

2 July 2024

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Belgium on 29 September 2023, transmitted to the Economic and Financial Committee by the European Commission**

**Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 29 September 2023, Belgium submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Belgium provided due justification of the satisfactory fulfilment of 19 of the 20 milestones and targets of the first instalment of the non-repayable support, as set out in Section 2 of the Council Implementing Decision of 6 July 2021 on the approval of the assessment of the recovery and resilience plan for Belgium <sup>(1)</sup>.

For one target covering a large number of beneficiaries, in addition to the summary document and official listing provided by Belgium, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60, which corresponds to a confidence level of 95% or above in all cases.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Belgium, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of 19 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Belgium's Recovery and Resilience Plan. This includes reforms and investments in the areas of digitalisation, clean mobility, education, adult learning, employment, and spending reviews. Flagship measures in this payment request include a reform to accelerate the roll-out of 5G and fibre networks and reforms and investments boosting clean mobility across the country. The milestones and targets also confirm progress towards the completion of investment projects related to social housing and digital transition.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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<sup>(1)</sup> 10161/21

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## Non-repayable support

<b>Number: 56</b>	<b>Related Measure:</b> I-2.05 Digitalisation SPF – Sub-measure 1: Digital transformation of Justice
<b>Name of the Milestone:</b> Project management in place for the digital transformation of justice following the adoption of a decree	
<b>Qualitative Indicator:</b> Adoption of the Ministerial Decree of a program management office, which set up for the digital transformation of justice	<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>Milestone 56 is part of Investment I-2.05 “Digitalisation SPF of the Federal State”, which aims at increasing the overall level of digitalisation of the Belgian judicial system and is expected to have a positive impact on its overall efficiency, by addressing various identified weaknesses, improving case management and introducing data collection automation. This project also aims at increasing the rate of online publication of judgments. Investment I-2.05 “Digitalisation SPF of the Federal State” consists of 11 sub-measures. Milestone 56 is part of sub-measure 1 “Digital transformation of Justice’ of the Federal State”.</p> <p>Milestone 56 requires the Minister of Justice to adopt a Ministerial Decree setting up a Program Management Office, with a clear governance structure to digitalise SPF Justice, as well as a clear definition of tasks and competences, and clear arrangements for the different parties that shall participate in the digital transformation.</p> <p>Milestone 56 is the first milestone of sub-measure 1 “Digital transformation of Justice’ of the Federal State” of Investment I-2.05 “Digitalisation SPF of the Federal State”. It will be followed by milestone 57, milestone 58, milestone 59 and milestone 60 related to the publication of the Just-On-Web online portal, internal centralisation of court decisions, database for the collection of real-time data and new case management system, respectively. The investment has a final expected date for implementation in Q4 2025.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii) Copy of the Ministerial Decree of 16 December 2021 laying down measures by internal organisations to coordinate, rationalise and accelerate the digitalisation of justice (<i>Arrêté Ministériel portant des mesures d'organisations internes en vue de la coordination, la rationalisation et l'accélération de la digitalisation de la Justice</i>), adopted by the Minister of Justice and published in the Official Journal on 21 December 2021, which is also the date of its entry into force (<i>hereinafter referred to as “Ministerial Decree of 16 December 2021”</i>).</li> </ul>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.</p> <p><b>Adoption of a Ministerial Decree by the Minister of Justice to set up a Program Management Office with a clear governance structure to digitalise SPF Justice.</b></p> <p>The Ministerial Decree of 16 December 2021 to set up a Program Management Office for the Digital Transformation of the Belgian Justice Department, has been <b>adopted</b> by the Minister of Justice and <b>published</b> on the 21 December 2021 in the Official Journal (link to the Ministerial Decree of 16 December 2021):</p> <p><a href="https://www.ejustice.just.fgov.be/eli/arrete/2021/12/16/2021034429/moniteur">https://www.ejustice.just.fgov.be/eli/arrete/2021/12/16/2021034429/moniteur</a>).</p> <p>According to the description of milestone 56, the Program Management Office is set up to digitalise</p>	

the SPF Justice (sub-measure 1: Digital transformation of Justice). Milestone 57, milestone 58, milestone 59 and milestone 60 are part of the same investment and Sub-measure 1: Digital transformation of Justice. These milestones notably require the publication of the Just-On-Web online portal, the internal centralisation of court decisions, a database for the collection of real-time data and a new case management system, respectively. Article 1(1) of the Ministerial Decree of 16 December 2021 provides that the deadline for the Digital Transformation Program related projects is 31 December 2025.

Article 4 of the Ministerial Decree of 16 December 2021 indicates that the decree entered into force on 21 December 2021 and will cease to be in force on 1 January 2026. Given that the deadline for the program that this Program Management Office will cover is up until 31 December 2025, the duration stated in the Ministerial Decree until 1 January 2026 allows the Program Management Office to fulfil its functions.

Article 1 of the Ministerial Decree of 16 December 2021 provides for a list of projects supporting the digital transformation of Justice within the Digital Transformation Program (*Programme de Transformation Numérique*). Those projects are:

- Modernisation of identity and access management;
- Increase networks' performance and security;
- Implementation of virtual and hybrid hearings;
- Introduction of data management and improvement of the companies' data communication;
- Digital availability of pseudonymised judicial decisions;
- Realisation of a digital court file and of a modernised case management system for the Judicial Order (*Ordre Judiciaire*);
- Knowledge centre for the digitalisation paths.

The Ministerial Decree of 16 December 2021 sets up a **Program Management Office** responsible for the Digital Transformation Program (hereafter referred to as "**the Digital Transformation Office**"), within the Justice Department (*Service Public Fédéral Justice*) (as provided for in Article 2(1) and Article 2(2) of the Ministerial Decree of 16 December 2021). The tasks of the Digital Transformation Office include:

- Supporting and accompanying the digitalisation of Justice.
- Providing advice on the optimal use of new technologies and existing solutions to support Justice's missions.
- Functioning as a centre of advice and knowledge of the Digital Transformation Program steering committee and Digital Transformation Program working groups.
- Harmonising various digital initiatives within Justice, by taking into account strategic and operational issues of different stakeholders.

The Ministerial Decree of 16 December 2021 provides for a **clear governance structure** for the Digital Transformation Office:

- Article 2(4) of the Ministerial Decree of 16 December 2021 provides for the internal structure of the Digital Transformation Office. It is composed of a director assisted by employees designated by the ICT Service, by the College of Courts and Tribunals, by the College of the Public Ministry and by the Court of Cassation.
- Article 3(1) of the Ministerial Decree of 16 December 2021 defines the role of the steering committee of the Digital Transformation Programme, which makes decisions on proposals submitted by the Digital Transformation Office.
- Article 3(2) of the Ministerial Decree of 16 December 2021 describes the composition of the steering committee that forms the strategic level above the Digital Transformation Office. The steering committee is composed of Director of the Minister's Strategic Unit, advisers from the Minister's Strategic Unit, representatives mandated by the Cassation Entity (*Entité*

*Cassation*), including one designated by the First President of the Court of Cassation and one by the Prosecutor General at the Court of Cassation, members mandated by the College of Courts and Tribunals, members mandated by the College of the Public Ministry, by SPF Justice, representative of Cross-border project and Digital Transformation Office’s Director or his designate.

- In addition, Article 3(3) of the Ministerial Decree of 16 December 2021 defines the decision-making process of the steering committee.

**The Ministerial Decree provides for a clear definition of tasks and competences, and clear arrangements for the different parties that shall participate in the digital transformation.**

Article 2(1), Article 2(2) and Article 2(3) of the Ministerial Decree of 16 December 2021 define the mission, **tasks and competences** of the Digital Transformation Office within the Justice Department. In order to carry out the mission referred to in Article 2(2) of the Ministerial Decree of 16 December 2021, the competences of the Digital Transformation Office are the following (Article 2(3) of the Ministerial Decree of 16 December 2021):

- Develop an Enterprise Architecture for the IT landscape of the Justice and define rules and agreements on architecture, strategy in cloud material and security.
- Advise and support Justice for the formulation, planning and operationalisation of strategic initiatives and digitisation programmes, including both new and existing projects that are experiencing significant changes.
- Manage the overall program management and ensure implementation of projects as set out in Article 1.
- Provide support for the execution of projects and follow-ups of reports.
- Implement data management by defining rights and responsibilities in the processes related to evaluation, creation, storage, use, archiving and deletion of information, and provide support in the application of relevant legislation related to data protection and recommendations on data security.
- Manage the overall change and communication about the Digital Transformation Programme.
- Perform quality control on the execution of projects included in the Digital Transformation Programme.

Article 3(1) of the Ministerial Decree of 16 December 2021 highlights that decisions of the steering committee of the Digital Transformation Programme are binding and allow the Digital Transformation Office, with the mandate of the steering committee, to implement those decisions according to agreed modalities in the steering committee’s decisions. The **parties that participate and are actively involved in the Digital Transformation are listed in Article 3(2)** of the Ministerial Decree of 16 December 2021, where Article 3(2) also describes how each party is represented in the steering committee of the Digital Transformation Programme (see ‘Clear governance structure’ section above). In addition, the internal structure of the Digital Transformation Office is described under Article 2(4) of the Ministerial Decree of 16 December 2021 (see ‘Clear governance structure’ section above).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 70	<b>Related Measure:</b> I-2.10 Regional data exchange platform	
<b>Name of the Milestone:</b> Award of the public contract		
<b>Qualitative Indicator:</b> A mission order document shall be published		<b>Time:</b> Q2 2021
<b>Context:</b> The measure aims to make use of the data available in the Brussels Region for the benefit of Brussels citizens and businesses by developing a Brussels data exchange platform, which shall facilitate the establishment of urban “digital twins” (virtual representations of a city's physical		

assets).

Milestone 70 requires the award of a public contract following the publication of the mission order document, including the high-level requirements of the solution for a data exchange platform as well as the distribution of roles between the Brussels Regional Informatics Center (*hereinafter referred to as "BRIC"*) and the subcontractors, and the needs in terms of data governance and the governance required for the platform.

Milestone 70 is the first step of the implementation of Investment I-2.10 and it will be followed by milestone 71, related to the deployment of projects on the regional data platform in 10 public administrations. The investment has a final expected date for implementation in Q4 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii) Copy of the mission order document CSC2017.007 – Lot 021-2021-009 (*Ordre de mission Accord-cadre, Assistance informatique Lot 21 - Technologies nouvelles (Big Data / IOT)*) for the implementation of the regional exchange data platform, sent on 7 May 2021, emitted by the BRIC, which covers among others the technical specifications.
- iii) E-mail sent on 7 May 2021 by the BRIC to the pre-selected suppliers following the tender procedure (CSC2017.007), including the copy of the mission order document CSC2017.007 – Lot 021-2021-009.
- iv) E-mail sent on 24 June 2021 by the BRIC notifying the selected supplier to which the mission order CSC2017.007 – Lot 021-2021-009 for the implementation of the regional exchange data platform was attributed.
- v) Copy of the implementation contract (*Contrat d'exécution Lot 21-2021-009-Business&Decision Benelux SA/NV*), signed by the representative of the selected supplier and the BRIC's Deputy Director General and Director General, sent by email on 20 October 2021 by the BRIC to the selected supplier.
- vi) List of selected projects produced on 10 August 2022 by the BRIC and signed on 15 September 2022 by the BRIC's Deputy Director General and Director General.
- vii) Project plan for "Lidar for CIRB" prepared by Kapernikov dated 19 January 2022, detailing the goal and scope of the project.
- viii) Functional Requirements for "Lidar for CIRB", prepared by Kapernikov dated 19 January 2022.
- ix) Email dated 2 March 2022 from Kapernikov to BRIC circulating the latest version of the solution architecture document and cost estimation for "Lidar for CIRB".
- x) CSC2017.007 Framework agreement mission assignment - Analysis of tenders for the award of a mission in the context of the execution of the framework agreement / Lot No. 21\_2022\_015 (*CSC2017.007 Accord-cadre Attribution mission - Analyse des offres en vue de l'attribution d'une mission dans le cadre de l'exécution de l'accord-cadre / n° Lot 21\_2022\_015*).
- xi) Service Public Fédéral ("SPF") Chancellery of the Prime Minister *Cahier Spécial des Charges N° IT18076* Open Procedure Public Service Contract for the provision of specialised ICT services (*SPF Chancellerie du Premier Ministre Cahier Spécial des Charges N° IT18076 Procédure Ouverte Marché Public de Services en vue de la fourniture de services ICT spécialisés*) (*hereinafter referred to as "Cahier Spécial des Charges N° IT18076"*). This document is composed of two parts being (1) General provisions and (2) Technical and functional provisions.
- xii) Mission order CSC IT18076 Framework agreement, IT assistance Lot 7 – data management, issued by Paradigm (ex BRIC) on 18 September 2023. The mission order was sent by Paradigm to the pre-selected suppliers under the relevant framework contract (*Accord*

- cadre SPF Chancellerie IT18076- lot 07 Gestion des données*) by email dated 18 September 2023. This mission order covers the extension of *Projet Lidar* (Reference CHAN\_Lot07\_2023\_003\_LIDAR).
- xiii) Email dated 25 September 2023 sent by Cronos to Paradigm, submitting an offer in line with the mission order.
  - xiv) Opinion request of the Inspector General of Finance for the assignment of the mission on the Brussels Regional Data Platform related to the lot 7 of the framework agreement IT18076 award in central purchasing office by the FPS Chancellery of the Prime Minister (*Demande d'avis relatif à l'attribution de la mission sur la plateforme Bruxelloise de Données dans le cadre du marché IT18076 attribué en centrale d'achat par le SPF Chancellerie du Premier Ministre, lot 7*) (hereinafter referred to as "opinion request *Projet Lidar*"), dated 19 October 2023, signed on 29 October 2023 by the Inspector General of Finance, and the BRIC's Deputy Director General and Director General.
  - xv) Purchase order dated 13 December 2023, edited by Paradigm and addressed to Cronos.

The authorities also provided:

- xvi) Agreement request for the launch of the mission order CSC2017.007 – Lot 021-2021-009 related to the lot 21 of the framework agreement 2017-007 "IT support" (*Demande d'accord relatif au lancement de l'ordre de mission pour la mise à disposition de profils pour la mise en oeuvre (MVP) de la plateforme régionale data, dans le cadre du Lot 21 de l'accord-cadre 2017-007 "Assistance informatique du CIRB"*), dated 30 April 2021, signed by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities, and the BRIC's Deputy Director General and Director General.
- xvii) Business & Decision Benelux SA/NV's price offer, signed on 28 May 2021 by the Managing Director.
- xviii) Business & Decision Benelux SA/NV's services' offer based on the mission order CSC2017.007 – Lot 021-2021-009, dated 28 May 2021.
- xix) Framework agreement CSC2017.007 – IT assistance: Conclusion of a framework agreement for the purposes of the Information Technology Centre for the Brussels Region and its central purchasing body (*Cahier Spécial des Charges CSC2017.007 - Assistance informatique: Conclusion d'un accord-cadre pour les besoins du Centre d'Informatique pour la Région Bruxelloise et de sa centrale d'achat*) (hereinafter referred to as "framework agreement CSC2017.007"), emitted by the BRIC, based on which the commissions and assignments for the project were attributed.
- xx) Opinion request of the Inspector General of Finance for the assignment of the mission order CSC2017.007 – Lot 021-2021-009 related to the lot 21 of the framework agreement 2017-007 "IT support" (*Demande d'avis relatif à l'attribution de la mission pour la mise en place d'une première version de la plateforme régionale d'échange de données, dans le cadre du lot 21 du marché de l'accord-cadre du CIRB « Assistance informatique 2017-007*) (hereinafter referred to as "opinion request of the Inspector General of Finance for the assignment"), dated 8 June 2021, signed on 16 June 2021 by the Inspector General of Finance, and the BRIC's Deputy Director General and Director General.
- xxi) Agreement request for the assignment of the mission order CSC2017.007 – Lot 021-2021-009 related to the lot 21 of the framework agreement 2017-007 "IT support" (*Demande d'accord relative à l'attribution de la mission pour la mise à disposition de profils pour la mise en oeuvre (MVP) de la plateforme régionale data, dans le cadre du lot 21 de l'accord-cadre 2017-007 Assistance informatique» du CIRB*) (hereinafter referred to as "agreement request for the assignment"), dated 17 June 2021, signed on 21 June 2021 by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities, and the BRIC's Deputy Director General and Director General.
- xxii) Order form, dated 30 August 2021, addressed by the selected supplier to the BRIC.

- xxiii) Mission order assignment – assessment of submitted offers related to the mission order CSC2017.007 – Lot 021-2021-009, emitted by the BRIC.
- i) Copy of the reasoned decision by the Federal Public Service (SPF) Chancellery of the Prime Minister on the attribution on the call for tenders for framework contract “*Accord cadre SPF Chancellerie, IT18076, Lot7*”, dated 21 November 2019 and signed by the Prime Minister. The decision includes, among other things, a list of the pre-selected suppliers for the relevant framework contract and lot.

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

In accordance with the milestone description, **a mission order document shall be published presenting the high-level requirements of the solution for a data exchange platform as well as the distribution of roles between the Brussels Regional Informatics Center (BRIC) and the subcontractors and the needs in terms of data governance and the governance required for the platform.**

Following the approval of the launch of the mission order CSC2017.007 – Lot 021-2021-009, dated 30 April 2021, by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities, the mission order was sent by BRIC to the pre-selected suppliers under the relevant framework contract (CSC2017.007) by email on 7 May 2021.

The Council Implementing Decision required that a mission order document should be published. However, the mission order was not published but shared with the pre-selected suppliers by email, in line with the procedure foreseen by the relevant framework contract. In this respect, whenever the BRIC needs one or more specific services to develop a project, a mission order is sent to the pre-selected suppliers (Framework contract CSC2017.007, page 32 and 33). The pre-selected suppliers were given the opportunity to submit offers by 28 May 2021 (Email sent on 7 May 2021 by the BRIC to the pre-selected suppliers, where the deadline of 28 May 2021 to submit offers is indicated, as well as the mission order document CSC2017.007 – Lot 021-2021-009, attached to that email, also mentioning the deadline to reply by 28 May 2021). Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it did not change the nature of the requirement, as it achieved the same result as if the mission order was published, i.e. to adequately inform suppliers of the issuance of the mission order. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the investment that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The mission order document CSC2017.007 – Lot 021-2021-009 (chapter 2 “Mission”, pages 2 - 3 of the mission order document) provides the **high-level requirements of the data exchange platform**, which are the following:

- Provision of tools by the data exchange platform according to two levels:
  - Support service for the realisation of use cases and (ii) integrations;
  - Form of 'self-service' tools for other projects.
- Use of the platform’s tools for regional projects but also for the internal needs of administrations.
- Integration with BRIC tools and services such as the Fidus regional service (regional integrator of authentic sources), the datastore portal (opendata) and the ServiceNow tool.

The mission order document CSC2017.007 – Lot 021-2021-009 (chapter 5 “Expected deliverables”, pages 4 – 11 of the mission order document) provides for various work packages required for the implementation of the data exchange platform and the requirements explained above. Those work packages are:

- Implementation of an integration hub.

- Implementation of a regional data catalogue.
- Governance of the platform.
- Data governance.
- Project development.
- Support to the project development in the Region.
- Operational maintenance.

For each work package, the mission order document CSC2017.007 – Lot 021-2021-009 contains technical specifications, including information related to the expectations, deliverables and acceptance criteria.

**The needs in terms of platform’s governance as well as data governance** are included in the mission order document CSC2017.007 – Lot 021-2021-009 (chapter 6 “Governance” and chapter 7 “KPIs”, pages 11 - 12 of the mission order document). In particular, the governance is organised in three pillars:

- Architectural and technical pillar: this pillar, mainly contributing to the platform’s governance, aims to coordinate stakeholders regarding architecture and technology aspects of the platform, and it deals with enterprise architecture, architecture principles, and verification and validation of the solutions proposed for the projects. The main actors of this pillar are BRIC’s and selected subcontractor’s architectures.
- Functional pillar: this pillar, mainly contributing to data governance, aims to ensure the consistent, effective and efficient functioning of the platform and related programs and projects, including their coordination, validation of the scope, allocation and prioritisation of means etc. The main actors of this pillar are BRIC’s Project Managers, sponsor, owner, and project managers of the selected subcontractor.
- Steering pillar of the use cases: this pillar, mainly contributing to platform’s governance, aims to coordinate the different work packages included in the chapter 5 “Expected deliverables” of the mission order document CSC2017.007 – Lot 021-2021-009. The main actors of this pillar are BRIC’s Project Managers, the owner, project managers of the selected subcontractor, architects and data governance specialist of the selected subcontractor.

The mission order document CSC2017.007 – Lot 021-2021-009 (chapter 5 “Expected deliverables”, pages 4 – 11 of the mission order document) provides for deliverables and acceptance criteria for various work packages. The “Work Package 3 – Platform’s governance”, which is one of the deliverables expected from the subcontractors when implementing the first version of the regional data exchange platform, requires the subcontractor to establish a governance and procedures, good practices and documents that will provide a complete and organised service to the region's administrations.

The mission order document CSC2017.007 – Lot 021-2021-009 (chapter 5 “Expected deliverables”, pages 4 – 11 of the mission order document) provides for deliverables and acceptance criteria for various work packages. The “Work Package 4 – Platform’s data governance”, which is one of the deliverables expected from the subcontractors when implementing the first version of the regional data exchange platform, requires the subcontractor to implement a data governance that will allow, among other, producers, consumers and other profiles to understand their roles and responsibilities on the platform; provide consumers with the information that will enable them to understand the data and evaluate their quality; and ensure that the exchange and use of data is carried out in a manner that respects individuals’ rights and security rules.

The mission order document CSC2017.007 – Lot 021-2021-009 refers to the **distribution of roles between the Brussels Regional Informatics Center (BRIC) and the subcontractors** (chapter 6 “Governance”, pages 11 - 12 of the mission order document). In particular, the mission order document specifies that BRIC’s architects and the architects of the subcontractor are responsible for the first governance pillar (mentioned above) related to the architecture and technology. It is

further specified that BRIC's Project Managers and among other project managers of the subcontractor are responsible for the second pillar. Finally, it is indicated that BRIC's Project Managers, the project managers of the subcontractor, the subcontractor's architects and data governance specialist deal with the third pillar.

Furthermore, in accordance with the name of the milestone, the Council Implementing Decision requires the **award of the public contract**.

In response to the mission order document CSC2017.007 – Lot 021-2021-009 shared with the pre-selected suppliers on 7 May 2021, only one offer for the implementation of the first version of the regional data exchange platform was submitted. The public contract for the implementation of the first version of the regional data exchange platform, referred to in the mission order document CSC2017.007 – Lot 021-2021-009, was awarded to Business & Decision Benelux SA/NV as evidenced by the e-mail sent on 24 June 2021 by the BRIC notifying Business & Decision Benelux SA/NV to which the mission order CSC2017.007 – Lot 021-2021-009 for the implementation of the regional exchange data platform was attributed. This decision was approved by the Inspector General of Finance as evidenced by the opinion request of the Inspector General of Finance for the assignment dated 8 June 2021 and signed on 16 June 2021 by the Inspector General of Finance, and the BRIC Deputy Director General and Director General. In addition, as evidenced by the agreement request for the assignment, this attribution decision was also approved by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities on 21 June 2021.

As evidenced by the email sent on 24 June 2021, the selected supplier, Business & Decision Benelux SA/NV, was notified of the award by the BRIC and received the copy of the implementation contract, signed by a representative of the selected supplier and the BRIC Deputy Director General and Director General, by email as well on 20 October 2021 sent by the BRIC.

**Furthermore, in line with the description of the measure, the Brussels data exchange platform shall facilitate the establishment of urban “digital twins” (virtual representations of a city's physical assets).**

The implementation via the platform of “*Projet Lidar*” contributes to the establishment of urban “digital twins”, (i.e. the virtual representations of a city's assets) for the Brussels Capital Region in the Brussels data exchange platform. Functional Requirements for “Lidar for CIRB”, page 7 states that “*The data platform is responsible for storing the data and doing all necessary data transformations. [...] This way, the data platform can serve as the only place for storing point cloud data.*”. As evidenced in the mission order for the Extension of Project Lidar under Accord Cadre CSC IT18076, *Projet Lidar* is to provide the “*3D representations of Brussels produced by radars either in mobiGis or by plane*”. Furthermore, the project plan “*Lidar for CIRB*” of 19 January 2022 at page 1 describes the following objective for *Projet Lidar*: “[...] *visualise Brussels in 3D and take measurements of objects visible in the point cloud.*”. The mission order was sent to all pre-selected suppliers under the framework contract on 18 September 2023. Cronos submitted an offer by email on 25 September 2023, consisting in the provision of services of a Data architect with relevant experience and the hourly rate for the services, in line with the mission order. Paradigm selected Cronos as a supplier. The decision to select Cronos and the budget were approved by the Inspector of Finance as evidenced by the opinion request *Projet Lidar*, signed by the BRIC and countersigned by the Inspector of Finance on 29 October 2023. No formal decision by the competent minister was necessary, since the budget is below the threshold provided by the applicable rules on public procurement. Notably, Article 18 of royal decree “*arrêté du Gouvernement de la Région de Bruxelles-Capitale portant délégation de compétences au fonctionnaire dirigeant et au fonctionnaire dirigeant adjoint du Centre d'Informatique pour la Région Bruxelloise*”, published in the “*Moniteur Belge*” on 11 February 2021, which provides that the relevant decisions concerning public procurement and concessions (as defined or provided for by the “*Réglementation des marchés publics*” or the “*Réglementation des concessions*”) of a value without VAT below that provided by Article 11 (2) of royal decree “*arrêté royal du 18 avril 2017 relatif à la passation des marchés*”

*publics*” (published in the “Moniteur Belge” on 9 May 2017 and lastly updated on 18 December 2023), i.e. 143 000 EUR (as indexed from as of 1 January 2024, previously 140,000 EUR) can be delegated to the director or deputy director. On 13 December 2023, Paradigm issued a purchase order to Cronos. Following the purchase order, Cronos is under the obligation to provide the service related to the development of *Projet Lidar*, without the need to sign an additional execution contract. This is evidenced by *Cahier Spécial des Charges N° IT18076 (part I)* which specifies on page 10 that “*Contracting authorities (in this case Paradigm ex BRIC) may award orders (follow-up contracts) for the benefit of Framework agreements concluded by the contracting authority*”.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 72</b>	<b>Related Measure:</b> I-2.11 Digitalisation of citizen-business processes	
<b>Name of the Milestone:</b> Entry in operation of new digital platforms		
<b>Qualitative Indicator:</b> A new platform (CRM) facilitating the interaction between the administration and citizens/enterprises and between administrations is operational in the Brussels Region		<b>Time:</b> Q2 2021
<p><b>Context:</b></p> <p>Milestone 72 is part of Investment I-2.11 “Digitalisation of citizen-business processes”, which aims at addressing the growing need for administrative simplification and to enable citizens and businesses to complete their procedures in a coherent, efficient and transparent manner. Four projects shall contribute to the objective of administrative simplification, including the implementation of a Brussels Regional Platform for Citizens Relations Management (<i>hereinafter referred to as “CRM”</i>), the launch of a platform for digitalisation of planning permitting procedures, the launch of a platform for the digitalisation of urban information procedures and urban archives as well as the launch of a platform for the digitalisation of environmental permit procedures.</p> <p>Milestone 72 requires a new platform (CRM) to be operational in the Brussels Region, facilitating the interaction between the administration and citizens/enterprises, and between administrations. Milestone 72 further requires the CRM foundation platform to be available for the development of specific CRM projects within the Brussels Region, with the goal of deploying 16 projects spread over regional and/or local administrations by end of 2024.</p> <p>Milestone 72 is the first milestone of Investment I-2.11 and it will be followed by milestone 73, related to the entry in operation of 3 online platforms. The investment has a final expected date for implementation in Q4 2025.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii) Copy of the documents containing the technical specifications of the projects as defined by the competent administration. Technical specifications related documents are categorised into those related to the regional architecture, CRM foundation platform and the Salesforce application used.</li> <li>iii) <u>Regional Architecture Principles (Phase 0)</u> aims to lay the regional technical principles to implement a regional CRM platform:</li> <li>iv) Regional Architecture Principles Deliverable developed by the Brussels Regional Informatics Center (<i>hereinafter referred to as “CIRB-CIBG”</i>) and the Regional Public Service of Brussels (<i>hereinafter referred to as “SPRB”</i>), dated 12 June 2020, includes details on various elements in view of defining regional technical principles to implement the CRM platform (Phase 0) such as the approach undertaken, deliverables, architecture principles, regional CRM interfaces, management and governance.</li> </ul>		

- v) Deloitte's regional architecture approach, dated 15 April 2020, provides further elements on the architecture principles (Phase 0) of the regional CRM platform.
- vi) The User guide describes developments made on the CRM platform and available functionalities produced by the functional and technical resources working on the platform and supervised by the CIRB-CIBG.  
CRM foundation platform is the basis to make the CRM platform up and running, and capable to onboard administrations projects:
- vii) *Cahier Spécial des Charges - Smals-BB-001.014/2017-EU (Cahier Spécial des Charges - Smals-BB-001.014/2017-EU Accord-cadre Procédure concurrentielle avec négociation Consultance organisationnelle)* covering various lots, including lot 4 'New world of work', emitted by Smals and dated December 2017.
- viii) Mission order document SMALS BB-001.014/2017-EU Lot 4 – 'New world of work' (*SMALS BB-001.014/2017-EU – Accord-cadre Consultance organisationnelle – Lot4 – Nouveau monde du travail Ordre de mission pour la mise en place des Fondations de la Plateforme applicative CRM Régionale*) emitted by the CIRB-CIBG and sent on 13 August 2020.
- ix) Deloitte's reply to the mission order document SMALS BB-001.014/2017-EU Lot 4 – 'New world of work', dated 14 September 2020, provides further technical elements related to the CRM foundation platform.
- x) Approval request for the implementation of regional CRM foundation platform by Deloitte based on the mission order document SMALS BB-001.014/2017-EU Lot 4 – 'New world of work' (*Demande d'accord – Mise en place des fondations de la plateforme applicative CRM régionale sur base du marché "Smals-BB-001.014/2017-EU" passé par SMALS en centrale d'achat*), dated 9 October 2020, signed by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities, and the CIRB-CIBG Deputy Director General and Director General.  
The Salesforce application was selected for the implementation of the CRM platform:
- xi) Approval request of the *Cahier spécial des charges* SPRB-GOB/IT/2020.003 for the platform's implementation needs based on the Salesforce application, dated 3 June 2020, signed by the Brussels ConnectIT Director General, the Inspector of Finance and the Minister of Employment and Vocational Training, Digital Transition and Local Authorities on 12 June 2020.
- xii) *Cahier spécial des charges* SPRB-GOB/IT/2020.003 in view of the conclusion of a framework agreement for the platform's implementation needs based on the Salesforce application (*Marché public de services Assistance informatique Conclusion d'un accord-cadre pour les besoins d'implémentation de la plateforme citoyenne sur base de l'application Salesforce*), emitted by the SPRB and published on the e-Procurement platform on 24 July 2020.
- xiii) Approval request of the award decision for the Salesforce consultancy services based on the *Cahier spécial des charges* SPRB-GOB/IT/2020.003, dated 18 November 2020, signed by the Brussels ConnectIT Director General, the Inspector of Finance and the Minister of Employment and Vocational Training, Digital Transition and Local Authorities on 27 November 2020.
- xiv) Motivated award decision of the *Cahier spécial des charges* SPRB-GOB/IT/2020.003 (*Cahier des charges n° SPRB-GOB/IT/2020.003 Marché public de services PROCEDURE OUVERTE (Centrale d'achat et accord-cadre) Assistance informatique Conclusion d'un accord-cadre pour les besoins d'implémentation de la plateforme citoyenne sur base de l'application Salesforce Décision Motivée d'Attribution*), issued by the SPRB on 20 November 2020.
- xv) Certificate of work completion attesting that the implementation of Regional CRM foundation platform according to the mission order's specifications SMALS BB-001.014/2017-EU Lot 4 – 'New world of work' was completed on 10 March 2021 and is operational, signed by Deloitte's Partner and the CIRB-CIBG Manager.
- xvi) Email sent on 31 March 2021 by the Parking Brussels' operational coordinator to the

- Parking Brussels' customer service informing the CRM platform is operational.
- xvii) Link to the platform: <https://crm.irisbox.brussels/citizen/s/login/?language=fr> (available on 11 October 2023 with login).

The authorities also provided further evidence documenting the operationalisation of the regional CRM platform:

- i) Note to the members of the Brussels Region's Government (*Note aux membres du Gouvernement de la Région de Bruxelles-Capitale*) (hereinafter referred to as "Ministerial decision"), dated 16 July 2020, to put in place a new regional CRM platform, signed by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities.
- ii) Cooperation agreement between CIRB-CIBG and SPRB regarding the implementation and management of regional Salesforce platform (*Accord de principe sur la coopération entre SPRB et CIRB pour la mise en place et la gestion de la plateforme Salesforce régionale*).
- iii) Presentation - Steering committee Foundations project, dated 24 February 2021, providing the project deliverables' status, expected timeline, etc.
- iv) Presentation - Steering Committee Parking Brussels, dated 15 March 2021, providing the scope, team, timeline, deliverables, and risks, for the CRM platform's implementation for Parking.Brussels.
- v) Presentation - Weekly Status Foundations project, dated 25 March 2021, providing the planning, deliverables' status, etc.
- vi) Presentation - CRM platform's implementation for Parking.brussels, dated 25 March 2021 - GO given for the go-live planned on 1 April 2021.
- vii) Deloitte's bill (*Facture-Duplicata Consultance Deloitte*), dated 27 October 2021.
- viii) Screenshot - Regional CRM Adoption Dashboard, including data from the beginning of the platform use.
- ix) Video document by CIRB presenting the functioning of the Regional CRM platform.

**Analysis:**

The Commission considers that there is a clerical error in the text of the Council Implementing Decision as regards the name of milestone 72 of investment 2.11 and has undertaken the assessment on a revised basis. The name of milestone 72 reads "Entry in operation of new digital platforms".

However, milestone 72 covers the operationalisation of only one new platform, being the CRM platform while the entry in operation of three online platforms, including one for urban planning permits, another one for urban planning information and the final one for environmental permits in the Brussels Region are covered by milestone 73 of the same investment. Therefore, the entry in operation of these four platforms is covered by investment I-2.11 but split into two different milestones. In addition, these four platforms are described separately in the Belgian Recovery and Resilience Plan, including their own objectives, implementation, and calendar. The entry in operation of only one platform, namely the CRM platform, is considered relevant for the fulfilment of milestone 72.

Against this background, the justification and substantiating evidence provided by the Belgian authorities cover all constitutive elements of the milestone.

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**A new platform (CRM) facilitating the interaction between the administration and citizens/enterprises and between administrations is operational in the Brussels Region.**

As evidenced by the certificate of work completion, CRM foundation platform was completed on 10 March 2021 and since then, the Brussels Region **CRM platform is operational** and can be used by the CIRB-CIBG and the regional administrations. Since 1 April 2021, Parking.Brussels has been the

first administration to use the platform to manage requests and complaints from citizens and enterprises, demonstrating that the regional CRM platform is operational between the administration and citizens/enterprises. The objective of the CRM platform is to improve citizens' experience and equip the administrations with a tool aiming to provide personalised services, to digitalise administrative processes and **facilitate the interactions between the administration and citizens/enterprises and between administrations** as provided by the Ministerial decision, dated 16 July 2020, signed by the Minister of Employment and Vocational Training, Digital Transition and Local Authorities. As explained at pages 3 and 5 of the Regional Architecture Principles Deliverable, the CRM platform facilitates interactions between administrations and citizens/enterprises, and between administrations by providing a better knowledge of citizens' files, improved management of the requests regardless the channel used (phone, e-mail, ...), proactive services, personalised notifications and communication. Screenshot – Regional CRM Adoption Dashboard of 12 January 2022 provides the first results of the platform's use. It appears that the main user is Parking.Brussels, for which the platform is necessary to better manage the interactions between the Brussels Regional Parking Agency and its customers as explained in the presentation – Steering Committee Parking Brussels of 15 March 2021.

**The CRM foundation platform shall be available for the development of specific CRM projects within the Brussels Region.**

**The development of Regional CRM foundation platform was finalised** on 10 March 2021 as attested by the certificate of work completion, which corresponds also to the date from which the **Regional CRM platform has been operational and available for the development of specific CRM projects within the Brussels region.** Regional CRM foundation platform is crucial for the functioning of the CRM platform and the development of specific CRM projects, namely onboarding of different administrations projects such as Parking.Brussels and Bruxelles Logements (mission order document SMALS BB-001.014/2017-EU Lot 4 – 'New world of work').

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 89</b>	<b>Related Measure:</b> R-2.03 Introduction of 5G - National fixed and mobile broadband plan	
<b>Name of the Milestone:</b> EU Connectivity Toolbox		
<b>Qualitative Indicator:</b> EU Connectivity Toolbox implemented, including roadmap		<b>Time:</b> Q2 2021
<p><b>Context:</b></p> <p>Milestone 89 is part of Reform R-2.03 "Introduction of 5G – National fixed and mobile broadband plan", which aims, both at the federal and regional level, to remove bottlenecks, including regulatory bottlenecks, for the 5G deployment and for the deployment of ultra-fast connectivity infrastructure, such as fibre. As part of that reform a 5G law and related Royal Decrees to assign EU pioneer spectrum bands shall enter into force, a 5G spectrum auction shall be completed under investment-friendly conditions. Moreover, if deemed necessary and recommended by the relevant committees, all three regions shall revise radiation standards, which shall allow for effective 5G spectrum deployment for both private and industrial use. In addition, Belgium shall also implement the Connectivity Toolbox containing connectivity best practices for reducing the cost of deploying electronic communications networks and for efficient access to 5G radio spectrum tailored to Belgium. This toolbox shall include a national roadmap towards simplifying the licensing and permitting procedures relevant for the rollout of 5G and very high-capacity networks, such as fibre.</p> <p>Milestone 89 requires the adoption of the plan to implement the EU Connectivity Toolbox best practices, including the adoption of a roadmap towards simplifying the licensing and permitting procedures relevant for the rollout of 5G and very high-capacity networks, such as fibre.</p>		

Milestone 89 is the first milestone of Reform R-2.03 and it is accompanied by milestone 90 in this payment request. It will be followed by milestone 91, milestone 92 and milestone 93 related to the 5G auction, Connectivity toolbox implementation's status and revision of the legislative framework of the three regions on radiation standards. The reform has a final expected date for implementation in Q3 2022.

**Evidence provided:**

The following evidence was provided:

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii) Copy of the adopted Implementation Roadmap for the Connectivity Toolbox dated 30 April 2021, published on 16 May 2021 on the European Commission's website.

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Plan to implement EU Connectivity Toolbox best practices adopted, including the adoption of a roadmap towards simplifying the licensing and permitting procedures relevant for the rollout of 5G and very high-capacity networks, such as fibre.**

**EU Connectivity Toolbox best practices adopted, including the adoption of a roadmap.**

In March 2021, the EU Member States, in close cooperation with the Commission, collectively agreed upon a set of **39 best practices, as part of the Connectivity Toolbox** (<https://digital-strategy.ec.europa.eu/en/policies/connectivity-toolbox>), which they identified to be the most efficient in achieving a swift roll out of very high-capacity networks, such as fibre and 5G. These best practices are intended to overcome administrative obstacles and cut the cost of network rollout, as well as to ensure investment-friendly access to radio spectrum, a key resource for 5G networks. By end of April 2021, the Member States had to develop and share with the Commission their national roadmap for identifying the best practices they plan to implement and the planning of the related best practices.

The Implementation Roadmap for the Connectivity Toolbox for Belgium was submitted to the European Commission on 30 April 2021 and published on its website on 16 May 2021. This document includes, in addition to the list of abbreviations and of competent authorities/administrations, the best practices of the Connectivity Toolbox. Overall, Belgium decided to adopt 17 best practices regarding the net cost reduction subgroup and three best practices regarding the access to 5G spectrum subgroup. 15 other best practices promoted in the toolbox were not addressed as they were considered to be already implemented by the current measures in place.

The Implementation **Roadmap** for the Connectivity Toolbox for Belgium includes for each best practice of the Connectivity Toolbox, the following elements, **forming the Belgian roadmap**:

- Initial assessment as to the usefulness of the best practice, according to the national situation.
- Expected plan to implement the best practice and indicative timing or, when not deemed useful, the reasons why the best practice is not useful.

Against this backdrop, the 'adopted plan to implement the EU Connectivity Toolbox of best practices' and the 'adopted roadmap', as mentioned in the milestone description, are one and the same document.

The best practices retained in the Implementation Roadmap for the Connectivity Toolbox for Belgium will **support the cost reduction of network deployment as well as the simplification of licensing and permitting procedures relevant for the rollout of 5G and very high-capacity networks, such as fibre**, for the following reasons:

- Best Practice 1: *Introduce permit exemptions and fast track procedures and promote the application of existing lighter permit granting procedures.* This best practice consists of assessing whether there are any other permit exemptions than the ones already existing in

Belgium or notifications mechanisms that should be implemented, and if necessary, adapting the legislation accordingly, supporting the streamlining of license and permit granting procedures, and reducing the related costs.

- Best Practice 2: *Provide model regulations on electronic communications network deployment.* The approach of “national” model regulating electronic communications network deployment does not exist in Belgium and its implementation is not feasible due to different competences on regional and local level. Therefore, an alternative was proposed to organise yearly workshops with the different administrations to exchange best practices, with the involvement of stakeholders if deemed desirable by the latter. Exchange of best practices between administrations and stakeholders in order to improve electronic communications will facilitate the licensing and permitting procedures, and reduce the costs of such procedures.
- Best Practice 3: *Provide informative materials and workshops for municipalities and other competent authorities.* A “fiber vademecum”, a centralised point of information concerning the deployment of fibre addressed to various stakeholders such as municipalities and other competent authorities, is expected to be published and further updated afterwards. The exchange of information through the “fiber vademecum” will create an overview of different permit application processes and therefore, will support the streamlining of license and permit granting procedures, and reduce the costs of such procedures.
- Best Practice 4: *Ensure the use of electronic means for permit applications.* The implementation of this best practice aims to identify the missing digital links in the current process and to digitalise the permit application procedures not electronically available. The extended use of electronic means will further simplify licensing and permitting procedures and will reduce the costs of such procedures.
- Best Practice 8: *Establish broadband coordinators.* Broadband coordinators points exist in Belgium at national and regional level. The implementation of this best practice aims at assessing the expansion of the current tasks of broadband coordinators to further support the coordination. The enhanced coordination between broadband coordinators will facilitate the licensing and permitting procedures and reduce the costs of such procedures.
- Best Practice 9: *Use of joint preparatory coordination procedures for granting rights of way and permits necessary for civil works.* The implementation of this best practice aims at assessing the development of preparatory coordination procedures between different competences at local/regional level. The implementation of this best practice is expected to enhance coordination between relevant public administrations and therefore, to facilitate and speed up permitting and licensing procedures for civil works.
- Best Practice 10: *Legal requirements with regard to the appropriateness of fees.* The implementation of this best practice aims at assessing the current civil works permit fees, including whether they are objectively justified, transparent, non-discriminatory, proportionate and cost based. In addition, the assessment will also cover the usage fees/rent with regards to rights of way on publicly owned properties. The implementation of this best practice is expected to identify scope for reducing permit fees and should thus lead to a reduction of this category of network deployment costs if such a scope for reduction exists.
- Best Practice 11: *Ensure the availability of information from different sources and enhance transparency of planned civil works.* Some portals allowing for the exchange of information between operators at different levels to plan and coordinate works on the public domain exist, including some synergies. However, a single data portal providing for information on planned civil works seems not achievable due to various competences at different levels, therefore an assessment of further potential synergies will be done. The implementation of this best practice is expected to result in synergies and enhanced coordination between relevant public administrations and therefore, facilitating licensing and permitting procedures.
- Best Practice 12: *Ensure the availability of information via the single information point (SIP) in electronic format.* The implementation of this best practice aims at identifying the missing

digital links in the existing information portals on available physical infrastructure and planned civil works and to digitalise the information processes available on physical infrastructure and planned civil works. The further digitalisation of information on available physical infrastructure and planned civil works will facilitate access to the information, reducing the costs of acquiring it, and is thereby expected to facilitate and speed up the permitting and licensing procedures for applicants.

- Best Practice 14: *Make available indicative information on the occupation level of the infrastructure and/or existence of dark fiber.* The implementation of this best practice aims to invite physical infrastructure's owners to provide more information regarding the occupancy level and/or the presence of dark fiber in the database. The implementation of this best practice will improve the information available, and thereby facilitating licensing and permitting procedures.
- Best Practice 15: *Ensure the provision via the single information point (SIP) of transparent information regarding the conditions of access to the existing physical infrastructure.* The implementation of this best practice aims to invite all contributors to single information points such as KLIP and KLIM/CICC to add information regarding the terms and conditions of access to their physical infrastructure. The implementation of this best practice will improve the information available by adding conditions access to the physical infrastructure. Therefore, the additional and centralised information will facilitate licensing and permitting procedures.
- Best Practice 16: *Ensure access to physical infrastructure controlled by public bodies.* The implementation of this best practice aims at assessing the way the legislation should be adapted in order to ensure access to the physical infrastructure controlled by public bodies. The implementation of this best practice should result in an improved regulatory framework, including access control, which will facilitate licensing and permitting procedures.
- Best Practice 17: *Entrust a body with a promotor and/or coordinator role.* The implementation of this best practice aims at implementing a competent body to advise the relevant public bodies and to ensure the coordination and/or promotion of access requests to publicly owned or controlled infrastructure. The implementation of this best practice is expected to result in an improved coordination of access requests to publicly owned or controlled infrastructure and therefore, facilitate the licensing and permitting procedures.
- Best Practice 18: *Development of guidelines for all governance levels.* The development of these guidelines will be one of the tasks of the competent body described in the best practice 17 and aims to develop guidelines on publicly owned or controlled infrastructure, for which access is diverse and linked to the different competences. The establishment of guidelines will support the transparency and clarity regarding access to publicly owned or controlled infrastructure at various competence levels, facilitating licensing and permitting procedures.
- Best Practice 20: *Ensure transparency, awareness and trust in the dispute resolution mechanism by issuing guidelines.* The implementation of this best practice aims at developing a website for the dispute settlement body. It will facilitate access to the dispute resolution mechanism by companies and will thereby help them enforce their rights and tend to reduce the risks and associated costs that they bear to deploy 5G and very high-capacity networks.
- Best Practice 21: *Ensure electronic communication and submission for parties.* The implementation of this best practice aims at improving the transparency of the information on communication with the dispute settlement body, by including appropriate electronic means. The implementation of this best practice will have similar effects as best practice 20.
- Best Practice 22: *Ensure electronic communication and submission for parties.* This best practice has been already implemented to some extent. Nevertheless, a further attention to the environmental footprint of electronic communications networks will be carried out, including the application of European initiatives. The implementation of this best practice aims at reducing the environmental footprint of electronic communications networks.

Furthermore, in line with the description of the measure, the Implementation Roadmap for the Connectivity Toolbox for Belgium contains best practices for efficient access to 5G radio spectrum tailored to Belgium. In particular,

- Best Practice 25: *Timely availability of 5g harmonised bands*. The auction of the 5G spectrum (for the 700 MHz and 3600 MHz), organised by BIPT, has ended (started on 1 June and ended on 20 June 2022). In addition, local private networks will be authorized in the part of the band 3400-3800 MHz which will remain unsold after the auction, as well as in parts of the band 3800-4200 MHz. These licences will be assigned on a “first come first served” basis in a short administrative procedure and will be subject to the payment of a moderate annual fee. The auction as well as access to other bands support the availability of 5G bands and thereby, an efficient access to 5G radio spectrum, relevant for the rollout of 5G.
- Best Practice 28: *Individual authorisation regime for the 24.25-27.5 GHz frequency band*. The implementation of this best practice aims at defining a new approach for the 26 GHz band after the results of the above-mentioned auction. The implementation of a new approach should improve the access to the 26 GHz band and therefore, provide a more efficient access to 5G radio spectrum.
- Best Practice 36: *When identifying the appropriate authorisation regime member states should pay particular attention to any specificities resulting from a cross-border dimension*. A harmonized frame structure for the Benelux is expected to be implemented in view of the cross-border coordination. The implementation of this best practice will enhance coordination at a union level on spectrum assignment for cross-border use and thereby, improve the access to the 5G radio spectrum.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 90	<b>Related Measure:</b> R-2.03 Introduction of 5G – National fixed and mobile broadband plan	
<b>Name of the Milestone:</b> Publication of 5G spectrum assignment legislative framework		
<b>Qualitative Indicator:</b> Publication of the legislative framework for 5G spectrum assignment		<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>Milestone 90 is part of reform R-2.03 “Introduction of 5G – National fixed and mobile broadband plan”, which aims, both at the federal and regional level, to remove bottlenecks, including regulatory bottlenecks, for the 5G deployment and for the deployment of ultra-fast connectivity infrastructure, such as fibre. As part of that reform a 5G law and related Royal Decrees to assign EU pioneer spectrum bands shall enter into force. Apart from the publication of this legal framework, this measure also requires the auctioning of the 5G spectrum, the implementation of the EU Connectivity Toolbox, and the revision of the legislative framework of the regions on the radiation standards.</p> <p>Milestone 90 requires the publication of the 5G law and Royal Decrees to assign EU pioneer radio spectrum bands as defined by the Radio Spectrum Policy Group for 5G networks under investment-friendly conditions.</p> <p>Milestone 90 accompanies milestone 89 (EU Connectivity Toolbox) in this payment request and is part of the first step of the implementation of reform R-2.03. It will be followed by milestone 91 (5G auction), milestone 92 (status Connectivity Toolbox implementation) and milestone 93 (revision of the legislative framework of the three regions on radiation standards). The reform has a final expected date for implementation in Q3 2022.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p>		

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled. This document refers, among others, to a study conducted by Analysys Mason on the valorisation of the spectrum for public systems (dated 31 December 2015) entitled 'Study regarding the value of spectrum for public mobile systems'. Study accessible through this link: <https://www.bipt.be/operatoren/publicatie/mededeling-van-de-raad-van-het-bipt-van-25-januari-2016-met-betrekking-tot-de-resultaten-van-de-studie-van-analysys-mason-in-verband-met-de-valorisatie-van-het-spectrum-voor-publieke-systemen>
- ii) Reference to the 5G Law of 27 June 2021, setting the one-off charges per frequency band, published on 6 July 2021 in the Official Journal and entered into force on 16 July 2021 (*hereinafter referred to as "5G Law"*). Link to the Official Journal: <http://www.ejustice.just.fgov.be/eli/loi/2021/06/27/2021021178/moniteur>. This law modifies Article 30 of the Act of 13 June 2005 on electronic communications. Link to the consolidated online version: [https://www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg\\_2.pl?language=nl&nm=2005011238&la=N](https://www.ejustice.just.fgov.be/cgi_loi/change_lg_2.pl?language=nl&nm=2005011238&la=N).
- iii) Reference to the Royal Decree of 28 November 2021, setting the auction conditions and annual fees for the use of the spectrum 3400-3800 MHz, published on 23 December 2021 in the Official Journal and entered into force on 2 January 2022 (*hereinafter referred to as "Royal Decree of 28 November 2021 No. 4"*). Link to the Official Journal: <http://www.ejustice.just.fgov.be/eli/arrete/2021/11/28/2021022604/moniteur>.
- iv) Reference to the Royal Decree of 28 November 2021, setting the auction conditions and annual fees for the use of the spectrum 700 MHz, published on 23 December 2021 in the Official Journal and entered into force on 2 January 2022 (*hereinafter referred to as "Royal Decree of 28 November 2021 No. 5"*). Link to the Official Journal: <http://www.ejustice.just.fgov.be/eli/arrete/2021/11/28/2021022605/moniteur>.

The authorities also provided:

- v) Note of 21 December 2020 concerning coverage obligations related to the 700 MHz band (*Note du 21 décembre 2020 concernant les obligations de couverture liées à la bande 700 MHz*). This note was prepared by the Belgian Institute for Postal Services and Telecommunications (*hereinafter referred to as "BIPT"*) and sent to the cabinet of the Minister of Telecommunications in preparation of an inter-cabinet working group on 18 December 2020.
- vi) Note regarding the coverage of railway lines.
- vii) A management declaration dated 14 December 2022 and signed by the Minister of Telecommunications.
- viii) A response to the public consultation regarding the use of the 26 GHz spectrum band from Orange Belgium SA/NV, dated and signed on 14 June 2019.
- ix) A response to the public consultation regarding the use of the 26 GHz spectrum band from Proximus SA, dated and signed on 14 June 2019.
- x) A response to the public consultation regarding the use of the 26 GHz spectrum band from Telenet Group NV/SA, dated and signed on 12 June 2019.

The following public documents are also referred to as evidence:

- xi) The 'Strategic Spectrum Roadmap towards 5G for Europe: RSPG Opinion on 5G implementation challenges (RSPG 3<sup>rd</sup> opinion on 5G)' by the Radio Spectrum Policy Group dated 30 January 2019 (RSPG19-007 FINAL). Link: [https://radio-spectrum-policy-group.ec.europa.eu/system/files/2023-01/RSPG19-007final-3rd\\_opinion\\_on\\_5G.pdf](https://radio-spectrum-policy-group.ec.europa.eu/system/files/2023-01/RSPG19-007final-3rd_opinion_on_5G.pdf)
- xii) A report by the BIPT 'Mededeling van de Raad van het BIPT van 9 juni 2023 betreffende de status van de elektronische communicatie- en tv markt (2022)'. Link: <https://www.bipt.be/file/cc73d96153bbd5448a56f19d925d05b1379c7f21/c2899a5d709>

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Publication of 5G law and Royal Decrees to assign EU pioneer radio spectrum bands as defined by the Radio Spectrum Policy Group for 5G networks under investment-friendly conditions.**

**The 5G Law, setting the one-off charges per frequency band was published** on 6 July 2021 in the Official Journal, and entered into force on 16 July 2021. The 5G Law modifies Article 30 of the Act of 13 June 2005 on electronic communications. The changes relate mainly to the addition of fees charged to operators of mobile communication networks by BIPT for the use of different frequency bands.

The Royal Decree of 28 November 2021 No. 4 and the Royal Decree of 28 November 2021 No. 5 set the auction conditions and annual fees for the use of the spectrum, the first one covering the radio access in the 3400-3800 MHz frequency band, and the second one the radio access in the 700 MHz frequency band. **These Royal Decrees to assign EU pioneer radio spectrum bands were published** on 23 December 2021 in the Official Journal and entered into force on 2 January 2022.

In its third opinion on 5G “Strategic Spectrum Roadmap towards 5G for Europe: RSPG Opinion on 5G implementation challenges” dated 30 January 2019, page 2, **the Radio Spectrum Policy Group (RSPG)**, a high-level advisory group assisting the Commission, identifies three frequency bands as the “building blocks needed for a rapid launch of new wireless services in the next generation wireless systems”: 3400-3800 MHz, bands below 1 GHz (e.g. 700 MHz) and 26 GHz. While the RSPG does not explicitly define the term ‘EU pioneer radio spectrum bands’ (sometimes referred to as ‘pioneer frequency bands’), the term is used by the European Commission in reference to the three mentioned bands, for example on its Digital Strategy webpage: <https://digital-strategy.ec.europa.eu/en/faqs/5g-questions-and-answers>. The 700 MHz, 3400-3800 MHz and 26 GHz frequency bands can therefore be considered EU pioneer radio spectrum bands.

The Council Implementing Decision requires the Royal Decrees to assign EU pioneer radio spectrum bands as defined by the Radio Spectrum Policy Group for 5G networks. The Royal Decree of 28 November 2021 No. 4 and the Royal Decree of 28 November 2021 No. 5 set the auction conditions and annual fees for the use of the 3400-3800 MHz and 700 MHz frequency bands, which can be regarded as being part of ‘EU pioneer radio spectrum bands’, as explained above. However, no legislative framework has been put in place with a view to assigning the 26 GHz frequency band, which can also be considered part of the ‘EU pioneer radio spectrum bands’.

Belgium explained that there is no market demand for the 26 GHz frequency band in Belgium, as evidenced by the answers of three major mobile operators (Orange, Proximus and Telenet, which together represented between 80% and 100% of the relevant market share according to a Belgian Institute for Postal Services and Telecommunications report of 9 June 2023, p. 45) to the public consultation on the use of the 26 GHz frequency band of 2019. Since this consultation, the BIPT has not received any request from any market party to make the 26 GHz frequency band available. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it is considered that the omission of the 26 GHz spectrum band from the legislative framework does not affect the policy objective of this reform, which is to remove bottlenecks, including regulatory bottlenecks, for the deployment of 5G. This is because, as explained on p. 2 of the third RSPG opinion on 5G “Strategic Spectrum Roadmap towards 5G for Europe: RSPG Opinion on 5G implementation challenges”, the 3400-3800 MHz band “brings the necessary capacity for new 5G services” and the 700 MHz band is one of the bands below 1 GHz that “can enable 5G coverage to all areas”. These two bands therefore suffice to effectively roll out 5G,

which is also supported by publicly available data: according to the Digital Economy and Society Index (DESI) data used in the Commission Staff Working Document SWD(2024) 601 final ('2024 Country Report – Belgium') 5G coverage in Belgium has rapidly increased from 4% of populated areas in 2021 to 40% of populated areas in 2023, the latest data available.

As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The 5G Law and the two Royal Decrees no. 4 and no. 5 of 28 November 2021 provide for **investment-friendly conditions** for investments in the frequency bands and more broadly in the rollout of 5G networks.

- According to Article 7 of Royal Decree of 28 November 2021 No. 5 and Article 8 of Royal Decree of 28 November 2021 No. 4 regarding the access in the 700 MHz and 3400-3800 MHz frequency bands respectively, to reduce the financial impact on operators during the first few years, which are the heaviest financially in terms of investment required for the deployment of the new frequencies, the annual fees for the 700 MHz and 3400-3800 MHz frequencies are reduced by 50% during the first three years of the license.
- Coverage obligations for households and railway connections were considered in the calculation of the value of the spectrum (Article 30(1) sub-paragraph 1, subsection three, 6°, of the Act of 13 June 2005 on electronic communications). A study conducted by Analysys Mason on the valorisation of the spectrum for public systems (pages 4 and 77) determined that the value of the 700 MHz band was EUR 240 million. This study took into account 98% coverage of the population but did not take into account railway coverage obligations. In the end, 99.8% coverage of the population was imposed for the 700 MHz band, as well as coverage of some major railway lines (Article 11 and 12 of the Royal Decree of 28 November 2021 No. 5 regarding the access in the 700 MHz frequency band). The sum of the one-off charge was therefore reduced by the additional cost borne by the operators due to the additional obligations, to approximately EUR 116 million euros (instead of the original EUR 240 million). The note of 21 December 2020 concerning coverage obligations related to the 700 MHz band and the note regarding the coverage of railway lines were submitted to the European Commission by the Belgian authorities to explain in greater detail how this final amount was determined. The link to the study by Analysys Mason was also provided (see section 'evidence provided').
- According to Article 3(1), of the Royal Decree of 28 November 2021 No. 4 and the Royal Decree of 28 November 2021 No. 5 regarding access in the 700 MHz and the 3400-3800 MHz frequency bands, the licenses are allocated for an initial period of 20 years, renewable for periods of 5 years each. This is in conformity with Art. 49 of Directive (EU) 2018/1972 of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code, which demands a duration of at least 15 years. The objective of this article about the duration of rights is to ensure regulatory predictability for the holders of the rights regarding conditions for investment in infrastructure which relies on the use of such radio spectrum. On this basis, we consider that a license allocation of 20 years offers regulatory predictability, which contributes to setting investment-friendly conditions.
- A spectrum package for a possible new entrant was reserved to allow a new entry into the mobile market (Article 24 of the Royal Decree of 28 November 2021 No. 5 regarding the access in the 700 MHz frequency band). In July 2022, the spectrum auction indeed resulted in a new market entrant, namely CityMesh Mobile NV. The new entrant into the market will have to make investments in the frequency bands and in the rollout of 5G networks more broadly to compete with incumbents, and incumbents may follow in order to protect their market share. If such a possibility for entry was not foreseen, it would have made such

competition-driven dynamics in the market less likely, which would have resulted in less investment.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 110</b>	<b>Related Measure:</b> R-3.02 Mobility budget of the Federal State
<b>Name of the Milestone:</b> Adoption of the mobility budget	
<b>Qualitative Indicator:</b> Adoption of the mobility budget	<b>Time:</b> Q3 2021
<p><b>Context:</b></p> <p>Milestone 110 is part of reform R-3.02 Mobility Budget of the Federal State, which aims at reinforcing incentives to increase demand for modes of transport between home and work that constitute a sustainable alternative to company cars (such as collective transport and bicycle), as the uptake of the current mobility budget scheme, which had been set up to provide such incentives, has remained very limited. The objective is to induce a modal shift away from cars.</p> <p>Milestone 110 requires the entry into force of the law that revises the mobility budget.</p> <p>Milestone 110 is the only step of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i) Summary document justifying how the milestone is satisfactorily fulfilled.</li> <li>ii) Law of 25 November 2021 on the fiscal and social greening of mobility (<i>Loi organisant le verdissement fiscal et social de la mobilité / Wet houdende fiscale en sociale vergroening van de mobiliteit</i>), published in the Official Journal of 3 December 2021 (<i>hereinafter referred to as "Law of 25 November 2021"</i>).</li> <li>iii) Letter from Federal Public Service Finances to Federal Public Service Strategy and Support (BOSA) of 14 March 2022 describing the main changes of the mobility budget.</li> <li>iv) Qualitative analysis of the Federal Public Service Finance dated 20 December 2022 explaining the expected impact of the reformed mobility on increasing demand for modes of transport between home and work that constitute a sustainable alternative to company cars.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Belgian authorities cover all constitutive elements of the milestone. In particular:</p> <p><b>Adoption of the mobility budget.</b></p> <p>In 2019, Belgium adopted a scheme to create incentives for employees entitled to a company car to use alternative modes of transport in their commute between home and work. The uptake of this scheme known as 'mobility budget' remained however limited. In order to increase demand for alternative modes of transport, Belgium revised this scheme. On 25 November 2021, Belgium adopted a law on the fiscal and social greening of mobility (<i>Loi organisant le verdissement fiscal et social de la mobilité / Wet houdende fiscale en sociale vergroening van de mobiliteit</i>), published in the Official Journal of 3 December 2021, which, amongst others, amended the 'mobility budget'</p> <p><b>Furthermore, in line with the description of the measure, the amendments to the 'mobility budget' that reinforce incentives to increase the demand for modes of transport alternative to company cars are the following:</b></p> <ul style="list-style-type: none"> <li>• Coverage of additional expenses related to the use of the so-called soft mobility (for instance, bikes), such as: loans or leasing costs to acquire or use bicycles or electrical scooters; parking expenses, protection equipment and visibility equipment expenses (Article 25 (4)).</li> </ul>	

- Addition of a new category of electrical vehicles, which includes tricycles and quadricycles with closed passenger compartment to the so-called 'soft mobility' (Article 25(6)).
- Coverage of any kind of subscription to public transports for the employee (before the reform, only seasonal tickets were included) and coverage of subscriptions for family members living under the employee's roof (before the reform no subscriptions for family members were covered) (Article 25(9)).
- Coverage of parking expenses related to the use of public transport (Article 25(13)).
- Bonus for pedestrian commuting (Article 25(13)).
- Extension of distance between home and work from 5 km to 10 km. This distance is the criterion used to cover or not, accommodation expenses (such as rent, loans interests). Before the reform only when the employee lived up to 5 km from its work place this type of expenses could be covered in the mobility budget. After the reform this distance increased to 10 km (Article 25(12)).
- Inclusion of the capital repayments of a mortgage loan for the house of residence in the accommodation expenses covered by the mobility budget (Article 25(12)).
- Removal of the waiting periods to have access to the mobility budget (Article 26(2)).
- Employer's obligation to make an offer regarding alternative modes of transport (Article 27).

Under Article 33 of the Law of 25 November 2021 the amendments listed above entered into force on 1 January 2022.

**Furthermore, in line with the description of the measure, the Belgian Federal Public Service Finances explained in its qualitative analysis of 20 December 2022 that the changes listed above are expected to induce a modal shift away from cars. These are the reasons presented by the Federal Public Service Finances:**

- The amendments introduced by the Law of 25 November 2021 were made after extensive consultation with social secretariats and employers to remove as much as possible what was perceived by them as obstacles to the uptake of a 'mobility budget'. The exchanges with citizens on the website 'www.lebudgetmobilite.be' were also taken into account to identify dysfunctions and expected improvements in the current mobility budget. By addressing stakeholders' concerns, it is expected that the use of the mobility budget will increase, including the use of alternative modes of transport (page 2 of the qualitative analysis of the Federal Public Service Finance dated 20 December 2022).
- The increase in choices regarding the sustainable modes of transport (so-called pillar 2) together with the fact that employers are now obliged to make an offer under this pillar will increase the share of the budget used in these modes of transport to the detriment of cars (pages 3 and 4 of the qualitative analysis of the Federal Public Service Finance dated 20 December 2022).
- With this reform, the new choices regarding sustainable modes of transport cover replacement costs that have to be incurred by no longer using cars. It therefore creates a bigger incentive (than before) for a shift to alternative modes of transport (page 3 of the qualitative analysis of the Federal Public Service Finance dated 20 December 2022).
- The cost covered to use sustainable modes of transport are not limited to professional commutes but also extend to the commutes of family members living with the employee (for instance, home-school commute) (page 3 of the qualitative analysis of the Federal Public Service Finance dated 20 December 2022).
- The additional coverage of housing costs (when the residence is within 10 km from the workplace) indirectly contributes to a modal shift. The closer the employee lives to the workplace (especially in the city), the more likely s/he is to opt for public transport (more choices) or the bicycle to commute to work (page 3 of the qualitative analysis of the Federal

Public Service Finance dated 20 December 2022).
<b>Commission Preliminary Assessment:</b> Satisfactorily fulfilled

<b>Number: 116</b>	<b>Related Measure:</b> R-3.06 Stimulating zero-emission transport – VLA
<b>Name of the Milestone:</b> Adoption of a framework for the deployment of charging infrastructure in the Flemish Region	
<b>Qualitative Indicator:</b> Adoption of the framework	<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>Milestone 116 is part of reform R-3.06 “Stimulating zero-emission transport – VLA”, which consists in the adoption of a legislative framework to incentivise the deployment in Flanders of public charging points through the award of concessions and semi-public charging points through the award of grants.</p> <p>Both the legislative framework referred to in the description of the measure, and the policy framework referred to in the description of the milestone, shall (i) enable the mapping of the future charging points, (ii) launch the concession tenders for public charging points, (iii) stimulate the deployment of (semi-)public charging points on private properties, (iv) reduce administrative burden to shorten the lead time for the installation of charging points, and (v) stimulate smart electricity charging to balance the supply and demand for electricity.</p> <p>Milestone 116 is the only milestone or target of this reform.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document of 8 May 2023 duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Flemish Government Order of 7 May 2021 setting the rules for subsidising projects to implement the policy of switching to zero- emission means of transport and means of transport powered by alternative fuels (<i>Besluit van de Vlaamse Regering tot vaststelling van de regels voor de subsidiering van projecten ter uitvoering van het beleid voor de onschakeling naar zero-emissievoertuigen en voertuigen aangedreven door alternatieve brandstoffs</i> - BVR Projectsubsidies 2021), published in the Official Journal on 8 June 2021 (<i>hereinafter referred to as “Project Subsidies Order”</i>).</li> <li>iii. Flemish Government Decree of 16 July 2021 on zero-emission vehicles and vehicles powered by alternative fuels (<i>Decreet over zero-emissievoertuigen en voertuigen aangedreven door alternatieve brandstoffen</i> - VR 2021 1607 DEC.0073), published in the Official Journal on 25 August 2021 (<i>hereinafter referred to as “Flemish Government Decree”</i>).</li> <li>iv. Flemish Government Order of 17 December 2021 regarding the charging infrastructure for electric vehicles (<i>Besluit van de Vlaamse Regering over de laadinfrastructuur voor elektrische voertuigen</i> - 2021 1712 VR DOC 1571/2 BVR), published in the Official Journal on 4 March 2022, (<i>hereinafter referred to “Charging Infrastructure Order”</i>).</li> <li>v. Communication to the Flemish Government, from the Ministry for Mobility and Public works, of 20 November 2020 on the approach of the roll-out of charging infrastructure in the period 2021-2025 (VR 2020 2011 MED.0362/1BIS).</li> <li>vi. Note to the Flemish Government, from the Ministry for Mobility and Public Work, of 9 July 2021 on approval of the vision paper “Clean power for transport policy for 2021-2030” (VR 2021 0907 DOC 0840/1BIS).</li> <li>vii. Vision paper “Clean power for transport policy for 2021-2030” of the Flemish Government</li> </ol>	

- of 9 July 2021 (VR 2021 0907 DOC 0840/2Bis) (*hereinafter referred to as “vision paper”*).
- viii. Study mapping charging points in the Flemish Region “*Potentieelkaarten Vlaanderen*” of December 2021.
  - ix. Strategy document “Flexibility Plan 2025” approved by the Flemish Government on 28 October 2022 (VR 2022 2810 DOC.1167/1BIS) (*hereinafter referred to as “flexibility plan 2025”*) available at: <https://beslissingenvlaamseregering.vlaanderen.be/document-view/635A45301EA6B745D23CC9F2>

The authorities also provided:

- i. Ministerial Decree of the Minister of Mobility and Public Works of 20 June 2022 regarding a call for projects referred to in Article 3 of the Flemish Government Decree of 7 May 2021, published in the Official Journal on 20 October 2022 (*hereinafter referred to as “Ministerial Decree”*).
- ii. Ministerial Decree on the award of project grants as referred to in Article 3 Article 3 of the Flemish Government Decree of 7 May 2021, published in the Official Journal on 20 October 2022 (*hereinafter referred to as “Ministerial Award Decree”*) and its Annex.

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone and reform.

In line with the description of the measure, **this measure consists in adopting a legislative framework to incentivise the deployment of public charging points through concessions and semi-public points through grants in the Flemish region. The legislative framework shall enter into force by 1 January 2022.**

The Flemish authorities have adopted a legislative framework to incentivise the deployment of public and semi-public charging points composed of the following acts:

- On 7 May 2021, the Flemish Government approved the Project Subsidies Order, which was published in the Official Journal on 8 June 2021 and entered into force on 18 June 2021, according to article 84(2) of the Law of 8 August 1980 (*Bijzondere wet tot hervorming der instellingen/ Loi spéciale de réformes institutionnelles*).
- On 16 July 2021, the Flemish Government adopted the Flemish Government Decree, which was published in the Official Journal on 25 August 2021 and entered into force on 4 September 2021 according to article 56 of the Law of 8 August 1980 (*Bijzondere wet tot hervorming der instellingen/ Loi spéciale de réformes institutionnelles*, which stipulates a subsidiary *vacatio legis* of 10 days).
- On 17 December 2021, the Flemish Government approved the **Charging Infrastructure Order**, which was published in the Official Journal on 4 March 2022 and entered into force on 14 March 2022, according to article 84(2) of the Law of 8 August 1980 (*Bijzondere wet tot hervorming der instellingen/ Loi spéciale de réformes institutionnelles*) (except for article 8 which entered into force on 1 January 2022 following article 11 of the Charging Infrastructure Order itself, and article 5, which entered into force on 15 August 2022 and articles 6 and 9 which entered into force on 1 September 2022, according to article 12 of the Charging Infrastructure Order and the Ministerial decision of 5 August 2022). The Charging Infrastructure Order implements the Flemish Government Decree on zero-emission vehicles and vehicles powered by alternative fuels.
- On 20 June 2022, the Minister of Mobility and Public Works approved the **Ministerial Decree**, which was published in the Official Journal on 20 October 2022 and entered into force on 30 October 2022, according to article 84(2) of the Law of 8 August 1980 (*Bijzondere wet tot hervorming der instellingen/ Loi spéciale de réformes institutionnelles*). The Ministerial Decree implements the Project Subsidy Order.

**Adoption of a policy framework for the deployment of charging infrastructure in the Flemish**

## Region.

In addition to these legal acts, the policy framework for the deployment of charging infrastructure in the Flemish Region adopted by the Flemish authorities includes the following:

- Communication to the Flemish Government of 20 November 2020 on the roll-out of charging infrastructure in the period 2021-2025. This Communication sets the main objectives and the main actions for the deployment of charging stations in the public domain as well as in private locations accessible to the public.
- Note to the Flemish Government on approval of the vision paper “Clean power for transport policy for 2021-2030” identifies the objectives and strategic lines of the Clean power for transport policy 2021-2030 and proposes measures for the period up to 2025.
- Vision paper “Clean power for transport policy for 2021-2030” which aims to reduce emissions from road transports and proposes several strategies, in particular a strategy to integrate the charging infrastructure with the electricity supply.
- Study mapping charging points in the Flemish Region, “Potentieelkaarten Vlaanderen”, which describes how the digital maps with the location of the current and future charging points were elaborated.
- Manual ‘Lokaal Laden’ on the roll-out of the charging stations, available at: <https://www.vlaanderen.be/publicaties/lokaal-laden>, which establishes the role of the different entities in mapping the location of charging points.
- Strategy document “Flexibility Plan 2025” [which sets out various actions to increase flexibility in the electrical grid, in particular the use of smart charging infrastructure and bidirectional charging stations.](#)

**The policy framework shall enable to: map the future charging points.** Furthermore, in line with the description of the measure, **the legislative framework shall enable the mapping of the future charging points.**

The policy framework was established by the Flemish Government with its Communication of 20 November 2020 on the roll-out of charging infrastructure in the period 2021-2025. According to this Communication, the Ministry for Mobility and Public Works establishes the tender specifications for the award of concessions and co-determines with the local authorities the good locations for the charging stations; whereas the municipalities are responsible for searching the good locations based on the availability of the electricity network map, provided by the network operator, “Fluvius”. (page 7 of the e-translated version).

The mapping of future charging points was later reiterated in the vision paper “Clean power for transport policy for 2021-2030” of the Flemish Government of 9 July 2021, which indicated the mapping of future charging points as a necessary action to speed up the deployment of charging infrastructure in the Flemish Region (page 7).

In December 2021, the Flemish Government concluded a study on the mapping of future charging stations, the “Potentieelkaarten Vlaanderen”. 13 main cities (‘centrumsteden’) in Flanders mapped out their needs and possible locations for future charging stations. This study resulted in the elaboration of maps that are continuously updated on the basis of new information (forecasts, actual consumption, development of new neighbourhoods, etc.). In addition, road operators or charging point operators can continuously include new potential sites or change the locations of proposed charging stations in case of modifications to the public space. The parties involved in the roll-out process (such as concession provider, road operator, charging point operator and network operator) can use different user rights to access the maps. The maps are also available to the general public at: <https://mow.vlaanderen.be/laadpalen>. <https://mow.vlaanderen.be/laadpalen> In addition, the Flemish authorities have also created a manual that explains how the mapping of future charging points is done, the ‘Lokaal Laden’ manual.

The rules enabling the roll-out of future charging points have been laid down in Article 3 of the Charging Infrastructure Order entered into force on 14 March 2022, according to which the Flemish Minister for Mobility and Public Works determines and evaluates annually the criteria for the rollout of semi-public and publicly accessible charging points on the basis of: the number of registered electric vehicle; the number of registered battery-electric vehicles; and the number and capacity of operational semi-public and public charging points. The Minister may also add other criteria. There is also a division of roles in the roll-out of charging points according to Article 4 of the Charging Infrastructure Order. The Charging Infrastructure Order implements article 7(1), (2) second subparagraph, (3), first subparagraph of the Decree on zero-emission vehicles and vehicles powered by alternative fuels, which states respectively that the Flemish Government may take measures to deploy an appropriate number of charging points, including to determine the criteria for deployment and to impose obligations on municipalities regarding the roll-out process.

**The policy framework shall enable launch the concession tenders for charging points on public domain.** Furthermore, in line with the description of the measure, **the legislative framework shall enable launch the concession tenders for public charging points.**

From a policy perspective, one of the actions set in the vision paper “Clean power for transport policy for 2021-2030” of 9 July 2021 was indeed the launch concessions for charging points on the public domain (page 7).

Under Article 4 of the Charging Infrastructure Order, tenders shall be launched for the installation, maintenance and operation of charging stations on public domain.

**The policy framework shall enable to: stimulate the deployment of (semi-)public charging points on private domain.** Furthermore, in line with the description of the measure, **the legislative framework shall enable stimulate the deployment of semi-public charging points on private properties.**

In terms of policy framework, one of the actions set in the vision paper “Clean power for transport policy for 2021-2030” of 9 July 2021 was indeed the launch of calls for the installation of semi-public charging stations (page 7).

Article 3 and 5 of the Project Subsidies Order, establishes that the Flemish Government can launch tenders to award subsidies for the deployment of (semi-)public charging stations on locations outside the public domain, including in private properties, but accessible to the public, such as car parkings in supermarkets, shopping centres. Under these powers, a tender has been launched following the terms of the Ministerial Decree and the grants awarded according to the Ministerial Award Decree and its Annex. **The policy framework shall enable to: shorten the timeline for the installation of charging points by reducing the administrative burden.** Furthermore, in line with the description of the measure, **the legislative framework shall enable reduce administrative burden to shorten the lead time for the installation of charging points.**

From a policy perspective, the Communication of the Flemish Government on the roll-out of charging infrastructure in the period 2021-2025 recognised the need to speed up the process and proposed a few improvements to it, namely the involvement of the local authorities, the electricity network operator and later -once known- charging point operator on the creation and updating of the maps with the locations of current and future charging points. Another improvement concerned the uniformization of procedures. *There is currently no uniformity in the procedures followed, which regularly leads to delays” (page 9 of the e-translated version).*

With regard to the first improvement, the mapping of the future charging points contributes to shorten the leadtime to determine the final location of the charging point with the participation of all parties involved (“Potentieelkaarten Vlaanderen”).

In addition, the manual ‘Lokaal Laden’ (<https://www.vlaanderen.be/publicaties/lokaal-laden>) on the

roll-out of the charging stations, which describes the procedure for installation of charging stations in the public domain, contributes to reduce the administrative burden and shorten the lead time. Given that local authorities have to give their approval for the location of the charging station, involving them in the process in advance and giving them guidelines for the assessment speeds up the procedure of approval and therefore also the placement of the charging stations.

According to Article 5 of the Charging Infrastructure Order, to reduce the administrative burden the Flemish Government established a digital desk where the documents and information on the application for a charging point are exchanged. In addition, a timeline of 6 months is established between the approval of the application and the installation of the charging point, according to article 6 of the Charging Infrastructure Order.

**The policy framework shall enable to: stimulate smart electricity charging.** Furthermore, in line with the description of the measure, **the legislative framework shall enable to stimulate smart electricity charging to balance the supply and demand of electricity.**

The vision paper “Clean power for transport policy for 2021-2030” referred to the need to stimulate smart charging (page 9). The need to raise awareness and support for smart and bidirectional loading was also mentioned in the Strategy document “Flexibility Plan 2025” approved by the Flemish Government on 28 October 2022. Smart loading refers to chargers that have data connections to the electricity company. It is therefore possible to have into account the electricity supply and demand at the moment of charging the vehicle, and the vehicle will be charged accordingly. Bidirectional loading means that the electricity stored in the car battery can be used to charge other electric equipment. In this way less pressure is put in the electricity grid, helping the balance between supply and demand for electricity.

Under Article 7 of the Charging Infrastructure Order, the Minister of Mobility and Public Works lays down rules for all semi-public and publicly accessible charging points with regard to interoperable access, and the 'smart' character of the charging systems. Moreover, under Article 7 of ministerial Order on a call for projects referred to in Article 3 of the Projects Subsidies Order, investments for the installation, connection and smart management of charging infrastructure are reimbursed at 20% with a maximum of 1.000 euros per realized charge point equivalent (CPE). When a vehicle is 'smart charging', the charger is essentially 'communicates' with the car, the charging operator and the utility company through data connections. This allows the charging operator (be it an individual with a charger at their home or a business owner with multiple charging stations) to manage how much energy to give to any plugged-in vehicle. The amount used varies depending on how many people are using electricity at that time, putting less pressure on the grid. In this way, smart charging contributes to balance the supply and demand of electricity.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 120</b>	Related Measure: I-3.18 Charging stations -FED	
<b>Name of the Milestone:</b> Adoption of the tax incentive to install private and semi- public charging points		
<b>Qualitative Indicator:</b> Adoption of the tax incentive to install private and semi-public charging points		<b>Time:</b> Q4 2021
<b>Context:</b> Milestone 120 is part of investment I-3.18 “Charging stations – FED” of the Federal State, which aims at supporting a tax incentive for private and semi-public charging stations for electric cars. The tax incentive shall allow for (i) the deductibility of the installation costs of charging points at home and in shopping centres, supermarkets, and corporate parking. The incentive shall (ii) lead to the deployment of at least 51.000 private charging points and enter into force by 30 September 2021. Milestone 120 requires the adoption of the tax incentive to install private and semi-public charging		

points.

Milestone 120 is the first step of the implementation of this investment, which envisages the deployment of at least 51 000 private charging points. This milestone will be followed by target 122 and target 123, which set numerical objectives to attain the deployment of charging points. The investment has a final expected date for implementation in the second quarter of 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the requirements of the milestone have been satisfactorily fulfilled.
2. Law of 25 November 2021 on fiscal and social greening of mobility (*Loi organisant le verdissement fiscal et social de la mobilité / Wet houdende fiscale en sociale vergroening van de mobiliteit*), published in the Official Journal on 3 December 2021 (*hereinafter referred to as "Law of 25 November 2021"*).

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Adoption of the tax incentive to install private and semi-public charging points.**

On 25 November 2021 the Federal Parliament adopted a Law on the fiscal and social greening of mobility, published in the Official Journal on 3 December 2021. The provisions of this Law that relate to the tax incentive scheme for charging stations entered into force on 1 September 2021 as provided for in Articles 14 and 20 of the Law. A tax incentive for a) private and b) semi-public charging stations for electric cars is established, respectively in chapter three and in chapter two of the Law of 25 November 2021.

**In line with the description of the measure, the tax incentive allows for the deductibility of the installation costs of a charging point at home and in shopping centres, supermarkets and corporate parking.**

As regards private charging stations, Article 16 of chapter three of the Law of 25 November 2021 establishes a tax relief to natural persons for the acquisition and installation of smart charging stations in the immediate vicinity of their homes. The amount of the tax deduction is limited to EUR 1.500 per charging station and per taxpayer. This deduction is applicable to charging stations acquired and installed between 1 September 2021 and 31 August 2024.

As regards semi-public charging stations, Article 13 of chapter two of the Law of 25 November 2021 establishes an enhanced cost deduction to companies which invest in publicly accessible charging stations. This effectively covers semi-public charging stations, namely stations that are publicly accessible but located on private properties. Article 13(1) determines that the tax incentive is applicable to publicly accessible charging stations. It defines them as charging stations which are freely accessible to any third party at least during usual business opening hours or business closing times. Article 13(2) determines that the charging stations have to be notified to federal finance services. Article 13 further specifies that these charging stations have to be digitally connected, via a standardised protocol, to a management system, which indicates loading times and loading capacity and to which users can freely connect.

Article 13 operates a change into the Corporate Income Tax, by introducing the rules described above in a new article, article 64quarter, of the Income Tax Code. The Corporate Income Tax applies to private legal entities (in addition to some state-owned companies). The change brought by Article 13 is therefore applicable to privately owned charging stations accessible to the public. Shopping centres, supermarkets, and corporate parking, qualify as private legal entities subject to

the corporate income tax. Whenever these types of entities make their charging stations available to the public as per Article 13, their privately owned and publicly available charging stations are included in this tax incentive scheme. This tax incentive covers investments made between 1 September 2021 and 31 August 2024.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 126</b>	<b>Related Measure:</b> R-3.03 Zero-emission company cars of the Federal State
<b>Name of the Milestone: Adoption of the law reforming the company car tax scheme</b>	
<b>Qualitative Indicator: Adoption of the draft adaptation of the law reforming the company car tax scheme</b>	<b>Time:</b> Q4 2021
<p><b>Context:</b>  The objective of this reform is to phase-out the existing company car tax scheme for conventional cars and limiting it as from 2026 to electric cars.</p> <p>Milestone 126 requires the adoption by the Federal parliament of a reformed company car taxation scheme in which new company cars need to be zero emission from 2026 onwards in order to benefit from the existing preferential scheme.</p> <p>Milestone 126 is the only milestone or target of this reform.</p>	
<p><b>Evidence provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document of 6 June 2023 duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii. Law of 25 November 2021 on fiscal and social greening of mobility (<i>Loi organisant le verdissement fiscal et social de la mobilité / Wet houdende fiscale en sociale vergroening van de mobiliteit</i>), approved on 10 November 2021 and published in the Official Journal on 3 December 2021 with the relevant provisions indicating the entry into force (<i>hereinafter referred to as "Law of 25 November 2021"</i>), available at: <a href="http://www.ejustice.just.fgov.be/eli/loi/2021/11/25/2021033910/moniteur">http://www.ejustice.just.fgov.be/eli/loi/2021/11/25/2021033910/moniteur</a>.</li> </ol> <p>The Belgian authorities also provided:</p> <ol style="list-style-type: none"> <li>i. Income tax code of Belgium from 1992, available at: <a href="https://finances.wallonie.be/files/NOSTRA/textes%20legaux/code%20des%20impots%20sur%20le%20revenu%20-%20exercice%202022.pdf">https://finances.wallonie.be/files/NOSTRA/textes%20legaux/code%20des%20impots%20sur%20le%20revenu%20-%20exercice%202022.pdf</a></li> <li>ii. Copy of the consolidated text indicating the different modifications introduced by the Law of 25 November 2021 which modify the provisions of several pieces of existing legislation.</li> </ol>	
<p><b>Analysis:</b>  The justification and substantiating evidence provided by the Belgian authorities cover all constitutive elements of the milestone.</p> <p><b>Adoption by the federal parliament of a reformed company car taxation scheme in which new company cars need to be zero emission from 2026 onwards in order to benefit from the existing preferential scheme.</b> On 25 November 2021 the Federal Parliament adopted a law on the fiscal and social greening of mobility (<i>Loi organisant le verdissement fiscal et social de la mobilité / Wet houdende fiscale en sociale vergroening van de mobiliteit</i>), which was published in the Official Journal on 3 December 2021. Article 12 of the Law of 25 November 2021 sets different entry into force dates for the provisions that operate changes in the tax code. These dates are indicated below for each respective measure. Article 35 of the Law of 25 November 2021 sets the entry into force of</p>	

the provisions regarding the CO2 contribution and solidarity contribution to 1 October 2021. The Law of 25 November 2021 operates the company car tax reform in which new company cars purchased (leased or rented) from 2026 onwards need to be zero emission in order to benefit from the existing preferential scheme. **The reformed company car taxation scheme shall foresee (1) No deductibility of conventional company cars acquired as from 2026.**

Article 3(5) of the Law of 25 November 2021 establishes that as of 1 January 2026, the costs regarding the acquisition, lease and rental of conventional company cars purchased (leased or rented) from 1 January 2026 are not deductible from the personal income tax, the company income tax, the non-resident tax for natural persons and the non-resident tax for companies. Article 12 (5) indicates that these provisions will enter into force on 1 January 2026.

**The reformed company car taxation scheme shall foresee (2) A progressive reduction of the tax deductibility rate of conventional company cars, acquired between 1 July 2023 and 31 December 2025, to reach 0% by 2028.**

The Law of 25 November 2021 establishes a progressive reduction of the tax deductibility rate of conventional company cars, acquired between 1 July 2023 and 31 December 2025, to reach 0% by 2028. The Law of 25 November 2021 reduces the deductibility rate from personal income tax, company income tax, non-resident tax for natural persons and non-resident tax for companies from 2025 onwards:

- As of 1 January 2025, the maximum tax deductibility rate for conventional company cars purchased, leased or rented between 1 July 2023 and 31 December 2025 is 75% (Article 3(3) and Article 12(4)).
- As of 1 January 2026, the maximum tax deductibility rate for conventional company cars purchased, leased or rented between 1 July 2023 and 31 December 2025 is decreased to 50% (Article 10(1) and (4) and Article 12(5)).
- As of 1 January 2027, the maximum tax deductibility rate for cars purchased, leased or rented between 1 July 2023 and 31 December 2025 is lowered to 25% (Article 11(4) and Article 12(13)).
- As of 1 January 2028, the tax deductibility rate for conventional company cars purchased, leased or rented between 1 July 2023 and 31 December 2025 is repealed. No deduction is possible for cars emitting CO2 (Article 11(2) and Article 12(12)).

**The reformed company car taxation scheme shall foresee (3) a progressive reduction of the tax deductibility rate of zero-emission company cars to reach at most 67,5% by 2031.**

The Law of 25 November 2021 establishes the progressive reduction of the tax deductibility rate of zero-emission company cars to reach at most 67.5 % by 2031. Currently the costs related to the purchase, lease or rental of zero emission company cars are 100% deductible from the personal income tax, corporate income tax, non-resident tax for natural persons and non-resident tax for companies. Under Article 4 of the Law of 25 November 2021 this deduction rate (of 100%) will be gradually reduced from 2027, until it reaches 67.5% in 2031:

- Deduction rate of 95% for zero emission company cars acquired, purchased, leased or rented in 2027 (Article 4(1); entry in to force on 1 January 2027 (Article 12(7)).
- Deduction rate of 90% for zero emission company cars acquired, leased or rented in 2028 (Article 4(2); entry in to force on 1 January 2028 (Article 12(8)).
- Deduction rate of 82.5% for zero emission company cars acquired, leased or rented in 2029 (Article 4(3); entry in to force on 1 January 2029 (Article 12(9)).
- Deduction rate of 75% for zero emission company cars acquired, leased or rented in 2030 (Article 4(4); entry in to force on 1 January 2030 (Article 12(10)).
- Deduction rate of 67.5% for zero emission company cars acquired, leased or rented from

2031 onwards (Article 4(1); entry in to force on 1 January 2031 (Article 12(11))).

**The reformed company car taxation scheme shall foresee (4) a tax deductibility of petrol and diesel fuel for hybrid company cars, acquired between 2023 and 2025, reduced to 50% as from 1 January 2023.**

According to Article 2(2), from 1 January 2023 only 50% of the costs of petrol and diesel fuels used in hybrid company cars purchased leased or rented from 1 January 2023 onwards, can be deducted from the personal income tax, from the company income tax, from non-resident tax for natural persons and companies. Hybrid company cars acquired between 2023 and 2025 are therefore covered by this rule, as they are a subset of hybrid company cars purchased, leased or rented from 1 January 2023 onwards. This rule entered in to force on 1 January 2023 (Article 12(2)).

**The reformed company car taxation scheme shall foresee (5) for conventional cars acquired from 1 July 2023, the CO2 contribution will rise at a rate of 2.25 from 1 July 2023 and increase progressively in 2025, 2026 to a factor of 5.50 in 2027.**

Article 34(1) (a) sets the increase of the CO2 contribution by a factor of 2.25 as of 1 July 2023, by a factor of 2.75 as of 1 January 2025, by a factor of 4 as of the 1 January 2026 to reach a factor of 5.5 as of 1 January 2027. The provisions apply to conventional cars acquired as of 1 July 2023 (Article 34(1) sub-paragraph 4); they enter into force on 1 October 2021 (Article 35).

**The reformed company car taxation scheme shall foresee (6) For zero-emission company cars, acquired from 1 July 2023, the minimum solidarity contribution will increase, starting from the year 2025, in such a way that, in the long run, for the average company car, the same amount of social security contributions will be owed as is the case at the time of submission of the Plan.**

Article 38(3quater) of the Law of 29 June 1981 on the social security general principles for employees sets the monthly solidarity contribution for company cars to EUR 20.83. According to Article 34 of the Law of 25 November 2021, the minimum solidarity contribution for zero emission cars, purchased from 1 July 2023, gradually increases from 1 January 2025: the minimum solidarity contribution is set to EUR 23.41 EUR in 2025, EUR 25.99 in 2026, EUR 28.57 in 2027, and EUR 31.15 as of 1 January 2028. However, these are non-indexed values. The real amount charged results from the application of the health index, which is revised every year (Article 38(3) sub-paragraph 9 of the Law of 29 June 1981 on the social security general principles for employees) and reflects increases in consumption prices. The real values of the minimum solidarity contribution are thus not known at this stage but since they result from an indexation, they will grow at an even higher rate than the non-indexed value.

The indexed value of the minimum solidarity contribution when the plan was submitted was EUR 31.15, which is the same as the non-indexed value for 2028, and thus equivalent in real terms. To ensure that in the long run the same amount of social security contributions will be owed as it was at the time of the adoption of the plan, the value of the minimum solidarity contribution in 2028 is equal to the average solidarity contribution in 2020. In addition, given that the minimum solidarity contribution is tied to the health index, which is expected to increase every year, the minimum (indexed) solidarity contribution in 2028 will most likely be higher than the average (indexed) solidarity contribution of 2020.

Furthermore, in line with the description of the measure, **the reform, including the transition periods and implementation phases mentioned above, shall be adopted by 30 September 2021 and shall enter into force on 1 January 2023**

The requirements of the reform complement each other and follow a continuum starting from the phasing out of the scheme with respect to conventional company cars (starting with the exclusion of new conventional cars purchased as of 1 January 2026 and the gradual reduction of the deductibility rate for cars acquired between 2023 and 2025 until it reaches zero in 2028) to the reduction of the

tax benefits applicable to the zero-emission company car. With some overlaps in time, these requirements succeed one another. With its transition periods and implementation phases, the reform started its application on 1 January 2023 with the entry into force of the reduction of the tax deductibility of petrol and diesel fuel for hybrid company cars (acquired between 2023 and 2025), followed by the progressive reduction of the tax deductibility rate of conventional company cars (acquired between July 1st 2023 and 31 December 2025) and by the exclusion on January 2026 of conventional company cars purchased (leased or rented) from 2026 onwards. Afterwards, the reform starts limiting the tax deductibility of the zero-emission company car.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 135</b>	<b>Related Measure:</b> I-4.03 Personalised guidance in compulsory education	
<b>Name of the Milestone:</b> Adoption of a new decree framework that sets the terms of intervention of the system		
<b>Qualitative Indicator:</b> Adoption by the Parliament of the French Community of the decree framework that sets the terms of intervention of the system		<b>Time:</b> Q3 2021
<p><b>Context:</b></p> <p>Milestone 135 is part of investment I-4.03, which aims at responding to the psychosocial, educational and pedagogical problems of pupils in primary and secondary schools and at combatting the spread of the phenomena of educational disadvantage and early school leaving, as a result of COVID-19.</p> <p>Milestone 135 requires the parliament of the French Community to adopt a new decree framework, regulating a transitional system. The milestone consists of three points which the decree framework should include: i) the granting of resources to schools in connection with differentiation-remediation strategies and with the fight against dropping out of school, ii) the modification of PR-FPO/WBE contracts (<i>avenants entre le Pouvoir Régulateur (PR) et les Fédérations de Pouvoirs Organisateur (FPO) / Wallonie Bruxelles Enseignement (WBE)</i>) in the context of the crisis and iii) the missions of the psycho-medico-social centres (<i>Centres psycho-médico-sociaux hereinafter referred to as "CPMS"</i>) in the context of the crisis.</p> <p>Milestone 135 is the first step of the implementation of investment I-4.03 and it will be followed by target 136, related to the deployment of a reinforced support mechanism for students in need. The investment has an expected date for implementation by 31 December 2022.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone was satisfactorily fulfilled, including a reference to the relevant provisions.</li> <li>ii) Programme-decree of 14 July 2021 of the French Community, laying down various measures relating to combating the coronavirus crisis, the European recovery plan, equal opportunities, school buildings, WBE, women's rights, higher education, scientific research, the non-profit sector, education and budgetary funds (<i>Décret-programme portant diverses mesures relatives à la lutte contre la crise du coronavirus, au plan de relance européen, à l'Egalité des chances, aux Bâtiments scolaires, à WBE, au Droit des femmes, à l'Enseignement supérieur, à la Recherche scientifique, au Secteur non-marchand, à l'Education et aux Fonds budgétaires</i>), published in the Official Journal on 27 August 2021 (<i>hereinafter referred to as "Programme-decree of 14 July 2021"</i>).</li> <li>iii) Decree of 31 March 2022 of the French Community, modifying the programme-decree of 14 July 2021 (<i>Décret modifiant le décret-programme du 14 juillet 2021</i>), published in the Official Journal on 3 June 2022 (<i>hereinafter referred to as "Decree of 31 March 2022"</i>).</li> </ul>		

The authorities also provided:

- iv) Decree of 28 March 2019 of the French Community organising teaching support and accompanying units (*Décret du 28 mars 2019 relatif aux cellules de soutien et d'accompagnement de l'enseignement organisé ou subventionné par la Communauté française et au statut des conseillers au soutien et à l'accompagnement*), published in the Official Journal on 9 October 2019 (*hereinafter referred to as "Decree of 28 March 2019"*).
- v) Amendments to the contracts between the Government of the French Community and the five education authorities (*hereinafter referred to as "PR-FPO/WBE contracts"*):
  - Addendum No. 2 to the contract concluded on 17 July 2019 between the Government of the French Community and the Council for Education of Municipalities and Provinces asbl pursuant to Article 14 of the Decree of 28 March 2019, dated 31 March 2022 (*Avenant n°2 au contrat conclu le 17 juillet 2019 entre le Gouvernement de la Communauté française et le Conseil de l'Enseignement des Communes et des Provinces asbl (CECP) en application de l'article 14 du décret du 28 mars 2019*).
  - Addendum No. 2 to the contract concluded on 4 December 2019 between the Government of the French Community and the Council of Organising Powers of Official Neutral Subsidised Education pursuant to Article 14 of the Decree of 28 March 2019, dated 31 March 2022 (*Avenant n°2 au contrat conclu le 4 décembre 2019 entre le Gouvernement de la Communauté française et le Conseil des Pouvoirs Organisateur de l'Enseignement Officiel Neutre Subventionné (CPEONS) en application de l'article 14 du décret du 28 mars 2019*).
  - Addendum No. 2 to the contract concluded on 17 July 2019 between the Government of the French Community and the Federation of the Free Independent Institutions pursuant to Article 14 of the Decree of 28 March 2019, dated 31 March 2022 (*Avenant n°2 au contrat conclu le 17 juillet 2019 entre le Gouvernement de la Communauté française et la Fédération des Etablissements Libres Subventionnés Indépendants (FELSI) en application de l'article 14 du décret du 28 mars 2019*).
  - Addendum No. 2 to the contract concluded on 17 July 2019 between the Government of the French Community and the General Secretariat of Catholic Education pursuant to Article 14 of the Decree of 28 March 2019, dated 31 March 2022 (*Avenant n°2 au contrat conclu le 17 juillet 2019 entre le Gouvernement de la Communauté française et le Secrétariat général de l'enseignement catholique (SeGEC) en application de l'article 14 du décret du 28 mars 2019*).
  - Addendum No. 2 to the contract concluded on 17 December 2020 between the Government of the French Community and Wallonia-Brussels Education pursuant to Article 14 of the Decree of 28 March 2019, dated 31 March 2022 (*Avenant n°2 au contrat conclu le 17 décembre 2020 entre le Gouvernement de la Communauté française et Wallonie-Bruxelles Enseignement (WBE) en application de l'article 14 du décret du 28 mars 2019*).

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Adoption by the parliament of the French Community of a new decree framework, regulating a transitional system including provisions related to: (1) the granting of resources to schools in connection with differentiation-remediation strategies and the fight against dropping out of school, (2) the modification of PR-FPO/WBE contracts in the context of the crisis and (3) the missions of the CPMS in the context of the crisis.**

The government of the French Community adopted a new decree framework to respond to the psychosocial, educational and pedagogical problems of pupils in primary and secondary schools in the context of the COVID-19 crisis. The Programme-decree of 14 July 2021 and the Decree of 31

March 2022, adopted as part of this framework, aim to combat the spread of the phenomena of educational disadvantage and early school leaving as a result of COVID-19.

- The Programme-decree of 14 July 2021 grants enhanced and targeted pedagogical, educational and psycho-social support to pupils in primary and secondary schools. The support is temporary. For primary schools, Article 50(3) provides that support is granted for a period of four months, from 1 September to 31 December 2021. For secondary schools, support can only be deployed in calendar years 2021 and 2022.
- The Decree of 31 March 2022 adjusts the CPMS's missions in the context of the health crisis in order to provide personalised guidance to pupils in need. Eligible actions are limited in time to calendar year 2022, as a transition to the post COVID-19 period.

The three constitutive elements of the new decree framework, as mentioned in the description of the milestone, have been addressed as follows:

**i) Granting of resources to schools in connection with differentiation-remediation strategies and with the fight against dropping out of school.**

The Programme-decree of 14 July 2021 includes provisions to provide enhanced and targeted pedagogical, educational and psycho-social support to pupils.

For pupils in primary schools (Chapter XI of Title I of the Programme-decree), Article 49 of the Programme-decree of 14 July 2021 sets out that additional resources are provided to schools aiming at the exceptional deployment of pedagogical and educational support to compensate for the effects of the COVID-19 health crisis for the pupils most in need. Furthermore, Article 49 sets forth the following objectives for the support measures: i) giving priority to pupils with learning difficulties in acquiring basic knowledge; ii) supporting pupils' mental health and well-being in a calm and caring school climate; iii) combating early school leaving. The granting of resources, expressed in terms of periods (hours) of supporting activities by additional teaching staff and auxiliary education staff, is laid down in Article 50(1). Article 50(1) stipulates that a total of 16.115 periods (hours) is granted to schools in primary education for one period (hour) per full band of 19 pupils who are regularly enrolled on 15 January 2021. Article 93 grants a maximum of 374 additional periods (hours) to primary schools.

For pupils in secondary schools (Chapter V of Title II of the Programme-decree), Article 90 of the Programme-decree of 14 July 2021 stipulates the exceptional deployment of 'pedagogical, educational and psycho-social support' to help pupils to address the effects of the partial suspension of courses, lockdown obligations and introduction of hybrid learning arrangements during the COVID-19 health crisis. In particular, Article 90 sets out the following objectives of the support measures: i) deploy school remediation, that is actions to help pupils addressing learning gaps, ii) support the mental health and well-being of pupils, iii) develop and/or ensure a calm and benign school climate, and iv) combat early school leaving. Article 89 defines 'pedagogical, educational and psycho-social support' as actions by teachers, educators, paramedical, social, psychological and CPMS staff to improve the learning, mental, emotional, relational and psychological well-being of pupils. The granting of resources, expressed in terms of periods (hours) of supporting activities by additional teaching staff and auxiliary education staff, to secondary schools is laid down in Article 91. Article 91 stipulates that a maximum of 7.279 periods (hours) will be granted on the basis of the school population established on 15 January 2021. Resources are granted on the basis of one period (hour) per group of 40 pupils.

**ii) Modification of PR-FPO/WBE contracts in the context of the crisis.**

The education system of the French Community includes five education authorities: i) the Council for Education of Municipalities and Provinces, ii) the Council of Organising Powers of Official Neutral Subsidised Education, iii) the Federation of the Free Independent Institutions, iv) the General

Secretariat of Catholic Education, v) Wallonia-Brussels Education. Each of the five education authorities has concluded a PR-FPO/WBE contract with the French Community. The five addenda signed on 31 March 2022 between the French Community and each education authority indicate that the PR-FPO/WBE contracts have been amended by addendum to entrust each of the five education authorities with a specific task in the context of the health crisis and exclusively for the school year 2021-22. Article 1 of each of the five addenda to the PR-FPO/WBE contracts entrusts each of the five education authorities with the specific task of reporting to the government of the French Community on how schools: i) provided remediation and personalised coaching, ii) ensured the well-being of pupils and iii) combated early school leaving and absenteeism in the context of the health crisis during the 2021-22 school year. Article 1 stipulates that the reporting will be included in the minutes of a consultation meeting, which will be organised at the end of the 2021-22 school year. Each of the addenda entered into force on 1 September 2021.

**iii) Missions of the CPMS in the context of the crisis.**

Article 89 of the Programme-decree of 14 July 2021 includes CPMS staff as part of those who can provide ‘pedagogical, educational and psycho-social support’ and who can be reinforced in the context of the COVID-19 crisis. The Decree of 31 March 2022 amends the Programme-decree of 14 July 2021 by adding Article 89a to the Programme-decree of 14 July 2021. Article 89a invites CPMS to prioritise certain of their missions in the context of the health crisis for calendar year 2022. Article 89a lists the following areas of intervention that need to be prioritised by CPMS: support for the mental health and well-being of pupils and preventing and combating absenteeism and early school leaving. The Decree of 31 March 2022 entered into force retroactively on 1 January 2022.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 137</b>	<b>Related Measure:</b> I-4.05 Digital turnaround for Brussels schools		
<b>Name of the Target:</b> Equipping schools/institutions with adequate ICT devices and infrastructure to improve the overall performance of education systems			
<b>Quantitative Indicator:</b> ICT devices and WIFI hotspots installed in schools	<b>Baseline:</b> 900	<b>Target:</b> 2200	<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>Target 137 is part of investment I-4.05, which aims at providing digital equipment to schools with a high level of vulnerable pupils and strengthening the internal connectivity of Brussels schools.</p> <p>Target 137 requires 2200 ICT devices (such as laptops, tablets, interactive dashboards) and WIFI access points to be installed in Brussels schools. The distribution shall be based on the needs of schools (with a focus on schools with a lower socio-economic index).</p> <p>Target 137 is the first step of the implementation of investment I-4.05 and it will be followed by target 138 to further increase the number of ICT devices and WIFI access points to 3500 in Brussels schools. The second step of this investment has a final expected date for implementation by 31 December 2024.</p>			
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the target was satisfactorily fulfilled.</li> <li>ii) Spreadsheet listing all beneficiary schools/institutions, the socio-economic index of the school/institution, the number of students per school/institution and the unique identifiers or reference numbers of all ICT devices and WIFI access points installed in the school/institution.</li> <li>iii) In the context of the sampling exercise, supporting documents for the list of 60 sampled units, including</li> </ul>			

- for ICT devices: a document signed by the school/institution mentioning that the ICT device has been received/installed by the school/institution.
- for WIFI points: a document signed by the school/institution mentioning that the WIFI access point has been installed and configured and attesting the reception of the installation (Service Acceptance Form) or services provided, a full “as built” report (with pictures and design of the installation).

The authorities also provided:

- Note of 23 February 2023 with additional explanations, prepared in the context of the payment request, to show how the ICT equipment improves the performance of the education systems, as specified in the name of the target.

#### **Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the target.

**2.200 ICT devices (such as laptops, tablets, interactive dashboards) and WIFI access points installed in Brussels schools. The distribution is based on the needs of schools (with a focus on schools with a lower socio-economic index).**

The provided spreadsheet lists all beneficiary schools and institutions, as well as **the unique identifiers or reference numbers of all ICT devices (such as laptops, tablets, interactive dashboards) and WIFI access points installed**. The spreadsheet also mentions the address and location of the school or institution. It shows that **all listed schools are located in the Brussels-Capital Region**.

893 ICT devices (tab ‘AXE1’) and 465 WIFI access points (tab ‘AXE2’) have been installed in Brussels schools, as evidenced by the spreadsheet. ICT devices include personal computers, laptops, tablets, projectors and interactive dashboards. These 1358 ICT devices and WIFI access points come in addition to the 900 ICT devices and WIFI access points already installed in the past adding up **the total number of ICT devices and WIFI access points in Brussels schools to 2258, exceeding the 2200 ICT devices and WIFI access points required** by the description of the target.

Based on the list of 1358 ICT devices and WIFI points provided by the Belgian authorities, the Commission has randomly drawn a **sample of 60 units**. For each sampled unit, the Belgian authorities provided the following additional evidence:

- for ICT devices: a declaration signed by the school attesting the delivery, installation, configuration and functioning of the ICT device,
- for WIFI points: i) a Service Acceptance Form signed by the school, mentioning the number of firewalls, switches and access points delivered and installed; ii) an As Built report, including the serial numbers of the installed device and detailed plans and pictures of the complete installation of WIFI points in the school.

The analysis of the provided evidence confirmed that all 60 units of ICT devices and WIFI access points were successfully installed. Therefore, **the sampling exercise was considered successful**, and the requirement met.

Moreover, the spreadsheet shows that the **distribution of the ICT devices and WIFI access points was based on the needs of schools with a focus on those with a lower socio-economic index**. The spreadsheet lists all beneficiary schools and institutions and their socio-economic index. It shows that all listed French-speaking schools have a socio-economic index below 8 on a scale from 1 to 20, where a low value indicates a less favourable socio-economic level. All listed Dutch-speaking schools have a share of disadvantaged pupils above 65%, where a high value indicates a less favourable socio-economic environment.

Furthermore, in line with the name of the target, **equipping schools/institutions with adequate ICT**

**devices and infrastructure improves the overall performance of education systems.** Additional explanations provided by the Belgian authorities in a note of 23 February 2023 describe how ICT equipment and improved connectivity contribute to closing the digital divide and provide a better-quality education in schools attended by pupils from disadvantaged backgrounds. The provided ICT equipment allows students to access educational material and to follow up their records (homework, grades, etc.). Questionnaires used during on-site controls have concluded that in the absence of ICT equipment and WIFI connections, an important share of students would be prevented from adapting to digital education.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 150</b>	Related Measure: I-4.12 Development of public utility housing and housing for vulnerable persons	
<b>Name of the Milestone:</b> Walloon Strategy for deinstitutionalisation (Walloon health policy)		
<b>Qualitative Indicator:</b> Endorsement by the Walloon Government of a Walloon strategy for deinstitutionalisation		<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>Milestone 150 is part of investment I-4.12, which aims at increasing the supply of social housing for vulnerable groups through the construction and energy-efficient renovation of low-rent housing, of inclusive and solidarity-based housing, as well as of homeless accommodation places. Prior to this investment, the Walloon government has to adopt a deinstitutionalisation strategy for long-term care.</p> <p>Milestone 150 requires the government of the Walloon Region to endorse a deinstitutionalisation strategy in the context of the Walloon Health Policy, in particular for the elderly and people with disabilities. The milestone lists five points which the strategy should include: i) specifying the concept, ii) establishing criteria, iii) providing an assessment of the de-institutionalisation already initiated, iv) drawing up a state of play on the provision of services and v) making recommendations for the operationalisation of the strategy.</p> <p>Milestone 150 is the first step of the implementation of investment I-4.12 and it will be followed by targets 151, 152 and 153, related to the development of public utility housing and housing for vulnerable persons of the Walloon Region. The investment has a final expected date for implementation in June 2026.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone was satisfactorily fulfilled.</li> <li>ii) Walloon integrated life path strategy (<i>Stratégie wallonne pour des parcours de vie intégrés</i>) endorsed by the Walloon Region on 10 February 2022 (<i>hereinafter referred to as “deinstitutionalisation strategy”</i>) and drawn up by the Agency for Quality Life (<i>Agence pour une vie de qualité, hereinafter referred to as “AVIQ”</i>) on behalf of the Walloon government. <a href="https://www.aviq.be/sites/default/files/documents/2022-12/Rapport%20final%20-%20Strat%C3%A9gie%20wallonne%20pour%20des%20parcours%20de%20vie%20int%C3%A9gr%C3%A9s.pdf">https://www.aviq.be/sites/default/files/documents/2022-12/Rapport%20final%20-%20Strat%C3%A9gie%20wallonne%20pour%20des%20parcours%20de%20vie%20int%C3%A9gr%C3%A9s.pdf</a></li> </ul> <p>The authorities also provided:</p> <ul style="list-style-type: none"> <li>i) Notification of 10 February 2022 by the government of the Walloon Region of its endorsement of a deinstitutionalisation strategy.</li> <li>ii) Annex 2 of the deinstitutionalisation strategy providing a state-of-play of various initiatives and analysing its strengths and weaknesses:</li> </ul>		

[https://www.aviq.be/sites/default/files/documents/2022-12/Annexe%20%20-%20Etat%20des%20lieux%20des%20dispositifs%20existants\\_Analyse%20forces%20et%20faiblesses.pdf](https://www.aviq.be/sites/default/files/documents/2022-12/Annexe%20%20-%20Etat%20des%20lieux%20des%20dispositifs%20existants_Analyse%20forces%20et%20faiblesses.pdf)

iii) Annex 3 of the deinstitutionalisation strategy providing an action plan:

<https://www.aviq.be/sites/default/files/documents/2022-12/Annexe%203%20-%208%20recommandations%20forces%20-%20GT%20strat%C3%A9gie%20parcours%20de%20vie%20int%C3%A9gr%C3%A9s.pdf>

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Endorsement of a strategy of the Walloon Region on deinstitutionalisation in the context of the Walloon Health Policy, in particular for the elderly and people with disabilities**

On 10 February 2022, the government of the Walloon Region endorsed a deinstitutionalisation strategy targeted at people with a loss of autonomy (elderly people, people with a disability or people with a mental illness). The strategy aims at avoiding the unnecessary institutionalisation of persons with reduced autonomy by transforming and adjusting their existing places of life and by supporting them through an integrated life path. The strategy had been developed by AVIQ on behalf of the government of the Walloon Region and finalised in December 2021. In line with the further specifications set out in the Operational Arrangement, AVIQ is the public interest body commissioned through its management contract to operationalise the deinstitutionalisation strategy. The document notifying the approval of the strategy (10 February 2022) provides evidence of the endorsement by the government of the Walloon Region. The deinstitutionalisation strategy shows how the five constitutive elements of the description of the milestone have been addressed.

**i) the strategy specifies the concept of deinstitutionalisation:**

Subchapter II.B specifies the concept of deinstitutionalisation. The deinstitutionalisation strategy specifies: *‘Deinstitutionalisation is understood as a process to promote the empowerment of the person losing autonomy, his or her freedom of choice (including the choice of place of life) and respect for his or her rights, through: (i) the transformation and adaptation of existing places of life, whatever they may be, (ii) support for those who lose their autonomy through an integrated life path strategy, taking into account the diversity of profiles, their needs and their resources’* (page 13 of the deinstitutionalisation strategy).

**ii) the strategy establishes criteria for institutionalisation and deinstitutionalisation:**

Chapter IV presents criteria for institutionalisation and deinstitutionalisation. On page 33 of the deinstitutionalisation strategy five criteria for institutionalisation and deinstitutionalisation are being established: (i) people’s place of life; (ii) people’s individual needs; (iii) people’s informed choice; (iv) diversifying, strengthening and developing the supply of services; (v) people’s individual resources: families / friends / neighbours / financial. These criteria take into account people’s needs, individual characteristics and resources, allowing the development of an integrated life path for each individual.

**iii) the strategy provides a quantitative and qualitative assessment of the deinstitutionalisation initiated by the host and accommodation institutions:**

Chapter V, in particular subchapter V.A and related annex 2, takes stock of the various existing initiatives to promote independent living, analysing the strengths and weaknesses, shortcomings and necessary adjustments of these initiatives. Part I of subchapter V.A analyses the initiatives taken by the accommodation institutions to adapt to the needs of people and to better accompany them (pages 35 - 38 of the deinstitutionalisation strategy). These initiatives include staff support, adaptation of infrastructure, improvement of the overall accessibility (financial, geographical, etc.)

of housing accommodation, development of home support and care services, information on existing support services, material adaptation and technical aids in the place of living. Annex 2 of the deinstitutionalisation strategy provides a quantitative (column 1) and a qualitative (columns 2 and 3) assessment of the various initiatives. The quantitative assessment includes per type of housing accommodation (such as nursing homes, psychiatric care centres, rehabilitation centres), service and initiative: i) the number of accommodation structures, services or initiatives in the Walloon Region and ii) the number of beneficiaries. The qualitative assessment evaluates the advantages (column 2) and shortcomings (column 3) of each type of housing accommodation, service or initiative.

**iv) the strategy draws up a state of play regarding the provision of services:**

Chapter V, in particular part II of subchapter V.A focuses on actions to support those involved in support and the quality of services, but also initiatives aimed at ensuring the inclusion and professional, social and cultural participation of those who lose their independence (pages 39 - 40 of the deinstitutionalisation strategy). As such, it draws up a state of play regarding the provision of services.

**v) the strategy makes recommendations for the operationalisation of the strategy:**

Chapter VI makes recommendations for the operationalisation of the deinstitutionalisation strategy (pages 49 - 74 of the deinstitutionalisation strategy). The final recommendations are summarised in 8 main recommendations (Annex 3 of the deinstitutionalisation strategy). These main recommendations advice to i) inform and raise awareness among citizens and professionals about the loss of autonomy in places of life, ii) simplify information on existing service offers, iii) introduce a multiannual programming approach that takes account of the sectors' needs, iv) promote people-based approaches, v) diversify the supply of places of life, vi) develop places of social inclusion in order to avoid isolation of people, vii) train professionals and foster the development of new working methods, viii) develop the mainstreaming of public policies between all levels of government.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 172</b>	Related Measure: R-5.03 Learning Account	
<b>Name of the Milestone:</b> Federal reform developing individual entitlement to training for employees		
<b>Qualitative Indicator:</b> Publication in official journal of the revision of the law of 5 March 2017 on feasible and manageable work		<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>Milestone 172 is part of the reform R-5.03 "Learning Account", which aims i) to grant an individual right to training to each worker; ii) to develop tax advantages for companies which provide employees with more hours of training than those already provided for by law and iii) to remove, in consultation with the federated entities, obstacles to participation in training for workers in temporary unemployment.</p> <p>Milestone 172 concerns, based on dialogue between social partners and the federal government, an adoption of a revision of the Law of 5 March 2017 on feasible and manageable work for the introduction of a pathway ensuring that from 2024, all workers are entitled to an average of five days of training per year. Hence, milestone 172 concerns point i) of the description of the measure.</p> <p>Milestone 172 is the second step of the implementation of reform R-5.03, following milestone 173 related to the adoption of the Programme Law of 20 December 2020 by the federal Parliament to establish a partial exemption (11,75%) from payment of withholding tax for workers following a training of at least ten days. It will be followed by target 174 aimed at providing training to 25,000 workers in long-term or structural temporary unemployment to reintegrate the labour market.</p>		
<b>Evidence provided:</b>		

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii) Report of the consultation process with social partners and its outcome:
  - a. Advice of the National Labour Council (*Conseil National du Travail*) of 29 June 2021 on the revision of the Law of 5 March 2017 on feasible and manageable work.
  - b. Advice of the National Labour Council (*Conseil National du Travail*) of 17 May 2022 inter alia on the revision of the Law of 5 March 2017 on feasible and manageable work.
- iii) Publication of the law of 3 October 2022 on various provisions related to work, revising the law of 5 March 2017 on feasible and manageable work, in the Official Journal on 10 November 2022 (available at the following link: <https://www.ejustice.just.fgov.be/eli/loi/2022/10/03/202206360/moniteur>).

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Based on dialogue between social partners and the federal government, adoption of the revision of the Law of 5 March 2017 on feasible and manageable work introducing a pathway ensuring that from 2024, all workers are entitled to an average of 5 days of training per year.**

On 27 January 2021, the federal Minister for Economic Affairs and Labour, as evidenced in the Advice of the National Labour Council of 29 June 2021, submitted a request to the National Labour Council for an opinion on a draft amendment to Chapter 2, Title 2, of the Law of 5 March 2017 on workable and manageable work. The National Labour Council is commonly referred to as "the House of the Belgian social partners", together with the Central Council for Business, and is composed of members representing workers' organisations and employers' organisations. Following this request, the Council delivered an opinion on 29 June 2021 (*Advice of the National Labour Council of 29 June 2021 on the revision of the Law of 5 March 2017 on feasible and manageable work*) which sets out considerations of the Council, remarks from members representing employers' organisations, and remarks from members representing workers' organisations. On 7 March 2022, the federal Minister for Economic Affairs and Labour, submitted another request to the National Labour Council for an opinion on a draft law containing various employment provisions (*Advice of the National Labour Council of 17 May 2022, inter alia, on the revision of the Law of 5 March 2017 on feasible and manageable work*), delivered on 17 May 2022. It follows from the consultation of the National Labour Council by the federal government, that the adoption of the revision of the Law of 5 March 2017 is based on a dialogue between social partners and the federal government.

**The Law of 3 October 2022 on various provisions related to work, revising the Law of 5 March 2017 on feasible and manageable work, was adopted by the Belgian Federal Parliament during its plenary session on 29 September 2022** and was published in the Official Journal on 10 November 2022. Furthermore, as evidenced in Article 63 of the revised Law of 5 March 2017, the date of entry into force of the amendments to the Law of 5 March 2017 is 10 November 2022.

According to the new Article 52 of the Law, each worker has an individual right to training. This article states that "from 1 January 2024, the individual right to training shall comprise five days of training per year for a worker in full-time employment", and with that, **introduces a pathway to ensure that from 2024, all workers are entitled to an average of five days of training per year.**

**Furthermore, in line with the description of the measure, enterprises with fewer than 10 employees and enterprises with fewer than 20 employees remain, mutatis mutandis, subject to exceptions or derogations.** Indeed, for small enterprises, the threshold is 5 days in an **uninterrupted period of 75 calendar days.** This exception is laid down in the new Article 51(2) of the Law of 5 March 2017 whereby the entitlement of all workers to an average five days of training

per year is not applicable to employers employing less than ten workers. In addition, and in line with the description of the measure, Article 58 of the same Law provides an exception for “employers employing at least 10 and less than 20 workers” whereby this category of employers guarantees an individual right of a training credit of one day per employee per year. Training credits are defined in Article 50, section (e) as the “number of days of training available to the worker in a given year”.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 173</b>	Related Measure: R-5.03 Learning Account	
<b>Name of the Milestone:</b> Federal reform creating incentives for companies to provide training		
<b>Qualitative Indicator:</b> Publication in official journal of the Programme Law of 20 December 2020		<b>Time:</b> Q1 2021
<p><b>Context:</b></p> <p>Milestone 173 is part of the reform R-5.03 “Learning Account”, which aims i) to grant an individual right to training to each worker; ii) to develop tax advantages for companies which provide employees with more hours of training than those already provided for by law and iii) to remove, in consultation with the federated entities, obstacles to participation in training for workers in temporary unemployment.</p> <p>Milestone 173 concerns point ii) of the reform, which is the adoption of the Programme Law of 20 December 2020 by the federal Parliament, which establishes a partial exemption (11,75%) from payment of withholding tax for workers following a training of at least ten days.</p> <p>Milestone 173 is the first step of the implementation of the reform, which is followed by milestone 172 related to the adoption of a revision of the Law of 5 March 2017 on feasible and manageable work. Milestone 172 introduces a pathway ensuring that from 2024, all workers are entitled to an average of 5 days of training per year (BE-C[C51]-R[R-503]-M[172]). It will be followed by target 174 related to removing obstacles to participation in training for workers in temporary unemployment (BE-C[C51]-R[R-503]-T[174]) by Q4 2023.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i) Summary document duly justifying how the milestone was satisfactorily fulfilled;</li> <li>ii) Copy of the Law: publication of the Programme Law of 20 December 2020 adopted by the Parliament published in the Moniteur Belge / Belgisch Staatsblad (Official journal) - available online here: <ul style="list-style-type: none"> <li>a. <a href="https://www.ejustice.just.fgov.be/eli/wet/2020/12/20/2020044541/justel">https://www.ejustice.just.fgov.be/eli/wet/2020/12/20/2020044541/justel</a></li> </ul> </li> <li>iii) Article 14 of the Programme Law of 20 December 2020 indicates the date of entry into force on 1 January 2021 (on pages 96071-96072 in (ii)).</li> </ul>		
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.</p> <p><b>Adoption of the Programme Law of 20 December 2020 by the Parliament, establishing a partial exemption (11,75%) from payment of withholding tax for workers following a training of at least 10 days.</b></p> <p><b>Adoption of the Programme Law of 20 December 2020 by the Parliament</b> took place on 30 October 2020 when it was published in the Official journal. The Programme Law entered into force on 1 January 2021 as per its Article 14. Withholding tax is a form of tax that is not levied on the person who bears the tax, but on the origin of the tax base and hence deducted from the gross wages of an</p>		

employee by the employer. Title VI, Chapter 1, Section IV of the Income Tax Code defines in article 270 the employers/companies that owe withholding tax. Article 13 paragraph five of the Programme Law of 20 December 2020 adds a new article 275 to the Income Tax Code. The new article 275 of the Income Tax Code establishes that for employers **the partial exemption from the withholding tax, for employees who have followed a training of at least ten days, equals 11,75%.**

Furthermore, in line with the description of the reform in the Council Implementing Decision, this part of the measure aims *“to develop tax advantages for companies which provide employees with more hours of training than those already provided for by law”*: This is further defined in the description of the reform as follows: *For (ii) the reform entered into force on 1 January 2021 as set out in Section 4 of Chapter 1 of Title 2 of the Programme Law of 20 December 2020 published in the Official journal on 30 December 2020. Tax advantages take the form of an exemption from the payment of withholding tax for employees who have completed a training course of at least 10 days in an uninterrupted period of 30 calendar days (for enterprises with shift or night work for an uninterrupted period of 60 calendar days; for small enterprises, the threshold is 5 days in an uninterrupted period of 75 calendar days).*

Article 13 of the Programme Law defines the partial exemption for employers from paying to the Treasury part of the withholding tax with respect to **workers following a training of at least ten days.**

Paragraph two of Article 13 provides that only employees who completed a training course of at least ten days during an uninterrupted period of 30 calendar days shall be taken into consideration. It adds in the same paragraph, in line with the description of the measure in the Council Implementing Decision, that when the employer is an enterprise in which shift work or night work is performed, the minimum period of ten days has to take place during an uninterrupted period of 60 calendar days. Furthermore, Article 13 of the Programme Law provides for a derogation whereby for small companies, the partial exemption from the withholding tax applies where the employee has followed a training of five days during an uninterrupted period of 75 calendar days.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 177</b>	Related Measure: R-5.05 Reform of support to jobseekers in Wallonia	
<b>Name of the Milestone:</b> Reform of support for jobseekers in Wallonia (R-5.05)		
<b>Qualitative Indicator:</b> Publication in Official Journal		<b>Time:</b> Q3 2021
<b>Context:</b>		
Milestone 177 is part of the reform for support to jobseekers in Wallonia (R-5.05). The objective of this reform is to improve the efficiency of activation of jobseekers in Wallonia by adapting the decree relating to coaching and solutions-oriented support for jobseekers. The new coaching and solutions-oriented support for jobseekers aims to support all job seekers, to capitalize on all the information available, to verify skills upon registration and optimise collaborations between the Walloon public employment service (FOREm) and support partners. The reform takes advantage of efficient digital tools making it possible to manage distance and/or face-to-face career paths for the most independent job seekers while strengthening face-to-face support for those most in need of support.		
Milestone 177 concerns the adoption by the Parliament of Wallonia of the decree relating to coaching and solutions-oriented support for jobseekers.		
Milestone 177 is the only milestone of this reform.		
<b>Evidence provided:</b>		
In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:		

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii) Publication of the decree of 12 November 2021 relating to coaching and solution-oriented support for job seekers (*Décret du 12 novembre 2021 relatif à l'accompagnement orienté coaching et solutions de chercheurs d'emploi*) in the Official Journal on 7 December 2021.
- iii) Note on planning of implementation of the reform from the Service public de Wallonie sent on 7 October 2022 (explaining phased entry into force).

The authorities also provided:

- iv) Text of the decree (*Décret du 12 novembre 2021 relatif à l'accompagnement orienté coaching et solutions de chercheurs d'emploi – C-2021/22566*) adopted in plenary session on 10 November 2021.
- v) Note of the Walloon government received on 22 December 2022, introducing two implementing decrees (*Note du Gouvernement Wallon (NGW) introduisant deux arrêtés d'exécution (AGW)*).
- vi) Order of the Walloon government of 21 December 2022 implementing the decree of 12 November 2021 relating to coaching and solution-oriented support for job seekers (*Arrêté du Gouvernement wallon (AGW) du 21 décembre 2022 portant exécution du décret du 12 novembre 2021 relatif à l'accompagnement orienté coaching et solutions de chercheurs d'emploi*) published on 9 February 2023.
- vii) Order of the Walloon government of 21 December 2022 implementing Articles 4 /4, §2, and 35 of the decree of 6 May 1999 relating to the Walloon Office for Vocational Training and Employment (*Arrêté du Gouvernement wallon (AGW) du 21 décembre 2022 portant exécution des articles 4 /4, §2, et 35 du décret du 6 mai 1999 relatif à l'Office wallon de la Formation professionnelle et de l'Emploi*) published on 9 February 2023.
- viii) A provisional notification of 21 December 2022 from the Secretary of the Walloon Government on the adoption of the Arrêté du Gouvernement wallon (AGW) du 21 décembre 2022 and the Arrêté du Gouvernement wallon (AGW) du 21 décembre 2022 (summary of the decision taken).

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

**Adoption by the Parliament of Wallonia of the decree relating to coaching and solutions-oriented support for job seekers.**

**The decree of 12 November 2021 relating to coaching and solutions-oriented support for job seekers (the “decree of 12 November 2021”) was adopted by the Parliament of Wallonia** on 12 November 2021 as evidenced by iv).

According to Article 56 of the decree of 12 November 2021, as evidenced in the Official Journal on 7 December 2021 (evidence ii)), the entry into force of the decree is to be determined by the government and may take place in a deferred and progressive manner, until 31 December 2023, at the latest.

The note on planning of implementation of the reform (evidence iii) which was received in November 2022 before the publication of the implementing order of 21 December 2022 listed as evidence vii), explains that the entry into force of the new support methods differs depending on whether or not the jobseeker was already registered with FOREm on 30 June 2022.

The Order of the Walloon government of 21 December 2022 implementing the decree of 12 November 2021 (evidence vi)) was published on 9 February 2023 and details **the entry into force of the decree of 12 November 2021 on coaching and solutions-oriented support for jobseekers**

(evidence ii)). According to Article 86 of this Order of the Walloon government of 21 December 2022, the decree of 12 November 2021 entered/s into force as follows.

Chapters one (General provisions) and two (Registration as jobseeker) entered into force on 1 January 2022. Chapter three (Coaching and solution-oriented support) entered into force according to a phased approach between 30 June 2022 and 30 June 2023. Chapter four (Intervention of third parties) entered into force between 1 July 2022 and 1 January 2023, except the provisions of section 2 on collaboration agreements between the FOREm and each partner in the collaboration mechanism, which entered into force gradually until 31 December 2023.

All provisions in chapter five (Provisions modifying the decree of 6 May 1999 relating to the Walloon Office for Vocational Training and Employment) entered into force by May 2022, except Article 41 which enters into force according to the same modalities as chapter three. All provisions in chapter six (Amending and various repealing provisions) have entered into force by September 2022. Article 55 of chapter seven (Final provisions) entered into force on 1 January 2023.

**In line with the description of the measure, the reform measures aim to improve the efficiency of activation of jobseekers in Wallonia by adapting the decree of 12 November 2021.**

**a. The new coaching and solutions-oriented measure aims to:**

i) Support all jobseekers

Article 4 of chapter two of the decree of 12 November 2021 on coaching and solutions-oriented support for jobseekers (evidence ii) states that every natural person residing in the Walloon region, and with entitled access to the labour market, has the right to register at FOREm. As the new coaching and solutions-oriented measure will be carried out through FOREm, the decree of 12 November 2021 aims to support all job seekers in the Walloon Region.

ii) Capitalize on all the information available

Article 4(3) of chapter two of the decree of 12 November 2021 on coaching and solutions-oriented support for jobseekers (evidence ii) provides that a single file of the jobseeker shall entail aggregate information on the jobseeker, his or her integration path, his or her record with FOREm, and the coaching partners as well as third parties in his or her job seeking history. Furthermore, the mutual exchange of information with accompanying partners and third parties, as part of the coaching and solutions-oriented measure, shall be guaranteed by FOREm.

Article 17 of chapter four describes the exchange of information between the coaching partners and FOREm, on the progress of jobseeker regarding their integration in the labour market. According to Article 4 and Article 17, FOREm shall capitalize on all the information available as defined in the description of the measure.

iii) Verify skills upon registration, and

Article 9 of chapter three of the decree of 12 November 2021 on coaching and solutions-oriented support for jobseekers (evidence ii) states that the job positions of the jobseeker, and its degree of proximity to the labour market, are stored upon registration. Longer unemployment, older age, having skills that are not/no longer in demand could increase the distance to the labour market for jobseekers. Furthermore, according to Article 9, if requested by the jobseeker, his or her skills can be assessed to determine his or her job position as well as proximity to the labour market. Article 7 of chapter three of the decree of 12 November 2021 further stipulates that all jobseekers shall, after registration, receive coaching based on their profile, their professional aspirations, their needs, their degree of autonomy looking for work and the use of digital channels, their degree of proximity to the market, their socio-economic environment and the realities of the labour market.

iv) Optimise collaborations between the Walloon public employment service (FOREm) and support partners.

As defined in Article 18(2) of the decree of 12 November 2021 on coaching and solutions-oriented support for jobseekers (evidence ii), an optimisation of collaboration between FOREm and its

support partners will be established through regular reviews of the collaboration by a (i) FOREm regional consultation committee, and a (ii) sub-regional consultation committee.

The support partners are defined in Article 2(1). According to Article 19 of chapter four of the decree of 12 November 2021, the (i) regional consultation committee shall define the strategic and operational guidelines for collaboration between FOREm and other partners. It shall further, as defined in Article 19(2) of the decree of 12 November 2021, issue opinions on the visibility of the services of the partners, and the exchange of information and operational dialogue as defined in Article 17 of the decree of 12 November 2021. Article 17 of the decree states that FOREm and the coaching partners shall exchange information on the pathways of jobseekers, concerning the integration into the labour market. Furthermore, the regional consultation committee shall validate and improve the annual action plans of the (ii) sub-regional consultation committee. According to Article 19(1) of the decree of 12 November 2021, the sub-regional consultation committee will organise the operational cooperation between FOREm and its support partners and establish and ensure the implementation of the annual action plan endorsed by the regional consultation committee. Article 21 of the decree of 12 November 2021 further defines the role of the support partners. Article 21(1) of the decree of 12 November 2021 defines that the support partners shall comply with the annual action plan agreed upon by FOREm and the regional consultation committee as well as the sub-regional consultation committee.

The above is in line with the note on planning of implementation of the reform (evidence iii), which details that aspects a.i) (“aims to support all jobseekers”), a.ii) (“capitalize on all the information available”), and a.iii) (“verify skills upon registration”) will de facto enter into force between 01 July 2022 and 30 June 2023, while aspect a.iv) (“optimise collaborations between the Walloon public employment service (FOREm) and support partners”) will be implemented according to a phased approach and at the latest by 31 December 2023.

**b. The reform takes advantage of efficient digital tools**

Article 4(2) of the decree of 12 November 2021 on coaching and solutions-oriented for jobseekers (evidence ii)) requires that a jobseeker shall register with FOREm as a user in FOREm’s online service, prior to formally registering as a jobseeker. This will create a unique online space for the jobseeker.

i) To make possible the management of distance and/or face-to-face career paths for the most independent jobseekers

Article 11 of chapter three of the decree of 12 November 2021 states that both in-person and distant support via digital tools are offered to jobseekers. Article 11 further defines that digital consultation shall be provided if the digital autonomy of the jobseeker is sufficient. If necessary, the coaching can be provided partly in person and partly remotely.

ii) While strengthening face-to-face support for those most in need of the support

Article 11 of chapter three of the decree of 12 November 2021 ensures in-person support for jobseekers who cannot connect remotely. Furthermore, Article 11 states that FOREm favours digital communication whilst guaranteeing that jobseekers who do not have access to digital tools shall receive information via mail.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 196	<b>Related Measure:</b> R-5.09 Governance Circular Flanders	
<b>Name of the Milestone:</b> Launch of Steering Group of Circular Flanders		
<b>Qualitative Indicator:</b> Steering Group for the governance of Circular Flanders appointed and Roadmap and Work Agendas adopted		<b>Time:</b> Q4 2021
<b>Context:</b> The objective of this reform is to significantly improve and expand the governance of Circular		

Flanders. Circular Flanders is the central platform in Flanders aimed at facilitating the transition to a circular economy in cooperation with industrial partners, knowledge institutions, public administrations, banks, and civil society.

Milestone 196 concerns the launch of the Steering Group of Circular Flanders and consists of the appointment of the Steering group and the adoption of the roadmap and the work agendas.

Milestone 196 is the only milestone or target of this reform.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i) Summary document duly justifying how the milestone was satisfactorily fulfilled.
- ii) Appointment letters sent to steering group members (addressed to the chair and the transition manager; for the other members e-mails including the appointment letter), dated 18 November 2020.
- iii) Final version of the adopted roadmap and hyperlinks to published version and to web pages providing information on the work agendas.

The authorities also provided:

- iv) Communication to the Flemish government from the minister of economy and the minister of environment (VR 2020 1007 MED.0240/1BIS).
- v) Report of the meeting of the Flemish government on 10 July 2020, giving confirmation of the new approach (P2020-07-10BIS).
- vi) Minutes and presentations of two steering group meetings (1 December 2020 and 6 December 2021).

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone. In particular:

**Steering group for the governance of Circular Flanders appointed**

The Steering group was appointed on 18 November 2020 by the two Flemish ministers responsible for the circular economy in Flanders, as evidenced by the appointment letters addressed to the Steering Group members. The Communication to the Flemish government presents the new set-up for the circular economy of Flanders. It explains the role and broad composition (including government, industry, local and civil society, knowledge institutions, and finance) of the Steering Group in the governance of Circular Flanders and specifies that the Steering Group will be appointed by the two responsible ministers.

**Adoption of Roadmap and Work Agendas for guiding circular economy projects and the development of strategic levers**

The roadmap was adopted by the Steering group on 6 December 2021. It sets out the images of the future of a circular Flanders in 2050, providing guidance to the work agendas that have to formulate short- and medium-term actions towards this vision. The Communication to the Flemish government on circular economy, endorsed by the Flemish government on 10 July 2020, adopted the six thematic work agendas to be pursued (circular construction, chemicals and plastics, bioeconomy, water loops, food chains, manufacturing industry), as well as the seven strategic levers (policy instruments, circular procurement, communication, research, innovation, financing, jobs & skills) on which expert groups will work in support of the thematic work agendas. Each work agenda or lever expert group is jointly coordinated and further developed by public and private partners (public-private partnerships). Belgium provided the links to the web pages of Circular Flanders that further detail the six selected work agendas.

**Furthermore, in line with the description of the measure, this reform will significantly improve and expand the governance of Circular Flanders. In that framework, public-private partnerships will focus on a combination of thematic work agendas, such as circular construction,**

**chemistry/plastics, other product chains in the manufacturing industry, bio-economy and the food chain, and a number of strategic levers (financing, innovation, circular supply, research, awareness).**

The reform established an improved and expanded governance by ensuring a broad partnership of actors who have engaged themselves to work together in a public private partnership. While before the reform, Circular Flanders involved a small group of innovators, it is now expanded to a larger group of stakeholders and early adopters, which allows faster implementation and upscaling of projects. The report of the first Steering Group meeting on 1 December 2020 and accompanying Power Point presentation further detail the Steering Group composition. It involves some 20 partners from the public sector, industry sector organisations, local and civil society, knowledge institutions and finance, ensuring an improved public-private partnership to steer the further development of circular economy in Flanders, deciding on the goals and the specific activities to pursue. In addition, new structures were put in place with the thematic Work Agendas and Strategic Levers for developing the transition to a circular economy in Flanders, in which the formal involvement of experts from the different stakeholder groups (public sector, industry sector organisations, local and civil society, knowledge institutions and finance) and commitment of the private sector is ensured.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 205	<b>Related Measure:</b> R-6 Spending reviews
<b>Name of the Milestone:</b> Spending review pilot or integration in budgetary process (1)	
<b>Qualitative Indicator:</b> Completed pilots and associated reports	<b>Time:</b> Q4 2021
<p><b>Context:</b></p> <p>The objective of the reform is to integrate spending reviews into the budgetary process of the different entities (Federal Government, Flemish Region, Walloon Region, Brussels-Capital Region, French Community) in order to ensure improvements in the quality and efficiency of their public spending and contribute to strengthening their budgetary position. The reform is organised along five sub-elements: Reform R-6.01 ‘Spending reviews’ of the Federal State, Reform R-6.02 ‘Spending reviews - Flemish general revision and spending norm’ of Flanders, Reform R-6.03 ‘Spending Reviews — Zero-based budget’ of the Walloon Region, Reform R-6.04 ‘Spending review’ of the Brussels-Capital Region, Reform R-6.05 ‘Spending reviews’ of the French Community</p> <p>Milestone 205 is part of the reform and requires the Federal Government, the Walloon Region, and the Brussels-Capital Region to complete their respective pilot spending reviews and to draft the related reports. Furthermore, for the Flemish Region, milestone 205 requires government decisions defining how spending reviews are integrated in its budgetary process. These decisions shall notably define the spending review strategy and a calendar for future reviews, potentially including quantified targets and, in line with the Eurogroup guidance, ensure, amongst other elements, clear scope and design of the reviews as well as transparent monitoring, reporting and evaluation.</p> <p>Milestone 205 is the first step of reform R-6. It will be followed by milestones 206, 207 and 208 related to the decision defining how to permanently integrate spending reviews in the budgetary process, to the adoption of the instrument ensuring that spending reviews are systematically included in the budget planning and to the provision of the ex-post analysis on the systemic integration of spending reviews in the budgetary process of each entity. The requirements under each milestone reflect the initial position of the different entities in the implementation of the reform. The reform is expected to be fully implemented by December 2024.</p> <p>For the Walloon Region it is considered that the requirements under this milestone cover exclusively the expenditure side of its budget. The description of the measure in the Council Implementing</p>	

Decision provides that the reform measure consists in a zero-based budgeting exercise and of spending reviews covering all expenditures and revenues. In line with the description of the measure in the Council Implementing Decision, the Walloon Region will also carry out a spending review on the revenue side of its budget as part of its comprehensive exercise. However, this is an additional step of this the comprehensive reform exercise that is not linked to the milestone in the Council Implementing Decision.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

**Federal government**

- i) Summary document of 15 February 2022 (BE-C[C61]-R[R-6]-M[205]\_FED\_Cover Note) from the federal government duly justifying how the milestone was satisfactorily fulfilled with respect to actions falling within the remit of the federal government.
- ii) Summary document of 23 May 2022 (BE-C[C61]-R[R-6]-M[205]\_FED\_Spending Reviews FEDGOV\_Summary Document fv) providing a short description on the implementation and timetable of the reviews, on the selection of topics and terms of reference for the three pilot spending review exercises and on the outcome of the post-evaluation exercise. It contains the links to the pilot spending review reports as published on the FOD Beleid & Ondersteuning/SPF Stratégie & Appui (BOSA) website.
- iii) Copy of the three reports on the results of the pilot spending reviews: 1) report of July 2021 (BE-C[C61]-R[R-6]-M[205]\_FED\_Report Spending Review Payroll Withholding Tax) on exemption of transfer withholding payroll tax as prepared by the FPS Finance, Expertise and Strategic Support, Studies department, Tax Policy Unit; 2) report of 9 July 2021 (BE-C[C61]-R[R-6]-M[205]\_FED\_Report Spending Review Telework) on the impact of generalised telework on the labour organisation and the real estate portfolio as prepared by the dedicated working group made up of representatives of the Public Buildings Administration, FPS BOSA, FPS Finance, FPS Health, Public Social Security Institutions and the Finance Inspectorate; and 3) report of 18 March 2022 (BE-C[C61]-R[R-6]-M[205]\_FED\_Spending Review\_FR\_doelmatige zorg) on efficient health care spending as prepared by the Central Working Group: the Insurance Committee of INAMI.

The authorities also provided:

- iv) Decision of the Council of Ministers of 18 December 2020 on the implementation plan and timing of spending reviews.
- v) Decision of the Council of Ministers of 12 February 2021 on the topics and terms of reference of the three pilot spending reviews.
- vi) Decision of the Council of Ministers of 10 November 2021 on the evaluation of the three pilot spending reviews.

**Walloon Region**

- i) Summary document of 9 May 2023 from the Walloon Region duly justifying how the milestone was satisfactorily fulfilled with respect to actions falling within the remit of the Walloon Region.
- ii) Copy of the report (BE-C61-R-603-M205.7) of 15 March 2021, summarising the results of the first wave of the zero-based budgeting exercise (BBZ) and spending reviews.
- iii) Copy of the notification (BE-C61-R-603-M205.2) of 20 May 2020 by which the government approved the government memorandum containing a decision to award the public procurement contract to initiate the ZBB/Spending Review programme.
- iv) Copy of the notification (20200610\_A10\_BBZ\_NGW rectificative\_ CSC déploiement BBZ v2\_NOTIF) of 11 June 2020 by which the government decided to launch the public

- procurement contract to award the ZBB/Spending Review exercise.
- v) Copy of the contract notice (JOUE sous la référence 2020.S 117-284009) of 18 June 2020 demonstrating that the public contract of service was published into the Office Journal of European Union under the reference 2020/S 117-284009 (available here: <https://ted.europa.eu/udl?uri=TED:NOTICE:284009-2020:TEXT:EN:HTML&tabId=0>).
  - vi) Copy of the specifications (BE-C61-R-603-M205.6), (*hereinafter referred to as "specifications of 18 June 2020"*), as annexed to the public contract of service, including all the actions and tasks to be carried out within the framework of the public procurement contract.
  - vii) Copy of the notification (BE-C61-R-603-M205.4) of 24 September 2020 by which the government approved the award the public procurement contract to initiate the ZBB/Spending Review programme.

The authorities also provided:

- viii) Copy of the report (BE-C61-R-603-M205.8) of 18 June 2021, summarising the results of the first wave of the zero-based budgeting exercise (BBZ) and spending reviews on revenues.

#### **Brussels-Capital Region**

- i) Summary document of January 2022 from the Brussels-Capital Region duly justifying how the milestone was satisfactorily fulfilled with respect to actions falling within the remit of the Brussels-Capital Region.
- ii) Two scoping notes, one on mobility and one on social housing, summarising how the spending reviews were conducted, including an outline of the scope definition of the pilots conducted.
- iii) Copy of two reports on the results of the pilot spending reviews, one on mobility and one on social housing.

#### **Flemish Region**

- i) Summary document of 15 March 2023 from the Flemish Region duly justifying how the milestone was satisfactorily fulfilled with respect to actions falling within the remit of the Flemish Region.
- ii) Communication of 19 November 2021 to the Flemish government (VR\_2021\_1911\_MED\_0394\_1TER) on how spending reviews (or similar approach) are to be integrated into the budgetary process.
- iii) Decision of the Flemish government of 1 July 2022 (VR PV 2022-34 - punt 0036) to ratify and promulgate a decree amending the Flemish Public Finance Codex of 29 March 2019;
- iv) Decree of 1 July 2022 amending the Flemish Public Finance Codex of 29 March 2019 (*Decreet tot wijziging van de Vlaamse Codex Overheidsfinanciën van 29 maart 2019*), which integrates rules for comprehensive reviews and spending reviews in the Flemish budgetary process. The decree was adopted by the Flemish Parliament on 29 June 2022 and published in the Official Journal on 16 September 2022 (*hereinafter referred to as "Decree of 1 July 2022"*), available at: [https://etaamb.openjustice.be/nl/decreet\\_n2022015510.html](https://etaamb.openjustice.be/nl/decreet_n2022015510.html).
- v) Code of Conduct on spending reviews of 15 March 2022 (BE-C[C61]-R[R-6]-M[205]\_NEW\_\_20220315\_\_code\_of\_conduct\_\_uitgaventoetsingen\_VBH) (*hereinafter referred to as "Code of Conduct on spending reviews of 15 March 2022"*).
- vi) Decision of the Flemish government of 28 October 2022 amending the Decision of 25 July 2014 on the delegation of decision-making powers to the members of the Flemish government and amending the Decision regarding the Flemish Public Finance Codex of 17 May 2019 (*Besluit van de Vlaamse Regering tot wijziging van het besluit van de Vlaamse Regering van 25 juli 2014 tot delegatie van beslissingsbevoegdheden aan de leden van de Vlaamse Regering en het Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*), published in the Official Journal on 9 December 2022 (*hereinafter referred to as "Decision of*

28 October 2022”), available at:

<https://codex.vlaanderen.be/PrintDocument.ashx?id=1037710&datum=&geannoteerd=undefined&print=undefined>

- vii) Report to the Flemish Government on Article 6 of the Flemish Government Decision of 28 October 2022 amending the Flemish Government Decision of 25 July 2014 on the delegation of decision-making powers to the members of the Flemish Government and the Flemish Public Finance Code Decision of 17 May 2019” (“*Verslag aan de Vlaamse Regering bij artikel 6 van het Besluit van de Vlaamse Regering van 28 oktober 2022 tot wijziging van het besluit van de Vlaamse Regering van 25 juli 2014 tot delegatie van beslissingsbevoegdheden aan de leden van de Vlaamse Regering en het Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*”), available at:  
<https://codex.vlaanderen.be/Zoeken/Document.aspx?DID=1037710&param=inhoud>.
- viii) Flemish Multi-year estimate 2022-2027, including the expenditure benchmark, published on <https://financeflanders.be/wp-content/uploads/2022/11/Multi-annual-Estimate-22-27.pdf>.
- ix) Overview document of 20 September 2021, summarising 11 spending reviews carried out to inform the 2022 budget (*Overzicht samenvattingen projectgroepen*).
- x) Summary report of 17 September 2021 by the general steering group on the Flemish Comprehensive Review (*Vlaamse Brede Heroverweging – leerlessen en aanbevelingen*). The report is available here:  
[https://fin.vlaanderen.be/wp-content/uploads/2021/09/210917-VBH\\_leerlessen-en-aanbevelingen.pdf](https://fin.vlaanderen.be/wp-content/uploads/2021/09/210917-VBH_leerlessen-en-aanbevelingen.pdf).
- xi) Notification to the Flemish government of 19 November 2021 (VR 2021 1911 MED.0394/1TER), outlining eight spending reviews for the period 2022-2024, including specific topics and timeline.
- xii) Notification to the Flemish government of 18 November 2022 (VR 2022 1811 VV DOC.0136/1BIS), outlining a call for tenders and an action plan for a ninth spending review regarding (fiscal) support measures for families with children.

In addition, the authorities also provided:

- xiii) Operational agreement note (*Afsprakennota 2021/43*) of 19 November 2021 in which eight specific topics for the upcoming spending reviews were agreed upon within the Flemish government.

#### **Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone.

#### **For the federal, Walloon Region and Brussels Capital Region authorities: Spending review pilot completion and drafting of report.**

**Federal state.** The description of the milestone in the Council Implementing Decision required the **completion of pilot spending review and the drafting of report.**

The Federal government authorities completed three spending review pilots between 2021 and 2022, one on the exemption of transfer withholding tax in the field of tax expenditure, one on the impact of generalised telework on labour organisation and the real estate portfolio, in the field of primary expenditure and one on efficient health care spending in the field of social security, as demonstrated by the three reports on the results of the pilot spending reviews for the Federal government.

More in detail, with the decision of 18 December 2020 of the Council of Ministers it was decided to launch a pilot exercise in three main areas, namely tax expenditure, primary expenditure and the social security sector. The decision of the Council of Ministers of 12 February 2021 covers the selection of the expenditure items, on which the pilot spending reviews have been carried out. The

decision notably provides that for the three pilot exercises, the following topics have been selected: 1) the exemption of transfer withheld payroll tax, 2) the impact of generalised telework on the labour organisation and the real estate portfolio and 3) efficient health care spending. The three reports have been completed. Those reports demonstrate that the spending review pilots have been completed according to the terms of reference set out in the decision of the Council of Ministers of 12 February 2021. The three reports have been published on the website of the FPS BOSA (<https://bosa.belgium.be/fr/themes/budget-et-comptabilite/le-budget-federal/chiffres-et-analyse/spending-review>).

Furthermore, in line with the description of the measure at that point in time, **the government shall select a new set of topics to be delivered for the next year.** The decision of the Council of Ministers of 10 November 2021 approved in the context of the preparation of the budget the selection of topics for spending reviews to be carried out in 2022 as proposed at point 13 of the note to the Council of Ministers of 8 November 2021. The Council of Ministers decided that three new spending reviews are to be carried out in 2022 and are to cover: 1) the nuclear liabilities of Belgoprocess, IRE and SCK/CEN; 2) options for a centralisation of 'support' expenditure of the federal scientific institutions and a potential larger cooperation for the other types of expenditure and 3) options for deeper cooperation for the collection agencies for taxes/levies on income.

**Walloon Region.** The description of the milestone in the Council Implementing Decision required the **completion of pilot spending review and the drafting of the respective report.** The description of the measure requires as well **that the zero-based budgeting approach requires full justification of spending on a yearly basis** and that it **shall focus on operating and investment expenditures, while spending reviews shall address intervention expenditures involving a transfer of public resource to undertakings, household and local authorities.**

The Walloon region authorities have conducted the first wave of the zero-based budget and spending review exercise. The report of 15 March 2021 provides a summary of the results of the first wave of the exercise and demonstrates that a pilot of the zero-based budget and spending review was conducted as required by the Council Implementing Decision. As per the description of the measure in the CID, the report demonstrates that the zero-based budgeting approach focused on the operating and investment expenditure and the spending reviews addressed intervention expenditures, involving a transfer of public resources to undertakings, households and local authorities (page 4 of the report).

Moreover, for all items analysed, the report provides a full justification of the yearly expenditure and possible savings. Specifically, the report illustrates (page 4) that the zero-based budgeting and spending review exercise conducted during the first wave has identified potential savings in the range between EUR 202 000 000 and 214 000 000 of expenditure on a yearly basis. Notably, between EUR 63 000 000 and 70 000 000 from the zero-based budgetary approach and between EUR 139 000 000 and 144 000 000 from the spending reviews approach. Furthermore, the report of 15 March 2021 summarizing the result of the first wave illustrates, from page 8 to page 12, some of the lessons learnt from the experience with the pilot and explains that these findings will be used to improve the following waves of the exercise. The document "specifications of 18 June 2020" contains the specifications established for the service contract relating to the deployment of the zero-based budgeting exercise and spending review. This document explains at page 34 that the exercise is organised over 4 waves, each one covering a determined set of expenditure activities.

The Walloon Region notified the award of the service contract on 20 September 2020 to the external consultant tasked with carrying out the zero-base budgeting and spending review exercise (notification of 24 September 2020 – document: BE-C61-R-603-M205.4). The notification of the service contract provides evidence of the beginning of the spending review exercise. The report on the first wave of the exercise is dated 15 March 2021.

**In line with the description of the measure, the measure consists in a zero-based budget exercise and spending review covering all expenditure structured around seven policy fields and covering all department of the regional administration as well as 170 public administration units.** The document “specifications of 18 June 2020” contains the specifications established for the service contract relating to the deployment of the zero-based budgeting exercise and spending review including all the actions and tasks to be carried out within the framework of the contract. The seven policy fields are identified at page 31 as the following: 1) road and infrastructures; 2) agriculture, natural resources and environment; 3) Spatial planning, housing and energy; 4) economy and employment; 5) health, aid to people and democracy; 6) taxation; and 7) transversal functions. At page 32 the specifications describe the scope of the exercise which covers all departments of the regional administration as well as 170 public administration units.

The description of the measure also provides that the overall **exercise shall be conducted with the support of external consultants.** The Walloon Region authorities have provided evidence demonstrating that an external consultant was tasked with carrying out the exercise as per the description of the measure in the Council Implementing Decision. The government notification of 24 September 2020 contains evidence of the award by the Walloon Region authorities of the service contract relating to the deployment of the zero-based budgeting exercise and spending review to the Roland Berger & Deloitte consortium that represents external consultants.

**Brussels-Capital Region.** The description of the milestone in the Council Implementing Decision required the completion of pilot spending reviews and the drafting of the respective report. The description of the measure in the Council Implementing Decision provides **that the reform measure consists in the conduct and finalisation of two pilot spending reviews.**

The Brussels-Capital Region authorities conducted in 2021 two pilot spending reviews, as demonstrated by the two following reports. The two reports, one on mobility ('BE-C[C61]-R[R-6]-M[205] - Report mobility version 6.0 24\_02\_2022 (final report of the Spending Review) and one on social housing ('BE-C[C61]-R[R-6]-M[205] - Rapport final\_20211224\_Version Finale clean (final report (in FR) of the Spending Review)'), both published in 2021, demonstrate that the pilot spending reviews have been conducted and finalised. The spending review report on the area of mobility contains a thorough review of the mobility policy challenges faced by Brussels with the objective of improving the efficiency and effectiveness of the road infrastructure policy design. The spending review report on the area of social housing contains a thorough review of the social housing policy and its challenges, with the objectives of improving efficiency and effectiveness, reducing waiting lists, guaranteeing the financial sustainability of the sector. Both reports include a description of possible alternative policy options, with their relative pros and cons. Both reports are respectively complemented by a scoping note which describes the objectives, the scope, the approach and the governance followed to carry out the pilot spending reviews.

**Flemish Region.** The description of the milestone in the Council Implementing Decision requires the spending review integration into budgetary process **(1): Government decisions defining how spending reviews (or similar approach) are integrated into budgetary process.** The decisions define the spending review strategy and a calendar for future reviews, potentially including quantified targets. **In line with the Eurogroup guidance, ensure, amongst other elements, clear scope and design of the reviews as well as transparent monitoring, reporting and evaluation.**

- On 1 July 2022, the Flemish government decided to ratify and promulgate Decree of 1 July 2022 amending the Flemish Public Finance Codex of 29 March 2019 and integrating spending reviews into the budgetary process (**Decision of the Flemish government of 1 July 2022** (VR PV 2022-34 - punt 0036) to ratify and promulgate a decree amending the Flemish Public Finance Codex of 29 March 2019).
- The rule implementing the principle of spending review in the budgetary process has been

laid down in Article 9 of the **Decree of 1 July 2022** (*Decreet tot wijziging van de Vlaamse Codex Overheidsfinanciën van 29 maart 2019*), which defines spending reviews and integrates them in the budgetary process in Flanders. The Decree of 1 July was first adopted by the Flemish Parliament on 29 June 2022 and published in the Official Journal on 16 September 2022. It amended Article 10 of the Flemish Public Finance Codex (*Vlaamse Codex Overheidsfinanciën van 29 maart 2019*). This legal act enters into force 10 days after its publication, under Article 56 of the Law of 8 August 1980 (*Bijzondere wet tot hervorming der instellingen/Loi spéciale de réformes institutionnelles*).

- In addition to the Decree of 1 July 2022, the Flemish Government also adopted the **Decision of 28 October 2022** implementing the Flemish Public Finance Codex (*Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*), as amended by the Decision of 28 October 2022 (*Besluit van de Vlaamse Regering tot wijziging van het besluit van de Vlaamse Regering van 25 juli 2014 tot delegatie van beslissingsbevoegdheden aan de leden van de Vlaamse Regering en het Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*). The Decision of 28 October 2022 was published in the Official Journal on 9 December 2022. This legal act has entered into force 10 days after its publication, under Article 84(2) of the Law of 8 August 1980 (*Bijzondere wet tot hervorming der instellingen/ Loi spéciale de réformes institutionnelles*).

The Council Implementing Decision requires government decisions defining how spending reviews (or similar approach) are integrated into the budgetary process. The Flemish authorities have integrated spending reviews in the budgetary process through a Decree and a Decision. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Flemish authorities have chosen to integrate spending reviews in the budgetary process through a Decision and a Decree, which is an act with a higher legal status than a Decision. Therefore, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The amended Flemish Public Finance Codex as amended by the Decree of 1 July 2022 now defines “comprehensive reviews” and “spending reviews” and integrates them into the budgetary process. Notably, the following amendments have been introduced that are relevant to evidence that comprehensive reviews and spending reviews have been integrated in the budgetary process.

- **Article 10(1) of the Flemish Public Finance Codex as amended** lays down that “the Flemish Government organises the budget of revenues and expenditures of the Flemish Government according to the principles of performance-informed budgeting, in light of a multi-year perspective. Comprehensive reviews and spending reviews are used for this purpose. The Flemish Government determines the principles with which the comprehensive reviews and spending reviews comply.”
- **Article 10(2)(1) of the Flemish Public Finance Codex as amended defines the “Comprehensive reviews”** as the “comprehensive examinations of policies with a budgetary impact, aimed at offering policy options for a more efficient or effective approach to underpin possible policy choices for the future of Flanders in the longer term.”
- **Article 10(2)(2) of the Flemish Public Finance Codex as amended defines the “Spending reviews”** as the “systematic, in-depth and specific studies of expenditure categories with a substantial budgetary impact in order to improve the effectiveness or efficiency of the policy under constant policy.”

**Spending review strategy and calendar for future reviews.** The spending review strategy is defined in Article 3(1) of the Decision of the Flemish Government implementing the Flemish Public Finance Codex (*Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*), as amended by the Decision of 28 October 2022. Article 3(1) as amended provides that the government has to conduct at least one

comprehensive review per legislature. At the beginning of each legislature the government has also to establish an indicative planning of spending reviews for its term of office. Both comprehensive reviews and spending reviews are to become recurrent exercises. Furthermore, as a follow up to the Flemish Comprehensive Review, Flanders has decided on the calendar for a new set of spending reviews by means of the notification from the Flemish minister of finance and budget, housing and real estate to the Flemish government (VR 2021 1911 MED.0394/1TER) of 19 November 2021. This notification outlines eight spending reviews for the period 2022-2024, for which the specific topic and the timeline have been already decided. With the formal Agreement note 2021/43 from the Flemish government (*Afsprakennota 2021/43*), the Flemish government formally approved the eight specific topics for the upcoming spending reviews and assigned each spending review to a responsible minister. The eight spending reviews are to cover the following subjects: i) the rationale of the grants from the department of Culture, Youth and Media; ii) the higher education budget; iii) sustainable water use and the organisation of the waterscape; iv) instruments of housing policy; v) organisational structure of the Flemish government; vi) modal shift in Flanders; vii) Flemish policy on productivity; viii) integration of the three care budgets. On 11 November 2022, the Flemish government approved the Notification to the Flemish government (“VR 2022 1811 VV DOC.0136/1BIS”), including an action plan for a ninth spending review regarding (fiscal) support measures for families with children.

Furthermore, in line with the description of the measure in the Council Implementing Decision **an evaluation of ten policy domains has been carried out by mid-2021 which served as basis to define the scope of the spending reviews.**

After a first pilot spending review conducted in 2018-2019, the Flemish authorities launched a broad review of their budget, the so-called “Flemish Comprehensive Review” (*Vlaams Brede Heroverweging* (VBH)) in the context of which 10 additional spending reviews have been conducted. These focused on the following policy domains: 1) Mobility and public works; 2) Education and training; 3) Agriculture and fisheries; 4) Culture, youth, sport and media; 5) Environment; 6) Welfare, public health and family; 7) Housing and immovable heritage; 8) Economy, social economy, science and innovation; 9) Finance and budget; 10) Social corrections.

The individual reports of the spending reviews are published, together with other related studies, on a page of the Flemish Parliament website dedicated to the VBH, notably: <https://www.vlaamsparlement.be/nl/parlementair-werk/dossiers/dossiers/de-vlaamse-brede-heroverweging>. The Overview document of 20 September 2021 (*Overzicht samenvattingen projectgroepen*) provides a summary of the spending reviews carried out in the context of the VBH. The report ‘*Vlaams Brede Heroverweging – leerlessen en aanbevelingen*’ of 17 September 2021, published on the website of the Flemish government (here [https://fin.vlaanderen.be/wp-content/uploads/2021/09/210917-VBH\\_leerlessen-en-aanbevelingen.pdf](https://fin.vlaanderen.be/wp-content/uploads/2021/09/210917-VBH_leerlessen-en-aanbevelingen.pdf)) provides with a summary of the lessons learned from the exercise and recommendations for future spending reviews. The report’s section ‘*Transparante scope bij aanvang*’ provides with recommendations on defining the scope of spending review. Notably, among others, it is recommended to specify at the outset the scope of the exercise and clearly justify policy elements that are excluded from the scope.

The description of the measure in the Council Implementing Decision required for an evaluation of ten policy domains to be carried out by mid-2021, which shall serve a basis to define the scope of spending review. The report ‘*Vlaams Brede Heroverweging – leerlessen en aanbevelingen*’ provides evidence of the evaluation of the ten spending reviews. This report is dated 17 September 2021. While the fact that the evaluation report was finalized in September 2021 instead of mid-2021 constitutes a minimal deviation from the requirement of the Council Implementing Decision, the evaluation was completed and the related report drafted as indicated in the description of the measure in the Council Implementing Decision. This entails that there are no changes to the nature of the measure and the delay does not affect progress toward the implementation of the next steps in the reform, which are about the adoption of a government decision integrating spending reviews

in the budgetary process. As of this, this minimal deviation does not change the nature of the measure and does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

The description of the milestone in the Council Implementing Decision also requires that **in line with the Eurogroup guidance, the decision of the Flemish government ensures that, amongst other elements, the principles of clear scope and design of the reviews as well as transparent monitoring, reporting and evaluation are integrated in the spending review process.**

**Clear scope and design of the reviews.** The Flemish Finance and Budget Department, with the support of the Inspectorate of Finance, drafted a Code of Conduct on spending reviews, providing guidance to the policy areas for the design and setup of their respective spending reviews. The code of conduct of 15 March 2022, establishes seven principles that “comprehensive reviews” and “spending reviews” have to comply with. The seven principles have been included in the article 3(1)(2) of the Decision 17 May 2019 regarding the Flemish Public Finance Codex (*Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*), as amended by article 6 of the Decision of 28 October 2022. The principles on clear scope and design of the review are set out under the 1<sup>st</sup> principle and provide that a clearly defined, explicit task assignment is given to the project group that carries out the comprehensive review or spending review. This is in line with the principles set out in the Eurogroup guidance of 9 September 2016 which provided that the design and implementation of spending reviews should include a clear strategic mandate specifying the objectives the scope (a significant share of general government spending across several policies) and a centre of coordination.

**Transparent monitoring, reporting and evaluation.** Article 3(1)(2) of the Decision of 17 May 2019 regarding the Flemish Public Finance Codex (*Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*), as amended by article 6 of the Decision of 28 October 2022, stipulates that comprehensive reviews and spending reviews shall follow a set of 7 principles. Under principle 4 it is stated that the Finance and Budget Department has a coordinating and centralising role in the spending review process. The role of the Finance and Budget Department as well as that of the Inspectorate of Finance is further specified in the ‘Report to the Flemish government on Article 6 of the Decree of 28 October 2022 amending the Flemish government Decision of 25 July 2014 on the delegation of decision-making powers to the members of the Flemish government and the Flemish Public Finance Codex Decision of 17 May 2019’ (*Verslag aan de Vlaamse Regering bij artikel 6 van het Besluit van de Vlaamse Regering van 28 oktober 2022 tot wijziging van het besluit van de Vlaamse Regering van 25 juli 2014 tot delegatie van beslissingsbevoegdheden aan de leden van de Vlaamse Regering en het Besluit Vlaamse Codex Overheidsfinanciën van 17 mei 2019*). The Report clarifies that the Department of Finance and Budget coordinates the process of comprehensive reviews and spending reviews, in close consultation with the Finance Inspectorate. The Department of Finance and Budget **monitors** the horizontal policy of broad reviews and spending reviews and their integration into the policy and budget cycle. The Report also clarifies that for each spending review the **necessary transparency of the final report** should be ensured (principle 6). Under principle 7, the Report clarifies that the **final report contains an evaluation of the lessons learned** that would be important for future spending reviews. Furthermore, the Report clarifies that in order to ensure that the entities integrate the results and possible follow-up actions of the spending reviews into the policy and budget cycle, the Inspectorate of Finance will pay particular attention to this in its advice when drawing up the budget. The Inspectorate examines which expenditure reviews have been carried out and how the results have been incorporated into the budget proposals.

Furthermore, in the ‘Report to the Flemish government on Article 6 of the Decree of 28 October 2022 amending the Flemish government Decision of 25 July 2014 on the delegation of decision-making powers to the members of the Flemish government and the Flemish Public Finance Codex Decision of 17 May 2019’, is specified that the Department of Finance and Budget will publish on its

website the task assignments for the validated spending reviews. It also specified that final reports from the specific spending reviews will be published on the website of the Department of Finance and Budget. In this way, not only the Flemish Government and the Flemish Parliament, but also the general public are informed about the final reports in a transparent manner thus ensuring transparent monitoring.

This is in line with the principles set out in the Eurogroup guidance of 9 September 2016 which provided that communication to the public on progress and outcome of review should be regular and transparent.

Furthermore, in line with the description of the measure in the Council Implementing Decision, **the expenditure norm adopted in 2022 defines the maximum growth path of government expenditure, taking into account the trend in revenue growth and the budgetary targets set.** The expenditure norm (hereinafter referred to as “expenditure benchmark”) was laid out in Article 3(2) of the revised Flemish Public Finance Codex (Vlaamse Codex Overheidsfinanciën), as amended by article 6 of the Decision of 28 October 2022. The amendment introduced the obligation to report on the expenditure benchmark in the Multi-year estimate (the Flemish multi-annual budget). The aim of the expenditure benchmark is to guarantee the sustainability of Flemish public finances in all circumstances, encourage stability-oriented policies and discourage ad hoc adjustments. The expenditure benchmark, also set out in the amended Article 3(2), defines the maximum growth path of government expenditure, taking into account the trend in revenue growth and the budgetary targets set. The expenditure benchmark was included for the first time in the Flemish Multi-Year Estimate 2022-2027 (cf. point 8, page 55). The Flemish Multi-year estimate 2022-2027 was submitted to the Flemish Parliament on 28 October 2022, as evidenced by the document “Toelichtingen\_begroting 2023\_Meerjarenraming\_2022-2027”.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 209</b>	<b>Related Measure:</b> R-1 Monitoring and implementation of the plan
<b>Name of the Milestone:</b> Repository system for Audit and Controls: information for monitoring implementation of RRF	
<b>Qualitative Indicator:</b> Audit report confirming repository system functionalities	<b>Time:</b> Before the first payment request
<p><b>Context:</b>  The measure aims at the monitoring and implementation of the Belgian Recovery and Resilience Plan and covers the two audit and control milestones part of the first payment request. Milestone 209 requires a repository system for recording and storing all relevant data related to the implementation of the Recovery and Resilience Plan, especially the achievement of milestones and targets as well as the collection of data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation. The system shall be in place and operational.</p> <p>In the context of the revision of the Belgian Recovery and Resilience Plan, in accordance with Council Implementing Decision of 11 December 2023 amending the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the Recovery and Resilience Plan for Belgium, two additional audit and control milestones have been added to this reform (milestones 250 and 251) which will be assessed at the moment of the second payment request.</p>	
<p><b>Evidence provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>x. Cover note dated 21 September 2023 and updated on 22 May 2024</li> <li>xi. Audit report from the Federal audit body, dated 19 September 2023</li> </ul>	

- xii. Audit report from the Flemish audit body, dated 15 September 2023
- xiii. Audit report from the audit body of the Brussels Capital Region, dated 5 July 2023
- xiv. Audit report from the audit body of the Federation Wallonia Brussels, dated 22 May 2022 and accompanied by two action plans dated 25 November 2022 and 18 July 2023
- xv. Audit report from the audit body of the Walloon Region, dated 23 May 2022 and accompanied by two action plans dated 23 November 2022 and 13 July 2023
- xvi. Audit report from the audit body of the German-speaking community, dated 9 December 2022

The authorities also provided:

- xvii. The Law of 8 February 2023 amending the Law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the limitation of the use of cash (*Loi portant modification de la loi du 18 septembre 2017 relative à la prévention du blanchiment de capitaux et du financement du terrorisme et à la limitation de l'utilisation des espèces*), published in the Official Gazette on 17 February 2023 on page 23617 and entered into force on 17 February 2023.
- xviii. The Royal Decree of 8 February 2023 amending the Royal Decree of 30 July 2018 on operating arrangements for the UBO Registry (*Arrêté royal modifiant l'arrêté royal du 30 juillet 2018 relatif aux modalités de fonctionnement du registre UBO*), published in the Official Gazette on 17 February 2023, number 2023040495 and entered into force on 17 February 2023.
- xix. Procedures for the collection of the data required by Art. 22(2)(d) (i) to (iii) of the RRF Regulation by each of the federated entities, as following:
  - Federal: Procedure Art. 22(2)(d), 10 July 2023 and Internal Procedure for the ARACHNE upload, 2 June 2022
  - Flanders: M209 instructions, V3, 23 February 2024
  - Wallonia: Management and control system, V4.6, dated 26 February 2024
  - Brussels Capital Region: Procedure for the control of irregularities, V4, 21 February 2024
  - Federation Wallonia Brussels: Consolidated procedure, V2, 7 February 2024
  - German-speaking community: RRF Management Manual, 31 December 2023
- xx. Proofs of the communication of the procedures listed under point ix) to the implementing bodies
- xxi. Lists of all the projects ongoing at the moment of the submission of the payment request for each region or community
- xxii. Supporting documents for the samples of items drew from the lists of the projects ongoing at the moment of the submission of the payment request

**Analysis:**

The justification and substantiating evidence provided by the Belgian authorities covers all constitutive elements of the milestone, as follows:

**1. A repository system for monitoring the implementation of the RRF shall be in place and operational. The system shall include, as a minimum, the following functionalities:  
(a) collection of data and monitoring of the achievement of milestones and targets; (...)**

Considering the constitutional framework of Belgium, each entity uses its own IT system to ensure the collection of data and monitoring of the achievement of the milestones and targets.

In addition, SPF BOSA, in its capacity as national administrative coordinating body of the Belgian Recovery and Resilience Plan, has developed an IT repository system based on SharePoint, which is the RRF IT TOOL, to centralise and collect the data from the federated entities for the different EU reporting on the achievement of the milestones and targets for the payment request, the biannual report, the monitoring of the interim steps, and the reporting on the common indicators and the green expenditure. This application contains and stores all the relevant information on the RRP such

as the timetable linked to milestones and targets and their related indicators.

The same tool is also used to centralise the monitoring of the Recovery and Resilience Plan at the **Federal level**. Each department uses a dedicated SharePoint or folder on their network for their project to store all documents. The evidence needed to justify the milestone/target are uploaded in the RRF IT TOOL. The audit report of the Federal audit body from September 2023 confirmed that the system is designed to collect information and monitor the achievement of milestones and targets, and has been effectively used for this purpose since February 2022.

The **Flemish system** is decentralised for each domain/department. Each domain has its control and management system. All decentralised data, which has to be reported to the Commission, is regrouped at the Flemish level, and then transmitted at the inter-federal level using the RRF IT TOOL. This monitoring tool is based on SharePoint, which ensures the monitoring of the achievement of the milestones and targets. The tool is managed by the Flemish coordinating body and it is used for the bi-annual reporting of the situation of the milestones and targets as well as the reporting on the achieved milestones and targets for each payment request. According to the audit report from September 2023, the Flemish audit body concluded that the tool allows monitoring the achievement of the milestones and targets.

The **Brussels-Capital Region** uses the system Euroges, which is also used for other EU funds. The tool is centralised at Brussels level and includes all projects for this region. All the implementing authorities can access the front office system called Irisbox. Euroges contains data and documents on the achievement of milestones and targets as well as progress reports. The data is transmitted at inter-federal level using the RRF IT TOOL. The audit report issued by the audit body of the Brussels-Capital region in July 2023 confirmed the functionalities of the system.

The system used in the **Walloon region** in view of monitoring the achievement of milestones and targets is P4, which has been confirmed as functional by the audit body in the audit report from July 2023. In addition, Teams is used for controlling the milestones and targets, while Calista is used for the control of expenses. The data from P4 is transmitted to the inter-federal level using the RRF IT TOOL.

The monitoring tool put in place by **Federation Wallonia Brussels** to ensure the monitoring of the achievement of milestones and targets is called GED, which includes a shared space dedicated to documentation and project spaces, each bearing the name of the project it relates to. The purpose of this monitoring tool is to centralise the information on the monitoring of milestones and targets as well as the compulsory data required for the various types of reporting such as payment requests, bi-annual reports, common indicators and documents included in the operational arrangements. The functionalities of the system were confirmed by the audit body in the audit report of July 2023.

In view of the limited number of RRF projects in the **German-speaking Community**, the reporting and administrative monitoring unit uses an existing O365-based document management system, as well as the internal control mechanisms currently in force within the ministry in charge of the coordination of the RRP. The reporting and administrative monitoring unit collects all relevant information from the project leaders via standardised forms and stores the information centrally. Specific Excel workbooks have been created to collect and monitor the information concerning project milestones and targets, common indicators, the data required for the bi-annual reporting, the final recipients and the overall management calendar. The audit reports from June and December 2022 confirm the functionality of the system in terms of monitoring the achievement of milestones and targets.

**2. The system shall include, as a minimum, the following functionalities: (...)**

**(b) collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.**

Considering the constitutional framework of Belgium, the collection and storage of the data required by Article 22(2)(d)(i)-(iii) of the RRF Regulation are decentralized at the level of each competent government which uses its own repository system. The legislative framework has been amended to allow all competent bodies at all levels of government to access directly the data recorded in the Belgian Ultimate Beneficial Owner register (hereinafter the “the UBO Register”), as follows:

- The Law of 8 February 2023 amending the Law of 18 September 2017 on the prevention of money laundering and terrorist financing and on the limitation of the use of cash<sup>2</sup>,
- The Royal Decree of 8 February 2023 amending the Royal Decree of 30 July 2018 on operating arrangements for the UBO Registry<sup>3</sup>,

As indicated in the summary note and illustrated during the assessment period by both the generated extracts from the system as well as the virtual walkthrough, all federated entities have obtained access to the UBO Register and can download the fiches comprising the names, last names and dates of birth of the beneficial owners of companies subject to the registration in accordance with the national legislation.

A set of minimum requirements of the procedures adopted for future calls for tenders or calls for projects have been agreed at the level of Belgium and have been included in the procedures in place at the level of each federated entity as explained below for each system, which have been disseminated to the implementing bodies and for which the initial stages of implementation have been provided.

- **The repository system of the Federal level**

The system in place at the Federal level for the collection and storage of data requested by Article 22(2)(d)(i) to (iii) of the RRF Regulation is implemented in accordance with the procedure adopted in July 2023. The file with this data is accessible to the PMOs via SharePoint. The data is consolidated monthly by the Central Monitoring and Reporting Unit. For the collection of data on beneficial owners, the procedure, applied as of 10 July 2023, states that for Belgian companies, the data is extracted from the UBO register by the PMOs. Final recipients under a call for projects and contractors must provide a declaration that their registration in the UBO register is in order. For EU companies, the extract from the EU UBO register must be provided by the final recipients and/or contractors. A specific clause must be added to calls for tender. For non-European companies, an authenticated and certified document must be submitted with the tender.

The procedure also requires that the data relating to beneficial owners is included in the file submitted to the Inspectorate of Finance for its verification. All documents related to the information on the beneficial owners are stored on the SPF BOSA SharePoint.

The Federal audit body concluded in September 2023 that the conditions for M209 had not been met for it to be considered achieved should the completion of the data collected be a pre-requisite for the fulfillment. The audit body concluded that the tool and processes are in place to allow the collection of data required by Article 22(2)(d), but that it needed to be completed.

To verify whether the system is capable of performing the functions as required by the milestone,

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<sup>2</sup> Published in the Official Gazette on 17 February 2023. Article 75(2)3° of the amended law stipulates that the information contained in the UBO register shall be accessible in accordance with this Law and other legal provisions and in accordance with the rules governing access to “authorities emanating from the federal authority or the Communities and the Regions responsible for seeking or controlling beneficial owners, as defined in the European Regulations, Article 4 (27) of this Law or other legal provisions, in order to fulfil their obligations under those Regulations and legal provisions, in a timely manner and without any restriction”.

<sup>3</sup> Published in the Official Gazette on 17 February 2023, number 2023040495. Article 2 has been amended to introduce the definition of “other authorities” and Article 6(b) extends access to the UBO register to “other authorities” as defined in Article 2, 17°/2 as “authorities emanating from the federal authority or from the Communities and the Regions responsible for searching for or controlling beneficial owners, as defined in the Regulations in Article 4 (27) of the Law of 18 September 2017 or in other legal provisions, in order to fulfil their obligations under these Regulations and other legal provisions”.

notably concerning the collection and storage of data as required under Article 22(2)(d)(i) to (iii) of the RRF Regulation, the Commission requested information on a sample of 30 entities from the .xml file lastly updated at the moment of the submission of the payment request and organised an on-the-spot visit on 18 October 2023 followed by a desk review of supporting evidence. The control carried out by the Commission confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and beneficial owners. However, the Federal level was not able to provide complete information on beneficial owners of foreign companies.

- **The repository system of Flanders**

The RRF tool is the system in which the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation is collected and stored. As per the procedure in place, updated on 23 February 2024, for each RRF project, the policy areas collect the business registry and social security numbers of final recipients, contractors and subcontractors in a template and upload these unique keys into the RRF tool as instructed by the coordinating body. The UBO data for Belgian companies are collected at the time the contract data is inputted in the RRF tool which extracts, based on the business registry number, the UBO data overnight through the interconnection with the Belgian UBO Register, via an Application Programming Interface (hereinafter API) in place since July 2023. To complete the ultimate beneficiary owners of the local governments as contracting authorities, the RRF tool was enriched with data from the mandate database, managed by the Agency of Home Affairs. The UBO data for foreign companies are collected before the contract is signed, initially from the UBO register of other Member States or from another official source for non-EU countries, based on an extract no older than two months.

The Flemish audit body has performed an audit concluding in September 2023 that *“the system contains the necessary procedures and functionalities to collect, store and ensure access to the data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.”* The report confirmed that *“the data in the system are complete, given that the system replaced operates on the basis of automatic interface with the UBO Register and links to official databases and loaded the data.”* Regarding data for foreign companies, the report stated that it *“can be further supplemented”*.

To verify whether the system is capable of performing the functions as required by the milestone, notably concerning the collection and storage of data as required under Article 22(2)(d)(i) to (iii) of the RRF Regulation, the Commission requested information on a sample of 30 entities from the manual extraction from the RRF tool lastly updated at the moment of the submission of the payment request and organised an on-the-spot visit on 16 October 2023, followed by a desk review. The control carried out by the Commission confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and on beneficial owners, but gaps in the collection have been identified. Furthermore, the Flemish government was not able to provide complete information on beneficial owners of foreign companies.

- **The repository system of the Walloon region**

The system used for the collection and storage of data is Calista, an application used in the past for other EU funds as well. The procedure in place, as modified on 26 February 2024, stipulates that since November 2023, Calista is interconnected with the UBO Register via an API allowing for the automatic extraction of data on beneficial owners of Belgian companies both in the cases of calls for projects and calls for tenders. The UBOs of foreign companies are introduced in Calista by the (final) recipients of funds based on authentic documents from the competent authorities in the countries of origin, in the absence of which no expense from the RRF could be allocated to those companies. The data collected is also stored in an Excel file. Prior to November 2023, the data on beneficial owners of the (final) recipients of funds and/or of the contractor was encoded in Calista by the recipients.

The audit body for the Walloon region considered in July 2023 that the system is effectively collecting and storing data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.

To verify whether the system is capable of performing the functions as required by the milestone, notably concerning the collection and storage of data as required under Article 22(2)(d)(i) to (iii) of the RRF Regulation, the Commission requested information on a sample of 30 entities from the Excel file and organised an online check of the system on 18 October 2023, followed by a desk review of supporting evidence. The control carried out by the Commission confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and on beneficial owners. However, the Walloon region was not able to provide complete information on beneficial owners of foreign companies.

- **The repository system of the Brussels-Capital region**

The IT tool used by the Brussels-Capital Region is Euroges and the entity in charge of collecting the UBO data is the coordinating body of this region, Brussels International, which has access to the UBO registry and interrogates the system after the project owners provide the names and the identifiers of the final recipients and contractors. Once the UBO registry is interrogated, the data is inserted and centralised in an Excel file. For foreign companies, the data was obtained by the project owners from the companies directly.

The audit report issued by the audit body of the Brussels-Capital region in July 2023 did not clearly mention that the complete data on beneficial owners has been collected and stored in the system. It was also not certain whether the data on subcontractors has been collected. Furthermore, the audit body explained that the extracts from the UBO Register containing the dates of birth are not uploaded into the system. The dates of birth are only collected and stored in an Excel file, while the supporting evidence is accessible at any time in the UBO Registry.

To verify whether the system is capable of performing the functions as required by the milestone, notably concerning the collection and storage of data as required under Article 22(2)(d)(i) to (iii) of the RRF Regulation, the Commission requested information on a sample of 30 entities from the Excel file lastly updated at the moment of the submission of the payment request and organised an online check of the system on 19 October 2023 followed by a desk review of supporting evidence. The control carried out by the Commission confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and beneficial owners, for both national and foreign companies.

- **The repository system of the Federation Wallonia Brussels (French speaking community)**

In accordance with the procedure updated on 7 February 2024, the project owners are responsible for the collection of data of final recipients, contractors and subcontractors, as well as of the UBO data for the final recipients and contractors. For each company, the project owners access the UBO Register and download the extracts containing the name, last name and dates of birth of beneficial owners, which thereafter are stored in the RRF-GED and encoded in an Excel file. With regard to the UBO data for foreign companies, extracts from the registries in countries of origin are requested and stored in the RRF-GED and in the Excel file.

In July 2023, the audit body for Federation Wallonia Brussels considered that the system is effectively collecting and storing data required by Article 22(2)(d)(i) to (iii) of the RRF Regulation.

To verify whether the system is capable of performing the functions as required by the milestone, notably concerning the collection and storage of data as required under Article 22(2)(d)(i) to (iii) of the RRF Regulation, the Commission requested information on a sample of 30 entities from the Excel file and organised an online check of the system on 16 and 19 October 2023, followed by a desk review of supporting evidence. The control carried out by the Commission confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and beneficial owners. However, the Federation Wallonia-Brussels was not able to provide complete information on beneficial owners of foreign companies.

- **The repository system of the German-speaking community**

The RRF Manual, as updated on 31 December 2023, states that the data is collected and stored in an Excel file immediately upon receipt. The project promoters have access to the UBO Register, from which they download the extracts containing the names, last names and date of birth of the beneficial owners of Belgian companies. Where the final recipient or contractor is a legal entity not registered in the Belgian UBO register, the project promoters shall undertake that the UBO extract from the relevant national register is submitted with their application or tender. If the organisation is not registered in the UBO register because it is not obliged under national law to do so, it must submit a final document making it possible to identify the beneficial owners, their names, last names and dates of birth. The receipt of the information is a basic condition for the signature of the contract or the award of the grant.

The audit report issued by the audit body of the German-speaking community concluded that the milestone has been achieved and that the audit body could assure that the data required by Article 22(2)(d) of the RRF Regulation is collected. However, this audit has taken place in December 2022, and it has not been followed by additional verifications.

To verify whether the system is capable of performing the functions as required by the milestone, notably concerning the collection and storage of data as required under Article 22(2)(d)(i) to (iii) of the RRF Regulation, the Commission requested information on the 8 contracts (at the moment of the checks German-speaking community confirmed that only these contracts had been concluded). The control carried out by the Commission confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and on beneficial owners for both national and foreign companies.

Despite the fact that the collection and storage of the data required by Article 22(2)(d)(i)-(iii) of the RRF Regulation are decentralized at the level of each competent government which uses its own repository system, for the purpose of this milestone the conclusion is drawn for Belgium as a whole. In this respect, following the control carried out by the Commission, it can be confirmed that the system is able to collect and store data on final recipients, contractors, subcontractors and on beneficial owners. Transversal residual issues have been noticed with regard to data collection for foreign companies for some of the systems within Belgium. Gaps in the collection of data related to Article 22(2)(d)(i)-(iii) for national companies have been concluded in the sample drawn for the Flemish government.

In order to ensure continuous compliance with the milestone and its obligations under the Financing Agreement, as attested through the summary document justifying how the milestone was satisfactorily fulfilled, Belgium has committed to ensure the completeness of the data collected and stored in the repository systems on both national and foreign companies for already concluded contracts as required by Article 22(2)d(i) to 22(2)d(iii) of the RRF Regulation.

Belgium has committed to ensure completeness of the data collected and stored in the repository systems on both national and foreign companies for already concluded contracts as required by Article 22(2)d(i) to 22(2)(d)(iii) of the RRF Regulation and to inform the European Commission thereof within six months of the adoption by the Commission of the Preliminary Assessment of the first payment request.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 210	<b>Related Measure:</b> R-1 Monitoring and implementation of the plan
<b>Name of the Milestone:</b> Protection of EU financial interest	
<b>Qualitative Indicator:</b> Implementation of arrangements	<b>Time:</b> Before the 1 <sup>st</sup> payment request
<b>Context:</b> The measure aims at the monitoring and implementation of the Belgian Recovery and Resilience	

Plan and covers the two audit and control milestones part of the first payment request.

To protect the financial interests of the Union, milestone 210 requires the development and implementation of adequate coordination arrangements proposed by the Member State, which should include cross-checks to avoid double funding from the Facility and other Union programmes.

Milestone 210 is one of the two audit and control milestones from the initial Recovery and Resilience Plan (July 2021) under this reform. It is complemented by milestone 209, which relates to the establishment and operation of a repository system dedicated to the Recovery and Resilience Plan.

In the context of the revision of the Recovery and Resilience Plan, in accordance with Council Implementing Decision of 11 December 2023 amending the Council Implementing Decision of 13 July 2021 on the approval of the assessment of the Recovery and Resilience Plan, two additional audit and control milestones have been added to this reform (milestones 250 and 251) which will be assessed at the moment of the second payment request.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary note on the arrangements put in place at the inter-federal level and at the entity level to avoid double funding from the Facility and other Union programmes at the level of Belgium, dated 26 September 2023, updated on 7 and 21 February 2024, on 29 May 2024 and on 14 June 2024
- ii. Annex 1 – Vade-mecum on RRP management and control procedures at federal level, dated September 2023
- iii. Annex 2 – Vade-mecum on RRP management and control procedures at inter-federal levels, dated February 2022
- iv. Annex 3 – Double funding risk analysis score – the vertical and horizontal approaches to avoid double funding, dated June 2023
- v. Annex 4 – Reporting on the sources of funding of projects implemented by the Federal, dated April 2023
- vi. Annex 5 – BE RRP Report on double funding (horizontal approach), dated 1 July 2023
- vii. Annex 6 – Law on the first amendment of the general expenditure budget for the financial year 2022, inclusion of expenses incurred for the Recovery and Resilience Plan projects General Expenditure Budget
- viii. Annex 7 – Federal – Example of Internal Control Certification per Project on the Implementation of Measures to Prevent Double Funding, dated 14 January 2022
- ix. Annex 8 – Federal – Model of the protocol concluded with the State on the rights and obligations of recipients other than general government departments, Article 5(3) on the prevention of double funding
- x. Annex 9a – Slides from the first briefing for Project Management Offices (PMOs) on the prevention, detection and sanctioning of fraud in the context of the RRF, dated 15 June 2022
- xi. Annex 9b – Slides from the second briefing for PMOs on the prevention, detection and sanctioning of corruption and conflicts of interest in the context of the Recovery and Resilience Facility (RRF), dated 15 June 2022
- xii. Annex 10 – Self-assessment grid for double-funding risks by federal project, dated June 2023
- xiii. Annex 11 – Draft audit report of milestone 210 from the audit body of the Brussels Capital Region, dated 5 July 2023
- xiv. Annex 12 – Audit report of milestone 210 from the audit body of Flanders, dated 15 September 2023

- xv. Annex 13 – Audit report of milestone 210 from the audit body of Wallonia, dated 3 June 2022
- xvi. Annex 14 – Audit report of milestone 210 from the audit body of the Federation Wallonia Brussels, dated 17 May 2022
- xvii. Annex 15 – Audit report of milestone 210 from the audit body of the German-speaking community, dated 14 June 2022
- xviii. Annex 16 – Draft audit report milestone 210 for the Federal level, dated 16 December 2022
- xix. Annex 17 – Ministerial instruction to government departments on the requirements for the commitment dossiers to be verified by the Financial Inspectorate.
- xx. Annex 18 – Protocol on the protection of the Union's financial interests concluded by the FPS Mobility, including the mechanism to avoid double funding of the I-310 project
- xxi. Annex 19 – Protocol on the protection of the Union's financial interests concluded by the Beleric, including the mechanism to avoid double funding of the I-410 project
- xxii. Annex 20 – Ministerial instruction to government commissioners on the requirements for the commitment dossiers to be verified by the Financial Inspectorate, dated 20 July 2023
- xxiii. Annex 21 – Note to the Consultative Committee on coordinating provisions to avoid double funding and reporting on the top 100 final recipients, dated 12 July 2023
- xxiv. Annex 22 – Final audit report of milestone 210 from the audit body of the Federal level, dated 20 September 2023
- xxv. Annex 23 – Final audit Report of milestone 210 from the audit body of the Brussels Capital Region, dated 20 September 2023
- xxvi. Annex 24 – Note of the Inter-ministerial Conference Strategic Recovery and Investment setting out, inter alia, the measures to take to remedy the shortcomings identified by the Commission in relation to milestone 210, dated 20 December 2023
- xxvii. Annex 25 – Note for Wallonia on the basic principles to be respected to protect the financial interests of the Union when selecting projects in response to a call for proposals
- xxviii. Annex 26 – Note from the Inspector-General of Finance to the federal Inspectors of Finance regarding additional ex-ante controls to verify the absence of double funding related to the Recovery and Resilience Facility dossiers, dated 3 July 2023
- xxix. Annex 27 – Risk analysis by the Federal on the double funding of the Facility with Asylum Migration and Integration Fund, Internal Security Fund and the Border Management and Visa Instrument
- xxx. Annex 28 – Risk analysis by the European Social Fund (ESF) Agency on the double funding of the Facility with the Asylum Migration and Integration Fund
- xxxi. Annex 29 – Preliminary analysis of the Arachne file showing final recipients of the Recovery and Resilience Facility funding who appear more than once in the Arachne database for Belgium and in multiple Belgian entities, dated 1 February 2024
- xxxii. Annex 30 – Note of the Inter-ministerial Conference on Strategic Recovery and Investment, including the additional commitment linked to milestone 210 and the modified inter-federal coordination provisions to avoid double funding at Belgian level, dated 28 May 2024
- xxxiii. Annex 31 – Instructions for the implementation of double funding control at Flemish level and in cooperation with federal coordination, dated 29 May 2024
- xxxiv. Annex 32 – Note to the Flemish Government presenting an adjustment of the management structure for monitoring the European funds allocated to Flanders under the Recovery and Resilience Facility

The authorities also provided:

- i. Double funding mechanisms for FWB projects
- ii. Evidence of the inter-federal distribution of the report on double funding with the inter-federal coordinators, for cross-checks, by sharing a screenshot of the SharePoint folder where the Arachne excel file from 1 February 2024 is saved and made available by the permanent secretariat of the inter-federal monitoring committee to all entities, dated 25

February 2024

- iii. Double funding risk analysis report (horizontal approach), Annexe\_2\_CPAS\_CHARLEROI\_Rapport double financement\_I-4.12\_I-4.08\_FINAL, 6 December 2023
- iv. Double funding risk analysis reports (vertical approach), CPAS Morlanwelz - Rap double fin\_I-4.13 - I-4.08 Wal\_FED\_Digilab\_FINAL\_avec FSE et FSE+\_revlhy, OCMW Sint-Niklaas - Verslag dubbele financiering - Rapport double financement\_VL\_FED\_15-03-2024 and Centexbel\_rapport double financement\_2024-03-19
- v. Reply of Belgium to the third observations letter of 6 December 2023
- vi. Minutes and Notification of the Inter-ministerial Conference on Strategic Recovery and Investment of 31 May 2024, including, inter alia, the approval of the commitment related to milestone 210 and of the modified inter-federal coordination provisions to avoid double funding at Belgian level, dated 3 June 2024
- vii. Minutes and Notification of the Inter-ministerial Conference on Strategic Recovery and Investment, including the approval of the erratum to the file approved by the Inter-ministerial Conference of 31 May 2024, dated 14 June 2024

**Analysis:**

The justification and substantiating evidence provided by Belgium covers all constitutive elements of the milestone.

**The Implementation of adequate coordination arrangements, including cross-checks, shall be put in place at the level of the coordinating body at inter-federal level allowing to avoid double funding from the Facility and other Union programmes, in accordance with the principle of sound financial management.**

The Commission has received from Belgium a summary note and annexes 1-32 described above (see section on evidence provided) as evidence of the adequate coordination arrangements proposed to effectively reduce the risk of double funding.

With regard to the design and implementation of adequate coordination arrangements, an inter-federal agreement was adopted following a meeting of the Consultative Committee on 18 July 2023. This agreement was amended following the inter-ministerial conferences of 20 December 2023 and of 31 May 2024, as evidenced by the minutes of the inter-ministerial conference (see evidence point vi). Under this agreement, Belgium will implement the provisions of the inter-federal coordination arrangements to avoid double funding under the Recovery and Resilience Facility. They are listed under heading B.1.2.4 of the summary note (pages 10 – 12).

- **The first component of the arrangements requires that each entity (Federal government, Flanders, Wallonia Region, Brussels-Capital Region, Wallonia-Brussels Federation and the German-speaking Community) is responsible for implementing measures to detect and prevent double funding of Recovery and Resilience Plan measures under its competence, in accordance with Article 3 of the Cooperation Agreement of 19 December 2022.**

The summary note under heading B.1 (pages 7 - 15) explains the inter-federal arrangements in place, which include double funding controls based on three complementary approaches (horizontal, vertical and diagonal), the use of the ARACHNE data mining tool and the role of the Inter-federal Monitoring Committee in coordinating double funding controls at national level. In section B.2 (pages 16 - 42) the summary note describes the measures taken at both federal and inter-federal levels (Communities and Regions) to prevent, detect and correct double funding.

- **In the second component of the arrangements, the Inter-federal Monitoring Committee, made up of representatives of all the bodies responsible for reporting and administrative monitoring of the projects, is required to hold regular meetings to present guidelines and exchange views, in accordance with the decision of the Consultative Committee of 28 April**

## 2021.

Three of these meetings were held in 2021, six in 2022, seventeen in 2023 and four in the first two months of 2024, according to the summary note under heading B.1.1.2. (page 7). The slides of the briefing of 15 June 2022 (Annexes 9a - 9b) present the topics covered during an information and awareness-raising session with the same audience on the protection of the Union's financial interests.

- **The third component of the arrangements requests the Permanent Secretariat of the Inter-federal Monitoring Committee to report to the Commission, as part of the biannual reporting, data on EU funding sources for all projects, based on cross-checks carried out at each level.**

The summary note under heading B.1.2.3 (page 9) states: "To complete this reporting the federated entities, send the Permanent Secretariat in the framework of the biannual reporting an update of the other European funds used per project", which is evidenced by the bi-annual report of 30 April 2023 prepared by the Federal authorities (Annex 4).

- **Component four of the arrangements requires each entity to use the ARACHNE risk scoring tool to provide and/or update, at least quarterly, information on projects under its responsibility that have been launched and are financed from RRF or from other European funds under shared management, which will be uploaded to ARACHNE.**

Throughout section B.2 (pages 16 - 42) of the summary note, it can be read that the entities use ARACHNE on a monthly or quarterly basis (31/03, 30/06, 30/09, 15/12) to upload the necessary data for the analysis of the risk of double funding of projects under the Recovery and Resilience Plan. The evidence of this effective uploading was confirmed by the load history table included in the reply of Belgium to the third observations letter of 6 December 2023, which covers the period from 31 March 2022 to 4 December 2023. Further uploads to ARACHNE are effective and visible to the Commission services.

- **The fifth component of the arrangements specifies that the Permanent Secretariat will communicate monthly the list of final recipients who have been flagged following the cross-checks into ARACHNE and who are involved in projects financed by the RRF and/or other EU funds under the responsibility of the other entities.**

The procedure described by the Federal under heading B.2.1.1 of the summary note (pages 20-21) and under heading 2.2.3 (page 12) of the Note on the risk analysis of double funding by type of recipient (Annex 3) shows that the entities carry out a risk analysis to detect double funding based on the monthly consolidated list of common final recipients of RRF funds across entities (Annex 5) produced monthly from ARACHNE. This process is evidenced by the Federal in Annex 1bis and the status of the risk analysis on common final recipients at the time of the first payment request is presented in the reply of Belgium to the third observations letter of 6 December 2023 (pages 8-11).

- **According to the sixth component of the arrangements, where the upload of another European fund under shared management is not available in ARACHNE, all entities must provide the Inter-federal Monitoring Committee with data on projects launched, at least quarterly, for central consolidation and distribution.**

The summary note describes under heading B.2.1.2 (page 21) the procedure established by the Federal for the Asylum Migration and Integration Fund, the Internal Security Fund and the Border Management and the Visa Instrument, which cannot be uploaded in Arachne at this stage. Its implementation is evidenced by the risk analysis on the double funding of the Facility with these three funds dated 21 February 2024 (Annex 27).

- **The seventh component of the arrangements indicates that the detection and correction of cases of double funding and the performance of a duly documented risk analysis are the responsibility of the entities concerned.**

This component is implemented by the Procedure described in point 3 of heading B.1.2.6 of the

note (page 15) for cross-checking the different funding stream for final recipients.

Belgium has provided proof of the steps undertaken with regard to the **implementation of cross-checks** under the coordination arrangements.

- Evidence of the implementation of the **horizontal approach** to avoid the risk of double funding within the Facility has been provided to the Commission as mentioned on the note from the Federal to the Inter-ministerial Conference for Recovery and Strategic Investments of 20 December 2023 (Annex 20) and by the double funding risk analysis report *Annexe\_2\_CPAS\_CHARLEROI\_Rapport double financement\_I-4.12\_I-4.08\_FINAL of 6 December 2023* complemented with screenshots and email from the Inter-federal Monitoring Committee showing a list of over 60 double funding risk analysis reports from measures included in the first payment request saved on SharePoint.

In September 2023, all entities did at least one upload of data on recovery and resilience plan projects in ARACHNE and, there is a harmonised and consistent way of working at each level as described under components four and five. Evidence of the uploads has been provided for the load and cross-checks carried out in the last quarter of 2023.

- Evidence of the implementation of the **vertical/diagonal approach** to avoid the risk of double funding with other EU funds has been partially provided. The report of 2 February 2024 (Annex 29), together with the communication from the Permanent Secretariat to the federated entities of the projects with a risk of double-funding on which verifications should be performed and the double funding risk analysis report *CPAS Morlanwelz - Rap double fin\_I-4.13 - I-4.08 Wal\_FED\_Digilab\_FINAL\_avec FSE et FSE+\_revlhy*, OCMW Sint-Niklaas - Verslag dubbele financiering - Rapport double financement\_VL\_FED\_15-03-2024 and *Centexbel\_rapport double financement\_2024-03-19* provided by Belgium as evidence of coordination agreements show how the process described in the summary note under section B.1.2.6 (pages 11-13) is put in place.

In order to ensure continuous compliance with the milestone and its obligations under the Financing Agreement, as attested through the summary document justifying how the milestone was satisfactorily fulfilled, Belgium has committed to make further progress in implementing the inter-federal coordination arrangements as amended at the inter-ministerial conference on 31<sup>st</sup> of May 2024 to avoid double funding by:

- 1) providing evidence of the implementation of the cross-checks carried out at the level of the federated entities to avoid double-funding between RRF and other EU programmes following the April 2024 load into Arachne in accordance with the inter-federal procedure on double-funding.
- 2) finalise implementing the inter-federal coordination arrangements as amended at the inter-ministerial conference on the 31<sup>st</sup> of May 2024 and to inform the European Commission thereof within six months from the adoption by the Commission of the Preliminary Assessment of the first payment request.

**Commission Preliminary Assessment:** Satisfactorily fulfilled