For projects subject to simplified or comprehensive approval, the SISP shall also notify the following to the SLRB for information purposes: ordering of the design, filing of the planning application and ordering of the work.

The mechanism for simplifying the supervision is optional and may be refused in its entirety by one of the two parties. If this decision is made by the SLRB, it must be reasoned.

For each stage, the SISP may have recourse to the technical, legal and logistical support of the SLRB.

This system of stakeholder accountability shall be applied after the management contract is signed for all those stages that have not yet started.

Exceptionally, the SLRB may inform the SISP by email, followed by a letter, that the time-limits allowed shall be increased. In this case, the SLRB shall reason this decision and specify the number of additional days, which may not exceed 30 calendar days.'

(Extract from the SLRB-SISP management contract that entered into force on 31 October 2011)

The process of implementing the investment policy involves the following operations:

Notification of programmes

After approval by the Government, the four-year programme is then notified to the SISPs, which are informed by letter of the content of the relevant programme elements.

Programme progress reports

Reports on the progress of the programme commitments are submitted several times a year to the decision-makers: Minister, Board of Directors, Directorate-General.

These progress reports indicate the extent to which programmes have been implemented and enable assessment of the resources needed and justification of special application measures. In addition to these progress reports, the third-generation **management contracts** formally provide for the use of various mechanisms (strategic plans, updated strategic plans, annual evaluation session between the partners, annual report on compliance with the obligations, etc.) allowing the state of progress of the investments in particular to be assessed. Where applicable, contract provisions are also included for cases of non-compliance with the obligations (remediation mechanisms, possible return to *ex ante* supervision, penalties, etc.).

The **investment programme progress reporting** is set out in Articles 20 and 21 of the second-tier management contract:

‘Article 20. Creation of an investment monitoring committee

The SISP shall implement its investment programme by taking into account:

- *the supervisory rules;*
- *the public procurement procedures.*

Subject to exceptions, the SISP undertakes to launch its investment projects as approved by the SLRB. Otherwise, a justified request shall be submitted to the SLRB, which shall decide on this request in accordance with Article 16.

Creation of the monitoring committee:

The financial and technical monitoring committee for investments shall bring together all the relevant services of the SLRB and SISP at least three times a year to monitor the progress of

the SISP's investment projects. However, contacts shall be maintained throughout the year between the two parties to guarantee effective and regular communication. To facilitate these contacts, the SLRB shall appoint, within its technical service, a reference person for each SISP (Article 19).

Production of an initial overall schedule by the SISP:

In order to prepare for the first monitoring committee meeting after the appropriations for an investment programme are granted, one week before this meeting the SISP shall provide the SLRB with its progress schedule for all its ongoing projects or those financed by the SLRB.

The SLRB's Board of Directors shall analyse this initial schedule and approve it or ask for changes within a maximum of 60 days.

To help the SISP produce this schedule, three weeks before the meeting the SLRB shall send an extract from its work programme covering the progress and theoretical planning of ongoing projects. In addition, on the signature of this contract, the SLRB shall produce and send to the SISPs an outline of the stages to be included in this initial schedule.

This schedule shall be the main common tool for strategically monitoring the progress of investments. It shall indicate that 50 % of all new projects must be at the preliminary design stage within 18 months of the SISP being informed of the granting of appropriations, and 100 % within 24 months. The actual work must start within a maximum of four years from the granting of the appropriations.

During each monitoring committee meeting, the two parties shall:

- exchange their information and identify possible solutions to any problems encountered in the conduct of the SISP's investment projects;*
- monitor compliance with the SISP's project progress schedule.*

This monitoring committee shall examine all projects under ongoing investment programmes or those for which financing has already been set.

During the meeting, the progress shall be confirmed by both parties. Each meeting of this monitoring committee shall result in the drafting of minutes, which shall be sent to the SISP within two weeks of this meeting.

At least once a year, the project schedule and progress in relation to this schedule shall be submitted to the Boards of Directors of the SLRB and SISP and forwarded for information purposes to the Minister.

Article 21. Measures in the event of delays in investment projects financed by the SLRB

With regard to the SISP's schedule and its progress, as soon as the SLRB discovers that 20 % of the SISP's projects in terms of the financial amount or 20 % of the total number of the SISP's projects are delayed in relation to the schedule established during the first monitoring committee meeting (see Article 20) 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 45 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.

The SLRB's Board of Directors shall be able to impose one or more of the following measures, taking account of the gravity of the situation, according to the terms defined by the SLRB and by reasoning its decision:

- *note the situation and explanations given and accept a revised investment schedule proposed by the SISP;*
- *ask the SISP to provide a revised schedule, possibly based on timelines set by the SLRB;*
- *send the SISP formal notice to comply;*
- *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, Bouwmeester [master builder], etc.);*
- *remove overall control of one or more projects from the SISP (Articles 41(4°) and 42(1°) of the Brussels Housing Code);*
- *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.'*

Budget monitoring of the investment policy

Implementation of the programmes involves the SLRB receiving the appropriations made in the regional budget.

This is carried out through the first-tier management contract between the SLRB and the Brussels-Capital Region (October 2010) (see below).

Note that Article 30 of the first-tier management contract stipulates that the SLRB shall inform the Region of the precise progress of the investment programmes every three months.

'Article 30. Monitoring of investment progress and creation of an investment monitoring committee

The SLRB shall inform the Region of the precise progress of the investment programmes every three months from signature of the contract, in the form of computerised tables.

This progress report shall include the following information on all the projects of each SISP:

- *full address,*
- *type of work,*
- *progress,*
- *sources of financing with their distribution,*
- *consumption rate of the payment and commitment appropriations.*

For each SISP, the SLRB shall create a monitoring committee for the investment projects financed by the Region. This committee shall meet at least three times a year. Its aim shall be to promote the exchange of information between the SLRB and the SISPs and to identify possible solutions to any problems encountered in the conduct of the SISP's projects.'

Article 116 of this same management contract provides for an annex (Annex 1) containing the 2010-2015 budget programming for the sector as well as the payment plan for the four-year investment programmes and the Regional Housing Plan.

Table 2: Budget programming of the first-tier management contract (2016-2020)¹⁶

	2016	2017	2018	2019	2020
Housing Observatory 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 allocation ¹⁷	497	507	518	528	539
Total allocations	11 953	11 150	11 342	11 604	11 783

Table 3: Programming of payment appropriations for the current four-year programmes¹⁸

	2014	2015	2016	2017
Four-year period 2002-2005 (advances)	-	-	-	-
Four-year period 2002-2005 (subsidies)	-	-	-	5 331
Four-year period 2006-2009 (advances)	-	-	-	-
Four-year period 2006-2009 (subsidies)	53 670	5 000	-	-
Four-year period 2010-2013 (advances)	15 300	16 750	10 000	6 750
Four-year period 2010-2013 (subsidies)	6 889	5 000	8 000	7 000
Four-year period 2014-2017 (advances)	20 000	20 000	30 282	30 000
Four-year period 2014-2017 (subsidies)	-	20 000	20 000	22 830
Regional Housing Plan	16 297	16 297	16 297	16 297
<i>Alliance-Habitat</i> (Housing Alliance)	-	-	14 784	19 749
TOTAL	112 156	83 047	99 363	107 957

2. Financing of the social policy of the Brussels social housing sector

The social policy of the Brussels social housing sector has three main aims:

- Regional financial coverage of the cost to the SISPs of applying the sector's social policy through two different systems:
 - o **Social reduction for dependent children or disabled people:** 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 rent¹⁹ and increases in proportion to the number of children or disabled people concerned.

¹⁶ In thousand EUR.

¹⁷ Annual allocation, added here, for the Regional Housing Plan and *Alliance-Habitat* (Housing Alliance).

¹⁸ In thousand EUR.

¹⁹ 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

It is, however, capped.

It is Article 18 of the Order of 26 September 1996 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 the public service property associations that regulates the various aspects of this system.

- **Solidarity allowance:** 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:
 - the annual repayment of their previous investments, or
 - management work on their assets, or
 - social support of tenants.

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.

- **Provision of social workers to the SISP** by the Social support service for social housing tenants (Service d’accompagnement social aux locataires sociaux – SASLS).
- **Development of social cohesion projects** that are also financed by the Region. There are currently 20 projects in the Brussels Region.

3. Additional measures to ensure transparency of the SISP activities

SISP budgets and annual accounts

The annual accounts of the SISP must be submitted to the SLRB each year.

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.

PART III – GENERAL STATISTICS – SOCIAL HOUSING SUPPLY AND DEMAND MARKET IN THE BRUSSELS-CAPITAL REGION

1. Social housing supply and demand ‘market’: background data

In the Brussels Region (1 175 173 inhabitants as at 1 January 2015), there were 540 440 homes as at 31 December 2014 – 2013 data from the Federal Public Service for the

according to the level of income of the household concerned.

Economy and Statistics (former National Statistics Institute) – including 39 280 units in the public social housing sector.

The Region is characterised by a high number of tenants, estimated at around 58.70 % of all Brussels households.

The housing stock managed by the SISPs approved by the SLRB represents 7 % 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 is²⁰ EUR 313.31 and the monthly costs are EUR 117.06 (2014 annual statistics report of the SLRB).

In recent years, the sector has seen the impoverishment of renter households. This is connected with the change in the general situation of the Brussels population, which has seen its financial resources diminish in relation to 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.

Table 4

Number of applicant renter households: change up to 2013 [sic-2015]

Year	Number of applicant renter households
2003	24 792
2004	30 219
2005	29 415
2006	30 826
2007	32 358
2008	33 006
2009	36 867
2010	37 825
2011	38 928
2012	41 461
2013	44 332
2014	42 540
2015	45 742

Table 5

Source of income of heads of applicant renter households (as at 31 December)

	Heads of household		All members of household	
	2014	%	2015	%
None	2 248	5.3 %	14 601	22.9 %
Employment	10 335	24.3 %	13 312	20.8 %
Self-employment	294	0.7 %	423	0.7 %

²⁰ As at 31 December 2014.

Pension	2 251	5.3 %	2 718	4.3 %
Unemployment	11 647	27.4 %	13 824	21.6 %
Insurance scheme	3 168	7.5 %	3 902	6.1 %
Disability	1 035	2.4 %	1 223	1.9 %
Minimex (minimum income)	11 376	26.8 %	13 593	21.3 %
Other	164	0.4 %	292	0.5 %
TOTAL	42 518	100.0 %	63 888	100.0 %

Table 6
Creation of housing in 2014-2015

	2014	2015	TOTAL
Four-year plans			
New construction	0	0	0
Structural renovations	89	39	128
‘Regional Housing Plan’			
Social housing and new means	215	69	284

Table 7
Movements of tenants in Brussels social housing in 2011-2014

	2011	2012	2013	2014
Incoming	1 561	2 175	2 063	1 563
Outgoing	1 600	1 807	1 694	1 447
Internal transfers	608	772	589	615

2. Financial statistics with regard to the SISPs

Annual payments and rental income

		2007	2008	2009	2010	2011	2012	2013	2014	Average annual growth
Annual payments	thousand EUR	36 533	37 329	38 350	39 564	40 770	42 436	44 912	45 470	3.2 %
Rental income	thousand EUR	120 942	125 859	132 938	137 920	144 860	150 214	160 198	168 354	4.8 %
<i>Debt ratio</i>		30.2 %	29.7 %	28.8 %	28.7 %	28.1 %	28.3 %	28.0 %	27.0 %	-1.6 %

Liquidity ratio

		2007	2008	2009	2010	2011	2012	2013	2014	Average annual growth
Current assets	thousand EUR	121 290	130 469	134 881	152 393	163 045	164 802	179 744	174 052	5.4 %
Short-term debts	thousand EUR	107 387	112 813	120 219	116 849	130 795	129 301	130 765	133 377	3.2 %
<i>Quick liquidity ratio</i>		111.7 %	113.1 %	109.4 %	127.5 %	122.1 %	124.8 %	137.5 %	130.5 %	2.5 %

Cash flow

	2013	2014	Growth
Net result	9 977	12 870	29 %
Net cash flow	47 192	52 234	11 %
Net cash flow after debt servicing	17 559	21 334	21 %

Profitability - Result for the year

thousand EUR	Codes	2007	2008	2009	2010	2011	2012	2013	2014	<i>Average annual growth</i>
I. Operating revenue	70/74	170 304	178 144	187 718	193 404	200 207	212 450	224 470	237 044	4.8 %
II. Operating costs	60/64	-151 338	-160 111	-167 599	-174 094	-182 584	-194 773	-207 700	-217 729	5.3 %
III. Operating profit/loss	70/64	18 966	18 032	20 119	19 310	17 624	17 678	16 770	19 315	0.6 %
IV. Financial income	75	3 667	4 544	4 752	5 975	7 544	8 288	9 660	11 559	18.1 %
V. Financial charges	65	-16 384	-16 270	-16 224	-16 362	-16 864	-16 952	-17 287	-17 086	0.6 %
VI. Current profit/loss before tax	70/65	6 249	6 307	8 648	8 923	8 304	9 012	9 143	13 788	13.6 %
IX. Profit/loss before tax	70/66	6 149	6 061	7 524	12 166	8 044	8 489	10 288	13 411	15.4 %
XIII. Profit/loss for the year	70/67	5 978	5 732	7 072	11 295	7 676	7 967	9 977	12 870	15.0 %