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Committee on Subsidies and Countervailing Measures

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SUBSIDIES

NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES

EUROPEAN UNION

Addendum

The following addendum to the notification of the European Union relates to the subsidy programmes of **Belgium**.

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BELGIUM – FEDERAL STATE, ANNUAL REPORTING 2019 AND 2020**1 R&D SCHEME IN THE AERONAUTICAL SECTOR**1. Title of the subsidy programme, if relevant, or brief description or identification of the subsidy

- 1) "Aeronautics 2008-2013".
- 2) "Aeronautics in the context of airbus-programs" → started in 2018.

2. Period covered by the notification

- 1) 2008-mid 2014.
- 2) 2018-2023.

3. Policy objective and/or purpose of the subsidy

Aid for R&D&I in the aeronautical industry.

4. Background and authority for the subsidy

Competent authorities: Federal Public Service Economy and Belgian Science Policy.

5. Form of the subsidy (i.e., grant, loan, tax concession, etc.)

Repayable advances.

6. To whom and how the subsidy is provided

Provided to companies in the aeronautical industry through advances.

7. Amount of the Subsidy

- 1) 2019: EUR 173.704.685 (cumulative 2019 included).
2020: EUR 174.171.955 (cumulative 2020 included).
- 2) 2019: EUR 8.509.360 (cumulative 2019 included).
2020: EUR 13.338.100 (cumulative 2020 included).

8. Duration of the subsidy and/or any other time limits attached to it, including date of inception/commencement

- 1) Contract implementation started in the period 2008-June 2014.
- 2) Contract implementation has started/will start in the period 2019-2023.

9. Trade effects of the Subsidy

No trade effects, it only concerns aid (i.e. repayable advances) for R&D&I.

- 1) Financial support in the form of a repayable advance capped at 60% of the eligible industrial research expenditures actually incurred and 40% of the experimental development expenditures actually incurred.
- 2) Financial support in the form of a repayable advance capped at 60% of the eligible industrial research expenditures actually incurred and 35% of the experimental development expenditures actually incurred.

This aid falls under the General Block Exemption Regulation (GBER).

2 PROMOTION OF COMBINED RAIL TRANSPORT OF INTERMODAL TRANSPORT UNITS IN 2019 AND 2020; AID FOR SINGLE-WAGONLOAD TRAFFIC IN 2019 AND 2020

(a) Form of the subsidy

Combined transport and single-wagonload traffic.

Direct subsidy.

(b) Amount in 2019 and 2020

Combined transport:

2019: €4.060 million;

2020: €3.974 million.

Single-wagonload traffic:

2019: €9.474 million;

2020: €9.272 million.

(c) Policy objective

Support for combined road-rail transport and single-wagonload traffic. The aim is to increase the share of rail transport, particularly when it comes to transporting sea containers and moving goods between activity centres. This aid is needed in view of the expense of rail transport over the short distances covered in Belgium.

(d) Duration

Combined transport and single-wagonload traffic:

Ends on 31 December 2021.

(e) Rules and conditions

Combined transport

The subsidy must not exceed 30% of the transport costs. The aid is always less than the sum of the additional costs involved in using infrastructure adapted to combined transport but not to a competing, more polluting means of transport, and 50% of the external costs avoided. The subsidies granted can be cumulated with other subsidies from other authorities till maximum 30% of the transport costs.

Single-wagonload traffic

The subsidy must not exceed 30% of the transport costs.

3 AID FOR THE RESTRUCTURING OF THE "FREIGHT" ACTIVITIES OF THE PUBLIC LIMITED COMPANY SNCB

(a) Form of the subsidy

Ad hoc aid consisting of debt relief, a direct subsidy and an increase in capital.

(b) Amount in 2019 and 2020

2019: €5.36 million (direct subsidy);

2020: / (closed)

(c) Policy objective

Individual aid for restructuring the operations of a firm in difficulty.

(d) Duration

Entered into force on 1 July 2010 and is closed at the end of 2019.

(e) Rules and conditions

The aid is subject to prior approval by the European Commission.

Every year, a report is submitted to the European Commission for approval.

4 AID FOR THE SHIPPING, DREDGING AND TOWING SECTORS

1. Form of the subsidy

Exemption from payment of the professional withholding tax on the part of the employer.

2. Amounts

2019

Aid for the merchant marine: EUR 68.266.385

Aid for the dredging sector: EUR 10.544.355

Aid for the towing sector: EUR 8.815.152

2020

The data for 2020 are not yet available.

3. Policy objective

Law of 24 December 1999 laying down fiscal and various other provisions, Article 4 of which provides for measures in favour of shipping, dredging and towing.

4. Duration

Indefinite.

5. Rules and conditions

Article 4 of the above-mentioned law exempts employers in the shipping and dredging sectors from the obligation to pay to the Treasury the professional withholding tax that they have withheld from the salaries of their workers employed on board a vessel that is registered in a Member State of the European Union and has been granted a clearance certificate. Under subparagraph 4, the King may extend the application of this provision to the towing sector.

In the three sectors concerned – shipping, dredging and towing – the measure applies to all vessels in possession of a clearance certificate. This certificate, a copy of which must be sent to the tax administration, shows that the vessel is registered in the Member State whose flag it flies.

The employer is required to file a declaration separate from the professional withholding tax for those workers who fall within the scope of the measure, i.e. only the crew members that hold a seaman's licence.

5 SEAMEN EMPLOYED IN THE SHIPPING, MARINE TOWING AND MARINE DREDGING SECTORS

1. Form of the subsidy

Direct exemption – reductions in social contributions.

2. Amount in 2019-2020

2019:

Total reductions transport: EUR 21.236.363,57.

Total reductions dredging: EUR 12.397.153,04.

Total reductions towage: EUR 1.297.834,72.

Total reductions: EUR 34.931.351,33.

2020:

Total reductions transport: EUR 21.389.736,74*.

Total reductions dredging: EUR 14.480.858,68*.

Total reductions towage: EUR 1.332.227,21*.

Total reductions maintenance work at sea : EUR 684.864,47*.

Total reductions: EUR 37.887.687,10*.

*The amount for 2020 is the sum of 4 quarters. The amount for the 4th quarter of 2020 is an estimate as the figures are not yet fully available.

3. Policy objective

Maintaining and improving maritime know-how and protecting and promoting employment for European seamen.

4. Duration

01/01/2003-31/12/2022.

5. Rules and conditions

Federal:

Article 3, §1, of the decree-law of 7 February 1945 concerning the social security of seafarers of the merchant marine, modified by the law of 17 December 2017 and the law of 12 August 2000. The Royal Decree of 13 January 2014 exempting employers from certain employer contributions and workers' contributions for the benefit of merchant shipping and sea towing enterprises and exempting workers' contributions from companies in the oil and gas sector. dredging at sea, modified by the Royal Decree of 23 November 2015 and the Royal Decree of 6 December 2015.

Regional:

Decision of the Flemish Government amending Articles 1 and 3 of the Decision of the Flemish Government of 13 November 2015 exempting certain employer contributions for companies that belong to the merchant shipping and towage sector and amending Articles 1 and 3 of the Decision of the Flemish Government of 23 September 2016 exempting certain employee contributions for companies belonging to the merchant shipping sector and towage sector and amending article 14*bis*, first paragraph, of the Royal Decree of 16 May 2003 implementing Chapter 7 of Title IV of the Program Law of 24 December 2002 (I), concerning the harmonization and simplification of the schemes for reductions in social security contributions.

BELGIUM - BRUSSELS-CAPITAL REGION, ANNUAL REPORT 2021 – WTO NOTIFICATION**1 AID FOR ECONOMIC GROWTH****1.1 Aid for investment (1)**

Ordinance of 13 December 2007 on aid for the promotion of economic growth in favour of micro, small and medium-sized enterprises - Aid for general investment.

- *Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty*
- SA 46670 and SA 42119

1. Form of the subsidy

Financial aid is granted in the form of an investment premium.

2. Amount of aid granted**2.1. In 2019**Aggregate amounts (2019)

Commitments: EUR 4,342,778
Payments: EUR 2,771,414

Amounts for enterprises situated inside a development zone (2019)

Commitments: EUR 2,973,512
Payments: EUR 1,861,937

Amounts for enterprises situated outside a development zone (2019)

Commitments: EUR 1,369,266
Payments: EUR 909,477

2.2. In 2020Aggregate amounts (2020)

Commitments: EUR 1,612,152
Payments: EUR 1,393,941

Amounts for enterprises situated inside a development zone (2020)

Commitments: EUR 1,111,671
Payments: EUR 1,029,509

Amounts for enterprises situated outside a development zone (2020)

Commitments: EUR 500,480
Payments: EUR 364,432

3. Policy objective and/or purpose of the subsidy

To provide financial support for the development of economic activities that generate employment and value added for the Brussels-Capital region through investment promotion.

4. Duration

The Ordinance of 13 December 2007 entered into force in 2008 and has progressively been replaced by the Ordinance of 3 May 2018 (see below).

5. Statistical data permitting an assessment of the trade effects of the subsidy

- 15% of the investment subsidies were allocated to dossiers submitted by industrial and non-industrial enterprises;
- 85% were allocated to dossiers submitted by business or services enterprises.

6. Conditions for granting aid

Part of the aid for general investment by micro, small and medium-sized enterprises in the Brussels-Capital region is governed by the content of the Organizational Ordinance of 13 December 2007 on aid for the promotion of economic growth.

Aid is granted in the form of investment premiums. The rate of the subsidy varies between 2.5% and 30% based on the amount of the investment.

1.2 Aid for advisory services and training (1)

Ordinance of 13 December 2007 on aid for the promotion of economic growth in favour of micro, small and medium-sized enterprises – Aid for advisory services, studies and training.

- *Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty*
- SA 46671
- *Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*

1. Form of the subsidy

Financial aid is granted in the form of a premium.

2. Amount of aid granted

2.1. In 2019

Nature of expense	Commitments	Payments
Advisory services / studies	EUR 1,648,256	EUR 1,286,350
Training	EUR 69,889	EUR 62,872
TOTAL	EUR 1,718,145	EUR 1,349,221

2.2. In 2020

Nature of expense	Commitments	Payments
Advisory services / studies	EUR 25,184	EUR 22,348
Training	EUR 0	EUR 0
TOTAL	EUR 25,184	EUR 22,348

3. Policy objective and/or purpose of the subsidy

To provide financial support for the development of economic activities that generate employment and value added for the Brussels-Capital region through recourse to studies, advisory services and training.

4. Duration

The Ordinance of 13 December 2007 entered into force in 2008 and expired in 2018.

5. Statistical data permitting an assessment of the trade effects of the subsidy

It is impossible to determine the trade effects of the subsidy.

6. Conditions for granting aid

The subsidies consist of premiums amounting to 50% of the expenses incurred.

1.3 Aid for investment (2)

Ordinance of 3 May 2018 on aid for the economic development of enterprises – Aid for investment.

- *Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty*
- SA 52749

1. Form of the subsidy

Financial aid is granted in the form of an investment premium.

2. Amount of aid granted**2.1. In 2019**

Aggregate amounts (2019)

	Commitments	Payments
TOTAL	EUR 675,668	EUR 560,074

Amounts for enterprises situated inside a development zone (2019)

	Commitments	Payments
TOTAL	EUR 350,771	EUR 282,646

Amounts for enterprises situated outside a development zone (2019)

	Commitments	Payments
TOTAL	EUR 324,897	EUR 277,428

Amounts for enterprises situated inside a stimulated urban economy zone (ZEUS) (2019)

	Commitments	Payments
TOTAL	EUR 0	EUR 0

2.2. In 2020

Aggregate amounts (2020)

	Commitments	Payments
TOTAL	EUR 3,486,505	EUR 1,990,544

Amounts for enterprises situated inside a development zone (2020)

	Commitments	Payments
TOTAL	EUR 2,241,230	EUR 1,063,367

Amounts for enterprises situated outside a development zone (2020)

	Commitments	Payments
TOTAL	EUR 1,245,275	EUR 927,177

Amounts for enterprises situated inside a stimulated urban economy zone (ZEUS) (2020)

	Commitments	Payments
TOTAL	EUR 149,260	EUR 64,465

3. Policy objective and/or purpose of the subsidy

To provide financial support for the development of economic activities that generate employment and value added for the Brussels-Capital region through investment promotion.

4. Duration

The Ordinance of 3 May 2018 was implemented in stages. It should remain in force until 2028.

5. Statistical data permitting an assessment of the trade effects of the subsidy

- 20% of the investment subsidies were allocated to dossiers submitted by industrial and non-industrial enterprises;
- 80% were allocated to dossiers submitted by business or services enterprises.

6. Conditions for granting aid

The aid consists of premiums that vary particularly according to the size of the enterprise.

1.4 Aid for advisory services and training (2)

Ordinance of 3 May 2018 on aid for the economic development of enterprises – Aid for advisory services, studies and training.

- *Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.*

1. **Form of the subsidy**

Financial aid is granted in the form of a premium.

2. **Amount of aid granted**

2.1. **In 2019**

Nature of expense	Commitments	Payments
Advisory services / studies	EUR 333,098	EUR 246,434
Training	EUR 30,524	EUR 18,576
TOTAL	EUR 363,621	EUR 265,009

2.2. **2020**

Nature of expense	Commitments	Payments
Advisory services / studies	EUR 1,000,862	EUR 487,271
Training	EUR 89,981	EUR 53,767
TOTAL	EUR 1,090,842	EUR 541,038

3. **Policy objective and/or purpose of the subsidy**

To provide financial support for the development of economic activities that generate employment and value added for the Brussels-Capital region through recourse to studies, advisory services and training.

4. **Duration**

The Ordinance will remain in force until 2028.

5. **Statistical data permitting an assessment of the trade effects of the subsidy**

It is impossible to determine the trade effects of the subsidy.

6. **Conditions for granting aid**

Advisory services/studies:

- **Consultancy premium**

The premium concerns micro, small and medium-sized enterprises that have an operating base in the Brussels-Capital region.

- **Web premium**

The premium concerns micro and small enterprises with an operating base in the Brussels-Capital region that are active in certain sectors.

Training:

- **Training premium**

The premium concerns micro and small enterprises with an operating base in the Brussels-Capital region that are active in certain sectors. It covers part of the training expenses for each member of staff, with the exception of temporary workers and students.

2 AID FOR ENTERPRISE RESEARCH, DEVELOPMENT AND INNOVATION (R&D&I)

2.1 Aid for R&D&I (1)

Ordinance of 26 March 2009 on the promotion of research, development and innovation (industrial research subsidies).

- *Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty*
- *Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*
- *Framework for State aid for research and development and innovation 2014-2020*
- *SA 35533 – SA 35534 – SA 35535 – SA 35536 – SA 35537 – N566/2009*

1. Form of the subsidy

Subsidies/repayable advances

2. Amount of aid granted

2.1. In 2019

Description	Commitment	Payments
Financing for joint-centre projects	0	EUR 5,868,587.88
Innovative vouchers	0	EUR 69,359.1
Jointly developed R&D&I projects	0	EUR 3,937,333.6
Setting up of jointly developed R&D&I projects	0	EUR 353,334.21
Collaborative R&D&I projects	0	EUR 11,304,348
Setting up of European projects	EUR 47,705.00	EUR 93,650
Setting up of living lab R&D&I projects	0	EUR 99,960
European programme	EUR 599,473.00	EUR 661,988.7
European programme	EUR 383,100	EUR 853,269.65
European programme	0	EUR 51,703.29
European programme	0	EUR 71,220.2
Feasibility studies	EUR 4,970.00	EUR 243,295.98
Science awareness festival	0	EUR 689,849.72
Innovative start-up prize	0	EUR 4,414,229.84
Patents	EUR 7,165.00	EUR 130,496.08
Proof of business	EUR 362,867.00	EUR 754,529.75
Programmes of regional interest	0	EUR 783,524.54
Experimental development	EUR 5,808,082.00	EUR 6,660,830.4
	0	EUR 20,601,772.03
	0	EUR 1,227,242.74
Organizational and process innovation	EUR 87,866.00	EUR 184,518.6
		EUR 10,749.66
Industrial research	EUR 1,598,746.00	EUR 6,629,582.16
		EUR 897,812
Science awareness projects	EUR 338,430.00	EUR 82,523.84
		EUR 1,336,975.24
		EUR 414,902
European programme	0	EUR 246,915.48

Description	Commitment	Payments
European programme: Ambient Assisted Living	0	EUR 520,521 EUR 5,336,112
European programme: Making Cities Work	0	EUR 335,132
Mobile fablab science awareness	0	EUR 180,000
Living lab R&D&I projects	0	EUR 2,912,533.2

2.2. In 2020

Description	Commitments	Payments
Financing for joint-centre projects	EUR 2,998,957	EUR 4,502,053.55
Innovative vouchers	EUR 204,174	EUR 18,120
Jointly developed R&D&I projects	EUR 1,909,672	EUR 1,677,101.06
Setting up of jointly developed R&D&I projects	EUR 341,778	EUR 15,776.24
Setting up of European projects	EUR 152,152	EUR 113,957
European programme: Ambient Assisted Living	EUR 14,948	EUR 253,802.85
European programme	EUR 699,925	EUR 805,443
European programme	EUR 225,933	EUR 968,194.96
European programme	EUR 89,743	0
	EUR 2,000,000	0
European programme	0	EUR 38,374.68
European programme	0	EUR 295,706.4
European programme: Making Cities Work	0	EUR 365,352.32
European programme	0	EUR 5,727.96
Science awareness festival	EUR 278,500	EUR 90,446.14
Innovative start-up prize	EUR 2,955,900	EUR 3,143,896.92
Patents	EUR 181,858	EUR 24,891.48
Feasibility studies	EUR 1,019,775	0
Setting up of collaborative R&D&I projects	EUR 94,116	0
Setting up of living lab R&D&I projects	EUR 49,884	0
Proof of business	EUR 445,398	EUR 185,089.86
Programmes of regional interest	EUR 2,044,287	EUR 568,290.19
Experimental development	EUR 5,808,082	EUR 10,196,894.37 EUR 12,218,946.24
Organizational and process innovation	EUR 87,866	EUR 79,079.4
Industrial research	EUR 1,598,746	EUR 5,290,215.14 EUR 1,574,197.65
Science awareness projects	EUR 626,134	EUR 20,000 EUR 113,119.7 EUR 187,089.88
Mobile fablab science awareness	0	EUR 65,430.73
Living lab R&D&I projects	EUR 1,792,367	EUR 2,313,300.92

3. Policy objective and/or purpose of the subsidy

To strengthen basic industrial research by industries.

4. Duration of aid

This ordinance is no longer in effect.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Not assessable in the short or medium term.

2.2 Aid for R&D&I (2)

Ordinance of 27 July 2017 on the promotion of research, development and innovation through the granting of aid for economic purposes in favour of enterprises and research bodies assimilated to enterprises.

- Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

- *Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid*
- *Framework for State aid for research and development and innovation 2014-2020*
- *SA 60199 – 60200 – 60201 – 60202 – 60203 – 60204 – 60205 – 60206 – 60207 – 60195 – 60188 – 60196*

1. **Form of the subsidy**

Subsidies/repayable advances

2. **Amount of aid granted in 2019 and 2020**

2.1. **2019**

Description	Commitment	Payments
Jointly developed R&D&I projects	EUR 849,986.00	0
European programme	EUR 599,473.00	0
European programme	EUR 383,100.00	0
Feasibility studies	EUR 51,498.00	0
Science awareness festival	EUR 278,500.00	EUR 80,739.87
Setting up of European projects	EUR 57,705.00	0
Innovative start-up prize	EUR 1,455,900.00	0
Innovative vouchers	EUR 88,599.00	EUR 6,634
Patents	EUR 7,165.00	0
Proof of business	EUR 362,867.00	0
Programmes of regional interest	EUR 679,992.00	EUR 1,457,200
Setting up of jointly developed R&D&I projects	EUR 57,679.00	0
Experimental development	EUR 8,818,888.00	EUR 729,154
Organizational and process innovation	EUR 87,866.00	0
Industrial research	EUR 6,339,571.00	0
Science awareness projects	EUR 666,295.00	EUR 129,918.6
Financing for joint-centre projects	0	EUR 2,165,940

2.2. **2020**

Description	Commitment	Payments
Jointly developed R&D&I projects	EUR 798,066.00	EUR 1,987,839.18
Living lab R&D&I projects	EUR 1,097,237.00	
European programme: Ambient Assisted Living	EUR 14,948.00	EUR 14,948
European programme	EUR 699,925.00	EUR 514,909.8
European programme	EUR 225,933.00	EUR 225,933
European programme	EUR 89,743.00	
Feasibility studies	EUR 973,247.00	EUR 508,722
Setting up of European projects	EUR 146,225.00	EUR 76,407
Innovative start-up prize	EUR 1,500,000.00	EUR 3,044,680.9
Innovative vouchers	EUR 115,575.00	EUR 106,509
Patents	EUR 181,858.00	
Proof of business	EUR 445,398.00	EUR 51,5398
Programme of regional interest	EUR 369,930.00	EUR 938,092
Science awareness festival		EUR 260,422.4
Setting up of jointly developed R&D&I projects	EUR 275,689.00	EUR 132,422.25
Setting up of collaborative R&D&I projects	EUR 60,505.00	EUR 43,275
Experimental development	EUR 7,006,466.00	EUR 1,2087,493.59
Industrial research	EUR 5,439,133.00	EUR 9,834,843.79
Science awareness projects	EUR 226,916.00	EUR 1,051,821.81
Setting up of living lab R&D&I projects	EUR 49,844.00	EUR 22,750

3. **Policy objective and/or purpose of the subsidy**

To strengthen basic industrial research by industries.

4. Duration of aid

The Ordinance will remain in effect until 31 December 2023.

5. Statistical data permitting an assessment of the trade effects of the subsidy

Not assessable in the short or medium term.

BELGIUM – WALLOON REGION (FIGURES FOR 2019-2020)**1 AID FOR SMES****1.1 Decree of 11 March 2004 – Implementation Order of 6 May 2004****1. Form of the subsidy**

Investment premium (non-repayable premium) irrespective of the investment financing method. Investments eligible to receive a premium are those in tangible and intangible fixed assets.

Exemption from the tax on income from immovable assets (maximum five years) for investment in immovable assets, including investment in real property and fixtures.

2. 2019 budget

The budget for 2019 amounted to EUR 91,00 million. The premiums are awarded for a wide range of projects and sectors of activity.

2020 budget

The budget for 2020 amounted to EUR 81,85 million. The premiums are awarded for a wide range of projects and sectors of activity.

3. Policy objective

The incentives created to assist the socio-economic development of the Walloon Region are awarded, via a grant decision by the Walloon Region, to any natural or legal person that undertakes to carry out one or more operations aimed at achieving sustainable development and promoting job creation. The incentives are only awarded if they will make a decisive contribution to achieving these aims.

In practical terms, the premiums are awarded in order to encourage investment by small and medium-sized enterprises (SMEs). An SME is an enterprise with a payroll not exceeding 250 people and a turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million.

The premiums are awarded to SMEs in the industrial, handicraft, tourism, trade and services sectors.

The scheme applies throughout the territory of the Walloon Region for all enterprises meeting the SME criteria.

The scheme is therefore not specific, except insofar as it applies only to SMEs.

4. Duration

No time-limit has been fixed for the implementation of the scheme and the budget is adopted annually.

2 AID FOR DISADVANTAGED REGIONS

2.1 Decree of 11 March 2004 on regional incentives in favour of large enterprises Implementation Order of 6 May 2004

This scheme replaces the law of 30 December 1970, as amended by the Decree of 25 June 1992.

It entered into force for any request submitted after 1 July 2004.

Aid to large enterprises are only granted for projects in favour of new economic activity in the area concerned (according to Commission regulation (EU) n° 651/2014).

1. Form of the subsidy

Investment grant (non-repayable grant) irrespective of the investment financing method. Investments in tangible and intangible fixed assets are eligible.

Exemption from real estate tax for seven years on equipment and tools and for maximum of 5 years on buildings.

2. 2019 budget

The budget amounted to EUR 13,54 million. The premiums are awarded for a wide range of projects and sectors of activity.

2020 budget

The budget amounted to EUR 12,10 million. The premiums are awarded for a wide range of projects and sectors of activity.

3. Policy objective

In order to assist the sustainable development of the Region, the Government, within the specific budgetary limits set annually, may grant incentives to large enterprises which have operational headquarters situated in a development zone in the Walloon Region and which have an investment programme significantly contributing to sustainable development and in favour of new economic activity in the area concerned.

In order to assess the importance of an investment programme in relation to sustainable development, are taken into particular consideration the nature of the investment programme, the job creation, the field of activity in which it operates and the economic environment in which it is implemented.

The arrangements for granting the incentive are the subject of an agreement concluded between the parties.

The incentives are granted in accordance with European Community regulations and, in particular, those concerning regional State aid in conformity with the ceilings set by the European Commission decision approving the eligible areas map for Belgium and other Community rules adopted under the provisions set forth in Articles 108 of the Treaty establishing the European Union.

The incentives provided for by the present Decree may be combined with aid from European structural funds.

4. Duration

No time-limit has been fixed for the implementation of the scheme and the budget is adopted annually.

2.2 Aid co-financed by the European Union – European Regional Development (ERDF) Programme 2014-2020

Implementation Order of 6 May 2004, as amended by the Order of 17 January 2008.

Decree of 11 March 2004 on regional incentives in favour of small and medium-sized enterprises.

This order of 23 July 2015 introduced a scheme of assistance relating to the Objective "Investment for Growth and Employment" ("Convergence" and "Competitiveness and Employment" programmes for large enterprises and) for SMEs.

Within the framework of aids co-financed by the European Union (ERDF) 2014-2020 programme, measure 1.1.1. aims at stimulating investment in small and medium sized companies.

1. Form of the subsidy

Regional aid is co-financed by the European Union (ERDF). The aid takes the form of an investment premium as described above.

2. 2019 budget (regional component):

The budget amounted to EUR 14,18 million. Aids are granted to a wide range of projects and sectors of activity (divided in 16 eligible fields of activity).

2020 budget (regional component)

The budget amounted to EUR 7,28 million. Aids are granted to a wide range of projects and sectors of activity (divided in 16 eligible fields of activity).

3. Policy objective

The same as mentioned above, except that there are specific sectorial requirements and a minimum number of jobs to be created (4 or 6 units depending on the size of the company).

4. Duration

The scheme for the period 2007-2014 has closed. The current scheme is the European Regional Development (ERDF) Programme 2014-2020, but only for SMEs and takes end 31/12/2023.

3 RESEARCH AND TECHNOLOGY AID

3.1 Decree of 3 July 2008 on support for research, development and innovation in the Walloon Region

Walloon Government Order of 18 September 2008 on support for research, development and innovation in the Walloon Region

1. Form of the aid

- A. Aid for innovation for small and medium-sized enterprises.
- B. Aid for research projects - experimental development – subvention
- C. Aid for research projects - experimental development - repayable advances
- D. Aid for research projects - Industrial research.
- E. Aid for organisational and process innovation.
- F. Aid for Covid

2. 2019 and 2020 budgets

Form of the aid	Budget in 2019 €	Budget in 2020 €
A.	4.563.248	4.087.447
B.	38.470.900	96.339.397
C.	68.374.877	68.690.843
D.	40.532.777	49.259.848
E.	700.000	-
F.		14.820.855
Total	152.641.802	233.198.390

3. Policy objective

This is horizontal aid designed to promote research and development and to encourage innovation. It is available to all economic sectors.

The aid is not granted automatically, but depends on an assessment of the quality of the project by the administrative services and, in the case of aid awarded on the basis of calls for projects, by independent international experts.

Where the aid consists of a repayable advance, the beneficiary enterprise pays it back in the form of regular payments if it has decided to exploit the results of the research industrially or commercially.

4. Duration

The budget for R&D aid is adopted annually by the Walloon Parliament.

The duration of aid corresponds to the duration of the research work or the study financed.

5. Statistical data

The aid has an impact on trade because it may lead to the marketing of innovative products, processes or services. However its impact is difficult to isolate from the many other factors affecting trade, and is therefore difficult to evaluate statistically.

BELGIUM – FLEMISH REGION**1 AID FOR ECONOMIC EXPANSION – DECREE OF 16 MARCH 2012 ON THE ECONOMIC SUPPORT POLICY**

On 16 March 2012 a new decree on the economic support policy entered into force (and replaced the old decree of 31 January 2003). The decree contains merely a consolidation of the current EU state aid legislation.

1.1 Decision of the Flemish Government of 17 December 2010 regarding the granting of aid to enterprises for ecological investments in the Flemish Region (Ecology Premium plus or EP+) – SA.542032. Form of aid

This scheme is aimed at investment aid, but exclusively for ecological investments, as defined in the General Block Exemption Regulation (GBER) No. 651/2014 of the European Commission (OJ, 26/6/2014, L 187). The aid is given in the form of a subsidy.

3. Amount of aid in 2019 and 2020

In 2019, the Flemish Government granted aid for ecological investments based on this scheme for a total budget of EUR 19,94 million.

In 2020, the Flemish Government granted aid for a total budget of EUR 9,02 million.

4. Objectives of the aid

The Flemish Government agrees with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of ecological investments is a valuable tool in achieving that goal.

5. Time-frame

The decision of the Flemish Government of 17 December 2010 came into force on 1 February 2011. The scheme was amended slightly in 2015 to bring it in line with the new 2014 GBER. The scheme will continue until 2023.

6. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

7. Legal basis

The Decree of 16 March 2012 on the economic support policy and its implementing decisions of the Flemish Government.

8. Rules and conditions

The scheme has been developed to provide aid to all enterprises, regardless of their size, for ecological investments. The enterprises qualifying for aid will receive a percentage of their eligible investment costs.

Depending on the type of investment (environmental protection, energy, renewals, etc.), various aid intensities are possible, within the maximum limits of the EU GBER. The Flemish Government established a limited list of accepted technologies which qualify for aid. If an enterprise invests in an accepted technology, it can receive a subsidy. If the technology is not already accepted, another procedure is followed in order to investigate the merits of the new technology. If accepted by the engineers of the Ministry of the Flemish Community, the new technology is placed upon the list, thus ensuring easier acceptance for future cases.

The various Decisions of the Flemish Government and ministerial decrees can adapt the scheme towards other types of eligible cost, aid amounts or aid percentages. The scheme is open-ended, where every eligible case will receive aid. The maximum aid amount is EUR 1 million, and the aid intensity is set at 15-55% of the extra costs.

1.2 Decision of the Flemish Government of 16 November 2012 regarding the granting of aid to enterprises for strategical ecological investments in the Flemish Region (Strategic ecology support or STRES) – SA.54204

2. Form of aid

This scheme is aimed at investment aid, but exclusively for ecological investments, as defined in the General Block Exemption Regulation (GBER) No. 651/2014 of the European Commission (OJ, 26/6/2014, L 187). The aid is given in the form of a subsidy.

3. Amount of aid in 2019 and 2020

In 2019, the Flemish Government granted aid for ecological investments based on this scheme for a total budget of EUR 7,55 million.

In 2020, the Flemish Government granted aid for a total budget of EUR 13 million.

4. Objectives of the aid

The Flemish Government agrees with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of ecological investments is a valuable tool in achieving that goal.

5. Time-frame

The decision of the Flemish Government of 16 November 2012 came into force on 28 February 2013. The scheme was amended slightly in 2015 to bring it in line with the new 2014 GBER. The scheme will continue until 2023.

6. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

7. Legal basis

The Decree of 16 March 2012 on the economic support policy and its implementing decisions of the Flemish Government.

8. Rules and conditions

The scheme has been developed to provide aid to all enterprises, regardless of their size, for ecological investments. The enterprises qualifying for aid will receive a percentage of their eligible investment costs. This scheme must be seen as an extra possibility besides the before-mentioned EP+ scheme. Whereas the EP+ scheme works with a standard list of already approved and accepted technologies, the second strategic STRES scheme, focusses on new and innovative technologies which were not yet commonly accepted. As a rule, the strategical projects are larger and more challenging compared to the more basic approach of the EP+ scheme.

The various Decisions of the Flemish Government and ministerial decrees can adapt the scheme towards other types of eligible cost, aid amounts or aid percentages.

Depending on the type of investment (environmental protection, energy, renewals, etc.), various aid intensities are possible, within the maximum limits of the EU GBER.

The scheme is open-ended, where every eligible case will receive aid. The maximum aid amount is EUR 1 million, and the aid intensity is set at 20-40% of the extra costs.

1.3 Decision of the Flemish Government of 17 July 2013 regarding strategic transformation aid for enterprises in the Flemish Region (Strategic Transformation Support – STS) – SA.54202

1. Form of aid

The scheme puts the focus on the "transformation" aspects of new investments or training activities organized by enterprises. In order to be eligible for aid, the potential beneficiaries have to demonstrate that the foreseen investment or training contributes towards a new kind of investment or activity which is new or more elaborate for the enterprise and thus enabling the beneficiary to transform into a more efficient and stable enterprise, conform the New Industrial Policy of the Flemish Government.

This scheme still contains 3 types of aid. It is on the one hand aimed at investment aid, both by SME's in the whole Flemish territory as for large enterprises in assisted areas of the 2014-2020 regional aid map, and on the other hand aimed at training aid for SME's and large enterprises in the whole of the Flemish territory.

In 2015 the scheme was amended slightly in order to bring in line with the new 2014 GBER.

The aid is given in the form of a subsidy.

2. Amount of aid in 2019 and 2020

In 2019, a total of EUR 32,49 million was attributed to this type of aid (20,03 million to training aid, 7,91 million to SME investment aid and 4,55 million to regional investment aid for large enterprises).

In 2020, a total of EUR 27,33 million was attributed to this type of aid (9,44 million to training aid, 13,74 million to SME investment aid and 4,15 million to regional investment aid for large enterprises).

3. Objectives of the aid

The regional aid part is aimed at the development of the lowest scoring areas within the Flemish Region and provides the Flemish Government with a strong tool for attracting (new) investors towards the assisted areas where the economic situation is less favourable than in the rest of the country and the European Union.

A potential beneficiary of the aid has to prove in a two-scenario approach which investments or training would be organized even without the aid, and which extra investments or training would be developed in the event of receiving aid. Only the cost of the extra investments or training, going beyond what the beneficiary would invest anyway, is eligible. This will lead to lower aid amounts and less deadweight, leaving more of the budget available to grant in favour of new or extra investments.

The investment aid for SMEs is in line with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of investments by SMEs is one of the best ways of ensuring that. The aid scheme aims at promoting entrepreneurship.

The training aid part is also in line with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of training is a very good way of ensuring that. The aid benefits not only the beneficiaries but also the employees, as they acquire more skills and competences which increase their value on the labour market.

4. Time-frame

The decision of the Flemish Government of 17 July 2013 is based upon the 2014 GBER and will continue until 2023.

5. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

6. Legal basis

The Decree of 16 March 2012 on the economic support policy and its implementing decisions of the Flemish Government.

7. Rules and conditions

There are threshold of minimal eligible cost that have to be reached in order to qualify as a strategic project.

For investment aid, a potential individual beneficiary should at least invest between EUR 1 and EUR 3 million (depending of its size) or between EUR 3 and EUR 7 million for cooperating enterprises. The standard aid intensity is set at 8% of the eligible costs. There is possible bonus of 2% for projects that generate sufficient additional employment, setting the maximum aid intensity at 10%. The maximum aid amount for an individual beneficiary is EUR 1 million. That maximum is increased to EUR 1.25 million for cooperating beneficiaries.

The training aid scheme has been developed to provide aid for SME's and large enterprises throughout Flemish territory for "strategic" or large training programmes. For training aid a potential individual beneficiary should at least invest between EUR 100,000 and EUR 300,000 (depending of its size) or between EUR 300,000 and EUR 700,000 for cooperating enterprises. The standard aid intensity is set at 20% of the eligible cost. There is possible bonus of 5% for projects that generate sufficient additional employment, setting the maximum aid intensity at 25%. The maximum aid amount for an individual beneficiary is EUR 1 million. That maximum is increased to EUR 1.25 million for cooperating beneficiaries.

1.4 Decision of the Flemish Government of 3 July 2020 regarding strategic transformation aid for enterprises in the Flemish Region for the production of COVID-19 related products (Strategic Transformation Support COVID-19) – SA.57605

1. Form of aid

The scheme was based upon the EU Temporary Framework (TF) for Covid-19. Chapter 3.8 of the TF allows investment aid for the production of Covid-19 related investments.

The aid regime was notified and approved by the EU Commission. The aid is given in the form of a subsidy.

2. Amount of aid in 2020

In 2020, a total of EUR 4,54 million was attributed to this type of aid.

3. Objectives of the aid

The scheme aims at supporting undertakings that are willing to start Covid-19 related investments, which are needed to overcome to acute needs for Covid-19 related products. This includes: medicinal products (including vaccines) and treatments, their intermediates, active pharmaceutical ingredients and raw materials; medical devices, hospital and medical equipment (including ventilators, protective clothing and equipment as well as diagnostic tools) and necessary raw materials; disinfectants and their intermediary products and raw chemical materials necessary for their production; data collection/processing tools.

Up to 50% of the eligible costs can be supported.

4. Time-frame

The decision of the Flemish Government of 3 July 2020 is based upon the 2020 Covid-19 Temporary Framework and will continue until the end of 2021.

5. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

6. Legal basis

The Decree of 16 March 2012 on the economic support policy and its implementing decisions of the Flemish Government.

7. Rules and conditions

The Covid-19 TF foresees a number of mandatory requirements regarding the eligible costs, maximum aid amount or percentage, exclusion of Undertakings in Difficulties, time-frame in which the investments have to be completed, time-frame to decide upon the applications.

Next to those TF requirements, the aid scheme also follows closely the rules and conditions of the similar aid scheme (Strategic Transformation Support – STS – SA.54202) mentioned above.

2 AID TO ENTERPRISES – DECISION OF THE FLEMISH GOVERNMENT OF 26 FEBRUARY 2016 REGARDING THE GRANTING OF AID TO SMALL AND MEDIUM-SIZED ENTERPRISES FOR ENTREPRENEURSHIP-ENCOURAGING SERVICES AND SME GROWTH SUBSIDY (SME E WALLET + SME GROWTH SUBSIDY) – NO SA NUMBER (DE MINIMIS)

1. Form of aid

This scheme is aimed at SMEs and focusses on giving entrepreneurs financial aid in the purchase of training and advisory services. This aid regime is fully web-based and paperless. The aid is given in the form of a subsidy.

2. Amount of aid in 2019 and 2020

The total budget for this scheme in 2019 was EUR 75 million for the SME E-Wallet and EUR 12,12 million for the SME Growth Subsidy.

The total budget for this scheme in 2020 was EUR 45 million for the SME E-Wallet and EUR 13,61 million for the SME Growth Subsidy.

3. Objectives of the aid

The Flemish Government agrees with the overall aim of reduction and reorientation of aid measures towards more horizontal objectives. The promotion of aid for SMEs in order to stimulate them to obtain specialized external advice or training is a positive element for the sustainability and results of the enterprises.

4. Time-frame

The decision of the Flemish Government of 26 February 2016 will continue until 2023.

5. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

6. Legal basis

The Decree of 16 March 2012 on the economic support policy and its implementing decisions of the Flemish Government.

The decision of 26 February 2016 is based upon the EU "de-minimis" regulation 1407/2013 of 18 December 2013 (OJ of 24 December 2013, L 352).

7. Rules and conditions

There are 2 kinds of aid possible.

1) SME e-wallet

The beneficiary can buy training or consultancy services from an external, certified service provider. The aid is granted in the form of a subsidy. The maximum aid intensity is set at 20% of the eligible costs for a medium sized enterprise and at 30% for a small enterprise.

The maximal aid amount per beneficiary is set at EUR 7,500 per year per enterprise. The maximal aid amount can be divided between several aid applications during one year.

Certain costs regarding mandatory training or services are excluded, as are services that are continuous or periodic or relate to the undertaking's usual operating costs.

2) SME growth subsidy

A beneficiary that develops a SME growth project can receive a subsidy. A SME growth project is considered as a (re)orientation roadmap to realise significant growth within the SME during a process of transformation, innovation or internationalisation. The Project has to be strategic, and has to lead to growth. It has to be irreversible and has to have a substantial impact on the internal processes of the undertaking. The beneficiaries can receive a subsidy for buying specialised consultancy from an external, certified service provider. The beneficiary can also decide to hire a new employee with a strategic profile.

The maximum aid intensity is set at 50%. The maximal aid amount per beneficiary is set at EUR 25,000 per year for both the strategic consultancy or for the employment of a new member of staff, resulting in a total maximum aid amount of EUR 50,000.

3 RESEARCH AND DEVELOPMENT – DECISION OF THE FLEMISH GOVERNMENT OF 12 MAY 2017 REGARDING THE GRANTING OF AID TO ENTERPRISES FOR R&D WITH A KNOWLEDGE INTENSIVE CHARACTER IN FLANDERS (SA.49177) AND DECISION OF THE FLEMISH GOVERNMENT OF 12 MAY 2017 REGARDING THE GRANTING OF AID TO ENTERPRISES FOR DEVELOPMENT AND INNOVATION IN FLANDERS (SA.49178)

1. Form of the aid

Direct subsidies related to R&D projects proposed by enterprises in Flanders. The first scheme focusses on the more early stages ("knowledge intensive") of R&D and are called "Research Projects". The second scheme focusses at project in the later stages of development and innovation closer to the market and are called "development projects".

2. Amount of aid in 2019 and 2020

In 2019, a total of EUR 112,95 million was attributed to the knowledge intensive scheme, and EURO 104,92 million was attributed to the development projects.

In 2020, a total of EUR 256,30 million was attributed to the knowledge intensive scheme, and EURO 157,55 million was attributed to the development projects.

3. Objectives of the aid

Research, development and innovation.

4. Time-frame

The aid scheme started in 2018 and will continue until 2023.

5. Statistics

There are no statistics available which could contribute to the evaluation of the effects of this aid scheme on WTO commerce and trade.

6. Legal basis

The new decisions of 17 May 2017 were based upon the Decree regarding the budget 2002, article 41ter, §2, as modified by decree of 20 November 2015. This change of legal bases was made upon the creation of a new Flemish Agency, Flanders Innovation & Entrepreneurship ("VLAIO") which is now competent to grant all RDI aid to enterprises in Flanders.

Both new decisions are based upon the RDI articles of the 2014 GBER.

7. Rules and conditions

1) Research project

The knowledge intensive decision focusses on the more early stages of R&D. It is a subsidy for enterprises extending or reinforcing their research and development activities. Specifically, this entails the agency giving subsidies for the implementation of individual projects by one or more companies. In doing so, the project starts with an innovative idea requiring new knowledge and whereby research and possibly development activities must be carried out.

The project must be substantial (aid amount demanded between 100,000 and 3 million euro). The eligible costs are staff and other costs related to the knowledge development phase in an innovation trajectory.

The aid intensity can vary between 25 to 60% of the project budget.

2) Development project

The development decisions or innovation decisions, focus on subsidies for innovations that play a key role in achieving a business case that can strengthen the business of the beneficiaries.

The project must be substantial (aid amount demanded between 25,000 and 3 million euro). The eligible costs are staff and other costs related to a development project.

The aid intensity can vary between 25 to 50% of the project budget.

4 AID FOR EMPLOYMENT – DECISION OF THE FLEMISH GOVERNMENT OF 10 JUNE 2016 REGARDING THE EXECUTION OF THE DECREE OF 4 MARCH 2016 ON THE FLEMISH POLICY ON TARGETTED GROUPS OF EMPLOYEES (FORMERLY DECISION OF 18 JULY 2008 REGARDING THE PROFESSIONAL INTEGRATION OF PEOPLE WITH A DISABILITY)

1. Form of the aid

This scheme is aimed at providing employment aid, as defined by the EU Commission in the General Block Exemption Regulation (GBER) No. 651/2014 of the European Commission (OJ, 26/6/2014, L 187). The scheme was last notified to the Commission under number SA.53048. The aid is given in the form of a subsidy

2. Amount of aid in 2019 and 2020

In 2019: EUR 91,59 million.

In 2020: EUR 82,67 million.

3. Objectives of the aid

The public employment service VDAB decides which persons with a disability have a right to this grant for an unlimited period or for a limited period. People are granted a right for a limited period when their disability causes extra costs or a loss of production. When their situation can still progress, persons are granted a right for a limited period.

The grant for persons with a right for a limited period is maximum 20% of the salary for a period of two years.

The grant for persons with a right for an unlimited period gives employers an assurance that they will be reimbursed with 40% of the salary in the first year, then with 30%, and then with 20% as from the fifth year. The grant is also based on the actual wage (with a maximum of up to the double of the minimum wage). The reason for this gradual approach is that an employer's costs come mainly at the beginning of the employment.

After two years (grant for a limited period) or five years (grant for an unlimited period), the employer can ask for a prolongation of the grant. The employer must motivate this request. The experts of VDAB visit the workplace to assess the necessity of the grant (minimum 20% loss of production or extra costs compared to an employer without a disability).

The integration of an employee with a disability often takes longer and working methods have to be adapted and tasks distributed, etc. It is possible for a grant higher than these basic amounts to be paid (up to 60%), but then the employer must demonstrate his real additional costs or loss of production. The experts of VDAB visit the working place to assess the necessity of this increase of the grant.

The regulations also provide for a simplified application for contributions for adapting equipment, purchasing adapted tools, employing interpreters and paying moving or accommodation costs.

4. Duration of the programme

The scheme was renotified and prolonged according to the 2014 GBER and is now valid until the end of 2023.

5. Statistical data

The aim of the aid is to enhance the labour participation of people with disabilities. The impact is thus mainly on employment in very diverse sectors. There are no statistical data available that would make it possible to assess its effects on world trade.

In 2019, 18535 persons received an integration premium grant.

In 2020, 16919 persons received an integration premium grant.

6. Legal basis

The decision of the Flemish Government of 10 June 2016 regarding the execution of the decree of 4 March 2016 on the Flemish policy on targeted groups of employees (formerly decision of 18 July 2008).
