



Flanders
State of the Art

**FLEMISH
REFORM PROGRAMME
2020**

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PREFACE

The present *Flemish Reform Programme 2020 (Vlaams Hervormingsprogramma/VHP)* is the tenth in a row to be drawn up by Flanders and the first to be presented by the current Government of Flanders. In the present Flemish Reform Programme (FRP) Flanders offers a bespoke response to the country-specific recommendations 2019-2020 and the Europe 2020 targets. The present FRP pays extra attention to (digital) skills, lifelong learning and the digital transition, a theme that takes a prominent place in the current European Semester (ES). Taking into account the growing impact of and new developments in the ES, the FRP should, more than ever, ensure that the European Commission (EC) is given an excellent picture of the measures Flanders is taking within the framework of the ES.

It is the explicit ambition of the current Government of Flanders to make sure that Flanders becomes an undisputed reference in the Europe of the twenties. Both economically and societally, Flanders turns its focus to the north and measures itself against societies such as the Netherlands and Scandinavia. As stated in the Flemish Coalition Agreement 2019-2024, the current Government will be committed to excellent education, a strong innovative economy and labour market, a warm and caring Flanders, an inclusive society, a trim public administration with a sound budget, environment, climate, energy and, finally, mobility. The Government of Flanders sets the bar high in all areas of society, which is also reflected in several of the targets it pursues. For example, the present Government of Flanders will do everything in its power to get 120,000 extra people into work and subsequently help Flanders move towards an employment rate of 80%. This Government wants Flanders to rank among the top 5 innovative knowledge regions in Europe, as defined in the EU's Regional Innovation Scoreboard (RIS). This ambition is the key touchstone of our innovation policy. Achieving the 3% standard for joint (government and corporate) R&D investments in Flanders should help further this ambition. Moreover, the present Government of Flanders is more than ever a real government of investment, earmarking an additional sum of €1.65 billion for investments for the current term of office. In addition to these investments, the Government of Flanders strengthens local authorities' financial leeway and room for investment. Over the period 2020-2024, the financial injection will amount to €1.4 billion in total. The COVID-19 pandemic has an enormous impact on Flanders' economy. For this reason, the Government of Flanders has taken a range of measures to slow down the further spread of the coronavirus and to have the impact on the healthcare system level off on the one hand, and to financially support affected citizens and companies on the other. These support measures can be found in Chapter 2.6.

The Government of Flanders is self-aware and will continue to invest fully in an ambitious and coherent international policy. The EC services can, as always, count on Flanders' active involvement in and contribution to the ES. Thanks to Flanders' active input to the ES process, Flemish policy measures and data have over the years featured more largely in (analysis) documents of the EC, including the Country Report. The excellent cooperation with the European Semester Officers (ESOs) is an important lever in this respect. As clearly shows from the present FRP, Flanders is also taking action in response to the EC's Structural Reform Support Programme (SRSP). Notwithstanding the excellent Semester cooperation with the EC, the Government of Flanders keeps urging the EC explicitly to also receive *region-specific recommendations*. This final step should allow the Government of Flanders to provide an even more customised response to these recommendations and analyses and to subsequently increase political and societal support for the ES in Flanders.

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¹ This document is the English translation of the Flemish Reform Programme (FRP) 2020. The official version of the FRP (in Dutch) was adopted by the Government of Flanders on 3 April 2020 and can be consulted at <https://www.flandersineu.be/nl/vlaams-hervormingsprogramma-2020>

EXECUTIVE SUMMARY

The Flemish Reform Programme, abbreviated as FRP (Vlaams hervormingsprogramma/VHP), is the Government of Flanders' response to the challenges arising within the framework of the ES. By drawing up its own reform programme, Flanders assumes the required ownership. The FRP constitutes the basis for Flanders' contribution to the National Reform Programme (NRP) and is also delivered to the European institutions. The FRP 2020 is composed of 5 parts.

PART 1 describes the main macro-economic developments in the Flemish Region. A lot of indicators are green. In 2018, economic growth in Flanders exceeded that in the other Regions and in Belgium. The 2019 growth prospects were better for Flanders, but the outbreak of the corona crisis will undoubtedly have a noticeable impact on 2020 (to be quantified later). With an employment rate (20-64 age group) of 75.5% in 2019, Flanders again records a sharp increase. The unemployment rate (15-and-over age group) was 3.3% in 2019, the lowest level ever. With an investment ratio of 25.9% in 2019, Flanders is in the European top. Flanders' goods exports reached a new record high in 2018, amounting to €328 billion, which is a 3.45% increase compared to 2017.

PART 2 describes the measures taken by Flanders within the framework of the key economic challenges (the four CSRs and investment challenges) and again constitutes the main focus of the FRP.

With regard to **CSR 1 (public finances)**, the Government of Flanders is aiming for a balance from 2021 onwards and is also making efforts to reduce debt. With reforms and a sound fiscal policy, more scope is created for additional investment.

As regards **CSR 2 (labour market and education/training)**, the Government of Flanders wants to further the achievement of an 80% employment rate by getting 120,000 extra people into work. This requires a whole range of activation measures. The Flemish job bonus and measures for the activation of economically inactive people and the reintegration of long-term ill people and newcomers should contribute to this. Customised guidance for vulnerable groups is also focused on, including important measures such as faster screening of jobseekers and a new community service scheme. The Government of Flanders wants to stimulate a learning culture in Flanders by, inter alia, setting up a lifelong learning (LLL) platform. Important new educational reforms are to guarantee the quality and inclusiveness of Flanders' education and training system. The Government of Flanders wants sufficient, strong and motivated teachers, which is why further work is done to reform teacher training, roll out the various collective bargaining agreements (collectieve arbeidsovereenkomst/cao) for teaching staff and organise quality induction guidance for novice teachers. The modernisation of secondary education, the reform of the curriculum with the implementation of new attainment targets, the focus on the Dutch language and the introduction of standardised cross-network tests will also positively influence the quality of education in Flanders. In order to make education in Flanders more inclusive, the existing M-Decree (Decree containing measures for pupils with special educational needs) will be replaced with a new support and guidance decree. Said decree will also devote attention to highly gifted pupils. Guidance for ill children will be optimised so that a quality educational career is guaranteed for them as well. From 1 September 2020 onwards, the start of compulsory education will be lowered by 1 year to 5 years, which will ensure a higher participation in pre-primary education. Finally, a reinforced use of SES resources and instruments will ensure that these resources better reach the pupils for whom they are intended.

As regards **CSR 3 (investments in research and innovation, digitalisation, energy transition and mobility)**, the Government of Flanders continues to earmark additional R&D budgets and adopted

the policy plans 'Artificial Intelligence' and 'Cybersecurity'. The Government of Flanders focuses broadly on the digitalisation of society via the investment programme 'Flanders Radical Digital' (Vlaanderen Radicaal Digitaal), among other things. In order to efficiently address future mobility challenges, an Integrated Investment Programme (Geïntegreerd InvesteringsProgramma/GIP) is being drawn up for 2020, with investments totalling €1.854 billion, spread over the different modes. Apart from the necessary investments in road infrastructure, the Government of Flanders is committed to having motorised traffic growth level off further. Investments in collective transport, a demand-oriented public transport network, cycling infrastructure and inland navigation should contribute to an ambitious *modal shift*. On 9 December 2019, the Government of Flanders gave its final approval to the Flemish Energy and Climate Plan 2021-2030 (Vlaams Energie- en Klimaatplan/VEKP) so that work can continue during this period to improve energy efficiency, increase renewable energy production and reduce greenhouse gas emissions. In order to attract the necessary investments for this purpose, several instruments are put in place, such as energy premiums for RUE investments, cheap or interest-free energy loans for specific target groups, renewable energy certificates, etc. The VEKP also includes investments in research and innovation. In this context particular reference can be made to the Flemish Moonshot 'Flanders CO₂ neutral' (Vlaanderen CO₂ neutraal).

As far as **CSR 4 (entrepreneurship)** is concerned, the Government of Flanders is committed to reducing administrative and regulatory burdens. Flanders Innovation & Entrepreneurship (Agentschap Innoveren en Ondernemen/VLAIO) acts as the central point of contact of the Flemish authorities for entrepreneurs and manages an e-desk to which all government agencies offering services to entrepreneurs are connected.

This year an **investment chapter** is again included in response to the Country Report Belgium 2020 which clearly shows that the Government of Flanders is a government of investment. This investment ambition is translated in the Coalition Agreement and amounts to an additional €1.65 billion in the period 2019-2024.

The present FRP contains a chapter which was included as a result of **the corona crisis**. In March, the National Security Council (Nationale Veiligheidsraad) took a number of measures necessary to contain the spread of the coronavirus. The economic impact is huge, which is why the Government of Flanders has taken several important measures to slow down the further spread of the coronavirus and to have the impact on the healthcare system level off on the one hand, and to financially support affected citizens and companies on the other. Both the measures already taken by the Government of Flanders and the measures it is still looking into are explained in this chapter.

PART 3 looks at the state of play of Flanders' Europe 2020 targets and Flanders' governance in relation to the Sustainable Development Goals (SDGs).

Employment rate. Employment continued to rise rapidly in recent years and in 2019 the employment rate climbed to 75.5%, the highest rate ever. The European 2020 target was achieved, and Flanders is getting very close to its Europe 2020 target of 76%.

Education. The share of early school leavers in Flanders ended at 6.2% in 2019, which means Flanders is well below the EU target of 10%. As for the share of 30 to 34-year-olds with a higher education (HE) diploma, Flanders scored 48.5% in 2019. This means that both the European target of 40% and Flanders' target of 47.8% have been achieved.

Research and development (R&D). Flanders continues to invest additional resources in R&D, which translates into a continuous increase in R&D intensity to 2.89% in 2017. This is yet another record and brings the Flanders' Europe 2020 target of 3% within reach.

As far as the Europe 2020 targets for **climate and energy** are concerned, Flanders is still faced with great challenges. Within Belgium, the national **greenhouse gas emission reduction target** is divided between the federal government and the three Regions. The Flemish Region must save 15.7% by 2020 compared to 2005 and thus receives an emission allocation of 352 Mt (in CO₂ eq) for the period 2013-2020. Cumulated over the period 2013-2018, 265 Mt of the emission allocation was used, which is within the emission allocation provided for the period 2013-2018. The total share of **renewable energy** in gross final energy consumption more than doubled between 2008 and 2018 to reach a share of 6.9% in 2018 or a production of 19,590 GWh. In implementation of the 2012 Energy Efficiency Directive, Belgium set an indicative **energy efficiency target** for 2020 in June 2013. The federal government and the Regions jointly committed, without sharing the burden, to save 18% of primary energy by 2020 compared to the BAU scenario. Under Article 7 of the Energy Efficiency Directive Flanders must achieve a cumulative saving of 47.75 TWh by 2020. On the basis of the figures validated up to 2017 and the forecasts for the period 2018-2020, it can currently be assumed that 96% of the target will be achieved.

People in **poverty or social exclusion** represent 12.9% in Flanders, which makes it rank second among the EU's top performers. By 1 October 2020 at the latest, the Government of Flanders will adopt the Flemish Poverty Reduction Action Plan 2020-2024 (Vlaams Actieplan Armoedebestrijding). In the course of 2020, the Flemish Ministers will set to work to fine-tune the objectives and actions for the current term of office. The main spearheads include a better (automatic) granting of rights, good and easily accessible services and comprehensive guidance for families (family coach). The Growth Package (Groeipakket) is an important instrument in the fight against child poverty.

The fact that Flanders continues to perform excellently on the social level in EU context also shows from the good results on the relevant indicators in the **Flemish Social Scoreboard**.

With regard to the **Sustainable Development Goals (SDGs)**, Flanders has established a strong governance framework. On 5 April 2019, the Government of Flanders adopted Focus 2030 (Vizier 2030), which translates the Sustainable Development Goals to the context of Flanders.

PART 4 discusses the use of the structural funds ERDF and ESF.

In implementation of **ERDF Flanders**, 92% (€163 million) of Flanders' available ERDF budget has been committed to 224 projects. Support for innovation and research, low-carbon economy and sustainable urban development is very much concentrated on investment in, inter alia, infrastructure, whereas for entrepreneurship more attention is paid to operational activities.

In 2019, **ESF projects** reached approximately 87,000 participants. Just under 60,000 participants took part in projects for guidance and training of job seekers in cooperation with the Flemish Service for Employment and Vocational Training (Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding/VDAB), in work experience pathways for young people (Werkinleving voor Jongeren/WIJ) or in one of the 80 projects for the guidance of vulnerable groups. In 2019, ESF training projects enabled more than 25,000 employees to strengthen their skills, with a focus on digital, transversal and basic skills. The ESF programme is also one of major stimulators of workable work in Flanders. In 2019, 13 new calls were realised and a total of 249 projects were approved. In 2020, ESF continues to focus fully on outreach activities towards economically inactive people, activation, social inclusion, lifelong learning and workable work.

Preparations for **Flanders' future ERDF and ESF programmes 2021-2027** have been ongoing for quite some time now.

PART 5 describes the measures for strengthening public support for the ES in Flanders. A lot of good practices were supplied by the (supra) local authorities and stakeholders in response to the CSRs. The FRP was further enriched with contributions from the Flemish Parliament and the Flemish social partners (via the Flemish Economic and Social Consultative Committee (Vlaams Economisch Sociaal Overlegcomité/VESOC)). This should illustrate that the successful realisation of the ES is the responsibility of all levels of government and stakeholders.

PART 1. MACRO-ECONOMIC DEVELOPMENTS IN THE FLEMISH REGION

The Flemish Region represents 57.6% of the Belgian **population** and 59.2% of the Belgian **gross domestic product** (GDP) (2019 data), which makes it the most important Region in Belgium. Flanders' GDP per capita is estimated at €37,600 purchasing power standard (PPS) in 2019 (source: Statistics Flanders, HERMREG 2019). This is 18% higher than the EU-28 average and 10% higher than that of the 15 EU countries prior to the 2004 enlargement. If we make corrections for commuting movements between Flanders and the Brussels-Capital Region (BCR), Flanders' GDP per capita is estimated at 40,100 PPS in 2019. This is 26% and 18% higher than the EU-28 and EU-15 averages.

Summary table: macroeconomic figures

	Flemish Region	BCR	Walloon Region	Belgium	Source
Economic growth (2018)	1.7%	1.0%	1.3%	1.5%	NBB (02/2020)
Expected economic growth (2019)	1.5%	0.8%	1.2%	1.3%	FPB (07/2019) ²
Expected economic growth (2020)	1.5%	0.9%	1.2%	1.3%	FPB (07/2019)
Expected economic growth (2020)	No revised growth projections for the Regions			0.4%	FPB (03/2020)
GDP (2018)	269,886.2	83,986.5	105,694.6	459,819.8	NBB (02/2020)
Employment rate 20-64 age group (2019)	75.5%	61.7%	64.6%	70.5%	Belstat
Unemployment rate 15-and-over age group (2019)	3.3%	14.4%	7.7%	5.7%	Belstat

Three factors determine the **GDP per capita**. (source: Statistics Flanders on the basis of HERMREG and Eurostat). **Labour productivity is the most important factor for Flanders**. In 2019, Flanders' labour productivity was €87,400 PPS, which is 28% and 21% higher than the EU-28 and EU-15 averages. Compared to 2000, Flanders' lead in terms of labour productivity decreased compared to the EU-28 (in 2000: +35%) and hardly changed compared to the EU-15 (in 2000: +19%).

In 2019, the **working age population** represented 63.4% in Flanders, which was below the EU-18 and EU-15 averages (64.4% and 64.2%).

Economic growth. In 2018, economic growth in Flanders was at 1.7%, which is higher than in the other Regions (BCR: 1.0% and Wallonia 1.3%) and Belgium (1.5%) (source: NBB³). According to the medium-term model HERMREG of July 2019, the **real-terms growth** of Flanders' economy was 1.5% in 2019 and will be 1.5% in 2020 as well. Recent forecasts of the Federal Planning Bureau (Federaal Planbureau/FPB) estimated Belgium's real-terms growth for 2019 and 2020 at +1.4% and 0.4%⁴. The FPB states that, just like in 2019, international trade conflicts would push down global economic growth this year. For Belgium, this translates into a weakened export growth. For 2020, the coronavirus outbreak will have a noticeable impact on initial growth rates. According to the state of play of the measures taken on 11 March 2020, Belgium's economic growth would be 1 percentage point lower than initially estimated. The FPB mentions that there are significant downside risks in the short term. The Government of Flanders has followed the measures proposed by the scientists to contain the coronavirus. The spread of the virus in our country will be continuously monitored and, if necessary, adapted measures will be taken (see also 2.6.).

² https://www.plan.be/uploaded/documents/201907121050420.For_HermReg_2019_11942_N.pdf

³ <https://www.nbb.be/doc/dq/e/dq3/histo/necr1718.pdf>

⁴ https://www.plan.be/uploaded/documents/202003200852480.FOR_MIDTERM_2020_2025_NL

In 2018, **employment grew strongly**. According to the Institute of National Accounts (Instituut voor de Nationale Rekeningen/INR), total employment increased by 1.7% in the Flemish Region in 2018, compared to +1.1% in the Walloon Region and +0.6% in the BCR. The total increase in Belgium by 65,700 persons could be attributed for 72.1% to the Flemish Region, for 20.9% to the Walloon Region and for 6.6% to the BCR⁵. Employment growth reached +1.4% in the EU-28 in 2018 (source: Eurostat, analogous definition as INR). Employment in Belgium is expected to rise by 53,000 persons this year⁶. The HERMREG model estimates an increase by 38,000 persons or +1.4% in employment in Flanders. This is better than in Belgium as a whole (+1.1% in 2019). Business services have traditionally been a strong driver of employment growth (2019: +2.4%). In industry there would be a status quo (+0%).

The last time employment grew so strongly was in 2008 (+1.9% at the time). Over the past years, job creation was fostered by wage restraint and by the reduction in employers' social security contributions. Moreover, labour supply is growing because of the career extension, the activation and guidance of jobseekers and, finally, the part of the tax shift that supports purchasing power. The reforms are thus bearing fruit. The slightly weaker employment growth expected for 2019 is due to the somewhat slower economic growth and the dynamics of real wage costs.

The **employment rate (20-64 age group)** (share of employed people living in Flanders compared to the population aged 20 to 64) amounted to 75.5%⁷ (source: Statbel - LFS) in the Flemish Region in 2019. This is above the European average of 73.1% in 2018, which makes Flanders the best performing Region. Both the Walloon Region and the BCR perform less well with 64.6% and 61.7%. A striking increase was recorded in the employment rate of the 55-64 age group from 34.3% in 2008 to 54.9% in 2019. The employment rates of non-EU-born people and low-skilled people rose as well. The **unemployment rate** (15-64 age group) in Flanders reached 3.3% in 2019 (source: Statbel - LFS), the lowest level ever. The unemployment rate is significantly higher in the EU-28 (7.8% in 2018). In 2019, the unemployment rate is clearly higher in the Walloon Region and the BCR (7.7% and 14.4%).

Just as GDP is a measure of wealth produced, **disposable income** is a measure of wealth earned. According to recent HERMREG forecasts (July 2019), the real disposable income is said to have grown by 1.2% in 2018. In 2019, the growth of this indicator would pick up to +2.4%. According to the FPB this is mainly due to the final phase of the tax shift and the increase in gross wages.

The **investment ratio** (investments including residential buildings as % of GDP) in the Flemish Region was estimated at 25.9% in 2019 (HERMREG 2019). This indicator remains more or less stable. The Flemish Region ranks among the top EU countries. Only Hungary (28%) and the Czech Republic (26%) are doing equally well or better.

Flanders is an **innovation-driven economy**. This requires a well-educated working population. A positive element is that 48.5% of the population aged 30 to 34 in Flanders had a higher education diploma in 2019. Innovative applications must be produced as a next step. In 2018, 8.8% of the working population in the Flemish Region was employed in high-tech sectors (source: processing by Statistics Flanders on the basis of Eurostat). This is higher than in Belgium as a whole (7.1%) or the EU-28 (7.8%). R&D expenditure in the Flemish Region represented 2.9% of GDP in 2017, which means it has been going up in recent years (source: Eurostat). Companies accounted for 70% of total R&D expenditure in 2017. Their share increased over the years to 66% in 2009. Belgium has

⁵ <https://www.nbb.be/doc/dq/e/dq3/histo/necr1718.pdf>

⁶ <https://www.plan.be/press/communique-1964-nl-de+belgische+economie+zou+met+1+4+groeien+in+2020>

⁷ As a result of a change in the measurement method from 2017 onwards, caution is required when benchmarking with previous years.

a slightly lower R&D intensity of 2.7%. The EU-28 average is 2.0%, which is even lower. Patents constitute the final step in the innovation process. In 2015, 253 patents per million inhabitants were applied for in the Flemish Region. Patent intensity is lower in Belgium and the EU-28, but higher in the neighbouring countries Germany and the Netherlands.

Flanders' goods exports⁸ reached a **new record high** of €328 billion in 2018. This is a 3.5% increase compared to 2017. Over the first 10 months of 2019, Flanders' goods exports fell by 0.8% compared to the same months of 2018. The year 2018 was therefore a peak year. In 2019, uncertainty arose following trade conflicts (China - US). The FPB also mentions stronger wage growth and the euro appreciation as hampering factors⁹. Within Belgium, the Flemish Region accounts for 83% of Belgium's total exports in 2018. The Walloon Region represents 14% and the BCR 2%.

When considering **Flanders' exports geographically**, it can be concluded that the lion's share (71.1%) of its exports in 2018 was destined for countries within the EU-28, with neighbouring countries Germany, the Netherlands, France, the United Kingdom and Luxembourg in the lead. This clearly illustrates the importance of the single market. During the first 10 months of 2019, Flanders' exports to the Netherlands and the UK (both -1.9%) and to Germany (-0.8%) dropped slightly. Exports to France went up by 0.8%.

When considering **Flanders' exports by sector**, it can be concluded that in 2018 the chemical and pharmaceutical industries again headed the export leaders in Flanders: with €75.3 billion in international sales, they together represent 22.9% of total exports. The chemical and pharmaceutical industries are followed closely by the transport equipment sector which represents a 12.6% share of Flanders' total annual exports. The fastest growing industry is that of mineral products, with an increase of €5.2 billion or +18.1% in 2018.

Flanders' goods imports rose by 5.6% in 2018. Over the first 10 months of 2019, a 1.3% decrease was recorded. Among our neighbouring countries, imports from the Netherlands fell back by -2.4%. There was an increase in imports from Germany and France (+1.5% and +0.9%). What is also striking is the strong growth in imports from the US over the first 10 months of 2019 (+11.0%), making it the third most important importing country (preceding France).

⁸ Analysis of 2018 export figures based on an analysis by Flanders Investment & Trade (FIT) of the NBB's import and export figures for 2018.

⁹ https://www.plan.be/uploaded/documents/201910090934050.FOR_SHORTTERM1920_11988_N.pdf

PART 2. MEASURES WITHIN THE FRAMEWORK OF MAJOR ECONOMIC CHALLENGES

2.0. THE COUNTRY REPORT BELGIUM 2020

On 9 July 2019, the Council made four country-specific recommendations (CSRs)¹⁰ to Belgium. These pertain to (1) budgetary objectives, (2) labour market and education, (3) investment and (4) entrepreneurship and competition.

Flanders again participated actively in the Fact Finding Mission (FFM) which took place on 25 October 2019 between the EC services and Belgium. It also held two presentations itself on education and investment, which was a first. Flanders again used the opportunity to formulate remarks on the draft Country Report Belgium (27 January 2020) and found that the final Country Report Belgium 2020 (26 February 2020) took many of Flanders' amendments into consideration. The Government of Flanders is particularly pleased to find that, compared to previous Country Reports, the **Country Report Belgium 2020**¹¹ refers to even more measures and statistics of Flanders and that regional differences are increasingly highlighted. This increased visibility of Flanders in the Country Report Belgium shows that the close monitoring of the European Semester by the Flemish authorities is bearing fruit. The Government of Flanders does not agree with the fact that the EC services did not consider Flanders' proposal to select additional regions for support from the Just Transition Fund (JTF). The Government of Flanders advocates a consistent application of the principle of subsidiarity in the distribution of the Fund's resources.

The Government of Flanders is convinced that the measures entered in the present FRP implement the CSRs 2019-2020 (see also 2.1. through 2.4.), the investment challenges (see also 2.5.) and the Europe 2020 targets and Sustainable Development Goals (see also Part 3) and as such provide a concrete response to important points for improvement in the Country Report Belgium 2020.

2.1. COUNTRY-SPECIFIC RECOMMENDATION 1

Ensure that the nominal growth rate of net primary government expenditure does not exceed 1.6 % in 2020, corresponding to an annual structural adjustment of 0.6 % of GDP. Use windfall gains to accelerate the reduction of the general government debt ratio. Continue reforms to ensure the fiscal sustainability of the long-term care and pension systems, including by limiting early exit possibilities from the labour market. Improve the composition and efficiency of public spending, in particular through spending reviews, and the coordination of fiscal policies by all levels of government to create room for public investment.

2.1.1. Budgetary elements

The Government of Flanders continues to adhere to budgetary orthodoxy. Just like in 2017 and 2018, Flanders has achieved a structurally balanced budget in 2019 as well. The Government of Flanders will keep the budget deficit as small as possible in 2020 and is aiming for a balanced budget in 2021. This objective is in line with the advice of the High Council of Finance¹² and ensures that Flanders takes its responsibility in achieving Belgium's medium-term objective of a **structural balance by 2021**.

2020 is a more difficult year from a budgetary point of view, since the effects of the economic downturn are being felt partly as a result of troubled trade relations and the corona crisis. In 2020, a number of measures will reach cruising speed, such as the impact of the federal tax shift,

¹⁰ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:JOC_2019_301_R_0001&from=EN

¹¹ <https://ec.europa.eu/info/sites/info/files/2020-european-semester-country-report-belgium-en.pdf>

¹² High Council of Finance, Budgetary path in preparation of the Stability Programme 2019-2022 (Begrotingstraject ter voorbereiding van het stabiliteitsprogramma 2019-2022), 28 March 2019, https://www.hogeraadvanfinancien.be/sites/default/files/public/publications/hrf_fin_advies_2019_03.pdf

25% of which is financed by the Regions, and of the collective bargaining agreements concluded with the social partners in welfare, education and the Flemish public administration. Finally, a tax shift in the housing tax system is being realised in Flanders. The reduction in registration duties will be immediately reflected in our budget, whereas the phase-out of the home bonus (woonbonus) will only lead to a gradual increase in budgetary margins. As a result, Flanders will have¹³ an estimated budget deficit of €431 million in 2020. The costs related to the Oosterweel connection are not taken into consideration by the Government of Flanders, since this project is widely recognised as a one-off and highly exceptional investment of major economic importance at local, regional, national and euroregional level. A differentiated tolls system will be used for financing said project.

Table: Expenditure for the Oosterweel project excluded from the budgetary objective (in thousand €)

	2020	2021	2022	2023	2024
Oosterweel construction cost (incl. interest)	191,897	260,114	390,084	590,151	607,490

Source: Multiannual estimate 2019-2024 for preparation of 2020 budget, p. 38,

<http://docs.vlaamsparlament.be/pfile?id=1499421>

The measures (see also 2.6.) Flanders has taken to slow down the further spread of the coronavirus and to level off the impact on the healthcare system, as well as the measures it has introduced to financially support affected citizens and companies will have a budgetary impact that is difficult to estimate as yet. For this reason, a provision of at least €2 billion will be entered in the 2020 budget adjustment to be submitted to the Flemish Parliament at the end of April. A second budget review will be held in September 2020, which will include more details on the additional expenditure and revenue shortfalls resulting from COVID-19. In the meantime, all measures are being closely monitored.

Furthermore, the Government of Flanders is making **debt reduction efforts**. The Decree and the Government of Flanders Order (Besluit van de Vlaamse Regering/BVR) on optimising the management of the financial assets of Flemish public entities entered into force on 1 October 2018. Said Decree and BVR oblige entities belonging to the consolidation circle and meeting certain conditions to invest their surplus liquid assets in the Flemish Community or a public entity with a certain minimum rating. This not only reduces the consolidated debt position of said public entity, but also the consolidated debt as a whole. After all, the INR immediately deducts these invested amounts from Flanders’ total debt. At the end of 2018, the aforementioned decree led to a reduction in consolidated debt by approximately €1,100 million.

2028 cycle. Structural Reform Support Programme (SRSP). With technical assistance from the EC’s Structural Reform Support Service (SRSS), the structural anchoring of spending reviews in the budgetary process was prepared. This will be done after the service voucher pilot project has been reviewed. Spending reviews lead to a more efficient composition of public expenditure and can create budgetary room for manoeuvre that can be used for new policy impulses, additional productive public investment or tax reduction. All these measures result in a more growth-friendly composition of the budget.

2.1.2. Investment

By implementing reforms and a sound budgetary policy, the Government of Flanders is creating **additional room for investment** in the coming term of office. These investments are a priority of the Government of Flanders to prepare Flanders for the rapidly changing world. The investment ambition of the Government of Flanders is translated in the Coalition Agreement and amounts to

¹³ When the budget for 2020 was drawn up, the balance with respect to the balanced budget objective was estimated at €431 million. The budgetary adjustment process was still ongoing during the compilation and discussion of the present document.

€1.65 billion in the period 2019-2024. The Government of Flanders will mainly invest in all transport modes of mobility and public works (mobiliteit en openbare werken/MOW), in the construction of schools (mainly in secondary education) and in the construction of infrastructure for R&D and higher education. Investments in hospitals, excellent cultural infrastructure, supra-local sports and top-level sports infrastructure, IT and immovable heritage also receive the necessary attention. In addition, the Government of Flanders keeps investing in social housing by maintaining the record level of 2019 in the coming years. The main focus of these investments is on renovation and sustainability. Of the total investment envelope of €1.65 billion, additional investments amounting to €100 million will be committed by the Flemish Region in 2020.

Not only the Region, but local authorities as well are an important driving force in boosting the pace of investment and increasing the growth potential of Flanders' economy. In addition to the investments made by the Government of Flanders, the financial leeway and room for investment of the local authorities will be strengthened by financing half of the accountability contribution to the pension bill, by introducing a new financial incentive for local authorities to preserve as much open space as possible, and by maintaining the growth norm of 3.5% in the Municipal Fund (Gemeentefonds). As a result, on top of the increase in the Municipal Fund, local authorities will receive an injection in excess of €400 million in 2024 that can be used to meet local needs, close to the citizens. Cumulative over the period 2020-2024, it concerns an injection of €1.4 billion.

2.1.3. Budgetary sustainability of long-term care systems

In order to maintain a structurally balanced budget, the costs of ageing and long-term care need to be kept under control. This expenditure is evaluated within the framework of Flanders' budget forecasts and the multiannual estimate. For each budget formulation and adjustment this expenditure is evaluated with a view to achieving a structurally balanced budget, including in the medium term. This strict budget monitoring concerns the various components of public expenditure in Flanders that may evolve in an open-ended manner on the basis of the ageing population, such as the cash allowances based on the severity of care in Flemish Social Protection (Vlaamse Sociale Bescherming) and the mobility aids. Other budget expenditure related to ageing, such as residential care for older persons and family care, comes under a regulatory framework that sets the growth norm and can therefore be enforced via legislation.

In addition, the Government of Flanders is investing in prevention, outpatient care and support of the home environment to avoid a greater care demand. Research has also been set up to produce healthcare projections, which assess the potential budgetary impact of ageing, so that policymakers can intervene not only to ensure a proper provision, but also to take preventive action.

SRSP (2018 cycle). The SRSS offers technical support for the project regarding the implementation of the **reform of Integrated Primary Care 2017-2025 (Geïntegreerde Eerste Lijn)** in Flanders in order to facilitate the implementation of some reform issues in primary care. In 2019, an evaluation was initiated of: (i) governance and financing models for primary care zones; (ii) for national and central primary care institutions and similar organisations; (iii) on change management and primary care integration and (iv) the hospital sector. A final workshop took place on 9 October 2019 and the relevant report will be made public by the University of Amsterdam.

2.1.4. Labour market

The Government of Flanders is doing everything in its power to raise the employment rate to 80%. This translates into a target of 120,000 people by 2024. The Government of Flanders and the social partners signed a declaration of commitment to this end on 21 February 2020 (see 2.2.1.). In order to get 120,000 extra people into work, 24,000 additional working people are needed on an annual basis. On top of that, there is an annual replacement demand of 13,000 people who are retiring. There is, however, an expected growth of 26,000 extra jobs per year. In concrete terms, this means

that, on top of the expected growth, 11,000 extra working people will be needed each year during this term of office. A tight labour market, an ageing population and structural unemployment among certain disadvantaged groups, combined with deteriorating economic forecasts, all mean that structural policy reforms will be needed to realise this ambition. To this end, the Government of Flanders will focus on activating jobseekers and inactive people and making work more rewarding by increasing the difference with inactivity through the introduction of a job bonus. The job bonus and the full range of measures to raise the employment rate are discussed in detail in the next chapter.

2.2. COUNTRY-SPECIFIC RECOMMENDATION 2

Remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for the low-skilled, older workers and people with a migrant background. Improve the performance and inclusiveness of the education and training systems and address skills mismatches.

2.2.1. More people at work

The new Government of Flanders (2019-2024) has set itself the objective of getting an additional 120,000 people into work by the end of its term of office. On 21 February 2020, the **Government of Flanders** and the **social partners** signed a **joint declaration of commitment** to this end. This objective of the **Strategy 120,000** (Strategie 120,000) is pursued by means of a **three-pronged approach**: (1) keeping employed people in work, (2) strengthening the role of VDAB and (3) mainly attracting people who are currently not participating in the labour market. Within the latter group, priority is given to **four categories**, viz. (1) young people who are not in training and employment, (2) people on social assistance, (3) people with health problems and (4) people who have temporarily left the labour market to take on caring responsibilities. To enable them to participate, extensive cooperation is needed with, among others, the National Institute for Health and Disability Insurance/NIHDI (Rijksinstituut voor Ziekte- en Invaliditeitsverzekering/RIZIV), the Agency for Integration & Civic Integration (Agentschap Inburgering & Integratie), Education and the local authorities.

The social partners will be collaborated with in order to identify barriers and find solutions. These include accessible and affordable childcare and mobility, financial barriers, especially for low incomes, and the fact of having obtained a diploma or not. The social partners and the Government of Flanders jointly commit to structural consultation. At the same time, agreements have been made on an annual follow-up and monitoring report which maps the employment rate, the number of people in work, unemployment and the quality of employment. This is also broken down into groups who today are underrepresented in the labour market. These groups are the short-skilled, over-55s, jobseekers with a migrant background and people with a work-limiting disability.

At a time when unemployment in Flanders is historically low, the Government of Flanders is thus stepping up efforts **to activate economically inactive people**. VDAB's services will be gradually extended to this target group with the deployment of special youth consultants, among other things, with the main focus in 2020 being on detecting and reaching economically inactive people and on identifying the most appropriate actions.

The **reintegration of long-term ill people** will also be an important spearhead. The existing cooperation agreement with NIHDI and the health insurance funds will be extended, so that more reintegration pathways can be offered. Innovative methodologies will also be experimented with in order to better adapt the pathways to the beneficiary's needs. For those who become ill, it will be examined as early as 3 months after the start of the incapacity for work whether reintegration is possible.

In the **social economy**, the number of places in collective supported employment (collectief maatwerk) will be increased and individual supported employment (individueel maatwerk) will be developed as well. As a result, target group employees will also be supported in mainstream companies, which will benefit the progression to the mainstream labour market.

The Government of Flanders states in its Coalition Agreement that work is the key to integration and participation. As far as **people with a migrant background** are concerned, the Government of Flanders wants to stimulate activation by establishing as much as possible contacts with inactive people - whether entitled to benefits or not - who do not enter the labour market for linguistic, cultural, domestic and/or other reasons. With a view to activation and societal integration, the barriers that prevent them from taking up employment are removed by **offering them realistic career prospects and making their competencies visible**. Through monitoring projects, non-Dutch jobseekers are paired with more experienced mentors and labour market coaches. Special consideration is also given to **women with a migrant background**, a group with a low employment rate. VDAB is devising an adapted strategy for this purpose.

Newcomers (with job prospects) will be registered with VDAB within two months after their arrival for guidance to work or additional training. This guidance will focus increasingly on language and, where possible, be integrated fully into the pathway to work as a whole. **Language support** for both jobseekers and employers is also provided within the framework of on-the-job training. VDAB actively guides newcomers to customised work at the proper level in close cooperation with all bodies involved. Automatic data exchange between VDAB and Actiris, the agencies for integration and civic integration, local authorities and education is important here. In order to ensure that newcomers can be employed more quickly in the labour market at their level of education, the activities of the National Academic Recognition Information Centre (NARIC) will be reinforced, among other things, with regard to the **recognition of foreign diplomas**.

The Flemish authorities will **work together** more closely **with local authorities**, inter alia to reach and activate young people who are not in education, employment or training (NEETs), people on income support, newcomers, and other economically inactive people. New cooperation agreements will also be concluded with the employment services of the **other Regions**, Actiris and Le Forem, in 2020. Cooperation with border regions in Limburg and West Flanders will be enhanced, as will the continuation of the economic migration policy.

Unemployment or inactivity traps will be combated with the **Flemish job bonus**, an allowance that raises the lowest net wages without increasing employers' wage costs. This job bonus raises the net wages of working people with a gross monthly salary up to maximum €1,700 by at least €50 per month. For higher wages, the job bonus gradually drops to zero for people with a gross monthly wage of up to €2,500. People working part-time receive a job bonus that is proportional to their employment percentage. The exact terms of the job bonus will be determined in 2020, with maximum account being taken of any possible side effects.

Within **childcare**, the priority rules and their application will be reviewed, ensuring actual priority for children of working parents and parents who follow training as part of a pathway to work.

Sectors and companies will be supported to facilitate job transitions between sectors and to proactively anticipate corporate restructurings. Furthermore, the Government of Flanders is committed to creating additional places in the social economy and to improving cooperation between the social and mainstream economies.

2.2.2. Customised guidance for vulnerable groups

Flanders will **screen** newly registered **jobseekers more quickly** (within two months after registration), and make binding agreements on their pathway within three months after

registration. **Artificial intelligence** will be used to estimate their distance to the labour market. In this way, VDAB can offer efficient support where necessary and make sure that the proposed pathway meets their needs to the maximum extent.

The **target group policy** was adjusted in 2019 and 2020, with wage cost reductions for low-skilled young people and jobseeking over-58s being upgraded to a full exemption from employer's contributions. The target group reduction for medium-skilled young people is phasing out, and the reductions for older employees now have a starting age of 58 instead of 55. The reduction amounts for over-60s were increased from €1,150 to €1,500 per quarter. A new (customised) target group reduction on the basis of the distance to the labour market will be developed in 2020.

For long-term jobseekers, work experience and competence enhancement remain priorities. The existing systems of 'temporary work experience' (tijdelijke werkervaring) and 'neighbourhood work' (wijk-werken) will be reviewed and complemented by a new system of **community service (gemeenschapsdienst)**. Anyone who still has not found a job after two years, despite having received customised guidance, can be obliged - or not - to work in this community service, so as to avoid alienation from the labour market and to maintain a certain work rhythm. The precise framework for this community service will be designed in 2020.

2.2.3. Stimulating a learning culture in Flanders

Flanders is aware of the need to create a culture of lifelong learning. In 2019, Flanders and the OECD finalised the Skills Strategy Flanders, an extensive report with widely supported recommendations for strengthening skills and lifelong learning (LLL) in Flanders. The new Government of Flanders has acted upon these recommendations:

- In order to stimulate synergies and joint vision development, a **lifelong learning platform** will be set up with representatives of the Work, Education and Economy policy areas. This should make it possible to coordinate LLL policy across policy areas, to develop digital tools to make the skills of individuals more visible, to make the training offer in Flanders more transparent, and to introduce individual learning and career accounts. The financing of university colleges by the Education Tax Units (Onderwijsbelastingseenheden/OBEs) will also be reviewed and augmented in different stages.
- After the roll-out of **dual learning** in secondary education (SE), Flanders will start to extend this system to adult education, where many low-skilled people can be reached, and to higher education (see 2.2.8.).
- The various training incentives in Flanders, i.e. training leave (opleidingsverlof), training vouchers (opleidingscheques) and training credit (opleidingskrediet), have recently been harmonised so that they follow the same rules and principles and can be used for the same training courses to the maximum extent. In addition, to make training even more accessible, the Government of Flanders will create a **learning and career account (leer- en loopbaanrekening)**, in which every citizen can check which training courses are available to them and to which support they are entitled.
- The **new attainment targets** are based on 16 key competences. These key competences have a clear link with the European key competences for lifelong learning and 21st century skills, as recommended by the EC and OECD. They help create a positive mentality towards (lifelong) learning. In the roll-out of the new attainment targets in SE, particular attention is paid to the interplay between professional qualifications and attainment targets. Pupils from vocational secondary education (beroepssecundair onderwijs/bso), and if necessary technical secondary education (technisch secundair onderwijs/tso), are thus well-prepared for the labour market.

- In adult education, the low participation of low-skilled, unemployed and older people poses a challenge. The current learning offer still reconciles learning, work and family life insufficiently. For this reason, the **new financing system for adult education** offers, from 1 September 2019 onwards, a stable financial framework to the adult basic education centres (centra voor basiseducatie) and the adult education centres (centra voor volwassenenonderwijs), which encourages them to increasingly turn their focus towards vulnerable learners.

2.2.4. Measures with a specific focus on teachers/the teaching profession

The teaching profession faces several important challenges across the EU¹⁴. For example, there are problems with finding sufficiently qualified teachers, attracting and retaining strong teachers in training, and achieving innovation in pedagogical approaches. The Government of Flanders is therefore committed to strengthening the teaching career with specific focus on teacher professionalisation (CPD, ITE, pedagogical support, etc.). Some 5,000 to 7,000 motivated, passionate and well-trained novice teachers are needed each year at all levels of education. A number of measures have been taken to meet this need:

- The **reformed teacher training courses** at university colleges and universities launched this academic year (2019-2020) offer students the opportunity to become a teacher by undertaking a bachelor's or master's programme or an educational graduate programme. Thanks to the new educational master's programmes, those who opt for a university programme can choose to become a teacher at the start of their studies. Adapted evening or weekend courses and/or distance learning provide a flexible offer for lateral entrants.
- With the introduction of **dual teaching**, teachers and lecturers are encouraged to teach and work in a company at the same time. This leads to a win-win-win situation for schools, pupils and companies, as the number of specialised teachers increases, lessons become practice-oriented lessons and interaction between education and the labour market grows.
- In the most recent **collective bargaining agreement** several measures were taken to increase the job security of novice teachers and to make their careers more stable. For instance, from 1 January 2021, there will be a linear wage increase and an additional wage scale after 36 years of seniority.
- Since 1 September 2019, teachers can get a **temporary appointment of continuous duration** (tijdelijke aanstelling van doorlopende duur/TADD) **more quickly** after 400 days instead of 600 days of actual employment, provided they received a positive assessment. This makes the 'probationary period' for novice teachers shorter but more intense. During this period, the member of staff is entitled to induction guidance (see below). More opportunities for permanent appointment will also be created. Since 1 September 2019, schools receive more structural funds for policy support, induction guidance and professionalisation.
- In case of a temporary appointment for a specified period (tijdelijke aanstelling voor een bepaalde periode/TABD), staff members are entitled to **induction guidance (aanvangsbegeleiding)**. This allows new employees to grow in their position and to further develop the competencies they have acquired during initial teacher training.

SRSP (2020 cycle). In order to support the implementation of the induction guidance, the Flemish authorities call on the support of the EC through an SRSP project. Through the project 'Implementing an effective induction system for novice teachers in Flanders' Flanders wants to

¹⁴ See the Education and Training Monitor 2019 in which teachers and teaching take centre stage: <https://ec.europa.eu/education/sites/education/files/document-library-docs/volume-1-2019-education-and-training-monitor.pdf>

develop evidence-informed methodologies that help schools to embed induction guidance more structurally in the school. This grant was awarded by the EC in March 2020.

- Administrative burden remains an important topic. **Reducing red tape** is the shared responsibility of the authorities, umbrella organisations, community education (Gemeenschapsonderwijs/GO!) and school management. School management is encouraged to take measures, in consultation with the teaching team, to reduce reporting. The Flemish authorities are setting up a contact point for reporting planning burdens, viz. 'Kafka in education' (Kafka in het onderwijs). The Education Inspectorate is instructed to monitor administrative burden during inspections and to advise schools on how to reduce it.

2.2.5. Measures with a focus on compulsory education

The **modernisation of SE** is being rolled out incrementally year by year. Reducing the number of pupils who leave education without qualifications (preventing early school leaving) is one of the main objectives of the modernisation. At the same time, the Government of Flanders continues to work on the reform and update of the educational curriculum. After the introduction of new attainment targets in the 1st stage of SE, new attainment targets for the 2nd and 3rd stages of SE are now being developed. Subsequently, new attainment targets will also be developed for basic adult education and adult education. All SE courses must be in line with either the needs of the labour market or the starting qualifications of higher education, or both. The complete study offer of SE is brought together in **one simple and uniform table** that gives parents and pupils an overview of all possible learning pathways. This table includes the matrix developed by the authorities with the study domains, final objectives¹⁵ and forms of education (general secondary education (algemeen secundair onderwijs/aso), vocational secondary education (bso), art secondary education (kunstsecundair onderwijs/kso), technical secondary education (tso)) as well as the basic options and packages of the first stage.

The new Government of Flanders will introduce **standardised and validated tests** that will be taken at 4 moments in the educational career of pupils. This instrument will facilitate international benchmarking and is intended to measure three things: the extent to which pupils achieve the attainment targets, the learning gains of individual pupils and the learning gains at school level. These tests will not be used to rank schools, but to increase learning gains. Schools whose pupils achieve significantly lower learning gains from these validated and standardised tests will enter into a freely chosen guidance pathway to improve the quality of their education.

Together with the Government of Flanders, the education partners are developing a **competence framework for school leaders**. On the basis of this framework, possible selection criteria and a professionalisation and assessment policy for school leaders will be developed. This competence framework constitutes the basis for the further development of a school leadership training course.

Every school year, schools receive funds for their daily operation. They use them to buy materials, pay training courses for teachers and ensure school maintenance. From this school year (2019-2020) onwards, **pre-primary schools in Flanders** will receive the **same operating budget as primary schools**. An additional €52 million will be earmarked to guarantee this harmonisation. In concrete terms, schools will now receive €662 per pre-primary child instead of €477, which is an increase

¹⁵ There are three final objectives: 1) progression in aso courses and some tso or kso courses: these courses are abstract and theoretical and prepare pupils for further studies in higher education, 2) courses with a two-fold final objective in tso and kso: these courses prepare pupils both for higher education and for direct entry into the labour market, 3) labour market-oriented courses in bso: these courses are hands-on and practical and prepare pupils for direct entry into the labour market.

of almost 40%. Since 1 September 2019, primary schools (mainstream and special needs education) also receive extra **administrative support** each year amounting to €20 million. In concrete terms, this means a minimum of 380 and a maximum of almost 500 additional full-time administrative staff for Flanders.

2.2.6. Measures with a focus on inclusiveness

The M-decree will be replaced by a **guidance decree (begeleidingsdecreet)**, which is aimed at supporting and guiding all pupils and their teachers. Every pupil is given a place in the education system that best suits their needs.

Flanders is committed to all pupils: average learners, pupils with greater care needs and very good learners, as well as the (exceptionally) **highly gifted**. Teachers learn to identify these children as early as possible and ensure that education remains sufficiently challenging for them. Teachers can call on support for these pupils as well. Pupils are provided with technical support that allows them to tailor the teaching provision to their specific needs.

Children who are ill and housebound as a result of their illness will receive a customised offer as soon as possible, so that their entitlement to learn, their chance of progression and the smoothest possible educational career are guaranteed. The education offer for ill pupils, such as temporary education at home (tijdelijk onderwijs aan huis/TOAH), synchronous Internet education (synchroon internetonderwijs/SIO), hospital school (ziekenhuisschool), psychiatric services for children and youngsters (diensten met onderwijsbehoeften/DMOB), the non-profit organisation 'School & Ziekzijn' (School and Illness), etc. will be reviewed, as well as the cooperation with the home school.

2.2.7. Measures with a focus on equality

From school year 2020-2021 onwards, the **compulsory school age will be lowered from six to five years**. Non-participation or insufficient participation in pre-primary education is a strong predictor of early school leaving. This measure therefore helps to ensure that a higher number of pupils leave school with an SE qualification.

Pre-primary education lays the foundations for Dutch language competency and makes sure that as many children as possible start their school career with equal opportunities. All five to six-year-olds will be subject to **uniform and standardised cross-network and cross-umbrella language screening**. Based on the results of said language screening, pupils who do not have a sufficient command of Dutch will have to follow an active Dutch language integration course. This includes a language immersion class or a fully-fledged alternative that leads to the same results.

The Government of Flanders will provide **language integration courses for children with a limited knowledge of the Dutch language**. Excellent Dutch language skills are essential, as pupils who insufficiently develop the school academic register of Dutch will have more problems throughout their school career. Dutch is the key to strong educational performance, to full integration, but also to good communication in the classroom.

The **SES operating resources**, allocated on the basis of the socio-economic status of pupils, **will be enhanced**. In this way, children with a difficult home situation will receive targeted support and reduce their chances of unqualified outflow. The allocated resources can be used where necessary for the organisation of Dutch lessons, teaching material for Dutch as a second language and homework guidance. Children who do have a good knowledge of the Dutch language also continue to receive targeted support in order to maximise their chances of qualified outflow.

Higher education will become (even) more accessible. Since 1 September 2019, graduate programmes are organised by university colleges. As a result, graduate programmes can attract

students who today do not opt for higher education studies. This contributes to the further democratisation of higher education in Flanders. The future graduate programmes will be financed on the basis of an open-ended mechanism during the first years in which they are organised. In this way the budget matches student numbers. From 2019, the Government of Flanders appropriates €10 million of additional investment funds per year for university colleges, so as to enable them to adapt their infrastructure or provide extra classrooms and practice rooms.

2.2.8. Dual learning

Dual learning means that young people from the age of 15 combine workplace learning with learning at school. In other words, they obtain a professional or educational qualification as they prepare for the labour market. It is a fully-fledged learning pathway next to full-time SE.

SRSP (2019 cycle). In order to support teachers in teaching in the new dual system, Flanders developed the SRSP project 'Dual Learning in Flanders: Professionalisation of Teachers' in 2019 with support from the EC.

During school year 2019-2020, dual learning will be **fully implemented**: since 1 September 2019, a total of 186 schools offer 79 courses, including healthcare, electromechanical techniques, management of green areas and gardens and painting. In addition, the Flemish Parliament adopted the decree which allows for dual learning within special needs secondary education (Buitengewoon Secundair Onderwijs/BuSO). Finally, dual learning will be extended to training in university colleges and adult education. The terms, possibilities and preconditions of dual learning in adult education are being explored through 14 pilot projects.

Together with the Department of Work and Social Economy, dual learning will also be rolled out in higher education. The dual offer will also be extended in SE to more courses with a two-fold final objective (progression/labour market), final progression objective tso, and where possible in aso courses.

Lateral entrants (e.g. employees, jobseekers) can use dual learning pathways to work on a professional level whilst making the most of their opportunities in higher education. For employees who find the transition to lifelong learning difficult today, the functional setting of dual learning can be attractive. In addition, dual learning physically brings education to companies, which reduces the threshold for employees to engage in LLL.

2.2.9. STEM Action Plan

To encourage careers in mathematics, exact science, engineering and technology, the Government of Flanders drew up a **STEM Action Plan (STEM-actieplan)** for the period 2012-2020. Within the framework of this action plan, the STEM Monitor was developed. This instrument offers insights into evolutions of relevant STEM indicators, such as inflow, progression and outflow data of pupils and students in STEM-related courses of study in SE, adult education and higher education. The latest STEM Monitor of June 2019 (data for the school year 2017-2018) confirms that more and more young people opt for a course of study or studies in science and technology. STEM is growing again in the 2nd and 3rd stages of SE. Whereas in school year 2010-2011 (reference year) 53,806 pupils enrolled in a technology or science course of study in the 2nd or 3rd stage, their number rose to 55,153 in the school year 2017-2018 (plus 1,300 pupils). In higher education, too, the proportion of young people enrolling in STEM courses went up compared to the reference year.

The Government of Flanders wants children to become familiar with STEM at an even earlier age. The Flemish authorities will encourage interest from pre-primary education onwards by offering them positive experiences with science and technology both in and outside school.

To enhance support for technology, innovation and science among people in Flanders, various policy areas (Economy, Science Policy, Innovation, and Youth and Media) are working on a **new ambitious STEM Action Plan 2020-2030**.

2.3. COUNTRY-SPECIFIC RECOMMENDATION 3

Focus investment-related economic policy on sustainable transport, including upgrading rail infrastructure, the low carbon and energy transition and research and innovation, in particular in digitalisation, taking into account regional disparities. Tackle the growing mobility challenges, by reinforcing incentives and removing barriers to increase the supply and demand of collective and low emission transport.

2.3.1. Research, innovation and digitalisation

Flanders is investing heavily in R&D. Over the past terms of office it has continuously invested additional resources in R&D, which translates into an impressive growth path in R&D intensity, up to 2.89% by 2017. The current Government of Flanders also keeps up R&D investment with an eye to achieving the 3% target and becoming one of the top 5 knowledge regions in Europe by 2024. To this end, it is planning, by the end of this term of office, to increase the annual budget by €250 million as well as one-off investments worth €195 million in R&D infrastructure.

In 2019, the Flemish authorities spent an additional (one-off) budget of €120 million, of which €44.47 million on R&D&I. In addition, the annual (recurring) budget was raised by €280 million. Two thirds of these new recurrent funds serve to strengthen existing channels targeted on universities and businesses, including the Research Foundation - Flanders (Fonds voor Wetenschappelijk Onderzoek) (€40 million extra), the Special Research Fund (Bijzonder Onderzoeksfonds) (€35 million extra) and the Industrial Research Fund (Industrieel Onderzoeksfonds) (€20 million extra). One third of the new recurrent funds is used for new policy initiatives. The most important of these **new policy initiatives** are:

- **The Artificial Intelligence (AI) Policy Plan:** The Government of Flanders annually earmarks €32 million for investment in strategic basic research (€12 million), implementation in companies (€15 million) and supporting measures (skills, legal and ethical aspects, awareness raising) (€5 million).
- **The Cybersecurity (CS) Policy Plan:** The Government of Flanders annually reserves €20 million for investment in strategic basic research (€8 million), implementation in companies (€9 million) and supporting measures (€3 million).
- **Moonshot CO₂:** The Government of Flanders annually invests €20 million over a 20-year period to support innovations in the field of CO₂ emissions, CO₂ capture and CO₂ reuse (see also 2.3.3.).

Flanders is currently focussing broadly on the **digitalisation of society**, with the Flanders Information Agency (Agentschap Informatie Vlaanderen) as key actor. The Flemish government wants to become a data-driven government that delivers state-of-the-art digital services to its citizens, businesses and organisations. An important way to increase the efficiency of these services and improve their user-friendliness is by maintaining the **'once only' principle**. Instead of constantly asking citizens or businesses for the same information, public bodies are obliged to reuse the data already in their possession. To this end, the Flemish authorities continue to invest in the successful **Crossroads Bank Flanders** (Kruispuntbank Vlaanderen), i.e. an intelligent data exchange platform that allows reuse of data stored in so-called **authentic data sources**, which are reliable sources of public authority data that can be used in all administrative procedures.

The Flemish authorities want to expand the existing network of Flemish authentic data sources with more data sources, viz. **real-time data** from IoT sensors in Flemish cities (e.g. regarding air quality or traffic flows). By using artificial intelligence, the Flemish authorities want to convert this data to **smart data** that can be used to tackle societal problems in the field of mobility, healthcare and safety and security. By following the data standards of the **OSLO** (Open Standards for Linked Organisations) **programme**, the authorities also want to make this data available to the private sector so that it can develop innovative applications using this data.

The Flemish authorities offer citizens a portal site, www.vlaanderen.be where citizens can find information, start online administrative procedures and request support. This portal is built in a web content management system, **web platform**, that allows Flemish and local administrations to better inform their target groups and support them during their online transactions. An essential part of this web platform is **My Citizen Profile (Mijn Burgerprofiel)**, an online gateway that can be integrated into websites of Flemish or local administrations. My Citizen Profile gives an overview of the data which the public administration stores about you, the status of the administrative files it handles for you, the official e-mail stored in your electronic mailbox provided by the administration, etc. This allows the authorities to adhere to the **'no wrong door' principle**: no matter which government website you visit, you will always have access to your essential personal data and your own files.

The Government of Flanders is planning a **Flemish agenda for digital entrepreneurship and innovation** in the coming term of office. The roll-out of 5G is one of its top priorities. The Flemish authorities have started the development of a digital platform, www.vlaanderenonderneemt.be, where entrepreneurs can initiate their administrative files from a one-stop shop and follow the progress of these files with the Flemish administrations concerned (see also 2.4.2.). Companies can already apply for subsidies, premiums, accreditations and permits with various public bodies. Together, these two portals implement the **'digital first' principle**, which means that the most important public transactions can be carried out entirely by digital means.

In 2015-2017, the Flemish authorities financed the **Flanders Radical Digital (Vlaanderen Radicaal Digitaal) investment programme** and will run a second phase of this investment programme in 2021-2023, with a budget of €5 million in 2021, €10 million in 2022 and €15 million in 2023. The aim is to offer targeted support to innovative digitalisation projects within the different policy areas and at the different levels of government in Flanders. The first investment programme succeeded in significantly increasing the digitalisation level of public services in Flanders to 66%¹⁶. The second investment programme is expected to bring us even closer to the 100% target by the end of the current term of office in 2024.

The Flemish authorities also invest in **AI**, e.g. the use of chatbots to support the operation of the call centre, and the use of voice assistants such as Siri or Alexa to automatically answer requests for information from citizens. The use of **blockchain** is being explored, in particular to fully rethink some existing administrative procedures, such as the automated payment of grants to citizens and organisations in support of their forest management activities. Flanders Investment & Trade (FIT) is also resolutely committed to AI and digitalisation. In this context reference can be made to the SRSP project below.

SRSP (2019 cycle). Within the SRSP project **'Artificial Intelligence in Trade and Investment Promotion Agencies'** FIT is planning specific efforts to improve: (1) access to data (assessment of the current use of data within FIT, as well as a *road map* with specific recommendations for improvement), (2) investments in data and Artificial Intelligence (the provision of a long-term strategy that justifies future investments in both data and AI), (3) the digital skills gap (delivering an assessment of the current awareness of AI (as a digital skill) and data across all layers of the organisation, also with a view to drawing up specific training pathways as a guideline for staff professionalisation) and (4) effective institutions and quality authorities (drawing up an AI strategy will provide FIT with the necessary guidelines to develop specific *tools* or implement organisational changes to be able to function optimally in a rapidly changing digital environment and thus meet the increasing demands of customers and to guarantee continued operational excellence).

One of the main objectives of the Flemish authorities is to transform Flanders into a **smart region**. To this end, two major investment programmes have already been set up: the **Smart Flanders**

¹⁶ Source: Flanders Information Agency

support programme (2017-2019), aimed at the development of real-time open data applications with local authorities, and the **City of Things programme** (2018-2019), aimed at trial projects in smart city applications (in the field of environment, traffic management, healthcare, etc.) and space for experiments that Imec will be given in Antwerp. These investments will be continued in order to create a viable ecosystem in Flanders with smart region applications.

Furthermore, in 2019, several **theme-based initiatives** and projects were launched that benefit the digitalisation of society (Mobilidata, I-Learn, Internet or Water, etc.):

- €29 million is invested in a data platform that collects traffic data and is to improve traffic flow (**Mobilidata**, see also 2.3.2.)
- €20 million is invested in a project to bring personalised digital learning to the entire education system in Flanders (**I-Learn**)
- €10 million is invested in a project which aims to develop a basic monitoring and management infrastructure that will contribute to more effective and efficient management of freshwater reserves (**Internet or Water**, see also 5.4.)

To conclude, it can be indicated that the digitalisation of government is supported through the **Programme for Innovation Procurement (Programma Innovatieve Overheidsopdrachten)**.

In 2017, the Flemish authorities earmarked €3.5 million for a first series of living labs¹⁷ within the framework of **Industry 4.0**. One year later, these living labs deliver targeted services to a wide range of companies. At the beginning of 2019, 10 new living labs were selected which started in April with a budget of €4 million and with the objective of covering even more industrial sectors and themes.

The Government of Flanders has also decided to invest €75 million in an evergreen fund '**Flanders Future Techfund**'. The mission of this new fund is to bring the technology expertise available in the Flemish strategic research centres (strategisch onderzoekscentrum/SOC) and spearhead clusters (see also 2.3.3.) to the market via start-ups with a broad product portfolio and strong growth potential or by means of licensing agreements with existing companies.

With the **Science Communication Policy Plan (Beleidsplan Wetenschapscommunicatie)** and the **STEM Action Plan**, €14 million was spent in 2019 to popularise science and innovation and to raise awareness of STEM courses and professions. As a result, the ICT Impulse Programme (ICT-impulsprogramma) was continued (€600,000), seven new Citizen Science projects were supported (€1 million), the STEM academies were expanded (€2.5 million) and numerous initiatives by structural partners were made possible such as FTI vzw, science communication expertise units of universities and university colleges, RVO society and EOS vzw. The impact of all these actions on the general public and on specific target groups (pupils, teachers, entrepreneurs) is measured periodically by the **Science Barometer (Wetenschapsbarometer)**. The 2018 baseline measurement shows that 51% of Flanders' population is positive about technological innovations, 65% is interested in science and technology, 90% recognises the importance thereof and 96.4% has great confidence in science. The 2019 results will be available in early 2020.

2.3.2. Addressing mobility challenges

In the policy period 2019-2024, the Government of Flanders will continue its investment in transport infrastructure and **sustainable transport measures** undiminished in order to provide an answer to increasing mobility and congestion pressure. The focus will be on measures designed to enable citizens and businesses to switch smoothly between different modes of transport. Public

¹⁷ https://www.industrie40vlaanderen.be/sites/default/files/downloads/living_labs_poster_industrial.pdf

transport and bicycles should be fully-fledged, efficient and green alternatives to cars. In addition, the Government of Flanders continues to invest heavily in **large-scale infrastructure projects** on roads and waterways.

In order to address future mobility challenges efficiently, an **Integrated Investment Programme (GIP)** is being drawn up for the first time for the year 2020. The GIP contains an overarching overview of the investments of all entities of the MOW Policy Area across the different modes of transport. The GIP 2020 proposal was discussed in the Flemish Parliament in the context of the budget vote in late December 2019. Currently, final bilateral discussions are being held with the stakeholders involved, with a view to the formal approval of the GIP 2020 by the Flemish Minister for MOW.¹⁸ A detailed explanation of the GIP 2020 and an overview of the main priority investment projects in the field of MOW are given in Chapter 2.5.2.

In the field of **road infrastructure**, Flanders is keeping up its efforts around Antwerp (Oosterweel project), Brussels (Ring Road/R0) and Ghent (R4).

After the Oosterweel works on Left Bank (Linkeroever) and on the motorway in Zwijndrecht were started in March 2019, the Oosterweel works will reach cruising speed with five new sites from March 2020 onwards. In the first instance, the reconstruction of the Antwerp Ring Road (R1) section between the Antwerp-West and St-Anna Left Bank nodes will start in April 2020. The most difficult works and traffic conversions (reconstruction E17 Kruibeke - Zwijndrecht, E34 Waasland Port-East - St-Anna/Left Bank, and Antwerp-West) will be carried out in the months of July and August when traffic is lowest. In addition, the first demolition works on Oosterweelsteenweg will start in February 2020, where the new traffic node between the port and the Eilandje - the Oosterweel node - and the tunnels under the Albert Canal will eventually be built. The integrated environment permit application for the Scheldt Tunnel and the infrastructure works on Right Bank (Rechteroever) will be submitted in the spring of 2020. The main works are expected to be awarded according to the following schedule:

- First half of 2020: Scheldt Tunnel and traffic and tunnel technical installations (verkeers- en tunneltechnische installaties/VTTI)
- End of 2020: Right Bank part A: Oosterweel node and Royers lock
- Second half of 2021: Right Bank part B: Channel tunnels and R1.

The works for the re-organisation of the Brussels Ring Road (R0) will also continue in 2020. Within the framework of the construction of bus lanes for the Ringtrambus, the works for the Ringtrambus' own bed were started in 2019. From April 2020, the first trambus will be put into service on the adapted section of the Ringtrambus. In 2020, work will also continue on the expansion of the 60km new bicycle highways in the periphery of Brussels, the first of which was already inaugurated in September 2019.

A smooth and safe mobility system is a major priority for the Flemish authorities, which is why the ambitious **Mobilidata programme** was launched in 2019. In the coming years, the programme will realise **innovative mobility solutions** through co-creation with private partners on the basis of digital infrastructure, smart traffic lights and qualitative, sustainable data sources. This will allow policymakers, businesses, governments, residents and app builders to make traffic smoother, more sustainable, more comfortable and safer for every road user and to help them make the most efficient mobility choice.

During this term of office, the Government of Flanders will further build a cost-efficient and demand-driven public transport network. In April 2019, the **Flemish Decree on Basic Accessibility (Vlaams Decreet Basisbereikbaarheid)** was adopted by the Flemish Parliament. The implementing

¹⁸ The figures mentioned originate from the draft GIP 2020 and have not yet been finally adopted by the Flemish Minister for MOW. As a result, they can still (slightly) change.

orders are yet to be adopted and implemented. With the introduction of basic accessibility, the Government of Flanders resolutely opts for **demand-oriented public transport**, with supply being better attuned to the transport demand of travellers and to the actual transport flows. In this way, more efficient use can be made of transport options and financial resources. Flanders will be divided into 15 transport regions, which will further flesh out basic accessibility within their own region by means of an integrated regional mobility plan. Customised mobility solutions allow to anticipate new developments such as sharing systems, the combination of different modes of transport (combined mobility), smart transport systems and mobility as a service. In 2020, the implementation of the Decree on Basic Accessibility will be given further shape in the field. The new public transport plans, including the core network, the supplementary network and customised transport, will be developed within the different transport regions in the course of 2020. By December 2021 at the latest, the complete switch to demand-driven basic accessibility will coincide with the modification of the timetable of the train network of the Belgian National Railways (Nationale Maatschappij der Belgische Spoorwegen/NMBS), which is the main public transport network.

In the meantime, investments in the activities, operational service and rolling stock of the Flemish Public Transport Company - De Lijn (Vlaamse Vervoersmaatschappij/VVM - De Lijn) will continue undiminished. The multiannual investment programme for **greening De Lijn's** rolling stock is continued. In collaboration with the European Investment Advisory Hub a study was carried out in 2019 into the various scenarios and technologies. A market exploration for the supply of electric buses was also published in December 2019. As regards financing, the various options for the coming years are being considered in cooperation with the European Investment Bank (EIB). From 2020, only low- or zero-emission buses will be purchased. The objective to serve the city centres with emission-free buses by 2025 at the latest remains unchanged.

In 2020, around €160 million will be invested in **collective transport**. Investments are being made, for instance, in the roll-out of the Ringtrambus in the periphery of Brussels (see earlier) and the fine-meshed public transport network of tramlines and express buses in North Limburg (Spartacus), among other things. In addition, Flanders is committed to **public transport on waterways**. Funds will be earmarked, inter alia, for ferry services carrying passengers, for example to and from the city and Port of Antwerp. From 2020 through 2024, the Flemish Region will appropriate funds for the operation of DeWaterbus in the Antwerp transport region, which offers travellers a fully-fledged transport alternative to commuter traffic. Said measure is one of the supporting measures within the framework of the large-scale infrastructure investments in the region (Oosterweel) to offer end users sustainable alternatives and as such mitigate congestion in and around Antwerp.

SRSP (2018 cycle). The SRSS supports the Antwerp Port Authority (Havenbedrijf Antwerpen) in an inland navigation project that consists of two parts: 'nautical inland navigation coordination' (nautische binnenvaartcoördinatie) and 'design of a concept of transferia from/to the port' (vormgeving van een concept van trasferia van/naar de haven). This study has been completed. First of all, the results indicate that advisory inland navigation coordination is the best possible scenario given the potential benefits and implementation. Taking into account the complexity of the implementation of optimally functioning advisory inland navigation coordination, it is advisable to start with informative inland navigation coordination in the first instance and to extend it to advisory coordination in the second instance. The results will be taken into account in the development and implementation of an IT platform for the inland navigation sector. In addition, the study indicated that a night hub on the western side of the port in the first instance and a transferium on the eastern route in the second instance are recommended to deal with congestion. These results are now being considered in determining the strategy of the Port of Antwerp.

SRSP (2019 cycle). The SRSS will support the Antwerp Port Authority in a railway project intended to increase railway usage (7 to 15%) in the port. The first parts of the study have been carried out and are

now being used to determine the number of tracks as well as their location in the port expansion (ECA project and equipped with an additional tidal dock).

The Government of Flanders will continue the upward trend in **cycling investments** in 2020, inter alia through the construction of bicycle highways in the periphery of Brussels (see earlier). Further investments in cycling infrastructure will be made in 2020: in the preliminary draft of the GIP 2020, cycling investments amount to approximately €176 million.

In addition, the Government of Flanders will keep stimulating and facilitating the use of **inland and estuary navigation**. In 2020, further investments will be made in waterways, including the raising of the bridges over the Albert Canal, the new Zeebrugge lock, the new Terneuzen lock, the Sigma plan and the Seine-Scheldt project. By means of the hinterland connectivity grants, up to €12 million will again be granted in 2020 for investments in sustainable hinterland connections by waterways (max. €8 million/year) or by rail (max. €4 million/year).

Finally, in 2020, the current sections of the kilometre charge for heavy goods vehicles will be optimised. A speed reduction from 120 km/h to 100 km/h on the Flemish section of the Brussels Ring Road (R0) will still be introduced in 2020. This reduction is one of the measures specified in the Flemish Climate and Energy Plan (VEKP) (see also 2.3.3.).

In the field of **sustainable transport**, the VEKP sets out a far-reaching three-pronged approach. Sustainable spatial planning supports sustainable accessibility. Efforts are also being made to make growth in motorised freight traffic level off further, to reduce motorised passenger traffic and to achieve an ambitious modal shift in both passenger transport and logistics (see earlier). Finally, the further **greening of the existing vehicle fleet** is pursued. From 2030, all newly sold passenger cars will be low-carbon vehicles and at least half of them will be emission-free. In the previous term of office, taxation in Flanders was already greened to a considerable extent in accordance with the polluter pays principle, among other things via waste taxes and road taxes. The Government of Flanders continues along this path and adjusts road taxes with a view to greening the vehicle fleet when introducing the WLTP cycle and studying optimisation possibilities in the kilometre charge for heavy goods vehicles.

In the meantime, the Government of Flanders further implements the **Action Plan 'Clean Power for Transport (CPT) 2020'**. In recent years, a lot of work was done to roll out the charging infrastructure. Following a review of the action plan, the approach for the period up to 2025 will be defined in 2020. With BENEFIC, Flanders is leading an EU-financed CEF project. Together with the Netherlands and the BCR two calls were already launched. As a result, 33 infrastructure investment projects are ongoing, mainly along the TEN-T network. Flanders is also a partner in two other European projects, e-MOPOLI and IDACS, which seek to harmonise charging infrastructure and interoperability. Flanders again launched its own CPT call for projects (€1 million/year) with 'charging infrastructure in companies' as main theme. Thirty projects are either in progress or have already been completed. At the end of 2019, 12 new projects were selected, representing an investment of €840,000.

2.3.3. Focusing on an energy transition

On 9 December 2019, the Government of Flanders gave its final approval to the **Flemish Energy and Climate Plan 2021-2030 (VEKP)**¹⁹, so that during this period efforts can continue to increase energy efficiency and renewable energy production and to reduce greenhouse gas emissions. Flanders is fully committed to effectively achieving the agreed targets and to accelerating investment, innovation and technological advancements which are key to the energy transition.

¹⁹ For a comprehensive overview of the way in which Flanders intends to tackle the climate issue in the coming years: <https://www.lne.be/vlaams-energie-en-klimaatplan-2021-2030>

The transformation of the energy system requires large-scale investment, which needs to be financed with both private and public funds. We therefore create a clear, predictable and cost-efficient investment framework and strive for a fair distribution of costs and revenues. A variety of instruments are deployed to attract investment in energy efficiency and renewable energy, inter alia:

- Preparation, implementation and monitoring of the voluntary energy policy agreements between the Flemish Region and companies.
- Domestic and non-domestic energy premiums for RUE investments, including discount vouchers, energy scans and premiums for solar boilers and heat pumps (average €89 million per year).
- Cheap or interest-free energy loans for a specified target group in need of financing support (€55 million/year) and promotion of energy loans from banks.
- Interest-free necessity purchase loans (€15.5 million in 2020).
- Demolition and reconstruction premium (€18 million in 2020).
- Renewable energy production support mechanism: operating aid through green energy certificates.
- Annual call for green heat, heat networks, residual heat and biomethane (€20 million per year).
- Promotion of small and medium-sized wind turbines through investment aid (€1 million in 2020).
- Stimulation of energy storage through battery premium and project grants (€3.7 million in 2020).
- Granting of investment aid to companies, so-called ecology support (approximately €3.4 million per year).
- Support regulation of the Flemish Agricultural Investment Fund (Vlaams Landbouwinvesteringsfonds/VLIF) for investments in energy efficiency and renewable energy sources in agriculture (€7 million per year).

The building stock of the Flemish authorities is not forgotten either. The objective is to reduce the CO₂ emissions of entities of the Flemish public administration by 40% (compared to 2015) by 2030. In addition, a 30% decrease (compared to 2015) in primary energy consumption is aimed at. Flanders' own target will be sharpened to 2.5% per year and a monitoring system will be developed for this purpose. In addition to calls from the Flemish Agency for Public Sector Energy Saving (Vlaams Energiebedrijf/VEB) for energy efficiency projects co-financed by a reduction in the energy consumption budget, renewable energy techniques were also applied to suitable Flemish public administration buildings (€8.3 million in 2018).

The VEKP describes in detail which investments the Flemish authorities intend to make in the field of **research and innovation** in support of energy and climate policy in the coming years. Apart from the regular R&D financing channels, **structural funds are allocated to the strategic research centres**. These centres include the Flemish Institute for Technological Research (Vlaamse Instelling voor Technologisch Onderzoek/VITO) engaged in sustainable development and cleantech innovations, the Interuniversity Micro-Electronics Centre (Interuniversitair Micro-Electronica Centrum/Imec) engaged in PV technology, battery research and ICT with specific applications for the energy transition and smart cities, and Flanders Make which aims to develop more energy-efficient products and process technologies.

The Policy Memorandum 'Economy' 2019-2024 (Beleidsnota Economie 2019-2024) confirms the role of the **cluster policy** and the functioning of the six spearhead clusters as showcase for industrial innovation policy. These spearhead clusters focus on innovative solutions and technological

breakthroughs that are necessary to realise the energy transition and will contribute to a climate resilient society in Flanders, in particular via the spearhead clusters Flux50 (cross-sector collaboration between the energy, ICT and buildings sectors), Catalisti (sustainable products and processes in the chemistry and plastics sectors) and the Blue Cluster (sustainable blue economy), and via the innovative business networks Power to Gas, Groen Licht (Green Light), etc. In 2020, the cluster policy will be reviewed in order to optimise it in the coming years. The aim is to sharpen the objectives in terms of impact, with a particular focus on the internationalisation and involvement of small businesses.

Attention is also paid to supporting businesses in making a radical switch to climate-friendly production systems. The R&D policy for energy and climate was additionally strengthened from 2019 onwards with a new initiative, i.e. **the Flemish Moonshot 'Flanders CO₂ neutral'**. This initiative pursues research and innovation towards realising a carbon circular and low-carbon industry in Flanders by 2050. In practice this means that innovative research under this Moonshot will contribute to the development in Flanders of breakthrough technologies by 2040 to implement new and better processes for producing new and unique carbon smart products. Both facets (processes and products) can substantially help reduce CO₂ emissions in Flanders and around the world in the future. This initiative seeks to build up knowledge with a longer time horizon. Aid amounting to €20 million will be reserved annually for this purpose over a 20-year period for research and innovation that can further CO₂ emission reduction and CO₂ capture, storage and reuse.

The **European Structural Funds** (from 2021 onwards) will also continue to be used to promote innovation for the energy transition and to foster a carbon-free economy.

The **Flemish Climate Fund (Vlaams Klimaatfonds)** is used in non-ETS sectors to help realise Flanders' greenhouse gas reduction target for 2030. The table below gives an overview of outgoing payments in previous years (amounts in €).

Climate and energy actions	2016	2017	2018	2019
Education		24,000,000	18,000,000	39,700,000
Tuning of boilers and RUE investments in educational buildings (AGION)		14,000,000	8,178,000	25,920,000
Tuning of boilers, boiler room renovation and RUE investments in educational buildings (GO!)		4,000,000	2,247,000	7,280,000
Tuning of boilers and RUE investments in educational buildings (Higher Education Fund)		5,125,000	6,875,000	6,500,000
STEM call and the call for the Climate Project (Education Department Fund)		875,000	700,000	
Mobility	180,888	12,640,032	7,500,000	27,900,000
Greening of De Lijn fleet		12,500,000	7,500,000	17,900,000
Flanders Logistics consultant green/sustainable logistics	155,888	69,832		
Development of shore power facilities		70,200		
Charging infrastructure for 5 park-and-ride facilities	25,000			
Shore power infrastructure, combined mobility and charging infrastructure				10,000,000
Buildings	20,109,125	42,198,000	54,345,000	95,457,000
Expenditure on thorough energy refurbishments and replacement construction of social housing	20,000,000	20,000,000	23,000,000	33,300,000
Set-up of structural activities of specialised energy consultants for immovable heritage	109,125			
Energy Efficiency Action Plan via Flemish Agency for Public Sector Energy Saving			2,025,000	4,975,000

Improvement of energy efficiency of buildings in Welfare, Public Health and Family sector		7,000,000	10,000,000	11,000,000
Cultural infrastructure of supra-local importance		3,000,000	5,000,000	7,300,000
HFB action plan on internal measures for climate impact on Flemish public administration buildings		12,198,000	13,320,000	32,882,000
Energy-saving investments in buildings of vzw de Rand			1,000,000	3,500,000
Energy refurbishment of the Maritime Rescue and Coordination Centre				2,500,000
Agriculture	97,500	3,767,979	3,234,775	1,659,647
Enerpedia, project for energy consultancy to farmers	97,500	48,243		
Enerpedia, follow-up project for energy consultancy to farmers		119,736		159,647
Additional greenhouse gas emission reduction measures by Flemish Agricultural Investment Fund		3,600,000	3,000,000	1,500,000
Co-financing ERDF project GLITCH: innovation in low carbon greenhouse cultivation			234,775	
Energy			6,516,000	53,300,000
Support of local energy projects in the context of citizen challenges of Stroomversnelling			6,516,000	53,300,000

In the period 2016-2019, a total of €96 million was earmarked from the **Flemish Climate Fund** for additional investments in the energy refurbishment of social housing. The principle of co-financing is now introduced for financing from the Flemish Climate Fund of greenhouse gas reduction measures in non-ETS sectors, as is the case for many European funds. This means that greenhouse gas reduction measures cannot be financed entirely from the Flemish Climate Fund, but must in part also be financed with private funds or other public resources. This creates a leverage effect with the Climate Fund and increases the Fund's impact.

2.4. COUNTRY-SPECIFIC RECOMMENDATION 4

Reduce the regulatory and administrative burden to incentivise entrepreneurship and remove barriers to competition in services, particularly telecommunication, retail and professional services.

2.4.1. Promoting entrepreneurship

In 2018, 57,903 businesses were established in the Flemish Region²⁰. As a result, Flanders scores significantly better than Wallonia (23,000) and Brussels (12,000). The renewed policy on commercial establishments entered into force on 1 August 2018. This policy, including the functioning of the Retail Committee (Comité voor Kleinhandel), will be reviewed in 2020. This review may give rise to a proposal to amend the July 2016 Decree on the Integrated Commercial Establishment Policy. Since 1 September 2019, the professional competence requirements for the construction sector have been abolished. The Business Management Basic Knowledge certificate (attest Basiskennis Bedrijfsbeheer) is no longer required either since September 2018 to start a business.

With the **Action Plan on Entrepreneurial Education 2014-2019 (actieplan ondernemend onderwijs)**, the Flemish authorities promoted an entrepreneurial attitude among young people. A new policy plan relating to young people and entrepreneurial education will be drawn up in 2020. The general tenor of entrepreneurial culture in Flanders, and especially among young people, is positive. The policy report 'Entrepreneurial Culture and Behaviour in Flanders; Situation in 2017' (Ondernemerscultuur en ondernemend gedrag in Vlaanderen; situatie 2017) of the Policy Research Centre Entrepreneurship & Regional Economics (Steunpunt Ondernemen en Regionale

²⁰ <https://www.statistiekvlaanderen.be/en/incorporation-of-enterprises>

Economie/STORE) shows that total entrepreneurial activity in Flanders has never been so high. In total, 8.2% of the population aged 18 to 64 was active as budding or new entrepreneur, which equals the European average of 8.1%. Young people aged between 18 and 29 indicate remarkably more often than other age groups that they regard entrepreneurship in Flanders as a desirable career choice (69%). No less than 77% of Flemish people aged between 18 and 29 and between 30 and 34 indicate that successful entrepreneurs in Flanders enjoy prestige and respect.

2.4.2. Reducing administrative and regulatory burdens

Reducing administrative and regulatory burdens features high on the agenda of the new Government of Flanders. The Coalition Agreement 2019-2024 outlines the following commitments:

- The Government of Flanders wants to systematically reduce regulatory burdens for citizens, companies and associations by making regulations less restrictive and less detailed.
- The Flemish authorities stimulate entrepreneurship and innovation. Full use is made of the experimental regulations and low-regulation zones introduced in the Governance Decree (Bestuursdecreet). The involvement of the actors directly engaged in the design, implementation and evaluation of experimental regulations or low-regulation zones is ensured. This also allows innovative applications to be tested and implemented more quickly, in addition to open standards and target requirements. Citizens and entrepreneurs have the right to come up with their own policy alternatives: this is the 'right to challenge' principle.
- By means of nudging, the effectiveness of policy is enhanced and more efficient communication is pursued.
- Unnecessary administrative burdens will be eliminated and regulatory burdens reduced.
- Administrative simplification will be worked on from the bottom up, in cooperation with local authorities, whilst citizens, businesses and associations will be asked to help remove administrative barriers and unnecessary legal obligations.
- Commitment to digitalisation, including the 'digital first' principle (see below), the 'only once' principle and the 'no wrong door' principle (see also 2.3.1.).

The Economy, Science and Innovation (Economie, Wetenschap en Innovatie/EWI) policy area actively contributes to reducing administrative burdens for companies and research institutions. Whenever an administrative burden is introduced, other burdens should be abolished with a view to effect an overall reduction in administrative burdens. Under the motto '**Digital First**' (**Digitaal Eerst**), EWI is dedicated to simplifying and digitalising access to economic services and support. To this end, the e-desk (digitaal loket) for businesses is being developed, among other things. Flanders Innovation & Entrepreneurship (VLAIO) acts as the Flemish public administration's central point of contact for entrepreneurs and manages an **e-desk** to which all government agencies offering **services to entrepreneurs** are connected. The e-desk will serve as the unique gateway to and follow-up system for services and support to entrepreneurs in Flanders (www.vlaanderenonderneemt.be).

2.5. RESPONDING TO INVESTMENT CHALLENGES

2.5.0. Introductory comments

The Government of Flanders is a government of investment, which creates additional room for investment by introducing structural reforms as well as focusing on a sound budgetary policy (see also 2.1.2.). The translation of this investment ambition totalling **€1.65 billion extra investments** in the period 2019-2024 is included in the Coalition Agreement. The table below shows these

additional investments by the Government of Flanders (multiannual estimate 2020-2024)²¹. Investments will be made primarily in all modes of transport (see also 2.3.2. and 2.5.2.), in school construction (mainly in secondary education, see also 2.5.3.) and in the construction of R&D infrastructure (see also 2.3.1.) and higher education (see also 2.2.7.).

Additional investments by the Government of Flanders (in million €)	Policy fields	2020	2021	2022	2023	2024	TOTAL
	Mobility and Public Works	40	75	120	170	230	635
	School construction (incl. rental subsidies)	25	50	75	145	205	500
	R&D infrastructure (e.g. SOCs, spearhead clusters and higher education)	10	25	40	45	75	195
	Excellent cultural infrastructure	15	15	15	20	30	95
	Immoveable heritage	10	10	20	20	20	80
	Hospitals	0	10	10	20	20	60
	Sport (supra-local and top-level sport)		10	10	15	20	55
	IT investments VRD II		5	10	15		30
	Total of extra investments	100	200	300	450	600	1,650

Flanders is also working on a strong supporting investment climate. The Government of Flanders is putting the new legislative policy of **fewer regulatory burdens and more innovation-friendly regulations** at the service of a stronger investment climate in Flanders (see also 2.4.2.). During the present term of office, several new large-scale projects and programmes are in the pipeline. The expertise of De Werkvennootschap, Lantis and the specialist departments in rolling out and monitoring projects is acknowledged and reinforced. The **framework Decree on large-scale projects and programmes (kaderdecreet grote projecten en programma's)** of 22 March 2019 entered into force on 1 January 2020. It will be made sure that all large-scale projects and programmes are properly monitored and that the relevant expertise is exchanged between policy areas.

The Government of Flanders wants to make greater use of the opportunities offered by **InvestEU**. After all, an evaluation of the European Fund for Strategic Investments (EFSI) has shown that the resources flowing to Flanders from EFSI are rather limited. The EFSI resources, i.e. signed investment decisions or investments already approved by the Board of Directors of the European Investment Bank (EIB), which Flanders is estimated to have received in the period from June 2015 through November 2019, total €712 million and are broken down as follows:

- Lending totalling approximately €94 million via EIB for R&D activities for companies based in Flanders.
- Total EFSI lending to Belgian offshore wind farms is estimated at €941 million. The share of this amount that will be spent on Flanders' economy is estimated at approximately €320 million.
- It is expected that about €60 million of the multi-country EFSI investments will flow to Flanders via EIB.
- Flanders can also benefit from the guarantee agreements of the European Investment Fund (EIF) with Belgian banks and via Flanders Holding Company (ParticipatieMaatschappij Vlaanderen NV/PMV), for which EIF is building up €125 million in reserves with EFSI funds.
- EIF invests an estimated €113 million in five investment structures in Flanders through its fund-of-fund activity.

²¹ Source: multiannual estimate 2019-2024 (<http://docs.vlaamsparlement.be/pfile?id=1499421>)

The following initiatives were taken to increase the focus on InvestEU:

- The Government of Flanders is setting up a specific task force to fully map all these investment vehicles, to detect opportunities within these financing vehicles and funds for public and private investments in Flanders and to devise a strategy to maximise the use of these European funds for both public and private investments in Flanders.
- An important change under InvestEU compared to EFSI is that, in addition to the EIB Group, national and regional promotional banks and institutions (NPBIs) can also apply to realise InvestEU on the market²². Flanders Holding Company (PMV) acts as NPBI for Flanders. Due to its extensive experience with financial instruments and its knowledge of Flanders' economic fabric, PMV is well-placed to act as implementing partner for InvestEU in Flanders. PMV wants to use this opportunity to be acknowledged as implementing partner and submitted the formal application for the pillar assessment on 29 November 2019. The procedure is expected to be successfully completed by the end of 2020. PMV is preparing for the pillar assessment and evaluating its in-house processes and systems in view of the EC requirements for indirect management of EU funds.

SRSP (2020 cycle). InvestEU allows financial institutions other than EIB and EIF, including regional promotional banks and institutions such as PMV, to manage financial instruments with EU support. For PMV to be allowed such an opportunity, it has to undergo a pillar assessment. The Directorate-General for Structural Reform Support (DG REFORM) invited prospective regional promotional institutions to apply for grants for technical support in the pillar assessment process. PMV's application for such support was selected under the SRSP. The budget also includes support for dissemination of InvestEU opportunities to stakeholders in Flanders' economic landscape. This grant was finally confirmed by the EC in March 2020.

- In the autumn of 2019, PMV and the Flanders Department of Foreign Affairs organised a series of information sessions on InvestEU for interested policy areas. There was great interest, including from the cities and municipalities. Contacts are ongoing to detect opportunities.

On 11 December 2019, the new EC published its Green Deal, which is its new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient, competitive, resilient and future-proof economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use. The Green Deal is a road map of all new (or revised) initiatives that will be on the European agenda in the coming months and years to meet Europe's ambitious climate and environment-related challenges. The Green Deal is a Communication and does not require the formal assent of the Council or Parliament. It is a work programme of the EC, announcing some fifty theme-based initiatives and strategies which will be further developed by the EC in the months and years to come.

As stated in the Vision Memorandum to the Government of Flanders of 21 February 2020, the Green Deal contains many positive elements, including the integrated road map, the emphases on innovation, circular economy, nature and forest policy, biodiversity, sustainable mobility and agriculture. Flanders will ensure that the further implementation of the Green Deal actually contributes to the realisation of the objectives and accelerates investments, innovation and technological advancements. It is essential for Flanders that the initiatives of the Green Deal do not increase the tax burden or energy bill in Flanders, but safeguard the competitive position of companies and the purchasing power of households in Flanders and take into account the principle of cost efficiency at European level.

²² The EC requires that each implementing partner must undergo a pillar assessment. By means of this procedure, the EU assesses whether the entity concerned is able to adequately protect and safeguard the EU's financial interests. During a pillar assessment the investment strategies, internal control systems and monitoring processes are reviewed, among other things.

Below (2.5.1. through 2.5.3.), a number of measures are discussed which Flanders is taking in response to the Green Deal. In addition, an indicative and non-exhaustive list is included of priority investment projects (2.5.4.) that respond to the EU sustainability objectives, including the Green Deal.

2.5.1. Investments in climate, energy and circular economy

Section 2.3.3. outlines Flanders' measures for bringing about an energy transition. The EC's Green Deal also attaches great importance to circular economy. Over the past 10 years, Flanders has become a **European reference in the field of sustainable materials management and circular economy**. It wants to cash in on this leading position, yet it still needs to make significant changes in order to accelerate the transition to a circular economy.

Over the past year, 320 organisations signed a '**Green Deal on Circular Construction**', with each organisation committing itself to work on at least 1 experimental project. A living lab 'Circular Construction' (Circulair bouwen) was started, with €1,250,000 being earmarked for 4 years of research into urban mining and change-oriented construction. Flanders has the ambition to evolve into a leading recycling hub in Europe. To this end, investments will be made in the necessary sorting and recycling capacity that can also attract flows from neighbouring regions. An important focus will be on the plastics chain.

The Government of Flanders adopted the **Plastics Implementation Plan 2020-2025 (Uitvoeringsplan Kunststoffen)**, which offers an overarching framework for the efforts towards a circular plastics economy. In this context, the extension of the PMD collection is worth mentioning: By 1 January 2021, all plastic packaging will be collected in the blue bag in all Flemish cities and municipalities, which will simplify sorting for citizens and at the same time be a step towards a recycling solution for all packaging on the market. In addition, a new action plan 'Biomass and Food 2021-2025' (actieplan 'biomassa en voedsel') and a new plan for municipal waste, including an ambitious packaging policy, are under development: By 2025, all packaging will be reusable, recyclable or compostable.

In order to monitor all these efforts for the transition towards a circular economy, the Public Waste Agency of Flanders (Openbare Vlaamse Afvalstoffenmaatschappij/OVAM), together with the EWI Department, will annually invest €500,000 for the Circular Economy Policy Research Centre (CE Centre). In addition to the development of indicators, the policy research centre also conducts research into new business models and levers for the circular economy.

2.5.2. Investments in mobility and public works

The Government of Flanders is making substantial investments in transport infrastructure and sustainable mobility measures. In order to tackle the mobility challenges efficiently, the MOW policy area is drawing up an **Integrated Investment Programme (GIP)** with an overarching overview of all investments for freight and passenger traffic, public transport, cycling, inland navigation and water control (see also 2.3.2.).

The preparation of the GIP is based on a number of policy objectives. For example, work is being done on enabling a good flow of road and water traffic and good access to ports and airports (smoothness), on liveable traffic that takes maximum account of the surroundings and the environment (spatial aspects and quality of life) and on facilitating the switch from one mode of transport to another, for example from bicycle to tram (integration and connection). In addition, objectives are being pursued in terms of safety, robustness and accessibility.

The preparation of the GIP 2020 is currently in the final stage prior to the formal approval by the Flemish Minister for MOW. Total MOW investment in the draft GIP 2020 amounts to €1.854 billion

across the different modes: collective transport, airports, waterways, roads and cycling infrastructure.²³

Within the framework of the Coalition Agreement 2019-2024, the Government of Flanders compiled the following list of priority MOW investment projects.

Priority MOW investment projects.	
Large-scale projects (Flemish level)	R0 (including programme 'Ring Road Works' (Werken aan de ring)) R1 (implementation Toekomstverbond)
Large-scale projects for which spatial planning procedure or complex project procedure is ongoing	New Zeebrugge lock Extra container capacity Antwerp Toekomstverbond (A102, second Tijsman tunnel, Haventracé, Nx) KR8 (Kortrijk) Upgrade of Bossuit-Kortrijk Canal (Seine-Scheldt) Nx Zeebrugge North-South Limburg N60 (Ronse) Viaduct E17 Gentbrugge Coastal Vision (Kustvisie) project
Large-scale projects (other)	A8 (Halle) Conversion of A12 into motorway Tram line 7 (Ghent) Conversion of N49 into motorway R4 East-West (PPP + quick wins) Spartacus - line 1 Spartacus - line 2 Raising of the bridges over the Albert canal Ieper-Veurne connection New Steenbrugge bridge + Dampoort lock study
11 railway priorities for Flanders	

2.5.3. Investments in school infrastructure

The need for investment in school infrastructure remains high in Flanders, but major catch-up efforts to renew, modernise and expand school buildings under the School Construction Master Plan (Masterplan Scholenbouw) are sustained. Approximately €420 million in grants were appropriated in 2019.

With regard to the **renewal of the educational building stock**, the Board of Directors of the Agency for School Infrastructure (Agentschap voor Infrastructuur in het Onderwijs/AGION) approves each month new construction or renovation projects for schools from the subsidised network. Projects were approved for an amount in excess of €83 million in 2019. Community education (GO!) also committed a budget of €27.6 million between 1 January 2019 and 31 May 2019 to tackle the backlog in school construction in a sustainable way.

As far as **investment in education capacity** is concerned, the Government of Flanders is earmarking extra capacity funds for the construction of new schools and the expansion of existing school buildings. The second school infrastructure capacity monitor maps the needs up to the school year 2024-2025, and for the first time also takes a look at SE. In 2019, it was announced that 18,500 places would be created in 135 schools in Flanders and Brussels over the next 3 years. It concerns 16,200 places in SE and almost 2,300 places in primary education, for which €151 million will be invested. In addition, Flanders is investing another €50 million for additional places in schools in,

²³ The figures mentioned originate from the draft GIP 2020 and have not yet been finally adopted by the Flemish Minister for MOW. As a result, they can still (slightly) change.

inter alia, Aalst, Ghent, Antwerp, Brussels and the Vlaamse Rand. Investments will still be needed after 2021 as well.

For this reason, Flanders embarked on a large-scale catch-up operation for school infrastructure via **alternative financing**, better known as **DBFM²⁴ (Design, Build, Finance and Maintain)**. In implementation of the DBFM operation ‘Schools of Tomorrow’ (Scholen van Morgen), 163 DBFM schools were already completed by the end of 2019. Eight schools are in the construction phase and 11 schools are in the licensing or tendering phase. On 5 March 2017, a new DBFM call was launched to school management teams for an initial investment value of €300 million. This investment volume was raised to €550 million by the Government of Flanders in 2017. In 2019, five tendering procedures, for each DBFM cluster, could be launched within the new project-specific school construction programme.

Apart from regular grants and DBFM projects the option of **rental subsidies** also exists. Following the success of the first two calls, a third and fourth call were organised in 2019 which granted a rental subsidy to 54 and 75 schools respectively for projects with an investment volume of almost €86.5 and nearly €167 million.

Maximum attention is paid to the **climate** when building new schools and renovating older buildings. Resources from the Climate Fund, the provision of energy loans and the promotion of energy performance contracts ensure additional focus on **energy sustainability**. From the Flemish Climate Fund €52 million was earmarked for direct energy-saving infrastructural investments in school buildings. An amount of €20 million was committed to realise climate-friendly investment projects in university college and university buildings, reducing CO₂ emissions by at least 15,000 tonnes per year. A total of €2 million was earmarked for educational and climate awareness-raising measures. In 2017 and 2018, €28 million was used for climate interventions in compulsory education and 2019 saw a similar trend. An additional €20.7 million was²⁵ added for 2019 and Flanders is investing another €1.5 million from the Flemish Climate Fund in 17 energy-saving projects in school buildings of part-time education in the arts (deeltijds kunstonderwijs/dko). These projects reduce CO₂ emissions by 575 tonnes per year. In addition, since 2017, AGION has offered an energy loan with an interest rate of 1% for investments in renewable energy, such as the installation of solar panels. These loans will be offered interest-free as from 2020. Their scope will also be extended to investments in renewable energy and energy efficiency. In this way, schools can save up to 3 times: on their loan, on their emissions and on their energy bill. The application procedure is made as low-threshold as possible for schools. It is advisable to seek professional advice beforehand. The cost of this advice, however, may also be covered by the loan. In addition, schools can make use of framework contracts. The pilot projects on energy performance contracts in school buildings will also be extended.

2.5.4. List of priority investment projects responding to EU sustainability objectives

Project title and short description	Main strategic objectives (link with CSRs and EU sustainability objectives)	Total investment (in €)	Financing sources	Time window
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²⁴ Typical of the DBFM projects is that they involve large, new school buildings. The whole programme encompasses 182 school construction projects which account for 200 school buildings with a total gross building surface area of around 710,000m² for more than 133,000 pupils, across all the educational networks.

²⁵ €4 million for climate interventions in higher education buildings, €15.7 million for climate interventions in compulsory school buildings and €1 million for the connection of schools to a heat network.

<p>Integrated Investment Programme (GIP) 2020. Overarching overview of all investments for the various modes of transport</p>	<p>Flanders - Commitment to smooth, safe and smart mobility.</p> <p>EU - CSR3 - European Green Deal</p>	<p>€1.854 billion, viz. investments in collective transport, airports, waterways, roads and cycling infrastructure²⁶</p>	<p>Flanders</p>	<p>2020</p>
<p>Investments in energy efficiency and renewable energy</p>	<p>Flanders - Commitment to an energy transition in Flanders and support for climate objectives</p> <p>EU - CSR3 - European Green Deal</p>	<p>- Support mechanism for renewable energy production: operating aid through green energy certificates</p> <p>- Domestic and non-domestic energy premiums for RUE investments, including discount vouchers, energy scans and premiums for solar boilers and heat pumps: €89 million per year on average</p> <p>- The installation of noise barriers with integrated solar cells (€680,000) and projects with floating solar panels (€6.2 million)</p> <p>- In view of the further flexibilisation of the energy grid, 10 major pilot projects on batteries were launched at the end of 2018 (€1.2 million of support)</p> <p>- A new support mechanism for small and medium-sized wind turbines (up to and including 300 kW) was introduced</p> <p>- Cheap or interest-free energy loans for specified target group in need of financing support: €55 million/year</p> <p>- Demolition and reconstruction premium: €18 million (2020)</p> <p>- Annual call for green heat, heat networks, residual heat and biomethane: €20 million/year</p> <p>- Moonshot CO₂: support for innovations in the field of CO₂ emission, capture and reuse: €20 million per year for 20 years.</p>	<p>Flanders</p>	<p>Annually</p>

2.6. FLANDERS' RESPONSE TO THE CORONA CRISIS

In March, the **National Security Council (Nationale Veiligheidsraad)** took several measures necessary to curb the spread of the coronavirus: citizens must stay home and must only travel to go to work, buy food, or go to the doctor, bank, post office or pharmacy; gatherings are prohibited; only food shops, supermarkets, pet food shops and newsagents are allowed to be open with a strict limitation of the number of people allowed in; weekly markets are suspended; all classes are suspended up to and including 19 April 2020 and companies must allow telework as much as possible. If they are unable to do so, they can only remain open if they can respect the social distancing requirements.

²⁶ The figures mentioned originate from the draft GIP 2020 and have not yet been finally adopted by the Flemish Minister for MOW. As a result, they can still (slightly) change.

The economic impact is enormous, which is why the **Government of Flanders** has taken some important support measures in order to provide a vigorous response to the major challenges posed by the corona crisis²⁷.

At socio-economic level, an **Economy Task Force** has been established, chaired by the Minister-President of Flanders, and additional measures were taken to support businesses:

- €100 million is earmarked for **crisis guarantees**, so that companies and self-employed persons can also have a bridging loan guaranteed by PMV for existing debts during this crisis period. This is in addition to the existing guarantees for investment loans and working capital. As a result, Flanders can already guarantee 1,000 loans of €100,000, which can be placed under the 75% regional guarantee.
- The **nuisance premium** (hinderpremie) of the Flemish authorities is extended to include companies that are obliged to close because of the federal safety and security measures following the coronavirus. The premium amounts to €4,000 in the event of full closure during the first three weeks and to €160 per day from 6 April 2020 onwards. All businesses with at least one full income are eligible, including market traders. The nuisance premium applies to several establishments per company, with a maximum of 5. Hotels, restaurants and cafés that have to close a dining area are also entitled to the premium, even if they currently organise a takeaway service. People who are self-employed as secondary activity are also entitled to it, if they pay similar social security contributions as regular self-employed persons.
- A **one-off compensation premium** of €3,000 for companies and self-employed persons who are not obliged to close, but who see their turnover fall substantially (loss of turnover greater than 60% compared to the previous year - reference period 14 March - 30 April 2019). The premium also applies to those who are self-employed as secondary activity and pay social security contributions similar to someone who has a primary occupation. People who have a secondary occupation and pay contributions on an income between €6,996.89 and €13,993.78 can be granted a premium of €1,500, provided they also work as an employee for less than 80%.
- **Additional financial support for companies:**
 - €250 million for **subordinated loans** for active SMEs and for start-ups and scale-ups.
 - €100 million extra for **crisis guarantees**.
 - Guarantee capacity Gigarant up to €3 billion.
 - **Flexibility in conditions for support measures and grants:** Enterprises which, as a result of the crisis, find it difficult to meet the deadlines set for certain VLAIO grants may consult with VLAIO the possibility of extending these deadlines.

Work and social economy

- **Extension of the incentive premium to work part-time** to companies whose production has fallen by at least 20%.
- The government also puts in place support measures and increased grants for **the service voucher sector**.
 - We extend the period of validity of service vouchers that are in danger of expiring during the crisis period (March, April) by 3 months, from 12 to 15 months. As a result, these vouchers can still be used.

²⁷ <https://www.vlaanderen.be/gezondheid-en-welzijn/gezondheid/coronacrisis-door-uitbraak-van-covid-19>

- For the companies that remain open, we provide for an increase by €8.64 in grants for service voucher services for the duration of one month. The grant will then temporarily increase from €14.36 to €23.

Due to the crisis, a lot of contracts of **individual vocational training (Individuele Beroepsopleiding/IBO)** are terminated. Consequently, many IBO course participants will lose their premium, and as a result their income. Therefore, they will be granted a temporary allowance amounting to 70% of their IBO premium to which they were entitled at the time of termination.

- Package of **additional employment measures** which, during the crisis period, allow for a little more flexibility with regard to the Flemish Support Premium (Vlaamse Ondersteuningspremium/VOP) for the self-employed, the recruitment incentive for long-term jobseekers, the transition premium for prospective entrepreneurs who want to start their own business, and the extension of the work permit for foreign employees.
- More **financial breathing space for companies active in the social economy**. In concrete terms:
 - Suspension of progression pathways and extension of integration pathways.
 - Suspension of the rule for employing a number of target group employees in supported employment companies.
 - More financial breathing space by not automatically collecting (reductions) monthly payment advances.
 - Guaranteed financing of employment care workers.
- **The bridging loan for existing debts** can be extended up to 12 months for companies in difficulty due to the corona crisis.

Taxation

- The collection of the **road tax** is postponed by 4 months for companies. This 4-month delay is in addition to the normal payment period of 2 months. **Property taxes** are not collected until September, giving companies extra breathing space in terms of cash of €1 billion.
- Various tax periods are extended by 2 months: submission of the inheritance tax return, deeds that cannot be filed for registration on time, and periods relating to certain favourable tax regimes.
- **Other measures** concern the elimination of possible fines/sanctions due to delays in public contracts.

Agriculture

- It is important that the agricultural sector can count on sufficient labour in the coming days, weeks and months. VDAB will fill vacancies in this sector to the largest extent possible and guide jobseekers and other people willing to work to these jobs more quickly.
- A package of measures is introduced to compensate **agricultural and horticultural businesses and ornamental plant growers** for the **damage suffered**. These measures include, inter alia:
 - Urging Europe to activate the necessary support measures targeted at the broad agricultural, horticultural and fisheries sectors, giving priority to perishable products that cannot be harvested, processed or sold on time. Existing European crisis measures should be activated in this context and ornamental plant products should also be eligible for this.
 - Providing accelerated payment of pending investment files, a guarantee scheme and flexibility in deadlines of administrative obligations.

The Government of Flanders also sets up **an emergency fund for subsidised sectors** (such as culture, youth, media, sports, school trips, etc.) **as well as specific sectors** (e.g. ornamental horticulture, segments of tourism, mobility & public works). We are monitoring the impact of the corona crisis on all these sectors and earmark a provision of €200 million in the budget, so that we can help the organisations and sectors concerned to a certain extent to absorb this impact as well as possible. Moreover, we guarantee that all regular grants will be paid out.

Culture

There is a ban on the organisation of any public activities, regardless of the number of participants and the target group. Museum and heritage institutions are closed to the public. Some flexibility will be allowed in terms of non-compliance with submission deadlines, dates, etc.

Sport

Sports events that have received a grant through the Sports Flanders Agency (Sport Vlaanderen) will be paid said grant in full, even if the event is cancelled because of corona. Provisional sport shooter's licences will be extended by the same number of calendar days during which the cancellation of the sports activities lasts. In this way, possible shooting rounds can take place at a later date and it is still possible to legally partake in the practical test for obtaining a sport shooter's licence later on. Sport shooter's licences that expire in the period in which the sports activities are cancelled or in the subsequent month are exceptionally declared valid or renewed without fulfilment of the usual condition of active membership. The condition, however, that the individual in question must not be convicted for any of the crimes mentioned in the Arms Act continues to apply in full and will be monitored.

Youth

In consultation with the youth sector, all youth organisations and movements are asked explicitly to cancel all activities and events. In concrete terms, this means that no weekly or weekend activities are organised by youth organisations, such as Scouts en Gidsen Vlaanderen, Chiro Jeugd Vlaanderen, KSA, youth clubs, etc.. All youth work activities and holiday camps during the Easter holidays are cancelled. Parents are urged, out of solidarity with youth organisations, not to request a full refund of the registration fees or to only request a partial refund.

Energy

The Government of Flanders will reimburse **the water and energy costs** of 1 average monthly equivalent to anyone who has ended up in a situation of compensated temporary unemployment due to force majeure or for economic reasons. For this purpose, €20 million has been earmarked per 100,000 employees. **No disconnections** will take place during this period.

Education

All classes are suspended up to and including 19 April. Schools provide **childcare** during school hours for children of parents with essential professions and with a vulnerable home situation. Children and young people in **special educational needs education, boarding schools, the medical pedagogical institutes of community education (Medisch Pedagogisch Instituut van het GO/MPIGO) and the boarding schools of community education that are permanently open (Internaat met Permanente Openstelling/IPO)** are looked after as well. In order to ensure that pupils do not regard the suspension of classes as a holiday, a special role has been assigned to the Flemish Public Broadcaster (Vlaamse Radio- en Televisieomroeporganisatie/VRT) to formulate a teaching offer. In addition, agreements were made with many partners to make materials available to pupils and teachers. In consultation with the youth sector, all youth organisations and movements are asked explicitly to cancel all activities and events.

Welfare

The Government of Flanders has also taken a number of measures regarding **health** in response to measures proposed by scientists to contain the coronavirus. For example, all residential care centres and local service centres are closed to visitors. This has freed up €7 million to order **extra face masks**. A **medical reserve** has also been established.

In the meantime, the Agency for Care and Health (Agentschap Zorg en Gezondheid) has put in place a road map for the **establishment of buffer care centres (schakelzorgcentra)**, i.e. emergency centres which can accommodate patients when hospitals are at risk of becoming overcrowded. Depending on the need, up to 30 centres can be set up in Flanders.

Through a special arrangement that intervenes in the payment system, parents who do not bring their child(ren) to childcare do not have to pay. For the organisers of **childcare**, the financial losses are bridged by offering them compensation. The Government of Flanders guarantees care. An arrangement is being worked out to ensure that welfare facilities do not end up in financial difficulty. Additional funds are also appropriated for the helplines WAT WAT, Awel, Tele-Onthaal and 1712 and for the Suicide Hotline (Zelfmoordlijn).

Environment

An **emergency decree (nooddecreet)** was introduced, as well as a civil emergency activation order, which should pave the way for flexible licencing conditions for temporary health infrastructure. An implementing order was also adopted that sets out a derogation from the integrated environment permit legislation (e.g. with regard to deadline extensions and additional flexibility) because hearings and public enquiries, for instance, cannot proceed as usual.

Critical **services** for citizens are guaranteed. E.g. the supply of drinking water, gas and electricity remains operational and household waste is still being collected. The recycling parks, however, will remain closed until 7 April.

Guidelines have been drawn up for walking in Flanders' nature and forest areas in a responsible manner. The foresters and nature inspectors of the Flemish public administration will strictly enforce the special coronavirus measures and address people if they do not follow the guidelines.

Within the framework of legal certainty and legal protection, the Government of Flanders also decides, in further implementation of the Emergency Decree, to amend the time limits for proceedings with the Council for Permit Disputes (Raad voor Vergunningsbetwistingen) and the Enforcement Board (Handhavingscollege). The same is done with the time limits and obligations in the context of spatial processes (spatial planning, complex projects, plan-EIRs and vacant and neglected business premises) and the Flemish materials and soil legislation.

Tourism

A budget of €5 million has been earmarked for youth and social tourism. This year, VISITFLANDERS will not collect rent from its youth hostels, a measure worth €1 million.

Home affairs and civic integration

The Flemish public administration puts every effort in enabling its employees to **work from home** (still essential services at counters) and calls on companies to do the same. Local authorities are asked to ensure that essential services are not jeopardised. It was decided to close all houses of prayer and to no longer allow civic integration pathways to take place in classroom settings, but to use digital alternatives. At the same time, the Government of Flanders is making a **free volunteer insurance** available for anyone who helps out during the crisis. Meanwhile, more than 9,000 people have registered on the website Vlaanderen Helpt (Flanders Helps)

(<https://www.vlaanderenwilligt.be/vlaanderen-helpt/>).

On the website <https://www.integratie-inburgering.be/corona-meertalige-info> the information about the coronavirus was translated into several languages so that everyone knows what they are expected to do and how they can protect themselves. The social interpretation and translation services of the Agencies for Integration and Civic Integration remain available at all times.

Mobility

De Lijn has switched to a **modified operating schedule** for trams and buses. The on-demand bus service has been discontinued. **Cash payments** are no longer allowed on public transport and people are asked to only travel when strictly necessary. The **ferries at the coast** (Nieuwpoort and Ostend), the St-Anna ferry in Antwerp and the Bazel-Hemiksem ferry service (East Flanders) have been completely suspended since 17 March. All **driving courses and driving exams** have been suspended. The **services of vehicle inspection centres** are limited to commercial and transport vehicles, buses, priority vehicles and technical reinspections.

Housing

Evictions are temporarily not allowed in both the social and private rental markets. Legal evictions, for instance, are temporarily suspended. Social landlords can conclude a six-month rental agreement with a single person or a household who is in an emergency situation as a result of the coronavirus measures. If the rental agreement ends during the coronavirus measures, it will be extended by six months at the tenant's request. The maximum percentage of 1% for rentals outside the social rental system may be exceeded by those rentals. If a social tenant or one of the persons whose income is considered for the rent calculation is temporarily unemployed due to force majeure (reason 'coronavirus'), the social landlord must review the rent in function of the current reduced income. The Flemish Social Housing Company (Vlaamse Maatschappij voor Sociaal Wonen/VMSW) and the Flemish Housing Fund (Vlaams Woningfonds) can grant the borrower (the special social loan) free deferral of payment if the borrower demonstrates that their income has decreased as a result of the coronavirus measures. The borrower then receives a deferral of payment of maximum 6 months with no capital or interest having to be paid until 31 October 2020 at the latest. The Flemish Housing Fund must accept temporary unemployment resulting from the coronavirus outbreak as an exceptional case to allow a deferral of payment of the rent guarantee loan.

Digitalisation

Furthermore, the Government of Flanders has taken the initiative to set up a task force '**Vlaanderen Helemaal Digitaal**' (Flanders Completely Digital) with strategic support from the research centre Imec and the involvement of various business associations, academics and technologists. This task force provides a matching platform to bring digital solutions for problems and challenges that have arisen closer together. In this context, reference can be made, for instance, to telework opportunities, the use of video consultations in healthcare, distance learning and apps that monitor how busy shops are.

In addition, the Government of Flanders announced that a meeting will be organised with the banks with the aim of reaching a number of agreements with business organisations and the financial sector on the impact of the crisis on the liquidity and the repayment capacity of companies, private individuals and households.

Finally, an **awareness-raising campaign** (#IKREDLEVENS) has also been launched via various media channels.

PART 3. PROGRESS TOWARDS FLANDERS' EUROPE 2020 TARGETS AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

3.0. INTRODUCTORY COMMENTS

Below, a state of play is given of the progress in Flanders' Europe 2020 targets (see 3.1. through 3.5.), and the Flemish Social Scoreboard (see 3.6.). The ES 2020 is also characterised by a number of new developments. For example, the new EC is committed to including the Sustainable Development Goals (SDGs) in the ES²⁸ (see 3.7.).

3.1. EMPLOYMENT RATE

3.1.1. State of play

Since 2017, the employment rate in Flanders has been rising steadily. In 2018, an employment rate of 74.6% was reached and in 2019 the **employment rate (20-64 age group)** already went up to 75.5%. It remains to be seen what the impact of the corona crisis will be on this indicator in 2020.

Key indicator	2008	2012	2015	2016	2017*	2018	2019	2020 target	Distance (+ position EU-28)
Employment rate (Age group 20-64) (%)	72.3	71.5	71.9	72.0	73.0	74.6	75.5	76.0	0.5 pp / 15 on 28 (in 2018)

* Break in time series

In recent years, the **employment rate of over-50s and over-55s** in particular has grown strongly, with Flanders reaching its target of achieving a 50% employment rate among over-55s by the year 2020 in the course of 2018 already. Research carried out by the Centre of Expertise for Labour Market Monitoring (Steunpunt Werk) estimates that demographic effects and changing exit behaviour among over-55s account for one quarter of this progress and employment growth and end-of-career policies for three quarters.

In addition, the **employment rate of women** rose as well, which means Flanders for the first time exceeded 70% in 2018 (71.5% in 2019), which is well above the European average. A growth was also recorded among **non-EU-born people** in 2018 and 2019, which has caused the gap with the European average to narrow significantly. In 2019, the employment rate among **people with a work-limiting disability or long-term health problems** was 45.6%. The youth employment rate (15-64 age group) remains low compared to the rest of Europe, which is mainly due to the ever-increasing level of schooling.

Sub-indicators Employment rate	2008	2012	2015	2016	2017*	2018	2019	2020 target	Distance (+ position EU-28)
Age group 15-24²⁹ (%)	31.7	28.1	27.9	27.0	27.5	30.2	33.4	/	16 on 28 (in 2018)
Age group 50-64 (pp.)	49.1	54.6	58.1	59.1	60.8	63.5	64.8	60	Target achieved / 18 on 28 (in 2018)
Age group 55-64 (pp.)	34.3	40.5	45.6	46.7	49.5	52.5	54.9	50	Target achieved / 19 on 28 (in 2018)
Women (20-64 age group) (%)	66.1	66.2	68.2	67.7	68.2	70.7	71.5	75	3.5 pp / 14 on 28 (in 2018)
Men (20-64 age group) (%)	78.3	76.7	75.6	76.3	77.7	78.5	79.3	/	20 on 28 (in 2018)
Non-EU nationality	47.2	42.7	48.7	46.0	44.1	50.4	50.5	58	7.5 pp / 28 on 28 (in 2018)
Non-EU-born (20-64 age)	56.3	51.8	53.7	53.0	56.0	61.2	61.9	64	2.1 pp / 23 on 28 (in 2018)

²⁸Annual Sustainable Growth Strategy 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0650&from=EN>

²⁹ When considering young people (15-24 age group), not including students, Flanders scores 72.6% in 2018, whereas the EU average is 65.6%.

With work-limiting disability	-	38.7	43.1	41.0	43.3	45.8	45.6	43	Target achieved (no comparative data available)
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*: Break in time series

** Is not a disadvantaged group. The employment rate among men was included because it offers additional understanding of the general employment rate (20-64 age group).

The Social and Economic Council of Flanders (Sociaal-Economische Raad van Vlaanderen/SERV) measures the **workability rate** in Flanders every three years. This workability rate is the result of the combination of four indicators: psychological fatigue (work stress), well-being at work (motivation), learning possibilities (opportunities to keep up to date and develop competencies) and work-life balance (the combination of work and family and social life). The results measured in 2019 show that the workability rate in Flanders has dropped. In concrete terms, the workability rate amounted to 49.6%, which means that approximately half of the employees and self-employed entrepreneurs in Flanders have a workable job or did not experience any of the measured workability risks as problematic in their job. Reversely, this means that one in two workers is faced with one or more workability issues. 'Work stress' is in most urgent need of attention in this respect. A systematic improvement is only recorded for the indicator 'learning possibilities'. At the end of 2018, the Government of Flanders and the Flemish social partners concluded an agreement on an Action Plan for Workable Work (actieplan werkbaar werk), setting out 34 actions which intervene at the organisation level or which are to support and strengthen individuals. In 2018, participation in **lifelong learning (LLL)** in Flanders - as measured in the 4 weeks prior to the survey - was 8.5%. This is a slight increase compared to the year before, but just below the European average. The Government of Flanders is therefore putting a lot of effort into stimulating LLL during this term of office (see also 2.2.3.).

3.1.2. Measures

The measures taken to increase the employment rate were explained earlier (see also 2.2.1. through 2.2.3.).

3.2. EDUCATION

3.2.1. State of play

The share of early school leavers in Flanders ended at 6.2% in 2019. Flanders is well below the EU target of 10%. As for the share of 30 to 34-year-olds with a higher education (HE) diploma, Flanders scores 48.5% in 2019. This means that both the European target of 40% and Flanders' target of 47.8% have been achieved.

Key indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 target	Distance (+ position EU28)
Early school leavers (%)	8.6	9.6	9.6	8.7	7.5	7.0	7.2	6.8	7.2	7.3	6.2	5.2	1.0 pp 9 on 28 (in 2018)
30 to 34-year-olds with HE diploma (%)	43.1	45	42.3	45.3	44.1	44.8	43.2	47.3	46.4	48.2	48.5	47.8	Target achieved 12 on 28 (in 2018)

3.2.2. Measures

Early school leaving

Various measures that will have a positive impact on reducing the number of early school leavers are being introduced at almost all levels of education. Most of these measures were included in response to CSR 2. Particular reference can be made to measures with a focus on compulsory education (see also 2.2.5., including the modernisation of SE and the reinforcement of pre-primary and primary education), measures with a focus on inclusiveness (see also 2.2.6., including the new guidance decree for children with care needs, extra measures for additional support to highly gifted pupils and their teachers, the assessment and further optimisation of measures to support

ill children) and measures with a focus on equality (see 2.2.7., including a lower compulsory school age, language integration pathways for children with a limited knowledge of the Dutch language). In school year 2019-2020, dual learning will be fully rolled out in mainstream and special needs SE. The database of the education administration will be linked to the database of the Work policy area. Young people who leave school without qualifications are automatically registered with VDAB because of the real-time data exchange between Education and Work, in order to be guided directly to a job or an educational pathway.

Tertiary education attainment

Both access to and the quality of higher education remain priorities for the Flemish authorities. Again, most of these measures have been included in response to CSR 2 and ensure a better alignment between compulsory education and tertiary education. Particular reference can be made to the measures focussing on compulsory education (see also 2.2.5., including the modernisation of SE, the announced introduction of standardised tests and the new attainment targets). Study efficiency in higher education will be enhanced with good orientation and swift reorientation, thus avoiding disappointment and increasing students' chances of success. The orientation will be reinforced by taking into account the results of SE, the advice of the class council, the results of the Columbus exploration tool and the results of the mandatory but non-binding entry tests. Students will be reoriented more quickly if they fail after an initial assessment period. The approach to the non-binding entry tests for higher education as a whole will be generalised. Flanders will further democratise access to higher education. From 1 September 2019, graduate programmes can only be organised by university colleges (see also 2.2.7.). As regards the financing of university colleges, the OBEs will be reviewed and increased in a targeted and phased manner. In this context, special attention will be dedicated to STEM courses.

3.3. RESEARCH & DEVELOPMENT (R&D)

3.3.1. State of play

According to the latest figures (Eurostat), R&D intensity in Flanders (Flemish Region) is 2.89% (2017). This is the highest rate ever recorded in Flanders. In an EU comparison Flanders is only passed by Sweden, Austria, Denmark and Germany. Gross domestic expenditure on R&D (GERD) in Flanders amounted to €7.499 billion in 2017. The science and innovation budget for 2019 is €2.916 billion, of which €1.94 billion is earmarked for R&D.

Key indicator	2009	2010	2011	2012	2013	2014	2015	2016	2017	2020 target	Distance (+ position EU-28)
Gross domestic expenditure on R&D	2.06	2.21	2.33	2.53	2.55	2.59	2.68	2.76	2.89	3	0.11 pp 5 on 28 (in 2017)
In million €	4,149	4,641	5,088	5,676	5,827	6,073	6,469	6,905	7,499		

3.3.2. Measures

In 2019, the Flemish authorities spent an additional (one-off) budget of €120 million on R&D&I. The annual budget was raised by €280 million, €100 million of which is being invested in actions aimed at universities, €75 million in actions aimed at businesses and approximately €85 million in new policy priorities (Moonshot CO₂, Artificial Intelligence Policy Plan, Cybersecurity Policy Plan) (see also 2.3.1.).

3.4. CLIMATE AND ENERGY

3.4.1. State of play

After a final Flemish Energy and Climate Plan with objectives and measures for 2030 (see CSR 3), the Government of Flanders adopted the Flemish **Climate Strategy 2050** on 20 December 2019. Flanders explained its projected contribution to European climate neutrality in 2050 in the Flemish

Climate Strategy 2050, which was adopted in late 2019 and which was incorporated in Belgium's long-term strategy for the reduction of greenhouse gas emissions. We aim for an 85% reduction in greenhouse gas emissions in Flanders in non-ETS sectors by 2050 compared to 2005, with the ambition to evolve towards full climate neutrality. For ETS sectors we endorse the context set by Europe for sectors with a decreasing emission allocation under the EU ETS. We are also committed to supporting companies in making a drastic switch to climate-friendly production systems.

Key indicators	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2020 target	Distance (+ position EU-28)
Greenhouse gas emissions Non-ETS greenhouse gas emissions scope 13-20 (Mton)	46.1	46.7	-	-	-	-	45.4	43.0	44.3	44.6	43.5	43.8	-15.7% greenhouse gas emissions compared to 2005	Cumulated over the period 2013-2018, 265 Mt of the emission allocation was used, which is within the emission allocation provided for 2013-2018.
Primary energy consumption, excl. non-energy (PJ)		390	381	402	378	368	374	344	347	372	370	356	Annual energy saving of 1.5% in the period 2014-2020 (*)	
Renewable energy (RE) - Quantity RE (Mtoe)	0.48	0.66	0.85	1.14	1.09	1.31	1.40	1.35	1.43	1.57	1.63	1.68	2.156 Mtoe	0.472 Mtoe
- Share of RE in gross final energy consumption (%)	1.9	2.6	3.6	4.5	4.6	5.5	5.7	5.8	6.0	6.40	6.7	6.9		

* corresponds to a total saving of 172 PJ over the period 2014-2020

As far as the Europe 2020 targets for climate and energy are concerned, Flanders continues to be faced with great challenges:

Non-ETS greenhouse gas emissions

The EU has set greenhouse gas emission reduction targets for the period 2013-2020 for the EU as a whole, divided between ETS and non-ETS sectors, as well as for non-ETS sectors in each separate Member State. Within Belgium, the national greenhouse gas emission reduction target is divided between the federal government and the three Regions. The Flemish Region must save 15.7% by 2020 compared to 2005 and thus receives an emission allocation of 352 Mt (in CO₂-eq) for the period 2013-2020. Whether or not the greenhouse gas emission reduction target will be met is assessed cumulatively over the entire period (up to 2020), because annual greenhouse gas emissions can fluctuate significantly due to weather conditions. Cumulated over the period 2013-2018, 265 Mt of the emission allocation was used, which is within the emission allocation provided for the period 2013-2018.

For 2018, the provisional estimate of non-ETS emissions was included as reported in the provisional inventory of 31 July 2019. Meanwhile, this provisional estimate for 2018 has been adjusted in the inventory reporting of 15 January 2020. Still, it can only be finally established after, on the one hand, ongoing recalculations that were reported on 15 March 2020 and, on the other hand, the inventory review by the EC. Once the final figures have been established following this review, a more detailed state of play of non-ETS targets will be published in a progress report for Flanders.

Renewable energy

The total share of renewable energy in gross final energy consumption more than doubled between 2008 and 2018 to reach a share of 6.9% in 2018 or a production of 19,590 GWh. In 2018, green heat represented 39% of total renewable energy production, green electricity 44% and renewable energy in transport 17%.

On 4 December 2015, Flanders concluded a cooperation agreement with the other Regions and the federal government in the context of burden sharing within Belgium. This states that Flanders has a target of 2.156 Mtoe or 25,074 GWh of renewable energy by 2020.

GWh	2018 inventory	2018 sub-target	2019 sub-target	2020 sub-target	2020 target
Green electricity	8525	8649	9502	10519	
Green heat	7779	8473	8775	9197	
Renewable transport	3286	/	/	3940	
Total	19590			23656	25074

In 2018, the **production of green electricity** amounted to 8,525 GWh, which is just below the sub-target for green electricity. To meet the sub-target of 10,519 GWh in 2020, the production of green electricity still needs to increase by 23% in 2019-2020.

Solar should grow significantly to meet the sub-targets for solar energy by 2020. At the end of 2019 the installed power capacity amounted to almost 3,200 MWe. In 2020, a capacity of about 500 MWe will have to be added in order to reach a total installed power capacity of 3,700 MWe in 2020, as set out in the Energy Plan 2020 (Energieplan 2020).

To achieve the sub-target for **wind** by 2020, an installed power capacity of 1,490 MWe is required. At the end of 2019, the installed power capacity amounted to almost 1,300 MWe. In 2020, an additional wind capacity of nearly 200 MWe should be generated, which is about 60 extra turbines. By 2020, the production of **green heat** should rise to 9,197 GWh, which corresponds to a share of 6.4% of final energy consumption for heating and cooling. In order to achieve this, the production of green heat from solar boilers, heat pumps, deep geothermal energy and especially biomass will have to increase. In this respect Flanders is lagging behind on the sub-targets.

If the renewable energy production realised by Flanders (and Belgium) remains below the set 2020 targets, European regulation offers **options to close this gap** in cooperation with other Member States. Flanders will examine this option in good time.

Energy efficiency

In implementation of the 2012 Energy Efficiency Directive, Belgium set an **indicative energy efficiency target** for 2020 in June 2013. The federal government and the Regions jointly committed, without sharing the burden, to save 18% of primary energy by 2020 compared to the BAU scenario. The target value of primary energy consumption (excl. final energy consumption for non-energy purposes) was set at maximum 43.7 Mtoe (or 508 TWh) in 2020, i.e. a saving of 9.6 Mtoe (or 112 TWh) compared to the expected energy consumption in the BAU scenario (53.3 Mtoe or 620 TWh). In final terms, the commitment means achieving a target value of final energy consumption for energy purposes of 32.5 Mtoe (or 378 TWh) in 2020, i.e. a saving of 17.8% compared to energy consumption in the BAU scenario (39.6 Mtoe or 461 TWh). In 2017, primary energy consumption for energy purposes in Flanders amounted to 356 TWh. Final energy consumption for energy purposes was 268 TWh in 2017.

Under Article 7 of the Energy Efficiency Directive, Flanders must achieve a cumulative saving of 47.75 TWh by 2020. Efforts were made to implement the savings target with three measures: energy policy agreements (energiebeleidsovereenkomst/EBO) with industry, insulation premiums and the kilometre charge for heavy goods vehicles. On the basis of the figures validated up to 2017 and the forecasts for the period 2018-2020, it can currently be assumed that 96% of the target will be achieved. The limited gap is due to the decreasing number of energy premiums granted for roof insulation and glazing. EBO companies perform slightly above the estimates which were made when the Flemish Energy Efficiency Action Plan (Vlaams actieplan energie-efficiëntie) was drawn up. In order to close the limited gap, additional measures will be reported to the EC in the spring

of 2020. These measures include premiums for solar boilers and heat pumps, the demolition and reconstruction premium and the reduction in property tax for energy-efficient new buildings.

3.4.2. Climate and energy measures

For climate and energy measures, reference can be made to Chapters 2.3.3. and 2.5.1.

3.5. POVERTY AND SOCIAL EXCLUSION

3.5.1. State of play

For 2018, it can be concluded that as far as the Europe 2020 indicator for people in poverty or social exclusion is concerned, the downward trend is persisting and Flanders' rate is the best ever since 2009, which subsequently puts it in 2nd position within the EU-28. As for the child poverty rate, Flanders continues to rank in the top 5 in EU context.

For the 3 sub-indicators (at-risk-of-poverty rate, severe material deprivation and very low work intensity) of the composite indicator (EU-SILC 2018) the following observations can be made. In Flanders, 10.4% of people live in a household with an income below the at-risk-of-poverty threshold. Flanders performs much better than Wallonia (21.8%), the BCR (32.6%) and Belgium (16.4%). Within the EU-28 (16.9%) Flanders scores 2nd best³⁰. In terms of severe material deprivation, Flanders scores 2% and ranks 3rd in the EU-28 (5.8%). Again, Flanders performs much better than Wallonia (8.6%), the BCR (9.8%) and Belgium (4.9%).³¹ As far as the sub-indicator 'very low work intensity' (0-59 age group) is concerned, Flanders (6.8%) again performs better than Wallonia (17.6%), the BCR (23%), Belgium (12%) and the EU-28 (9%).³²

Key indicator		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2020 target	Distance (+ position EU-28)
Composite indicator (persons in poverty or social exclusion)	%	14.5	14.7	15	16	15.4	15.3	15.0	14.5	13.5	12.9	10.5%	2.4 pp (2 on 28 in 2018)
	Number x 1,000	900	910	940	1,000	970	970	960	940	880	850	650 by 2020 (= decrease by 30% or - 280,000 persons compared to 2008)	200

Key indicator		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2020 target	Distance (+ position EU-28)
Children with a standardised disposable household income below the at-risk-of-poverty threshold after social transfers %	%	9.8	11	10.4	11.2	12.1	13.6	11.7	11.7	10.3	12.3	5%	7.3 pp (5 on 28 in 2018)
	Number x 1,000	120	140	130	140	150	170	150	150	130	160	50 by 2020 (= decrease by 50% or 60,000 children compared to 2008)	100

3.5.2. Measures

All policy areas in Flanders must take structural measures to prevent and combat poverty, as laid down in the Flemish Coalition Agreement 2019-2024. To fight poverty, a new, more forceful approach to the transversal policy themes is chosen. At the initiative of the competent Minister, the Government of Flanders defines a limited number of priority, government-wide and integrated poverty reduction objectives and determines for each objective which policy areas and Ministers are involved. The Coalition Agreement sets out a number of guiding axes that should run as a connecting theme through the objectives: (1) targeted focus on child poverty, (2) the directing role

³⁰ <https://www.statistiekvlaanderen.be/en/population-below-the-poverty-threshold-0>

³¹ <https://www.statistiekvlaanderen.be/nl/bevolking-in-ernstige-materi%C3%ABle-deprivatie-0>

³² <https://www.statistiekvlaanderen.be/nl/bevolking-in-een-huishouden-met-zeer-lage-werkintensiteit>

of local authorities, (3) implementation of a participatory policy and (4) monitoring and science-based policy. These are the guiding principles of the **Flemish Poverty Reduction Action Plan (Vlaams Actieplan Armoedebestrijding/VAPA)**. On 20 March 2020, the Government of Flanders took note of the objectives framework of VAPA 2020-2024, which outlines 5 strategic objectives³³. The VAPA has the Decree of 21 March 2003 on poverty reduction and the BVR of 15 May 2009 on poverty reduction as legal basis. In concrete terms, the timing foreseen in the legislation means that the Government of Flanders must adopt VAPA 2020-2024 at the latest on 1 October 2020. In doing so, the Government of Flanders meets the Agenda 2030 and the Sustainable Development Goals of the United Nations (see also 3.7.) with respect to the eradication of poverty. In the coming months, the various Ministers with functional responsibility will therefore set to work to fine-tune strong actions for combating poverty on the basis of a limited number of priority, government-wide and integrated objectives. The following paragraphs include important spearheads of Flanders' current and future poverty reduction policies.

Flanders' poverty reduction policy focuses primarily on a **proactive approach**. In other words, not only will poverty be combated, but people will also be prevented from ending up in poverty. Flanders has an extensive social safety net and a large provision of social assistance and services. However, some people, often the most vulnerable, do not succeed in realising their rights. The Government of Flanders is deploying measures that encourage and support all citizens in exercising their rights. Within all policy areas, attention is paid to reaching vulnerable groups. In order to tackle under-protection, Flanders will support local authorities to provide intensive, customised guidance through the principle of **one local family coach**, which will help households in all areas of life. A chain approach with all partners involved will be paramount in this context. The local authorities will be assigned a directing role for this purpose. Local family coaches are intended in the first place for the most vulnerable households facing various problems.

Wherever possible, the Flemish authorities will strive for automatic granting of rights. Within this framework, they continue their work on the Growth Package (Groeipakket). The **Growth Package** provides each child with a basic amount and a selective participation allowance, with a social allowance for low-income households. The wider use of social allowances and the enhanced use of selective participation allowances ensure that considerably more vulnerable households are reached in a targeted manner, with more than **40,000 additional participation allowances** being allocated thanks to automatic granting. The Growth Package, which is an important instrument in the fight against child poverty, was rewarded in 2019 with the prestigious European Public Sector Award (EPSA) as an innovative government project creating more efficient service provision. In addition, maximum efforts are made to ensure clear language use, a transparent flow of information, proactive provision of information and administrative simplification. Especially in times of transition, having the right information and receiving tailored support are crucial. Within this framework, the Flemish authorities will concentrate in particular on the transition from home, neighbourhood and childcare to pre-primary school and on young people on their way to adulthood.

It is important that people in poverty have access to affordable, quality housing in a liveable and development-friendly neighbourhood. Given the vulnerability and low financial capacity of the target group, it is crucial that the Flemish authorities, in cooperation with social housing

³³ (1) The Flemish authorities prevent and combat underprotection to prevent people from ending up in poverty and social exclusion, (2) the Flemish authorities set up targeted actions against child poverty, (3) the Flemish authorities are committed to activation, people empowerment and increased self-reliance, (4) the Flemish authorities support citizens in sudden changes in their lives so that the risk of ending up in poverty is reduced and (5) the Flemish authorities aim to create a quality, liveable and healthy environment for all.

companies, take additional initiatives to make **social housing climate-neutral**. If so desired, local authorities can decide to agree on a regional level on the realisation of an offering of sustainable housing solutions. The municipalities are partners in the realisation of social housing in Flanders. Each municipality is committed to the **Binding Social Objective (Bindend Sociaal Objectief)**. In the coming years, the Government of Flanders also wants to put in additional efforts to reduce energy poverty. That is why Flanders is continuing the **Energy Poverty Programme (Energiearmoedeprogramma)** in consultation with all parties involved in the field. Primary attention is paid to structurally improving the energy performance of dwellings. Targeted financial support for energy saving measures and intensive guidance and a tightening of norms remain crucial. In order to better reach the target group, we work together with the local partners. The **smart meter (digitale meter)** provides opportunities for detecting and addressing budgets that have gone off track in a timely manner. Energy savers (energiesnoeiers) will continue to be used to reduce energy poverty in vulnerable households. The policy of interest-free energy loans will be extended as well. In this context, specific attention is also devoted to the problem of homelessness. Addressing homelessness depends among other things on an integrated policy. The Flemish authorities are drawing up a **second plan on homelessness (plan dak- en thuisloosheid)**, focussing on the whole continuum from prevention through to intensive guidance, like in Housing First projects.

During this term of office, Flanders is also committed to building an **economy of well-being**. Investing in this will indirectly reduce spending on welfare and care and create extra employment in the quaternary sector in which Flanders can still grow. A job is not only an important lever in the fight against poverty, but also the key to personal and societal well-being. In this respect, Flanders endorses the OECD Jobs Strategy which indicates that well-regulated social security and assistance combined with active labour market policies and policy measures to promote labour demand can be very effective in protecting individuals while at the same time achieving better labour market outcomes. Efforts are being made to reinforce cooperation between VDAB and the local authorities in order to better activate people on income support and other groups that are not active on the labour market. Instruments that are being used include a compulsory customised pathway with an explicit test of the willingness to work and, where appropriate, community service (see also 2.2.2.), for example in the context of the Individualised Plan for Societal Integration (Geïndividualiseerd Plan voor Maatschappelijke Integratie), supported employment (individual and collective), and training. It is also made sure that the preconditions for filling jobs are met. More harmonisation with **quality childcare** and customised transport are provided for, among other things. Finally, the aim is to make maximum use of all talents on the labour market. Apart from diplomas, acquired skills are taken into consideration, with proven competencies being made visible and certified to the maximum extent. Attention is also paid to training; the development of competencies and talents and a good transition from education to employment are important building blocks within this framework. One of the major challenges in Flanders that is being addressed is a better match between education and the labour market. Workplace learning and dual learning (see also 2.2.8.) can play a role here, with young people who leave school early taking centre stage.

3.6. FLEMISH SOCIAL SCOREBOARD

The inclusion of a **Flemish Social Scoreboard** in the FRP allows the European Pillar of Social Rights to be followed. Within the 3 dimensions figures could be produced for Flanders for 12 of the 13 indicators³⁴. The table below compares Flanders' score on these indicators in a Belgian and EU-28

³⁴ Figures provided by Statistics Flanders. For the indicator 'gross disposable household income', a Flemish indicator was used, which is fairly close to the European indicator.

perspective. The general conclusion is that Flanders is doing very well in terms of the social dimension within the EU-28 and usually scores better than the Belgian average.

FLEMISH SOCIAL SCOREBOARD (in Belgian and EU-28 perspective)	FLR	BE	EU-28
Dimension: Equal opportunities and access to the labour market			
Share of early school leavers in % population 18-24 age group (2019)	6.2	8.4	10.6 (2018)
Gender employment gap (2019)	7.8	8.0	11.5 (2018)
Income quintiles ratio (2018)	3.4	3.8	5.2
People at risk of poverty or social exclusion (2018)	12.9	19.8	21.9
Share of young people neither in employment nor in education and training (NEET) (2019)	7.5	9.3	10.5 (2018)
Dimension: Dynamic labour markets and fair working conditions			
Employment rate (20-64 age group) (2019)	75.5	70.5	73.1 (2018)
Unemployment rate (15-64 age group) (2019)	3.3	5.4	6.9 (2018)
Long-term unemployment rate (2018)	1.2	2.9	3.0
Gross disposable household income (index, 2008 = 100) <i>Alternative: Gross disposable income per capita (euro) and index (2017)</i>	- 23,820 106.9	- 22,291 92.4	- 100
Dimension: Social protection and integration			
Impact of social transfers on poverty reduction (2018)	42.5	34.7	33.2
Children aged less than 3 years in formal childcare (2018)	54.6	54.0	35.1
Self-reported unmet need for medical care (2018)	0.9	1.8	2.0
Share of individuals with basic digital skills (2017)	65	61	57

3.7. SUSTAINABLE DEVELOPMENT GOALS (SDGS)

In September 2015, the United Nations formally adopted the Agenda 2030 (A2030) for Sustainable Development (SD). The A2030 is a universal and transformative agenda for and by all countries of the world, centred on an integrated, indivisible and universal action plan for peace, people, planet, prosperity and partnership. This Agenda highlights 17 SDGs with a universal character. This universal character means that they are one and indivisible and stand for a broad integrated approach by all countries (global partnership). To make progress measurable, a set of sub-targets and indicators is linked to the SDGs. The A2030 calls on all countries to translate them into their own targets and to integrate them into policy and policy planning. The SDGs require a comprehensive, multidisciplinary approach and collaboration.

Flanders has established a **strong governance framework regarding the A2030 and the SDGs**. The Flemish Decree for the promotion of SD of 9 July 2008³⁵ constitutes the framework for Flanders' coordinated SD policy and stipulates that SD is an inclusive, participatory and coordinated process. The previous Government of Flanders decided to integrate the third Flemish Sustainable Development Strategy (Vlaamse strategie duurzame ontwikkeling/VSDO) into a transversal policy memorandum 'Flanders 2050'. **Vision 2050 (Visie 2050)**, the long-term strategy for Flanders, adopted by the Government of Flanders in March 2016, contains the vision for the future of Flanders in 2050: a strong, social, open, resilient and international Flanders that creates prosperity and well-being in a smart, innovative and sustainable way and in which every individual counts. An analysis of the megatrends resulted in the identification of a series of challenges/opportunities for Flanders. With an innovative governance model based on the methodology of transition management, Flanders aims to accelerate profound and necessary changes (transitions). Vision 2050 is the third VSDO and the long-term strategy of the Government of Flanders for a strong,

³⁵ <https://do.vlaanderen.be/sites/default/files/Vlaams%20Decreet%20Duurzame%20Ontwikkeling.pdf>

social, open, resilient and international Flanders that creates prosperity and well-being in a smart, innovative and sustainable way, and in which individual counts. Vision 2050 contains 7 transition priorities: Circular economy, Smart living and working, Industry 4.0., Lifelong learning, Living together in 2050, Mobility, and Energy transition.

With **Focus 2030 (Vizier 2030)**, which was adopted by the Government of Flanders on 5 April 2019, Flanders translated the SDGs into 2030 objectives for Flanders. The objectives framework for Flanders has been created and will be implemented with as many partners as possible within the Flemish public administration, but also with societal partners outside the administration. The 2030 objectives framework consists of 48 objectives based on the 17 SDGs, with 2030 as horizon and with a focus on Flanders. Several objectives from the A2030, however, are covered by Flanders' sectoral long-term policy plans which are under development, such as the Spatial Policy Plan Flanders (Beleidsplan Ruimte Vlaanderen) and the Mobility Plan (Mobiliteitsplan). These plans will follow their own creation process and, after approval, their 2030 objectives will become part of Focus 2030. Monitoring will put in place with a view to reporting annually within the framework of the September Declaration. A set of indicators has been defined and can be complemented and adjusted after integration of the (new) long-term policy plans and taking into account EU evolutions. Finally, it should be indicated that the measures included in Parts 2, 3, 4 and 5 of the FRP 2020 respond very closely to the SDGs.

PART 4. USE OF STRUCTURAL FUNDS

Four themes were specified for the **ERDF Flanders programme 2014-2020**, all of which address different aspects of the CSRs: research and innovation, entrepreneurship, low-carbon economy and sustainable urban development. In implementation of the programme, 92% (€163 million) of Flanders' available ERDF budget has been committed to 224 projects. This ERDF support constitutes the lever for an additional investment of €280 million. Support for innovation and research, low-carbon economy and sustainable urban development is very much concentrated on investment in, inter alia, infrastructure, whereas for entrepreneurship more attention is paid to operational activities. Examples of projects carried out with ERDF Flanders can be found at <https://www.vlaio.be/nl/media/1003>.

The operational **ESF 2014-2020** programme reinforces and reinvigorates Flanders' labour policy with a budget of approximately €1 billion, €398 million of which originate from the EU. The ESF programme wants to help around 250,000 people find a job or acquire new competencies. In **2019**, ESF projects reached approximately 87,000 participants. Just under 60,000 participants took part in projects for the guidance and training of jobseekers in cooperation with VDAB, in work experience pathways for young people or in one of the 80 projects for the guidance of vulnerable groups. About one quarter of participants reached are persons with a migrant background. In 2018, ESF continued to support efforts by the education sector to reduce early school leaving and to further develop dual learning. In 2019, ESF training projects enabled more than 25,000 employees to strengthen their skills, with a focus on digital, transversal and basic skills. The ESF programme is also one of the main drivers of workable work in Flanders. In 2019, 13 new calls were realised and a total of 249 projects were approved. These projects involve 389 organisations. In 2020, ESF will continue to focus fully on outreach activities for economically inactive people, as well as on activation, social inclusion, LLL and workable work. New emphasis will be placed on the roll-out of the public contract 'Drive' with which ESF wants to help organisations create workable work tailored to the specific situation of the employees concerned. Another particular priority is the sustained effort to reach and motivate inactive people and guide them to the labour market. Constantly innovating and updating labour market instruments and policies is a point of focus. Validating developed products and disseminating acquired knowledge and skills constitute the final elements in this development, which means ESF responds to the very topical challenge of shortage on Flanders' labour market.

Flanders also continues to be strongly committed to **interregional cooperation** and is very actively involved in projects of various programmes in the cross-border EU Regional Policy, viz. ERDF Interreg V 2014-2020. The provinces and provincial development companies (provinciale ontwikkelingsmaatschappij/POM) (see also 5.4.) in Flanders are also involved, next to various public and private knowledge partners.

Preparations for **Flanders' future ERDF and ESF 2021-2027 programmes** have been ongoing for quite some time. A lot of informal preparatory meetings have already been held. In addition, ESF Flanders has, inter alia, drawn up its socio-economic analysis and held a first meeting with stakeholders to gauge their expectations for the next programming period. ERDF Flanders has, inter alia, set up theme-based working groups that have produced initiation memoranda on the policy objectives 'A Smart Europe' and 'A Green Europe'. In Belgium the various authorities are working together as well, e.g. with regard to the preconditions. As far as European territorial cooperation is concerned, Flanders is currently participating in 9 Interreg programmes. Each of these programmes is working on a successor programme for 2021-2027. Final decisions on programme content and budget will not be taken until the contours of the MFF are clear and all regulations have been approved.

PART 5. INSTITUTIONAL ISSUES AND STAKEHOLDER PARTICIPATION

5.1. ENHANCING PUBLIC SUPPORT

The Government of Flanders attaches great weight to enhancing public support for the ES. Within the Flemish public administration the official working group 'ES' acts as the focal point for following progress in activities at Flemish, federal and European level.

As a result of the corona crisis, the involvement of key actors in the FRP 2020 was organised by written means.

5.2. INVOLVEMENT OF THE FLEMISH PARLIAMENT

The draft FRP 2020 was submitted to the Committee for General Policy, Finance and Budget of the **Flemish Parliament**.

5.3. INVOLVEMENT OF SOCIAL PARTNERS

By means of a written procedure within the framework of VESOC the **social partners** were involved in the formulation of the FRP 2020 and several elements were taken into account in the final FRP 2020.

5.4. INVOLVEMENT OF (SUPRA) LOCAL AUTHORITIES AND STAKEHOLDERS

As was the case with previous FRPs, members of the Liaison Agency Flanders-Europe (Vlaams-Europees verbindingsagentschap/VLEVA) delivered a number of good practices that respond to the CSRs and Europe 2020 targets.

On 11 December 2019, the EC presented the Green Deal, the new growth strategy for the EU. This strategy focuses, inter alia, on digital transformation, circular economy and zero pollution. With its activities, the **Flanders Knowledge Centre Water (Vlaams Kenniscentrum Water)** is responding maximally to this growth strategy. For example, with the support of VLAIO, it was made possible to set up the 'Internet of Water Flanders' project in which a multitude of sensors are rolled out to map the water system and the water chain. This will allow us to further professionalise our approach to drought, flooding and water quality issues. With support from the Interreg programmes and Horizon 2020, several demonstration projects were created which allow alternative water sources to be used and water to be reused (as well as the raw materials and energy contained therein to be recovered) on different scales and between different actors (industry, cities, agriculture). New concepts are being developed to treat waste water in more remote areas in a cost-efficient way and to tackle diffuse pollution. In addition, together with other partners engaged in water policy we are investigating the possibilities of a nexus approach to achieve a robust water system in Flanders. These partners include the Flanders Environment Agency (Vlaamse Milieumaatschappij/VMM), Flemish Waterways plc (De Vlaamse Waterweg NV), Aquafin, the drinking water company 'De Watergroep' and VITO. Within this approach, maximum efforts are made to identify coupling opportunities with energy, mobility, nutrition and spatial planning, as was also proposed in the Flemish Coalition Agreement 2019-2024.

At the European level, **Flanders Make** participates in various programmes aimed at supporting SMEs and companies which are less innovation-oriented. Our projects COTEMACO (Interreg North-West Europe) and TRINITY (Horizon 2020, Digital Innovation Hub) offer open calls where companies - after registration - are supported with technological knowledge, access to existing demonstrators and financial resources. These projects give companies low-threshold access to unique knowledge at European level. At Flemish level, Flanders Make rolled out the Innovation Boosting initiative following its official launch in October 2018. This initiative as well assists companies from the same target group in assessing the feasibility of their innovation. Both the submission and approval procedures are very low-threshold and tailored to the needs of SMEs and less innovative

companies. In the meantime, 8 projects are already underway and 32 potential follow-up projects are in the pipeline.

The European Regulation (EU 2018/1999) on the Governance of the Energy Union and Climate Action entered into force in late December 2018 to support the objectives of the 'Clean Energy for all Europeans' package. The integrated national energy and climate plans (NECPs) are a key component of the governance mechanism set up by this Regulation. VITO is a member of the consortium that assesses the integrated NECPs³⁶. Member States had to submit their draft plans in accordance with the Regulation requirements by the end of 2018. These draft plans were assessed on the basis of a uniform and transparent method. The findings allowed the EC to formulate its recommendations to Member States and to draw up its analysis of the extent to which NECPs will further the ambitious 2030 targets. The analysis shows that there are still substantial gaps in the ambitions for renewable energy and energy efficiency. The EC calls on Member States to step up efforts to close this gap. By the end of 2019, Member States had to submit their final plans and these final plans will be reassessed by the same consortium, in particular in terms of compliance with the EC's recommendations. VITO supplied technical support for the substantiation of a number of specific elements of the Flemish Energy and Climate Plan.

North Sea Port wants to further develop the port in a sustainable way and is taking relevant measures³⁷ in the field of renewable energy, circular economy, mobility, etc.

The **provinces in Flanders** are pooling forces and resources to shape EU policy throughout Flanders. As the supra-local level of government, they form the bridge between local reality and European policy. Below, a number of good practices are given which provincial authorities in Flanders implement to help realise CSRs 2 and 3:

CSR 2:

- **ZORO (Interreg Flanders-The Netherlands)**

Through the Governor Kinsbergen Centre (Gouverneur Kinsbergencentrum/GKC), the sustainable knowledge and expertise centre in care economy & innovation, the Province of Antwerp is trying to prepare current and future healthcare professionals for new challenges in healthcare and to remove a number of potential obstacles on the labour market. This is done, among others through the project 'Zorgroute Arbeidsmarkt' (Labour Market Care Pathway) (ZORO - Interreg Flanders-The Netherlands) in which they try to reduce the gap between healthcare education and the labour market by developing and testing 4 training modules: interprofessional collaboration, technological agility, proactive and innovative work behaviour (intrapreneurship) and ethics.

- **LES - Learning Euregio Scheldemond (ERDF Flanders)**

With this project, the project partners want to create more technical labour potential for companies and a larger labour market for recent graduates. They want to do so as much as possible from the perspective of one cross-border labour market 'Euregio Scheldemond'. To this end, the project partners want to achieve the following:

- ✓ Increase the attractiveness of technical and healthcare courses leading to shortage occupations
- ✓ Increase the quality of technical and healthcare courses by focusing on hybrid forms of learning

³⁶ <https://ec.europa.eu/energy/en/topics/energy-strategy/national-energy-climate-plans>

³⁷ <https://en.northseaport.com/sustainability>

- ✓ Create a better match between education and the labour market through competence translation exercises, especially across borders
- ✓ Promote cross-border labour market and mobility by intensifying networking and information provision.

The partners will set up living labs on hybrid forms of learning for a number of courses within the technology and healthcare sectors, highlight educational institutions and their (hybrid) courses, draw up competence translations of diplomas so that they can be compared across borders and set up small-scale exchanges between schools and businesses across borders. Promotional campaigns will also be launched which will be targeted at shortage occupations.

- **Grenzeloos Competent (Borderlessly competent) (Interreg France-Wallonia-Flanders)**

The Grenzeloos Competent project aims to contribute to the further integration of a qualified labour market in the border region. It seeks to improve the match between supply and demand in the cross-border labour market, focusing on 3 spearhead sectors: agri-food, textiles/new materials and sustainable construction. The Provincial Development Company West Flanders (POM West-Vlaanderen) is the driving force behind this project, which mainly aims to provide an answer to labour demand in West-Flanders in the sectors mentioned. One of the realisations is the job lab around the food industry that was opened in Roeselare. A showcase on sustainable construction is also to be realised in Veurne.

CSR 3:

- **EnergyVille (ERDF Flanders)**

EnergyVille is a collaboration between the Belgian research partners VITO, Imec and UHasselt for research into sustainable energy and intelligent energy systems. EnergyVille develops technology and knowledge to support public and private stakeholders in their transition to an energy efficient, decarbonised and sustainable urban environment. Within the framework of the Strategic Action Plan for Limburg Squared (Strategisch Actieplan Limburg in het Kwadraat/SALK) €10 million of EU (ERDF) funds were made available for the expansion of EnergyVille with a centre of expertise on sustainable energy supply in cities (focus on electrical and thermal energy).

- **PRosPERoS (Interreg Flanders-The Netherlands)**

The main goal of the PRosPERoS (PRinting PERsonalized orthopaedic implantS) project is to develop new patient-specific implants that accelerate and improve the recovery process. The consortium wants to focus on implants in two joints in the body, namely the hip and the back. The project makes use of various highly specialised fields in which the current cross-border cooperation is particularly useful. Within the group no less than 5 universities and academic hospitals are participating which, together with the affiliated companies (Antleron, PCOTech), have the laboratories to carry out the pre-clinical research, but are also able to perform the clinical studies in the final stage of the project. In addition, the group has access to very good animal experimentation facilities (Medanex Clinic, UMC Utrecht, Maastricht UMC) as well as to parties for the design, production and commercialisation of implants and coating technologies (Xilloc, 2Move Implants, PCOTech, 4Web and 3D Systems/Layerwise).

The provinces in Flanders again made considerable investments in **low-emission transport**. Cycling mobility in particular remains an important spearhead in the policies of the provinces. This resulted, among other things, in investments in cycling infrastructure for the further connection via bicycle highways (Fiets-O-Strades), and in the supra-local functional cycling path network. Again, some components were co-financed with ERDF funds.

5.5. FRP IN A FEDERAL AND EUROPEAN PERSPECTIVE

Within the framework of ES 2020, Flanders again provided substantial input for the **fact finding mission** which took place between the EC services and Belgium on 25 October 2019 regarding the formulation of the draft Country Report Belgium 2020. In addition, during ES 2020, Flanders participated actively in the **bilateral meetings with the EC services** at political level. The first meeting took place on 9 December 2019 and was, inter alia, dedicated to skills and LLL. During the meeting of 16 March 2020 (participation in writing) the Country Report Belgium 2020 and the CSRs 2019 were discussed, among other things. Moreover, numerous bilateral contacts are taking place between the EC services (including the ESOs) and the policy areas of the Flemish public administration during the ES process.

The FRP 2020 will again be appended to the **NRP** and the link with the **European institutions** will be guaranteed as well: The Government of Flanders will deliver the FRP directly to the Presidents of the EC, the European Council, the European Parliament, the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR). Through its initiatives within the framework of ES, Flanders also makes an important contribution to the operation of the Europe 2020 Monitoring Platform of the Committee of the Regions.

The FRP will also be published on the Semester website³⁸ of the **General Representation of the Government of Flanders to the EU** (Algemene Afvaardiging van de Vlaamse Regering bij de EU/AAVR EU) in order to increase its visibility. Flanders' ES governance framework was also clarified in June 2019 by the Department of Public Governance and the Chancellery (Departement Kanselarij en Bestuur) during a conference of the Regional Studies Association which featured as theme 'Pushing Regions beyond their borders'³⁹.

³⁸ <https://www.flandersineu.be/en/european-semester-0>

³⁹ <https://www.regionalstudies.org/wp-content/uploads/2018/01/Conference-Programme-Final-23rd-May-V2-1.pdf>

GLOSSARY

3D	Three-dimensional	ETS	European Emissions Trading System
A2030	Agenda 2030	EU	European Union
AAVR EU	Algemene Vertegenwoordiging van Vlaanderen bij de EU (General Representation of Flanders to the EU)	EU-15	the 15 EU Member States as at 1 January 1995
Actiris	Brussels Regional Employment Service	EU-28	the 28 EU Member States since 2014
AGION	Agentschap voor Infrastructuur in het Onderwijs (Agency for Infrastructure in Education)	EUR-Lex	EU law
AI	Artificial Intelligence	Eurostat	Directorate-General of the European Commission, in charge of providing statistics for Europe
Alexa	Google voice assistant	EWI	Economie, Wetenschap en Innovatie (Economy, Science and Innovation)
Aso	Algemeen secundair onderwijs (general secondary education)	FFM	Fact Finding Mission
BAU	Business as usual	FIT	Flanders Investment & Trade
BCR	Brussels-Capital Region	Flanders	Strategic Research Centre for the manufacturing industry
BENEFIC	Laad- en tankinfrastructuur voor alternatieve brandstoffen voor transport	Make	manufacturing industry
Bso	Beroepssecundair onderwijs (vocational secondary education)	FLR	Flemish Region
BuSO	Buitengewoon secundair onderwijs (special needs secondary education)	Flux50	Flemish smart energy networks
BVR	Besluit van de Vlaamse Regering (Government of Flanders Order)	FPB	Federaal Planbureau (Federal Planning Bureau)
Cao	Collectieve arbeidsovereenkomst (collective labour agreement)	FTI vzw	Flanders Technology International
Catalisti	Spearhead cluster 'Sustainable Chemistry'	GDP	Gross Domestic Product
CEF	Community Europe Facility	GERD	Gross domestic expenditure on R&D
CO ₂	Carbon dioxide	GIP	Geïntegreerd Investeringsprogramma (Integrated Investment Programme)
CO ₂ -eq	CO ₂ equivalent	GKC	Gouverneur Kinsbergencentrum (Governor Kinsbergen Centre)
CoR	Committee of the Regions	GLITCH	Glastuinbouw Innoveert door Co-creatie met koolstofarme Hightech (Greenhouse cultivation Innovates through Co-creation with low-carbon High-Tech)
COTEMACO	competitiveness thanks to more efficient cooperation between man and machine	GO!	Gemeenschapsonderwijs (Community education)
CPD	Continuing professional development	GWh	Gigawatt per hour
CPT	Clean Power for Transport	HE	Higher education
CS	Cybersecurity	HERMREG	Belgian econometric model for drawing up regional medium-term forecasts
CSR	Country-specific recommendation	HFB	Het Facilitair Bedrijf (Agency for Facility Operations)
DBFM	Design, Build, Finance and Maintain	IBO	Individuele beroepsopleiding (individual vocational training)
Dko	Deeltijds Kunstonderwijs (part-time education in the arts)	ICT	Information and communications technology
DMOB	Diensten met onderwijsbehoeften (services with educational) needs	IDACS	ID and Data Collection for Sustainable Fuels in Europe
EBO	Energiebeleidsovereenkomst (energy policy agreement)	I-learn	Specific technology for personalised learning
EC	European Commission	Imec	Interuniversity Micro-Electronics Centre
ECA	Extra Container Capacity Antwerp	INR	Instituut voor de Nationale Rekeningen (Institute of National Accounts)
EESC	European Economic and Social Committee	Interreg	Interreg Community Initiative
EFSD	European Fund for Strategic Investments	InvestEU	EU Investment Plan
EIB	European Investment Bank	IoT	Internet of Things
EIF	European Investment Fund	IPO	Internaat met Permanente Openstelling (boarding school of community education that is permanently open)
e-MOPOLI	Electro MOBility as driver to support POLicy	IT	Information Technology
EOS vzw	Focuses on science and research in Flanders	ITE	Initial Teachers Education
EPSA	European Public Sector Award	JTF	Just Transition Fund
Eq	Equivalent	Kso	Kunstsecundair onderwijs (art secondary education)
ERDF	European Regional Development Fund	kW	kiloWatt
ES	European Semester		
ESF	European Social Fund		
ESO	European Semester Officer		

Le Forem	Le service public de l'emploi et de la formation professionnelle en Wallonie (Walloon Service for Employment and Vocational Training)	RIZIV	(Rijksinstituut voor Ziekte- en Invaliditeitsverzekering (National Institute for Health and Disability Insurance/NIHDI))
LES	Lerende Euregio Scheldemond (Learning Euregio Scheldemond)	RUE	Rational use of energy
LFS	Labour Force Survey	RVO-society	Innovative knowledge in educational projects for young people and teachers
LLL	Lifelong learning	SALK	Strategisch Actieplan voor Limburg in het Kwadraat (Strategic Action Plan for Limburg Squared)
M-decree	Decree containing measures for pupils with special educational needs	SD	Sustainable development
MFF	Multiannual Financial Framework	SDG	Sustainable Development Goal
MOW	Mobiliteit en Openbare Werken (Mobility and Public Works)	SERV	Sociaal-Economische Raad van Vlaanderen (Social and Economic Council of Flanders)
MPIGO	Medisch Pedagogisch Instituut van het GO (medical pedagogical institutes of community education)	SE	Secondary education
Mtoe	Million tonnes of oil equivalent	SES	Socio-economic status
Mton	Megaton	SILC	Statistics on income and living conditions
MWe	Megawatt electrical. Symbol of unit megawatt for electrical energy	SIO	Synchroon internetonderwijs (synchronous Internet education)
NARIC	National Academic Recognition Information Centre	SIRI	Virtual assistant for mobile operating systems
NBB	National Bank of Belgium	SME	Small and medium-sized enterprise
NECP	National energy and climate plan	SOC	Strategisch Onderzoekscentrum (strategic research centre)
NEET	Not in Education, Employment or Training	SPARTACUS	Plan drawn up by De Lijn and NMBS to improve public transport in Belgian Limburg
NMBS	Nationale Maatschappij der Belgische Spoorwegen (Belgian National Railways)	SRSP	Structural Reform Support Programme
NPBI	National and regional promotional banks and institutions	SRSS	Structural Reform Support Service (since 2020: DG Reform of the European Commission)
NRP	National Reform Programme	Statbel	Algemene Directie Statistiek (Directorate General Statistics)
Nx	Connection road in Zeebrugge	STEM	Science, Technology, Engineering and Mathematics
OBE	Onderwijsbelastingseenheid (education tax unit)	STORE	Steunpunt ondernemen en regionale economie (Research Centre on Entrepreneurship and Regional Economy)
OECD	Organisation for Economic Cooperation and Development	TABD	Tijdelijke aanstelling van bepaalde duur (temporary appointment for a specified period)
OSLO	Open Standards for Linked Organisations	TADD	Tijdelijke aanstelling van doorlopende duur (temporary appointment of continuous duration)
OVAM	Openbare Vlaamse Afvalstoffenmaatschappij (Public Waste Agency of Flanders)	TEN-T	Trans-European Transport Network
PJ	Petajoule	TOAH	Tijdelijk onderwijs aan huis (temporary education at home)
PMD	Plastic, metaal en drankkarton (plastic, metal and beverage carton)	TRINITY	TRINITY aims to improve the agility and innovative capacity of European production companies
PMV	Participatiemaatschappij Vlaanderen (Flanders Holding Company)	Tso	Technisch secundair onderwijs (technical secondary education)
POM	Provinciale Ontwikkelingsmaatschappij (Provincial Development Company)	TWh	Terawatt hour
Pp	Percentage point	UMC	Universitair Medisch Centrum (university medical centre)
PPP	Public-private partnership	VAPA	Vlaams Actieplan Armoedebestrijding (Flemish Poverty Reduction Action Plan)
PPS	Purchasing power standard	VDAB	Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding (Flemish Service for Employment and Vocational Training)
PRosPERoS	PRinting PERsonalised orthopaedic implantS	VEB	Vlaams Energiebedrijf (Flemish Agency for Public Sector Energy Saving)
PV	Solar technology	VEKP	Vlaams Energie- en Klimaatplan 2021-2030 (Flemish Energy and Climate Plan 2021-2030)
Technology		VESOC	Vlaams economisch en sociaal overlegcomité (Flemish Economic and Social Consultative Committee)
RO	Brussels ring road		
R1	Ring around Antwerp		
R4	Ring around Ghent		
R&D	Research and development		
R&D&I	Research, development and innovation		
RE	Renewable energy		
RIS	Regional Innovation Scoreboard		

VHP	Vlaams Hervormingsprogramma (Flemish Reform Programme/FRP)	VRD II	Vlaanderen Radicaal Digitaal II 2019-2024 (Flanders Radical Digital II 2019-2024)
VITO	Vlaamse Instelling voor Technologisch Onderzoek (Flemish Institute for Technological Research)	VRT	Vlaamse Radio- en Televisieomroeporganisatie (Flemish Public Broadcaster)
VLAIO	Agentschap Innoveren en Ondernemen (Flanders Innovation & Entrepreneurship)	VSDO	Vlaamse Strategie Duurzame Ontwikkeling (Flemish Sustainable Development Strategy)
VLEVA	Vlaams-Europees Verbindingsagentschap (Liaison Agency Flanders-Europe)	VTTI	Verkeers- en tunneltechnische installaties (Traffic and Tunnel Technical Installations)
VLIF	Vlaams Landbouwinvesteringsfonds (Flemish Agricultural Investment Fund)	VVM	Vlaamse Vervoersmaatschappij De Lijn (Flemish Public Transport Company De Lijn)
VMM	Vlaamse Milieumaatschappij (Flanders Environment Agency)	WIJ	Werkinleving voor jongeren (work experience for young people)
VMSW	Vlaamse Maatschappij voor Sociaal Wonen (Flemish Social Housing Company)	WLTP	Worldwide harmonized Light vehicles Test Procedure
VOP	Vlaamse Ondersteuningspremie (Flemish Support Premium)	ZORO	Zorgroute Arbeidsmarkt (Labour Market Care Pathway)